

**Sardis Forest Patio Homes Association, Inc.**  
**Administrative Resolution #1: Delinquency Policy**

**Adopted by the Board of Directors on October 5, 2015**  
**Amended November 16, 2021**  
**Amended June 18, 2022**  
**Amended February 7, 2024**

WHEREAS, Article V Sardis Forest Patio Homes Association, Inc. Declaration of Covenants, Conditions, and Restrictions grants the authority to the Board of Directors to establish late charges to defray the cost of late payment and to record a lien against any lot ("home") to secure payment of assessments that remain unpaid. Because the Association's economic well-being relies on the timely payment of assessments and other allowable charges, it is the Board's duty to use its best efforts to collect funds owed to the Association.

NOW, THEREFORE, BE IT 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, late fees, repairs to the common area that are an owner's responsibility, legal fees and other costs associated with the collection of funds on behalf of the Association.

**2. PAYMENT SCHEDULE.** The regular assessment for homes is due on the 1<sup>st</sup> of each month. Assessments not received within 30 days of the due date will be considered past due.

**3. NSF & INTEREST CHARGES.**

- A late fee of \$20.00 per month that the account remains delinquent.
- A \$25.00 NSF (Non-Sufficient Funds) charge will apply to any returned check.

**4. ORDER OF CREDITING PAYMENTS.** Payments received shall first be applied to violation fines and late penalties, then to collection expenses, and then to assessments owed.

**5. PROCESS FOR DELINQUENCY NOTIFICATION.** For all balances that are not received by the due date plus thirty (30) days, the following notification process applies:

- **PAST DUE:** A Past Due Letter for payment including detail of assessments, late fees, NSF charges and interest charges that apply will be sent by First Class Mail to an owner forty-five (45) days following the due date. The notice will request the balance to be paid in full within fifteen (15) days.
- **15 DAY DEMAND:** A 15 Day Demand for Payment including detail of assessments, late fees, NSF charges and interest charges that apply will be sent by First Class Mail to an owner seventy-five (75) days following the due date. This Notice will recite intent to turn the matter over to an attorney for collection enforcement if the balance is not paid within fifteen (15) days. Attorney actions include, but are not limited to, filing a lien against the owner's property, a personal judgment against the owner and property foreclosure.
- **LIEN AND FORECLOSURE:** If the balance is not paid in full within one hundred (100) days, the delinquent account will be forwarded to the Association's attorney for lien filing and collection action. HOA Foreclosure action will only be initiated with a majority approval and signature of the Board of Directors.

**6. PAYMENT PLANS:** Payment plan proposals made by written request to the Board of Directors, attorney or management company will be reviewed for approval by the Board of Directors.

If a delinquent account is referred to an attorney for collection, the owner shall be charged the Association's reasonable attorney fees and related collection costs in accordance with the Declaration of Covenants Conditions and Restrictions. Once an account is sent to an attorney for collection, the entire unpaid balance due shall be accelerated and declared immediately due and payable.

/s/ Carson Calton  
President, Board of Directors

February 7, 2024  
Date

/s/ Karen Gorski  
Secretary, Board of Directors

February 7, 2024  
Date

SIGNATURES ON FILE