

KOPACHUCK RIDGE ESTATES HOMEOWNERS ASSOCIATION ANNUAL ASSESSMENT PAYMENT POLICY AND PROCEDURE

The purpose of this document is to establish and communicate the Annual Payment Policy and Procedure for payment of the annual assessment by the lot owners within Kopachuck Ridge Estates.

Historically the Kopachuck Ridge Estates Homeowners Association has sent out bills for the annual assessment in May with a June 1st due date. Typically, most lot owners have paid their assessment in May or June however; there has been a growing number that have not paid until October or later. This delay causes cash flow problems for the Association to pay for common property maintenance items such as road repair and storm drain maintenance. There are options to rectify this situation (1) raise the assessment, (2) implement a late payment penalty, (3) change the collection time frame, (4) a combination of the first four.

The Assessment Committee, per the Covenants, has reviewed the options and decided to not to raise the annual assessment at this time. The Assessment Committee has decided to adopt both a late payment penalty and change the payment due date.

Payment Policy

1. Annual Assessment bills will be sent via USPS the first week of February. A letter from the President explaining the payment policy will be included in the mailing. The President and Treasurer are responsible for the mailing of all invoices and reminders.

Partial payments may be made prior to the first day of June.

2. Assessment Payments are due in full no later than the first day of June.

3. If the assessment is not paid in full by the first day of June, the President and Treasurer will coordinate sending reminder notices to all homeowners with an unpaid balance.

4. Late Fee 1: If the assessment is not paid in full by the first day of August a penalty of \$50 will be assessed. The President and Treasurer will coordinate sending, via USPS, a second reminder and invoice.

5. Late Fee 2: If the assessment is not paid in full by the first day of September another \$50 penalty will be added. The President and Treasurer will send a third reminder and invoice. This reminder will explain that a lien will be placed on the property if full payment is not received by October 1st. At the President's discretion, he/she may contact the member to determine the member's intentions and or alternatives.

- 6. The date of received payments is based on the date of the USPS postmark on the envelope with the payment, or the date that the payment is made in person to the President or Treasurer of the Association.**
- 7. If full payment, including the added penalty payments, has not been received by the first day of October, the President and Treasurer will send out a third notice to all non or partial dues payers notifying them that a lien on their property is being processed.**
- 8. Interest: If full payment has not been received by the first day of October, annual interest at a rate of 12% will be added to the outstanding balance effective on the second day of June.**
- 9. Lien: The President, working with the Treasurer and/or other Board members as needed shall determine the total amount due to date including late fees and interest plus the legal fees associated with the lien. The President then directs the KREHA Attorney to file a new lien or add to a continuing lien advising the Attorney of the names, addresses, and parcel numbers affected.**
- 10. If full payment, including penalty payments and interest, is made prior to the KREHA Attorney filing the lien the lien shall be cancelled. Any legal fees for processing the lien prior to it being filed shall be added to the total amount due.**
- 11. The KREHA Attorney then files the lien and submits invoice(s) for filling fees and other expenses to the HOA for reimbursement.**
- 12. The KREHA President then notifies the KREHA Board of Directors that the lien has been filed.**
- 13. When the lien is about to be cured the Treasurer shall calculate the total amount due including legal fees and interest. When payment is received, the President directs the KREHA Attorney to lift the lien and notifies the Board of Directors of the action taken. The KREHA Attorney then bills the HOA for fees associated with lifting the lien.**

Approved by the Assessment Committee on October 16, 2015.