

COLLECTIONS POLICY
Circle C Homeowners Association, Inc.
February 1, 2012

The Association's Board of Directors adopts this collections policy.

1. **Due Date:** Assessments are due in advance on the first day of March for the first half of the year and first day of August for the second half of the year. Non-receipt of a statement or invoice is not a defense to payment of assessments or other charges. An owner who does not receive a statement/invoice is responsible for contacting the Association to advise of non-receipt and confirm that the Association has the owner's current contact information.
2. **Late Date:** If payment is not received by the 1st day of March for first half of the year assessments or 1st day of August for the second half of the year assessments, the assessment shall be deemed delinquent, and will incur simple interest at a rate of 18%. **The simple interest is 18% and will continue to be imposed annually as long as the account reflects an outstanding balance due.** The fee is to defray the additional administrative time involved in collection of delinquent accounts.
3. **Authorization to Proceed:** The collection process has multiple steps: (a) notice of delinquency and offer of payment plan; (b) demand letter by attorney or collection agent; (c) notice of lien claim recorded in property records; (d) collection law suit and (e) foreclosure. The Board authorizes the managing agent to initiate all steps without prior consultation with the Board, except for litigation and foreclosure. Foreclosure must be authorized by the Board at a meeting for which the published agenda gives fair notice that assessment delinquencies will be discussed. To safeguard owners' privacy rights, no identifying information about the accounts will be published in the agenda or discussed in open meeting where persons other than the Directors and managing agent are in attendance.
4. **Payment Plan Offer:** When a balance remains at the end of the calendar year, the Association will send a payment plan offer to the owner (provided the owner has not defaulted on a payment plan in the preceding two years). Among the factors that will be considered in setting payment plan terms are: length of delinquency, amount due, owners' payment history, reason for non-payment, owner performance on previous payment plans, and violation history (to the extent it reflects owner's willingness to abide by Association rules and standards), as well as any other relevant circumstance. The Association shall have discretion to tailor the payment plan to an owner's personal circumstances, and thus payment plan terms may not be identical for all owners. The Board of Directors authorizes the managing agent and the Association's attorney (who each may act without the joinder of the other) to set payment plan terms for an owner. Additional provisions relating to payment plans are set forth in the Association's Payment Plan Guidelines, which is incorporated by reference in this Collection Policy.
5. **Referral to Collection Agent:** **If the Association and owner do not agree on a payment plan within 30 days of the offer, or if the owner defaults under an agreed payment plan, the account shall be referred to an attorney or agency for collection.** The timing of the referral shall be at the discretion of the Association acting through either the Board of Directors or the managing agent.
6. **Payment Arrangements:** The Association is required to offer a payment plan only once: before

referring the account to an attorney or collection agent. The Association may offer payment plans later in the collection process, but that decision is completely discretionary and optional. If an owner does not accept or defaults on the initial payment plan offer, the Association does not have to offer the same payment terms at a later time. **As a general rule, the older and larger an account becomes, the stricter the payment plan terms will be.**

7. Owner Rights During Delinquency: The Association may withhold from an owner the right to use/access Association amenities during the period of delinquency. [If the owner is on a payment plan, then the right to use the amenities will be restored when the owner has paid 100% of the delinquency plus 100% of assessments that have accrued since the beginning of the payment plan.] The delinquency shall not affect the owner's right to vote or serve on the Board of Directors.
8. Collection costs: The Association will initially pay for all collection costs and attorneys fees, but will bill the same to a delinquent owner's account. **The owner must reimburse to the Association all collection fees.**
9. NSF Fees: **A fee of up to \$50 will be levied for each returned check.** In the event an owner delivers two or more checks within a 6 month period that are dishonored, the Association reserves the right to require that future payments be made by money order, cashier's check, or other certified funds.
10. Application of Payments: If an owner is in default under a payment plan or does not enter into a payment plan within 30 days of the Association's offering a payment plan, any payments thereafter made will be credited as follows:
 - a. maintenance/repair costs incurred by the Association (such as mowing charges)
 - b. collection costs, including attorney's fees and manager's charges
 - c. administrative fees for non-assessment related violations
 - d. late fees
 - e. delinquent assessments
 - f. current assessments
 - g. fines
11. Partial or Conditional Payments: The Association will return to the owner all partial payments that are (a) delivered with a notation "payment in full" or comparable stipulation or (b) backdated to make it appear that a late payment was tendered on time.
12. Exceptions; The Association may make exceptions to this Collections Policy for good cause or in the interest of fairness or economy. Each exception is made on its own merits, and the Board is not required to make the same exception for every owner.