

**Walnut Ridge Homeowners Association  
Administrative Resolution # 1  
Collection Policy**

**WHEREAS**, Article III, Section 3 of the By-Laws of the Walnut Ridge Homeowners Association grants power to the Board of Directors to conduct Association business, and Article II, Section 5 of the Declaration and Article III, Section 3(b) of the By-Laws grants the authority to levy assessments against owners, and because the Association's economic well-being relies on the timely payment of assessments and other allowable charges, and because it is the Board's duty to use its best efforts to collect funds owed to the Association,

**LET IT BE RESOLVED THAT** these collection procedures shall be followed:

**1. AMOUNTS PAYABLE TO THE ASSOCIATION** include, but are not limited to, regular assessments, special assessments, rules enforcement fees, repairs to the common area that are an owner's responsibility, legal fees and other costs associated with collection of funds on behalf of the Association. As stated in Article II, Section 7 of the Declaration, such assessments and fees are "a charge and continuing lien upon the Lot in respect of which the dues and assessments are charged".

**2. PAYMENT SCHEDULE.** The regular assessment is payable in advance upon receipt of the statement of assessment. Fees not received or postmarked within 30 days after receipt of the statement of assessment will be considered past due.

**3. LATE FEES, NSF & INTEREST CHARGES.**

- A \$ 35.00 NSF (Non-Sufficient Funds) charge will apply to any returned check.
- Any balance older than 30 days will incur an interest charge of 16% per year, compounded annually, until paid.

**4. ORDER OF CREDITING PAYMENTS.** Payments received shall be first applied to assessments owed, then to interest or collection expenses.

**5. PROCESS FOR DELINQUENCY NOTIFICATION.** For all balances of \$35.00 or more that are thirty (30) days past due, the following notification process applies:

- **FIRST NOTICE.** First Notice of Past Due Charges including detail of assessments, NSF charges, interest and other charges that apply will be sent by First Class Mail to an owner whose balance is thirty (30) days past due.
- **SECOND NOTICE.** Second Notice of Past Due Charges including detail of assessments, NSF charges, interest and other charges that apply will be sent by First Class Mail to an owner whose balance is sixty (60) days past due.
- **10 DAY DEMAND.** 10 Day Demand for Payment including detail of assessments, NSF charges and interest charges that apply will be sent by First Class Mail to an owner whose balance is seventy five (75) days past due. This Notice will recite intent to turn the matter over to an attorney for collection enforcement if balance is not paid within 10 days. Attorney actions include but not limited to filing a lien against the owner's property or a personal judgment against the owner.

**6. LEGAL SERVICES.** If a delinquent account is referred to an attorney for collection, the owner shall be charged the Association's reasonable attorney fees and related costs.

**7. OTHER CHARGES.** The Association may charge the owner for:

- Fees charged by parties contracted to collect funds payable to the Association,
- Owner bankruptcy,
- Notification, filing and satisfying liens,
- Enforcement of the Association's Rules, Bylaws, Declaration or Policies,
- Costs of litigation,
- Repairs to the Association's common areas that result from the acts of owners, their tenants or guests.

**8. DEBT COLLECTION OPTIONS.** In order to collect a debt owed to the homeowner association by a member, Article II, Section 14 of the Declaration will be followed.

**Foreclosure of a member's homeowner association home will never be considered as a debt collection option.**

Recorded in the Book of Minutes: August 15, 2006  
Date: August 15, 2006

Aaron Evans  
President - Board of Directors