

# Late Charge, Collections, Damage, and Fine Policy (Operating Rule)

\_\_\_\_\_ (Association)

As of \_\_\_\_\_

Following is our association's policy as adopted by the Board of Directors effective on the set date set forth above. **This notice is required to be distributed in accordance with California law.**

As you know, the collection of assessments is critical to our association. Without these assessments, important bill such as insurance for the common area, utilities, and maintenance cannot be paid. In addition, unless the association collects all assessments, reserves cannot be accumulated for future anticipated expenditures which can lead to large special assessments. Members (owners) who do not pay their share create a cash flow problem for the association and cause others to pay a disproportionate share of the community financial obligations. Accordingly, the Board of Directors has adopted these polices and procedures which incorporate the requirements of the associations governing documents, the California Civil Code, and the Federal Fair Debt Collection Practices Act.

It is the policy of the association to:

1. Assess a \$\_\_\_\_\_ fee for returned checks;
2. Assess a late charge and/or collection charge as follows:
  - Assess a late charge of \$\_\_\_\_\_ for any regular monthly assessment (due on the first day of each month) not received by the \_\_\_\_\_ day of the same month.

or

- Assess a late charge equal to 10% of any regular monthly assessment (due on the first day of each month) not received by the \_\_\_\_\_ day of the same month.

Billings are a courtesy. If you do not receive a courtesy billing, you should immediately contact the management company to determine your assessment obligation.

3. Assess a late charge of 10% or \$10.00 (whichever is greater) for any special assessment not received within \_\_\_\_\_ days of the due date.
4. Mail to any owner, delinquent over \_\_\_\_\_ days, a written pre-lien notice (lien warning) that a lien will be recorded against their property, unless all delinquent assessments, including all late charges and costs, are paid within \_\_\_\_\_ days.
5. Record a lien against the property of owners after the elapse of the thirty (30) day written notice specified in No 4 above.

6. Commence to foreclose on the property of a delinquent owner thirty days after the recording of a lien.
7. File a small court lawsuit against an owner for assessments or other charges in arrears over \_\_\_\_\_ days.
8. Issue fines for violations of the CC&Rs/Rules and Regulations:

First Notice of Violation:	\$ _____	fine
Second Notice of Same Violation:	\$ _____	fine
Third Notice of Same Violation:	\$ _____	fine
Fourth Notice of Same Violation:	\$ _____	fine

Health and or safety violations will require immediate compliance.

Violations which are continuing in nature will result in a fine of \$ \_\_\_\_\_ per day after a fourth notice of the same violation has been issued. Owners are entitled to appeal any fine at a hearing before the Board of Directors in accordance with Rules reasonably established by the Board.

9. Any damage done to the common area by an owner or owner's guests or tenants shall be repaired by the association. All costs of repair shall be charged to the applicable owner. If not paid by the owner within \_\_\_\_\_ days, the association shall mail to the owner a written notice that a lien will be recorded against their property unless the full amount is paid within thirty (30) days. If the amount owing is not paid within thirty days, after the recording of a lien, the association shall commence to foreclose.

Please note that collection efforts will result in all collection costs (including legal fees) and interest being charged to owners who fail to pay assessments in accordance with this notice. These costs may be substantial.

Approved by the Board of Directors:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

\_\_\_\_\_  
Date:

\_\_\_\_\_  
Director