

XXXXX Association, Inc

Collection Policy

WHEREAS, the Board of Directors of XXXXX Association, Inc desire to establish a policy governing collection of all amounts due and owing to the Association in order to utilize the provisions of Title 47 Chapter 828 Section 47-258(m) of the Connecticut General Statutes; and

WHEREAS, the Board of Directors of XXXXX Association, Inc adopted this policy at a duly held Board of Director's meeting; and

WHEREAS, the Board of Directors of XXXXX Association, Inc distributed the proposed policy to all Unit Owners at least ten (10) days prior to the effective date to allow Unit Owners the right to comment upon this Collection Policy; and

WHEREAS, the Board of Directors of XXXXX Association, Inc established _____, 2010 as the effective date of this policy:

WHEREAS, this Collection Policy will supersede all other collection policies of XXXXX Association, Inc on _____, 2010 and may be further amended with Notice and Comment from time to time,

NOW THEREFORE, it is adopted as follows:

1. Common expense assessments, including other fees, shall be due on the first (1st) day of each month.
2. If payment is not received by the tenth (10th) day of the month, the Unit Owner shall receive a late fee of _____ (\$___) dollars.
3. If the delinquency remains outstanding at the end of the month a reminder phone call will be made.
4. If the delinquency remains outstanding by the tenth (10th) day of the following month a reminder letter will be sent out informing the unit owner that full payment must be received by 10 days of the date of the letter or they will be sent to the Association's Attorney for collection and will be responsible for all legal fees incurred.
5. If no payment is received by the due date of the letter a \$75.00 Pyramid Collection Fee will be added to the account and turned over to the Attorney for collection.
6. Any account which remains delinquent in an amount equal to two (2) months of common expense assessments will be referred to the Association's legal counsel for formal collection action without any additional notice from the Association. Legal counsel will send a Demand for Payment Letter requiring payment of the delinquency, including all costs of collection and legal fees, within thirty (30) days. If full payment is not made within thirty (30) days, legal counsel shall commence foreclosure proceedings, providing that the account is delinquent in an amount equal to two (2) months of common expense

- assessments. This Collection Policy makes it unnecessary for the Board of Directors to vote formally on the foreclosure action against a delinquent Unit Owner meeting the requirements of a foreclosure action. All costs incurred in the foreclosure action, including attorney's fees, shall be the responsibility of the Unit Owner. Costs include, without limitation: title search fee, service of process fee, recording fee, appraisal fee, photocopying fees, postage fees, and filing fees.
7. All attorney's fees and collection costs including, without limitation, returned check and bank charges, incurred in collecting, or attempting to collect, any delinquency owed to the Association, whether or not litigation commences, shall be treated as common expense assessments against the Unit and shall be the Unit Owner's sole responsibility.
 8. If the Association incurs a fee from the Management Company for extra work in referring the delinquent account to legal counsel for collection, that fee shall be assessed to the Unit Owner's account and shall be paid by the Unit Owner.
 9. There is a \$35 charge for returned checks, plus any bank charge to the Association. After two (2) returned checks per unit, all subsequent payments for a period of twelve (12) consecutive months must be made to the Association by cash, money order, or certified or bank check.
 10. Payments received towards a delinquent account are credited as follows:
 - (a) Attorney's fees and costs
 - (b) Late fees and interest
 - (c) Fines
 - (d) Special assessments
 - (e) Regular common expense assessments, with payment being applied to the oldest balance first
 11. When a Unit Owner has been referred to legal counsel for collection of a delinquent account:
 - (a) All communications with, and payments by, the Unit Owner regarding the delinquency shall be made only to legal counsel
 - (b) The Unit Owner will not receive a monthly invoice from the Association or the Management Company until the account is no longer referred to legal counsel. All balance requests must be directed to legal counsel
 - (c) Payments shall be made payable to legal counsel as trustee. Any payment made directly to the Association will be forwarded to legal counsel without being deposited by the Association
 - (d) All requests for a payment plan shall be submitted to legal counsel in writing. The Board of Directors will NOT consider any verbal payment plan requests
 - (e) If the Board of Directors approves a payment plan, all legal fees and costs incurred during the life of the plan remain the sole responsibility of the Unit Owner
 - (f) No Resale Certificate shall be issued when a Unit Owner is in collection until the balance of the delinquency, including outstanding legal costs and fees, has been verified with legal counsel

(g) The Board of Directors, after Notice and Hearing, has the right to suspend any right or privilege of a Unit Owner and / or the Unit Owner's invitees, tenants, family, agents, guests, or occupants of the Unit Owner's unit, pursuant to the provisions of Title 47 Chapter 828 Section 47-244(a)(19) of the Connecticut General Statutes, who fails to pay a common expense assessment

12. This policy is in addition to all rights the Association has under the laws of the State of Connecticut, the Declaration, By-Laws, and Rules and Regulations, as amended.

This policy shall be effective as of the ____ day of _____, 2010

Secretary