

Kensington at St. Andrews Homes Association
Delinquent Assessment Policy
2007

Pursuant to the Federal Fair Debt Collection Practices Act, together with Article VI, Powers and Duties of the Board of Directors, Section 1(b), Section 2(a), 2(b), 2(i), 2(k) of the Bylaws adopted for the Kensington at St. Andrews Homes Association (hereinafter referred to as the "Association"), as well as the Rules and Regulations adopted by the Association's Board of Directors, and amended from time to time. The following Policy and Procedure for the collection of delinquent assessments and collection costs incurred and reimbursable to the Association was approved by the Board of Directors of Kensington at St. Andrews Homes Association on the 7th of November, 2005.

Notice of Assessments Due: A statement of account is mailed to each Owner on or about the 1st day January each year. The assessments noted on the statement of account are due and payable on the 15th day of February each year. Please note that these statements are sent as courtesy reminder only. Annual assessments are due and payable on the 15th day of February each year, whether or not the statement is received by the Homeowner.

Assessments are applied to the Owner(s) account as of the day of receipt by the Association. Having postmarked the envelope prior to the due date does not mean that late fees will be waived. It is important the assessment be received the Association on or before the 15th of February each year.

30 Day Late Fee and Demand for Payment Letter: If the assessment is not paid by 15th of February, the Association will forward a Demand for Payment letter to the owner at a charge of \$35 which will be applied to the owners' assessment account and is reimbursable to the Association as an out of pocket expense in the attempt to collect a debt. In addition to the cost of the Demand for Payment letter, a Late Fee in the amount of \$50 will be charged to the delinquent account, and interest will begin accruing at a rate equal to the prime rate according to the First National Bank of Kansas. This will be applied to the unpaid assessment amount at this time. Interest accrual continues until such time as the total payment for assessments, late fees and unpaid collection costs are paid in full and received by the Association.

60 Day Notice of Intent to Lien and Revocation of Privileges: If the assessment is not paid by the 15th of March, the Association will forward a Notice of Intent to Lien to the Owner at a cost \$75 which will be applied to the owners' assessment account and is reimbursable to the Association as an out of pocket expense in the attempt to collect a debt. Additionally, a 5-day Notice of Suspension of Privileges to common areas, as well as voting privileges will be given. Once accounts are paid in full, the revocation of privileges will be suspended.

90 Day Lien: If the assessments, late fees, interests, and costs accrued are not paid by the 15th of April, the Association will file a Lien against the subject property at a cost of \$150, which will be applied to the owners' assessment account and is reimbursable to the Association as an out of pocket expense in the attempt to collect a debt.

Other Legal Remedies: On the 15th of May, the Board has the option to seek reimbursement and payment in full of all assessments, late fees, costs, and interest applied as result of delinquent assessments by the following means:

- Foreclosure
- Civil Judgment: which includes, but is not limited to, Garnishment of Wages, Attachment of Bank and Investment Accounts, Attaching Rents, etc.

General Information: If there is definitive hardship which delays the payment in full of the Owners' account, the Board may consider a revised payment schedule; however it is imperative that the owner contact the Board prior to any late Fees, Interest, or Collection Costs being incurred.