

MERRIMAC HOMEOWNERS ASSOCIATION.
Collection and Delinquency Policy
Effective December 1st, 2011

The Merrimac Homeowners Association Inc., ("Association") is a not-for-profit which runs on a limited budget. Prompt payment of dues and assessments is essential to the health of our Association, as delinquent assessments pose a serious financial and administrative burden on the Association.

In the unlikely event that your balance is not paid as billed, the following is the Collection and Delinquency Policy of the Merrimac Homeowners Association, Inc.

1. Assessments are due and payable in equal quarterly installments, with Due Date(s) being the 1st day of January, 1st day of April, 1st day of July and 1st day of October. Collection of payments shall be handled by the Association's property management company.
2. To be deemed timely, payments must be **RECEIVED** (not just postmarked) by the Due Date at the office or P.O. Box of the Association's property management company.
3. Any payment or installment **not RECEIVED within 15 days of the Due Date** shall result in a **late charge of \$50.00** being added to the delinquent owner's account and shall be deemed a part of the indebtedness to the Association.
4. A past due notice shall be mailed to owners with any balance on or shortly after 30 days past the Due Date, which shall include the late charge, giving the owner 15 days to pay any delinquent assessments, the late charge and any other charges remaining on the account.
5. A "Final Notice" shall be mailed by first class mail on or shortly after the applicable due date of the past due notice. This Final Notice shall advise the owner that unless payment in full is received within 7 days of the date of the Notice, that the matter may be referred to the Association's attorney at which time the owner will be responsible for all attorneys fees, expenses, and court costs which are typically between \$500 and \$600.
6. If an owner is still delinquent after the due date contained within the Final Notice, the matter may be turned over to the Association's attorney with instructions to pursue the collection thereof in the manner recommended by the Association's attorney, which may include the recording of the Association's lien against the property. Thereafter, all communications by the delinquent owner must be directed to the attorney. In addition, all of the Association's collection costs and expenses incurred, including a collection cost/administration fee to its property management company, which is presently \$95.00, will be added to the account and shall be deemed to be a part of the indebtedness owed to the Association. The property manager's collection cost is to pay for the manager's additional time and expenses related to handling the delinquent account and dealing with the Association's attorney.
7. The Association reserves the right to record its lien against your property at any time during the collection process to protect the Association's interests. ALL fees and costs associated with the filing of the lien, shall be the responsibility of the owner, shall be added to the delinquent owner's account and shall be deemed a part of the indebtedness to the Association.
8. A partial payment with any notation indicating that this amount paid shall be considered "payment in full" shall **not** satisfy the debt. **Only payment in full will satisfy the debt.**

9. Payments received will be applied to the owner's account in the following order:

- (1) Legal expenses related to your account which are incurred by the Association (if applicable)
- (2) Property management collection costs or administrative fees related to your account which are incurred by Association (if applicable)
- (3) Late charges (if applicable)
- (4) Non-sufficient funds, stop payment fees, or other miscellaneous fees (if applicable)
- (5) Maintenance charge-backs (if applicable)
- (6) Outstanding special assessments (if applicable)
- (7) Outstanding capital reserve assessments (if applicable), then
- (8) Outstanding regular assessments

10. Any owner whose account is delinquent is also subject to the following:

- (1) A possible adverse effect on your credit rating.
- (2) Suspension of use of all common elements including: pool, picnic pavilion, tennis courts, basketball courts, clubhouse privileges (including community social events) and ponds to all household residents and guests.
- (3) Suspension of voting privileges.

11. In the event that your account becomes delinquent and any collection measures are necessary, any privileges which are suspended will not be reinstated until your account is paid in full (including any and all legal fees directly billed by the Association's attorney)