

Bosque Encantado de C' de Baca Homeowners' Association, Inc.

Policy and Procedures for Collection of Delinquent Assessments, Fees, Charges and Costs

Effective _____

POLICY:

The Board of Directors, at their meeting of August 2, 2004, has adopted the following policies and procedures regarding the payment and collection of Delinquent Assessments, Fees, Charges and Costs:

Assessments - Assessments subject to this Policy include the quarterly regular assessments and any levied special assessments or lienable monetary penalties.

Collection Fees and Costs - The costs of collection of delinquent assessments, including late charges and other costs, and reasonable attorney fees and costs, are included as a charge against a member's assessment account and are included in the amount of any lien recorded against the property and any recovery actions by the Association.

Delinquency - The term "delinquency" shall include any delinquent unpaid regular or special assessments, late charges, interest, and costs of collection incurred.

Foreclosure - A legal process that results in the sale of the property to satisfy the payment of assessments, fees and costs owed on the account.

Partial Payments - If a partial payment is received which is less than the lienable unpaid balance owed on the member's account, including the collection charges, the Association may elect to accept the partial payment. If the partial payment is accepted, it shall not act as a waiver of the Association's right to require payment of all sums prior to the Association's obligation to inform the owner that of any rights to resolve any dispute, civil action, or any other procedure available through the Association.

Payments - Payments received after a delinquent account is assigned to the Association's attorney for collection shall be forwarded by the Association directly to the attorney. If the partial payment is accepted, it shall be credited first to outstanding principal balances on the member's account and the remaining unpaid balance shall be subject to this Policy.

Payment Plans - The homeowner may request a payment plan. This request must be made within fifteen (15) days front the postmark date of the pre-lien notice. The Board of Directors shall meet with/respond to the homeowner within forty-five (45) days from the postmark date of the homeowner request. Payment plans may be approved at the sole discretion of the board of directors based upon the circumstances of each delinquent account

Personal Liability - All assessments, late charges, interest and costs of collection, including attorney fees, are the personal obligation of the Owner of the Property at the time of the assessment or other sums are levied.

Returned Check Charges - The bank charge (currently **\$25.00**, subject to adjustment by Board of Directors) shall be added to the account of any member whose check to the Association is returned unpaid by the member's bank.

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Statements – Periodic statements for collection of assessments are not sent out. Any statements are a courtesy to the members and not an invoice for payment. Courtesy statements may not reflect any or all collection costs incurred on a delinquent account, including attorney or trustee fees and costs that have been charged to the account.

Waiver of Charges - If a member's account becomes delinquent and the Association is required to incur certain charges due to the member's delinquency, the Association's policy is to not waive the delinquent member's payment of these charges. Other Association Members should not have to pay for the collection charges incurred due to an individual member's delinquency.

PROCEDURES:

Due Date: Regular Quarterly Assessments are due on the first (1st) day of each quarter. No invoices for Regular Quarterly Assessments are sent by the Association. Courtesy notices, sent by e-mail or other means, may be sent to members at the Association's option. Failure to receive a Courtesy Notice does not relieve a member from his obligation to pay the Regular Quarterly Assessment. All other assessments are due on the date levied, and late charges, costs of collection, attorney fees and costs are due upon the date incurred.

Delinquencies

15 Days Past Due: The account becomes delinquent and a late charge equal to the greater of Fifteen Dollars (**\$15.00**) or fifteen percent (15%) of the total amounts due is charged to the delinquent Association member's account.

30 Days Past Due: Interest commences at the rate of fifteen (15%) percent per annum, calculated from the due date, on all regular and special assessments, late charges, and costs of collection (the "Delinquency") and will be charged to the Association member's account and appear on their Statement.

Delinquencies

30 Days Past Due: A Pre-lien package and letter is sent to the homeowner by Certified Mail informing that the Association shall record a lien against the Association member's property in the event full payment of lienable assessments is not received within thirty (30) days. The delinquent Association member account shall be charged **\$105.00** for issuance of the Pre-lien letter.

Delinquencies

60 Days Past Due: The Association shall proceed to have a Notice of Delinquent Assessment Lien prepared and recorded against the Association member's property on behalf of the Association. The delinquent Association member's account shall be charged **\$185.00 plus attorney's fees** for the costs associated with the preparation, recording and collection of the assessment lien. A copy of the Notice of Delinquent Assessment Lien shall be mailed to the delinquent owner by Certified and First Class Mail.

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