



**Crystal Falls Association**

**Dues/Assessment Collection Policy**

Established on a trial basis beginning July 1, 2013

Adopted by the Board of Directors September 17, 2015

**Board of Directors Duty to Collect Delinquent Dues/Assessments:**

**In accordance with Bylaws Article X section D-**Any member who becomes ninety (90) days or more delinquent in payment of dues and/or assessments shall lose the right of use of the Association's facilities and voting privileges until payment is made. A late payment penalty charge in accordance with current Davis-Stirling Act and California Law requirements not to exceed limits set by law will be made.

**In accordance with Civil Code 5600.-**Boards of Directors have a duty to levy regular and special assessments sufficient to maintain the common areas. (**Civ. Code §4775.**) To carry out their duties to the membership, boards must establish a **collection policy** and then properly implement that policy.

**Board of Directors instructs Collection of Delinquent Dues/Assessments in the following manner:**

- 1) During the processing of the Quarterly billing statements:
  - a. If the account has not been paid from the previous quarter (90 days since last quarterly billing date), a 1<sup>st</sup> Past Due Sticker is applied to the billing statement containing the following language.
    - i. **Your Account Has Not Been Paid in Full.** For your Lot to remain in Good Standing and Reduce or Eliminate an upcoming Finance Charge and Penalty on your account, a partial payment or payment plan would be appreciated.
  - b. If the account has still not been paid by the next quarter billing (180 days since the 1<sup>st</sup> delinquent quarter was not paid), a finance charge of 12% per annum is billed to the account, and a 2<sup>nd</sup> Past Due Sticker is applied to the billing statement containing the following language.
    - i. **This is your 2<sup>nd</sup> Notice. Your Account is Seriously Past Due.** Please call our office if want to set up a payment plan. You **MUST** pay your Account before the next quarterly billing to avoid 10% a Late Charge Penalty and costs to initiate Pre-Lien Notification and Collection Action.
  - c. If the account has still not been paid by the next quarter billing (270 days since the 1<sup>st</sup> delinquent quarter was not paid), finance charges continue to be assessed at 12% per annum and a 3<sup>rd</sup> Past Due Sticker is applied to the billing statement containing the following language:

**Crystal Falls Association**  
**Assessment Collection Policy**

i. **This is your 3<sup>rd</sup> Notice You Must Respond.**

30 Days from the date of this notice, a 10% Penalty along with costs to serve a Pre-Lien Notice will be billed. The unpaid account balance is scheduled to be brought before the Board of Directors to obtain authorization to lien your property.

2) **4<sup>th</sup> Notice** If the account has still not been paid 30 days after sending the 3<sup>rd</sup> Notice s Pre-Lien Letter, along with an account statement, collection policy, and payment plan form will be mailed via certified mail (See Attachment #1 for example of a Pre-Lien letter). A 10% Penalty will be applied to the account and privileges are suspended, for use of the facilities. The Property Owner is given a final 30 days from the date that this notice is mailed to respond before the Lien is brought before the Board of Directors for approval to lien the property.

3) 30 Days after the Pre-Lien letter (4<sup>th</sup> Notice) is mailed certified mail the delinquent account will be brought before the Board of Directors for approval to file a lien on the lot. The Board of Directors will have two Board members sign the lien and then it will be filed with the Tuolumne County Recorder. All costs, including postage, notary and recording will be billed to the delinquent account, along with any other direct costs incurred during the collection process.

a. A Collection Action Sheet (an internal document) will be prepared to make sure all steps have been followed and completed properly (See Attachment #3 for the form)

4) Once the Lien has been recorded by Tuolumne County Recorder a copy of the lien will be mailed via certified mail to the Lot owner.

a. **5<sup>th</sup> Notice Sticker** – We have filed a **Lien** against your property  
Finance Charges will continue to be charged to your account and may be turned over to a Collection Agency without further notice.  
Contact us to set up a Payment Plan.

5) The Board of Directors authorizes the Office Manager to obtain a payment plan from the property owner, that would at minimum cover the current dues plus some specified amount toward the past due balance. (See Attachment #2 for the following form)

a. **Broken Payment Plans:** Accounts not paid within the last 90 days or have not paid at least \$90 within the quarter that the payment plan applies, will immediately move to the 3<sup>rd</sup> past due notice level as stated above. “Broke Payment Plan” will be noted on their statement” .

i. **Reinstatement of Payment Plan:** will be evaluated on an individual basis and approved by the Board of Directors at an Executive Session.

6) Payments received are applied to the oldest amount owing first, which includes payments for dues, costs, finance charges and penalties assessed.

7) The Board of Directors may at any time after the Lien has been filed enlist the services of an outside collection agency as the need arises.