

DELINQUENT ASSESSMENT COLLECTION POLICY

Castle Rock Homeowners Association

Whereas the Board of Directors finds that timely payment of regular and special assessments is of critical importance to the Association, and

Whereas, the failure of any owner to pay assessments when due creates a cash-flow problem for the Association and causes those owners who make timely payment of their assessments to bear a disproportionate share of the Association's financial obligations.;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors adopts the following policies and procedures concerning collection of delinquent assessments:

1. Assessment due dates. The regular assessment is payable on the first day of each quarter. Special assessments shall be due and payable on the due date specified by the Board of Directors in the notice imposing the assessment or in the ballot presenting the special assessment to the members for approval. Regular and special assessments shall be delinquent if not paid on the 30th day after they become due.

2. Late Charges. When an installment payment of a regular assessment or a special assessment becomes delinquent, the owner's account with the Association shall be charged with a late payment penalty of \$15.00.

3. Interest. If an assessment payment is delinquent for more than 60 days, interest may be imposed on the delinquent assessments at the legal rate.

4. Collection Costs. As provided by law and the Association's governing documents, the Association is also entitled to recover all reasonable costs incurred in collecting delinquent assessments including, but not limited to, the following: (1) the cost of preparing and mailing notices; (2) recording costs; (3) title company charges; (4) legal expenses; (5) management company fees and (6) fees charged by the assessment collection agency.

5. Transfer of Account to Collections. If the owner's assessment account remains delinquent, in whole or in part, after 90 days, the Association will refer the account to an assessment collection agency, with Board approval, for further action.

6. Notice of Delinquent Assessment Lien. If payment for all sums that are then delinquent, including the delinquent assessment, late charges, interest, costs and reasonable attorney fees have not been made, the assessment collection agency may record a Notice of Delinquent Assessment Lien in the County Recorder's office. PLEASE NOTE, THIS IS THE FIRST STEP IN THE FORECLOSURE OF THE PROPERTY. Thereafter, the assessment collection agency may proceed with the statutory foreclosure process, judicial foreclosure and/or supplemental notices.


7. Payment Agreement. Payment plan requests must be submitted in writing for Board approval. Failure of an owner to comply with an approved payment plan shall give the Board and/or its agent the right to immediately continue the collection process without further notice to the owner.

8. NSF Checks. When a payment is returned from a member's bank due to non-sufficient funds (NSF) the owner's account with the Association shall be charged a penalty of \$25.00.

This policy was duly adopted by the action of the Board of Directors at a regularly scheduled meeting on August 15, 2011.



Board President



Board Secretary