

MEADOW CREEK CONDOMINIUMS

Statement of Policy as of September 1, 2008

PAYMENTS TO ASSOCIATION: Late Payment Policy

Policy:

1. Due Date for Payments. Monthly dues are due on the first day of each month. Late fees are due and payable as soon as they are incurred.

2. Late Fees. Monthly dues must be received in the Association Office by the 10th of the month. If a member owes any amount after the 10th of the month, the member will be assessed a \$15 late fee. The following rules govern the assessment of late fees:

a. If the total amount owed by a member consists only of late fees, no further late fees will be assessed.

b. Late fees stop accruing when an owner ceases to be a member of the Association. However, all amounts owed at that point continue to be due and payable, and will be pursued by the Association.

3. Collections.

a. If a member was current as of the last day of the previous month, but is in arrears as of the 11th day of the current month, the member will receive a (Step 1) letter requesting payment in full of the amount owed.

b. If as of the 11th, a member is delinquent for a second month in a row, the member will receive a (Step 2) demand letter, requesting that the member bring their account with the Association current no later than the 10th day of the following month.

c. If as of the 11th, a member is delinquent for a third month in a row, and the member received a demand letter in the previous month, the member will receive a (Step 3) letter, outlining the consequences of not bringing their account with the Association current. The Board will decide from time to time whether legal actions against delinquent members should be conciliation court actions or foreclosure actions.

4. Acceleration of Dues.

a. When the Association sends a member a (Step 3) demand letter, the letter will contain a warning that the member's dues will be accelerated if the member's account with the Association is not brought current by the stated deadline.

b. Accordingly, when the Association commences a foreclosure action against a member, the Association will accelerate the member's dues through the end of the calendar year in which the Association is making its claim. That means that the Association's claim, on which the foreclosure is based, will reflect not only the amounts due and payable as of the date on which the Association files its foreclosure action, but also the dues payable for the remainder of the calendar year.

- c. However, if the Association obtains a judgment against a member, which includes accelerated dues, and if the member's unit is sold subsequent to the Association obtaining the judgment, the amount owed by the member will be adjusted to reflect only the amount due up to the date of the closing for the sale, if the closing date is before the date through which the dues were accelerated. In addition, when a judgment is obtained for accelerated dues, the Board of Directors will make the final decision on what terms and conditions are acceptable for the payment of the judgment.
5. Court Costs, and Legal Fees.
- a. If the Association is forced to incur court costs and/or legal fees in attempting to collect amounts owed by a member, these costs and/or fees will be assessed against the member. The court costs and/or legal fees will then be considered to be the equivalent of monthly dues, and the Association will pursue the collection of these costs and/or fees following the above outlined policies and procedures.
- b. If the Association files a conciliation court action against a member in accordance with the Late Payment Policy, the member will be assessed a fee of \$280 in addition to court costs when the action is filed.
- i. If the member then pays in full all amounts owed the Association before the hearing date for the action, \$200 of the \$280 fee will be forgiven.
- ii. If, however, the Association must appear in court as part of the action, the full \$280 fee will stand.
6. Non-application to Financial Institutions.
- The **Late Payment Policy** does not apply to Association members who are financial institutions.