WYNBROOKE HOMEOWNERS ASSOCIATION

BOARD OF DIRECTORS

Administrative Resolution **#1**

Policy Resolution Adopting **a** Standard Operating Procedure **(**SOP**)** for **Collections**
Enacted**:** April 1, **2022**
Effective: April 1, 2022

WHEREAS, **each Owner of a** Lot **shall pay** to **Wynbrooke** HOA the monthly **assessments levied** by the Association **as set** forth in **the** Declaration of **Covenants**, Conditions, **and** Restrictions **for** Wynbrooke HOA (the "CC**&R's**"**)** pursuant to Article V Section VIII **of the CC&R's . . .**

WHEREAS, **the Board** of Directors of Wynbrooke HOA **of the** Association **is** empowered to **exercise for** the Association all **powers**, **duties**, **and** authority vested in and delegated **to** the **Association pursuant** to **Article** V, Section X of **the Bylaws of the Association**...

WHEREAS, Article V Section VIII of the Declaration of **Covenants**, Conditions, and **Restrictions** for Wynbrooke HOA. (CCRs**) states**, "any **assessment not** paid within **15 days after** the due **date** shall **bear interest from the** due date **at the rate of** fourteen percent **(14%)** per annum. The **Association may** bring **an action at law against** the Owner **personally obligated** to **pay** the same **or foreclose** the lien against the property, **and interest**, **costs**, and **reasonable attorney's fees of such action or foreclosure shall be added to the amount of such assessment**."

WHEREAS, **the** Board **of** the **Association is empowered** to **foreclose the** lien **against any** property **for which Assessments are not paid** within thirty (30) **days after** the due **date or to bring an action at law against the Owner personally obligated** to **pay** the **same** pursuant to Article V, Section X **of** the Bylaws ...

WHEREAS, **there is a need** to **adopt a** Standard Operating Procedure (SOP) to **ensure that** all homeowners' **are treated equally with respect** to the collection of **past-due assessments . . .**

WHEREAS, **it is** the intent of **this resolution** of **the Board of Directors to remain in effect until otherwise rescinded**, modified, **or amended** by **a majority of the Board**...

NOW, THEREFORE, BE IT RESOLVED THAT, the **Board** of Directors adopts **the** following SOP **for Collections**:

*"**FirstService Residential does** not **engage in** **the** **practice of** law* nor *render legal advice*, and ***makes* no *representation as* to *the* legal *sufficiency of the* procedures *set* forth** *above. **The Association** should consult **with*** an *attorney experienced* in **homeowners *association and debtor****/creditor law.*

WYNBROOKE HOMEOWNERS ASSOCIATION
COLLECTION POLICY

DEFINITIONS

UNIT OWNER: The legal owner or co-owners of **a** unit in Wynbrooke HOA. Also referred to as a Member **in** the Declaration of Covenants, Conditions, and Restrictions for Wynbrooke HOA.

MANAGEMENT COMPANY: The Property Management Company (i.e.; FirstService Residential) contracted by Wynbrooke HOA to **handle its** business **affairs**.

CHARGES

A. **Authority**

1. The authority for Wynbrooke HOA to assess **interest** and penalties for late payment of **assessments is** granted under Article V, **Section** VIII of the Declaration for **Wynbrooke** HOA.

B. Late Charge

1. Any Assessment not paid within 15 **days of its** due date will incur a Late Charge of **$**15.00 payable to Wynbrooke HOA plus an Administrative Fee of $20.00, payable to the Management Company, is charged on any amount not paid within **15 days of** the due **date**.

C. **Interest**

1. Interest, which shall be paid to Wynbrooke HOA, beginning 15 days after the due date at a rate of 8 percent per annum on the **principal** amount.

2. Wynbrooke HOA Board of Directors, at its discretion and upon receipt of a written request from the Unit **Owner**, **may waive the** Interest Fee. The fee **will** be waived only **after** the Board has **received** confirmation that the past due amount has been paid in full. The late charge will only be waived **one** time for any Unit Owner; any subsequent late charges incurred by that Unit owner will not be waived. Waiver of **the** Administrative Fee is left to the discretion of the Management Company.

COLLECTION POLICY

A. General Provisions:

All assessments shall be received **by or** before the due **date**. Payments **received** more than **15** days after the due date **will** be assessed Interest as described above. A Unit Owner may **stop** the collection process at any

time by paying **his**/her delinquent balance **in** full or upon an approved payment plan. The unit owner may contact the Management Company but the collection **process will** only stop with payment in full or by an approved payment plan.

Payment plans **will** be permitted only **in** cases **of** hardship, such as loss of employment, or if otherwise permitted by the Board. The periodic payments on a plan will be made by **bank** draft only. Owners paying according to a **payment** schedule will not **be assessed** penalties or **Late** Charges by **Bay** Meadows HOA. A non-refundable Administrative fee will also be **charged** for all approved Payment **Plans**.

All Payments received **will** be applied to **any** late **charges**, **fines and/or fees** owed on the account, before being posted toward any assessment balance. Collections and late fees will begin once **balance** is greater than $50.

2 "*FirstService Residential does not engage* in *the practice* of law nor render *legal advice, and makes no representation* as to the *legal sufficiency of the procedures* ***set*** forth *above. The Association should consult with an attorney experienced in homeowners association and debtor/creditor law.*

STEP 1: Reminder Notice (E1)

If the account **is** delinquent **15 days after the** due **date**, the **Management** Company will send **a** reminder notice (E1) to the Unit **Owner charging the Unit** Owner's account **a $**20.00 Administrative Fee **in** addition to applicable **late fees**.

STEP 2: Certified Letter (E2)

The Management **Company will** send a **Certified** Letter (E2) 30 days after the E1 to a **Unit Owner**, **charging the** Unit Owner's account **a $**35.00 Administrative Fee in addition to applicable late **fees** and **interest charges**. Suspension of Cable **will** be **imposed** for owners delinquent 60 days. A disconnection fee **may be** applied.

STEP 3: Pre-Lien Notice (15)

Fifteen (**15**) days **after the mailing of a Certified** Letter (**E2**) to a Unit Owner, the Management **Company** will send **a** pre-lien **notice** to the Unit Owner. The pre-lien letter will inform the Unit Owner **that** they have fifteen (15) **days to** remit payment **in** full before incurring any attorney fees and/or costs, and **charging** the Unit **Owner's** account a **$**20.00 Administrative Fee for the cost **of collection** in **addition** to applicable **late fees**.

E. STEP 4: Lien Request (LR)

1. If **the** outstanding **balance** of a delinquent account is not paid by **the date specified** on the **Certified** Letter **(E2**, **as described** in Step **2**), **a** lien **request is made** to the Attorney. **There** is **a** $**35.00** Administrative **charge** for the **cost of** collection **charged** to **the** Unit Owner's **account** in addition to **applicable** late **fees**.

2. Once the **account is turned** over to **the** attorney, Management can no **longer have contact with** the Unit Owner. The **Unit Owner** must contact the **attorney** directly.

F. STEP 5: Lien Filing

The **attorney files a** lien **on the** property **and** writes **a** demand letter and copy of the lien to the Unit **Owner**, demanding payment in full within thirty **(30)** business days and advising **that** if **payment is** not made **within** the specified thirty (30) day **period,** foreclosure proceedings may begin. All **costs** incurred are **the responsibility of the** delinquent Unit Owner.

G. STEP 6: Foreclosure

Thirty (30) **days after the** lien **is** filed the Board of Directors can approve to begin **proceedings** to **foreclose the** lien. **All costs incurred**, including but not limited to the **cost of collection are the responsibility** of the Unit **Owner**. There is **a** $35.00 Administrative charge **for** the **cost of** collection charged to the Unit Owner's account **in addition** to **applicable late fees**.

Description of Charges-SAMPLE	Amount Charged	Amount Due
DUES ARE 15 Days Overdue $330.00		
Interest	$ 2.22	
Late Fee	$15.00	
E1 Letter - Admin. Fee	$20.00	
Total	$37.22	$367.22
DUES ARE 45 - 60 Days Overdue $367.22		
Interest	$ 2.22	
Late Fee		

$15.00

E2 **Letter** - Admin. **Fee**

$**35.00**

Total

$52.22

$419.44

DUES ARE 65 Days Overdue $419.44

Pre-Lien Letter - Admin. Fee

$20.00

Total

$20.00

$**439.44**

DUES ARE 90 Days Overdue $439.44

Interest

Late **Fee**

$ 2.22

$15.00

Lien Request - Admin Fee

$**35.00**

Total

$**52.22**

$191.66

DUES ARE 100 Days Overdue $491.66

Legal Fee for Lien Filing

$300.00

Estimated Total

$300.00

$ 791.66

DUES ARE 130 **days Overdue $791.66**

Legal Fee for Foreclosure

$395.00

Estimated Total **$** 1186.66

Michael Butryn Signature - **Officer of the WHOA Board of Directors** April 4, 2022