

STATEMENT OF ASSOCIATION POLICY

Effective Date: Beginning with the quarterly payment due October 1, 2020
Subject: Delinquent Payments for Southwinds Assessments and Charges

Delinquent quarterly and special assessment payments as well as payments for separate charges to individual unit owners will be dealt with as follows:

1. If payment has not been received at the management company 15 days after the date originally due (the first of January, April, July, and October in the case of regular quarterly assessments), the management company shall promptly send a reminder notice to the unit owner(s) by regular mail and by email (if available). Included in the notice will be the specific interest and penalty fees that will be charged if payment is not received by the management company 30 days after the date originally due.
2. 30 days after the date originally due, the management company will mail and email a second notice reminding the owner of his or her past due amount and the interest and penalty fees that have been charged to his or her account. Included in this notice will be a statement saying that 60 days after the date originally due, the attorney for the Association will be consulted regarding the advisability of initiating lien proceedings.
3. Interest and penalty late fees will be assessed if payment has not been received 30 days after the date originally due, as follows: Interest will be at 12.0% per annum (1% per month) on the unpaid balance from the date originally due and calculated on a 360 day year, 30 day month basis; Penalty fees will be a one-time charge of the greater of 5% of the past due amount or \$25. The application of payments is first to interest, then to penalty fees, then to costs and attorneys' fees, then to assessment fee first due and owing.
4. The Treasurer has the authority to waive interest and penalties 1) if the owner has not had any previous delinquent payments (payments made 30 days beyond original due date) in the past 18 months and the current delinquent amount has been paid within 45 days of the original due date and 2) in other very limited situations such as recent death of the owner. Failure to receive notices shall not excuse the obligation to pay.
5. A list of owners who have assessments overdue by more than 60 days will be posted when so directed by the Board.
6. Owners are hereby advised that the Association's Bylaws provide that failure by the Association to send, or the unit owner to receive, notice of the annual regular assessment amount shall not excuse the obligation to pay on the due date.
7. Although not specifically incorporated in this policy as updated above, the Association's Bylaws further provide and, with notice, the Association hereby reserves its right, in the case where any annual or special assessment installment is more than 30 days past due, to accelerate the due date of the entire unpaid balance of such annual or special assessment for that fiscal year.