

Deer Creek Reserve Homes Association
Delinquent Assessment Policy
2004

Pursuant to the Federal Fair Debt Collection Practices Act, together with Article VI, Powers and Duties of the Board of Directors, Section 1(b), Section 2(a), 2(b), 2(i) 2(k) of the Bylaws adopted for the Deer Creek Reserve Homes Association (hereinafter referred to as the "Association"), as well as the Rules and Regulations adopted by the Association's Board of Directors, and amended from time to time. The following Policy and Procedure for the collection of delinquent assessments and collection costs incurred and reimbursable to the Association was approved by the Board of Directors of Deer Creek Reserve Homes Association on this 3rd day of June, 2004.

Notice of Assessments Due: A statement of account is mailed to each Owner on or about the 25th day of each month. The assessments noted on the statement of account are due and payable on the 1st day of each month. Please note that these statements are sent as a courtesy reminder only. Monthly Assessments are due and payable on the 1st day of each year, whether or not the statement is received by the Homeowner.

Assessments are applied to the Owner(s) account the day of receipt by the Association's Managing Agent. Having postmarked the envelope prior to the due date, does not mean that late fees will be waived. It is important that the assessment be received by the Managing Agent on or before the 1st day of each month..

15 Day Late Fee: If the assessment is not paid by the 15th day of each month, a Late Fee of \$25 will be automatically applied to the Owners' assessment account on the 16th day of each month. Only the Board of Directors has the authority to waive late fees.

30 Day Late Fee and Demand for Payment Letter: If the assessment is not paid by the 30th day of each month, the Managing Agent will forward a Demand for Payment letter to the Owner at a charge of \$35 which will be applied to the Owners' assessment account and is reimbursable to the Association as an out of pocket expense in the attempt to collect a debt. In addition to the cost of the Demand for Payment letter, a Late Fee in the amount of \$25 will be charged to the delinquent account, and interest will begin accruing at the rate of 1-1/2% per month will be applied to the unpaid assessment amount at this time. Interest accrual continues until such time as the total payment for assessments, late fees and unpaid collection costs are paid in full and received by the Managing Agent.

60 Day Notice of Intent to Lien and Revocation of Privileges: If the assessment is not paid by the 60th day, the Managing Agent will forward a Notice of Intent to Lien to the Owner at a cost of \$75 which will be applied to the Owners' assessment account and is reimbursable to the Association as an out of pocket expense in the attempt to collect a debt. Additionally, a 5-day Notice of Suspension of Privileges to common areas, as well as voting privileges will be given. Once accounts are paid in full, the revocation of privileges will be suspended.

90 Day Lien: If the assessments, late fees, interests and costs accrued are not paid by the 90th

day, the Managing Agent will file a Lien against the subject property at a cost of \$150, which will be applied to the Owners' assessment account and is reimbursable to the Association as an out of pocket expense in the attempt to collect a debt.

Other Legal Remedies: Upon the 120th day, the Board has the option to seek reimbursement and payment in full of all assessments, late fees, costs, and interest applied as result of delinquent assessments by the following means:

- Foreclosure
- Civil Judgment: Which includes, but is not limited to Garnishment of Wages, Attachment of Bank and Investment Accounts, Attaching Rents, etc.

General Information: If there is a definitive hardship which delays the payment in full of the Owners' account, upon receipt by Managing Agent from the Delinquent Owner, the Board may consider a revised payment schedule; however, it is imperative that the Owner contact the Managing Agent prior to any Late Fees, Interest, or Collection Costs being accrued.

Should you have any questions or require additional information, please feel free to contact our Managing Agent, Bryan Charcut of The Neighborhood Group directly at 913-362-6996 Ext. 208.