POLICY FOR INTEREST AND FEES ON DELINQUENT ACCOUNTS AND UNTIMELY PAID ASSESSMENTS

March 14, 2017

Reviewed by: __________________________

Approved by: __________________________
The Board of Directors has a fiduciary responsibility to collect assessments, late fees and interest on delinquent accounts. The following is an outline of the collection process as approved by the BOD pursuant to the authority granted by the Heritage Bay Bylaws and Declaration of Covenants, Conditions and Restrictions.

Execution of the Association's collection process is the responsibility of the Controller.

The interest rate for non-payment of Association fees and assessments is 18% per year or 1.5% per month. The interest rate is automatically applied on a monthly basis to any Heritage Bay member account with an outstanding balance of 30 days or more past the due date until the member's balance is paid in full.

There is also a pass through of reasonable attorney fees incurred in collecting unpaid member accounts. Any payment made by a member is applied first to accrued interest, then to any collection costs, including attorney fees and then to the unpaid principal balance of the member's accrued account balance including delinquent assessment(s).

The Controller or legal counsel acting on behalf of the association have no authority to waive accrued member charges or assessments. Management and attorneys may waive fines, fees and interest, but only if the account is paid in full. If unpaid accounts are not referred to counsel, management may enter into reasonable written payment agreements approved by the Board.

Any check returned by the bank for insufficient funds, stop payment or for other reasons is subject to a charge back to the Owner of the amount of the check, an administrative fee and any bank fees charged to the association, (the insufficient fund fee). The insufficient fund fee shall be in addition to any late fees or interest incurred by the Owner.

The Association, or the Association via its managing agent, may send late notices after a delinquency has arisen on an account. Once an account has had a delinquency for more than 60 days, the Association or Association's managing agent may send a letter to such owner that the Association reserves the right to turn such delinquent account over to legal counsel for handling. The failure of the Association to send such a letter is not a violation of the Delinquency Policy or Guidelines. Such a letter is a courtesy only and not required under the Association's Bylaws.

Heritage Bay Golf and Country Club has a right to record a claim of lien against a property to secure payment of past due assessments or any other charges. Since the Association has a right to record a claim of lien, Chapter 720 also grants the association right to foreclose a lien for assessment, no matter how small the amount owed. Similarly, the Association can collect the amounts owed by bringing action through legal judgment. The Association may recover any interest, costs and reasonable attorney fees incurred in a lien foreclosure action or in an action to recover a money judgment for unpaid assessments.