PADRE LAKE TOWNHOMES ASSOCIATION
RESOLUTION OF THE BOARD OF TRUSTEES
COLLECTION POLICY

May 13, 2022

WHEREAS, "Declaration" is the *Declaration Of Covenants Conditions And Restrictions Of Padre Lakes Townhomes*; and "Association" is the *Padre Lake Townhomes Association*; and "Board" is the *Board of Trustees for Padre Lake Townhomes Association*; and

WHEREAS, pursuant to Article 4.1 of the Declaration each owner of a unit has a personal obligation for assessment; and

WHEREAS, pursuant to Article 4.3 of the Declaration, the Board is expressly authorized to adopt and amend budgets from time to time; and

WHEREAS, pursuant to Article 4.9 the Board shall have the right and responsibility to set forth procedures for the billing and collecting of assessments; and

WHEREAS, pursuant to Article 4.9 of the Declaration any collection charges, interest, attorney fees or other costs may be levied against an owner; and

WHEREAS, it is the intent that this resolution shall be applicable to all owners who are delinquent in paying their assessments; and

NOW, THEREFORE, BE IT RESOLVED that the following is adopted by the Board:

1. Any assessment or common expense that remains unpaid by an owner for more than 30 (thirty) days from the due date for its payment shall be considered delinquent and a late fee of 10% will be assessed.

2. Any owner, who has an outstanding balance (including any accrued late-fees, interest, or other fees) on the last day of each calendar month, will be charged interest at a rate of 1.5% per month (18% per annum).

3. Accounts past due for no earlier than 45 days from the original due date for its payment may be sent a late notice/pre-collection notice requesting immediate payment, and a reasonable late notice fee (not to exceed $50.00) shall be charged to the delinquent account in addition to applicable interest charges.

4. Accounts past due for no earlier than 60 days from the original due date may be sent an Intent to Lien (collection letter), and a reasonable collection fee (not to exceed $100) shall be charged to the delinquent account in addition to applicable interest charges.

5. If any account is past due for no earlier than 90 days from the original due date, a lien may be

placed on the Lot and reasonable fees (minimum of $250, not to exceed $500) shall be charged to the delinquent account. The owner shall be given notice of the recorded lien.

6. Prior to transferring the account to a Collection Agency or Attorney, the Board or its agent may elect to use additional collection attempts for up to 60 days. A reasonable fee (not to exceed $250) shall be charged.

7. If any account is past due for no earlier than 120 days from the original due date, the Board or its agent may turn over collection to a Collection Agency or Attorney for foreclosure. A collections transfer fee shall be charged (not to exceed $200).

8. Once an owner has been turned over to a Collection Agency or Attorney for collections, the owner shall work directly with Collection Agency or Attorney to resolve the collection and shall not contact the Board or its agent. Any checks received by the agent of the Association for the delinquent account, after it has been transferred for collection, shall be charged a $25 check forwarding fee.

9. Any and all expenses incurred by the Association in collecting a delinquent account, including reasonable attorney's fees and costs, shall be paid by the owner.

10. Partial payments will be applied to oldest outstanding principal balance and then interest and fees.

11. The Board may allow owners to enter into a payment contract to avoid additional collection costs. Payment contracts will require accounts be paid off within 6 months. Interest will continue to accrue on the outstanding balance until account is brought current. If an account owner elects to enter into a payment contract, a per month fee (not to exceed $25) shall be charged until the account is paid in full. If at any time the payment contract is violated, the collection process will resume.

Attest:

Padre Lake Townhomes Association

5/17/2022
Date