



Collections Rules & Regulations

Purpose

The purpose of this policy is to minimize the accounts receivable of Michaywé Owners Association (MOA) by systematically pursuing payment of delinquent dues and related charges.

Timing of Payments, Interest Charges & Late Fees

All statements are due upon receipt unless otherwise stated. Payments received at the MOA Office by the close of business on or before the last day of the month shall be posted as being received for that month. Late fees shall be charged on the first day of each month. Interest shall be applied on the total outstanding balance each month after the first month of non-payment.

Actions

Actions taken against delinquent accounts for which the owner is considered an "Owner in Default" shall include, but may not be limited to the following:

- MOA may discontinue the furnishing of any services to an Owner in default.
- An Owner in default shall not be entitled to utilize any of the Michaywé Common Properties provided that the Owner is not deprived of ingress and egress to and from his Property Unit.
- An Owner in default shall not be qualified to run for or function as an officer or Director of MOA.
- An Owner in default shall not be entitled to vote at any meeting of MOA.
- Liens shall be filed annually against the property unit(s) for which an Owner is in default.
- MOA Collection Fees shall include, but are not limited to, the costs for additional billings and invoices, special correspondence, preparing and recording liens and releases, collection agencies, and court costs. These fees shall be based on a schedule of costs for routine transactions as prepared by MOA.
- A Late Fee of \$8 per property unit per month will be charged to all accounts for which the Owner is in default. This is not to be construed as interest.
- Delinquent payments of any charges shall accrue interest at the highest rate allowed by law. Currently, that interest rate is 7% per annum, and is charged on the first day of each month for which there is a delinquent balance. This interest charge will continue to be applied on a monthly basis thereafter until the account is paid in full. (The monthly rate is calculated as .07/12.)
- All other expenses of collection as outlined in the Master Declaration for the Michaywé Restricted Properties in "*Article V, Section 5. Enforcement*".

Enforcement Remedies

Actions taken against delinquent accounts for which the owner is considered an "Owner in Default" may include, but may not be limited to the following:

- The Association may enforce collection of delinquent assessments by a suit at law for a money judgment.
- Judgment debtor discovery hearing to identify where the defendant lives and works, what assets s/he has, where these assets are located, and any other information that identifies the judgment debtor and his/her property.
- Garnishment of wages, bank account(s), income tax refunds and/or other sources of funds.
- The Association may enforce collection of delinquent assessments by foreclosure of the statutory lien that secures payment of assessments.



- The Association has the unqualified right to elect to foreclose the lien securing payment of assessments, costs and expenses, either by judicial action or by advertisement.
- The Association is authorized and empowered to sell or to cause to be sold the Property Unit (and improvements) with respect to which assessment(s) is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law.
- When an Owner is in default, the Association may give written notice of the arrearage to a tenant occupying an Owner's Property Unit under a lease or rental agreement and the tenant, after receiving the notice shall deduct from rental payments due the Owner the arrearage and future assessments and charges as they fall due and pay them to the Association.
- Upon the sale or conveyance of a delinquent property unit, the balance due shall be paid out of the net proceeds of the sale.
- Any other actions allowed by law that are not listed above.
- All remedies shall be cumulative and not alternative.

This document supersedes any prior Policy, Resolution, or Board action concerning the subject matter contained herein unless specified otherwise.

Revision Log

- Original policy approved 8-23-09
- Policy rewritten and approved on 9-21-13
- Moved Policy to Rules and Regulations and more clearly defined payment terms 12-21-2013

The MOA Board of Directors approved this policy at their December 21, 2013 regular meeting at which a quorum was present.