

Moreland Courts Condominium Association, Inc.

LATE FEE COLLECTION POLICY AND PROCEDURE

1) **DUE DATE**

All fees, charges and assessments are due on the first day of the month, or such other date as the Board of Directors may specify (“Due Date”) and are considered delinquent if not received in the Moreland Courts Management Office by 5:00 P.M. on the twentieth day (20th) following the Due Date. If the twentieth day (20th) day is a Saturday, Sunday, or legal holiday, payment must be received on or before 5:00 P.M. on the first business day following the twentieth (20th) day after the Due Date. Such date, as so determined herein, shall be the “Final Due Date.”

2) **DELINQUENCY DATE**

All accounts are “delinquent” following the Final Due Date (“Delinquency Date”).

3) **LATE FEES**

A late charge of fifty dollars (\$50.00) shall be incurred for any payment received on or after the Delinquency Date on any unpaid balance greater than \$100.00.

4) **INTEREST**

In the event that a Unit Owner fails to pay any fees, charges or assessments on or prior to the Delinquency Date, interest on any unpaid amount shall be charged at the rate of 10 percent (10%) per annum commencing on the Delinquency Date to the date payment is made in full, in addition to the late fee charge. The Board of Directors may adjust the interest rate according to current market rates.

5) **REMINDER NOTICE**

Unit Owners who have not paid all fees, charges and assessments on or prior to the Delinquency Date will receive a reminder letter from the Management Office setting forth the amount of any past due balance and informing the Unit Owner(s) of steps that will be taken pursuant to this Late Fee Collection Policy and Procedure if arrangements to pay are not made immediately. Unit Owners are strongly encouraged to contact the General Manager regarding any balance that has not been paid by the Delinquency Date.

6) **FOLLOW-UP CONTACT**

The Management Office will contact any Unit Owner who has not paid all fees, charges and assessments within thirty (30) days of the Delinquency Date to discuss any past due balance.

7) **LIEN**

All fees, charges and assessments that are not paid within forty (40) days of the Delinquency Date will promptly be referred to legal counsel with instructions to automatically file a lien against the unit for non-payment of common expenses pursuant to Ohio Revised Code Section 5311.18. Legal counsel is authorized to execute and, upon satisfaction, release said lien. If Resident payment history includes any prior liens,

foreclosure, or other collection activities within the previous 12 months legal counsel will be engaged to place a lien after ten (10) days past the Delinquency Date.

8) COLLECTION ACTIVITIES

All fees, charges and assessments that are not paid within fifty (50) days of the Delinquency Date will continue to be the subject of collection proceedings including, but not limited to, the following:

- (a) A preliminary judicial report will be obtained from a title company (this is an initial step that is required prior to commencing a foreclosure action, the cost of which will be charged to the Unit Owner even if payment is made prior to initiating a lawsuit); and
- (b) Mortgage holders may be notified of the delinquency and provided with a copy of the recorded lien filed against the unit.

9) FORECLOSURE

All fees, charges and assessments that are not paid within seventy (70) days of the Delinquency Date will be subject to court action including, but not limited to, the following:

- (a) A foreclosure action complaint will be filed;
- (b) The foreclosure complaint will set forth a claim for money damages against the individual Unit Owner(s); and
- (c) When a money judgment is obtained, the Association may commence all legal collection activities against the Unit Owner(s), including wage garnishment and asset attachment.

10) SUSPENSION OF OWNERS' RIGHTS

Unit Owners who have not paid all fees, charges and assessments within forty (40) days of the Delinquency Date, will be referred to the Board of Directors which may suspend Unit Owner rights as follows:

- (a) At a regular or special Board meeting, a motion may be made, seconded, and passed, at the Board of Directors' sole discretion, to suspend the rights of the Unit Owner (and any occupants, if applicable) to vote on any matter requiring the vote of the Unit Owners and/or to use the common amenities and facilities provided by Moreland Courts (including but not limited to use of all valet services, maintenance services, garage spaces, locker spaces, and car wash services);
- (b) Management shall duly notify the Unit Owner affected that the specified rights have been suspended and will be reinstated only upon payment in full of all amounts then due. If a Unit Owner's right to vote is suspended before

an Annual or Special Meeting of the Unit Owners, the Management Office shall promptly send the notice of the suspension at least thirty (30) days before the meeting and such Unit Owner's right to vote shall be treated as present but not voting on all matters of such meeting.. Any payment in full must be received by the Management Office at least ten (10) days before the meeting for the Unit Owner's right to vote to be reinstated; and

- (c) Upon verification of payment in full, the Management Office shall send notice to the Unit Owner acknowledging that the right to vote and to use of common amenities and facilities provided by Moreland Courts has been reinstated.

11) APPLICATION OF LATE PAYMENTS

All late payments made shall be applied in the following order:

- (a) Administrative late fees owed the Association; then
- (b) Interest on all past due amounts; then
- (c) Collection costs, including attorneys' fees incurred by the Association; then
- (d) Principal amounts owed on the account for all fees, charges and assessments.

12) COSTS OF COLLECTION

All costs, including, but not limited to, attorneys' fees, recording costs, title reports and/or court costs incurred by the Association in the collection of delinquent amounts due from such Unit Owner shall be added to the amount owed by the Unit Owner pursuant to the Association's Declaration, Article 13, paragraph C, as amended.

13) OTHER

If any owner (either by his/her conduct, or by the conduct of any occupant) fails to perform any act that he/she is obligated to perform under the Association's Declaration, By-Laws, or Rules, the Association may undertake steps necessary to cure such violations and shall charge and collect from said Unit Owner the entire cost and expense thereof, including reasonable attorneys' fees. Any such amount shall be deemed to be an additional assessment and shall be due and payable immediately following notification of such charge, and the Association may obtain a lien for said amount in the manner and to the same extent as if it were a lien for common expenses.

Revised policy approved by the MCCA Board of Directors on April 27, 2010.