

KENSINGTON PLACE ASSOCIATION, INC.
COLLECTION POLICY

The following collection policy is hereby adopted by the Board of Directors for Kensington Place Association, Inc. ("Board") on this 9th day of **August, 2018**.

1. At this time, the annual assessment for each lot is **\$88.00**. The annual assessment amount is subject to change each year pursuant to the annual budget adopted by the Board. The Board has the authority to charge special assessments and Lot assessments in addition to the annual assessments pursuant to the Declaration ("Deed Restrictions").
2. If any assessment remains unpaid thirty (30) days after it is due, the association is permitted to charge interest at **8%** or the highest rate allowable by law, per annum. If any assessment remains unpaid thirty (30) days after it is due, the association will charge a **\$25.00** administrative collection charge (late fee). A NSF fee of **\$25.00** shall be charged to the owner's account for each check or automatic withdrawal that is returned or cancelled for insufficient funds in the Unit owner's account.
3. The association's attorney shall send a demand letter to any owner who is more than **60 days** in arrears, with the costs of the letter to be added to the owner's account. This shall not be deemed a condition precedent to any of the collection actions set forth below. The demand letter will be sent to the owner at the address of the lot for which the assessments are owed. Should an owner wish for demand letters to be sent to an alternate address, the owner must notify the Property Manager of such alternate address in writing.
4. The association's attorney shall file a lien against any delinquent account that is delinquent more than **\$200.00**. The association's attorney shall file a lien release upon full payment of any past due balance owed if a lien has been filed for an unpaid balance.
5. The association's attorney shall initiate a foreclosure action, with board authorization, against any owner with an account balance of **\$1,500.00** or more for unpaid assessments, interest, and other related charges. The complaint shall not be dismissed until payment of all amounts past due are paid in full, including all legal fees and court costs.
6. All costs related to collection of unpaid assessments and any other administrative or bank charges related to a delinquent account, including attorney's fees and paralegal fees, court costs, recording/filing fees, and postage will be charged to the delinquent owner's account and made a part of the unpaid balance owed to the association.
7. The association's attorney shall file an Answer and Cross-claim, with the Board's authorization, in any foreclosure initiated by the owner's lender or another lien holder. The association's Cross-claim shall not be dismissed until payment of all amounts past due are paid in full, including all legal fees and court costs.
8. At the discretion of the Board, the association's attorney may file complaints for collection of delinquent amounts in Municipal Court (including Small Claims Division). There is no limit on the delinquent amount as to when this action can be filed such as outlined in #4 or #5 above.

9. In the event the Board feels the Association's interests are at risk of being harmed by waiting for a delinquent account to reach any of the delinquency milestones set forth herein, the Board may authorize the immediate filing of a lien and/or foreclosure.
10. Payments received on delinquent accounts shall be applied in the following order: (1) to any interest owed to the Association; (2) to late fees owed to the Association; (3) to collection costs, attorney's fees, and paralegal fees incurred by the Association; and (4) to the principal amounts the Lot Owner owes to the Association for the common expenses or penalty assessments chargeable against the unit.
11. Once the Board has authorized the filing of a foreclosure, the Association reserves the right to refuse any partial payment that is submitted on a delinquent account.
12. This collection policy will remain in full force and effect until such time as the Board, in its full and complete discretion, changes the collection policy.

The president of Kensington Place Association, Inc., hereby acknowledges this collection policy was adopted by a majority of the board members at a duly called and noticed meeting of the board of directors for Kensington Place Association, Inc.

Print Name, President

Signature, President

Date