



Pla-Vada Community Association  
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## **PLA-VADA COMMUNITY ASSOCIATION (PVCA) DELINQUENCY POLICY**

Timely payment of regular and special assessments is of critical importance to the Association. Members who fail to pay their assessments when due creates a cash-flow problem for the Association and causes those owners who make timely payments of their assessment to bear a disproportionate share of the community's financial obligations. Therefore, the Board of Directors has enacted the following policies and procedures concerning the collection of delinquent assessment accounts:

1. All regular annual assessments shall be due and payable of the 1<sup>st</sup> day of August each fiscal year. All special and emergency assessments shall be due and payable on the date(s) specified by the Board upon their adoption. All assessments are delinquent 30 days after the due date.
2. If any assessment is not received, in full, prior to the delinquency date, a late charge of ten percent (10%) of the assessment amount will be charged. A second invoice stating the total, including late charges, will be sent to the delinquent member.
3. If any assessment is not received, in full, within 30 days of the delinquency date, the member will be assessed late fee of 10 % (as above) and an additional charge of 1% per month (or part thereof) starting the 1<sup>st</sup> day of October for the regular annual assessment, and day 61 following a special assessment. Note: Interest charge shall be imposed on all sums due, including the unpaid assessments, collection costs, (including attorneys' fees where applicable), and late charges. A third invoice stating the total late charges plus the additional interest rate late fees will be sent to the delinquent member via regular and certified mail.
4. In May, the delinquent association owner will be sent a regular and certified letter indicating the total late charges accumulated to date. The letter shall state that if the assessment is not paid, in full, by August 31<sup>st</sup>, (1 year overdue), the Association will take action to issue a Pre-lien notice by certified mail to the owner's address of record of the existence and amount of the delinquency. The Pre-Lien notice and any further notices or filings will be handled by a collection agent.
5. Once a collection agent has been engaged, one or more of the following may happen:
  - A. Owners may challenge any amounts specified in a Pre-lien notice by submitting a written explanation supporting the basis for such challenge to the Board. If such explanation is duly issued within 15 days of the Pre-lien notice, the Board will provide a written response to such challenge.
  - B. Owners desiring a payment plan to resolve the delinquency giving rise to a Pre-lien notice may submit a written request for a meeting with the Board to discuss a payment plan. Provided that such request is mailed within 15 days of the Pre-lien notice, and a regular meeting of the Board is scheduled to occur within 45 days, the Board will meet with the owner in executive session. If there is no such scheduled meeting during such period, a committee of one or more members may be designated by the Board to meet with the owner and discuss such request. Payment plans shall contain such terms as the Board, or its designated committee, may approve on a case by case based, shall be in writing, and shall be signed by the owner(s) and an authorized representative of the Association.

C. If a delinquency has not been paid within 30 days after the mailing of a Pre-lien notice, the Association may cause to be recorded in the County Recorder's Office a Notice of Assessment Lien concerning all sums which are then due, including any assessments, late charges, costs, le attorneys' fees, to confirm and give public notice that the Association claims a lien against the delinquent owner's property which may be subject to foreclosure by either non-judicial or judicial foreclosure.

D. If a delinquency remains unpaid for 30 days after recordation of a Lien, the Association may cause a non-judicial foreclosure proceeding to be initiated to foreclose its lien against the owner's property, or the Association may proceed to initiate such other enforcement actions, including without limitation a judicial foreclosure action, as the Association determines to be appropriate.

E. Due to complexity of Pre-lien and Foreclosure processes, the Association will retain counsel or a trustee to handle the collection of assessment delinquency for the Association, communications concerning such matters on behalf of the Association shall be conducted exclusively by counsel or trustee for the Association until any such delinquency is fully satisfied.

6. The Association may terminate water services when the delinquent property owner's cabin is not paid in-full within the 30 days of the issuance of Pre-lien letter by the foreclosure company. The cost for termination and restoration of water service by the Association is a minimum of \$250.00

**Proposed 1/19/19**