

# Cobblestone Master Homeowners Association, Inc.

## Policy Resolution #1 - Delinquency Policy

Enacted: 3-22-23

Effective: 3-22-23

WHEREAS, Article 11 of the Cobblestone Master and Townhomes at Cobblestone Bylaws states that each member is obligated to pay to the Association annual and special assessments which are secured by a lien upon the Lot against which the assessment is made. Any assessments which are not paid within ten (10) days of the due date shall be delinquent.

WHEREAS, Article 9, Section 9.01 of the CC&R's states that every Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, covenants and agrees to pay to the Association such Annual Assessments or charges and such Special Assessments or charges as may be levied by the Association pursuant to the provisions of the Declaration.

WHEREAS, Article 9, Section 9.09 states that owners shall pay assessments in the manner and on the dates the Board establishes.

WHEREAS, Article 9, Section 9.11 states that any assessment not paid within ten (10) days after the due date shall be delinquent. The board may require that any delinquent assessment bear a late charge to cover administrative expenses incurred as a result of the late payment of the assessment. The Association may bring legal action against the Owner personally obligated to pay a delinquent assessment or fine and, after Notice and Opportunity for Hearing, the Association may suspend a delinquent Owner's membership rights in the Association while the assessment or fine remains unpaid. In any legal action to enforce payment of an assessment or fine, the Association shall be entitled to recover interest, costs, and reasonable attorneys' fees.

WHEREAS, Article 9, Section 9.01 states that the amount of any such annual or special assessment plus any other charges thereon, such as interest, late charges and costs (including attorneys' fees), as such may be provided in the Declaration, shall be and become a lien upon the Lot assessed when such annual assessment or special assessment remains unpaid for a period of thirty (30) days or longer and the Association causes to be recorded in the office of the clerk of superior court in the County a notice of assessment.

NOW THEREFORE, BE IT RESOLVED THAT the following policy shall be adopted by the Board of Directors regarding the legal action of any delinquent Assessment:

1. **PAYMENT SCHEDULE - Single Family Homes** - The regular assessment and landscape assessment for single family homes is due on the 1st of each month. Assessments not received within 10 days of the due date will be considered past due.
2. **PAYMENT SCHEDULE - Townhomes** - The regular assessment for the townhomes is due on the 1st of each month. Assessments not received within 10 days of the due date will be considered past due.
3. **NSF & INTEREST CHARGES.**
  - A late fee of \$25.00 per month shall be charged monthly on all delinquent balances not paid by the 10th of the month.
  - An NSF (Non -Sufficient Funds) charge will apply to any returned check.

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4. ORDER OF CREDITING PAYMENTS. Payments received shall be first applied to assessments, then, in this order, attorney's fees, late charges, late interest, and violation fines.
5. PROCESS FOR DELINQUENCY NOTIFICATION. For all balances that are not received by the due date, the following notification process applies:
  - FIRST NOTICE - first notice of past due charges including detail of assessments, late fees, NSF charges, and other charges that apply will be sent by First Class Mail to an owner whose balance is 10 days past due.
  - 2ND NOTICE - 30 days after the first notice, a demand for payment including details of assessments, late fees, NSF charges and other charges that apply will be sent by First Class Mail to an owner whose balance is thirty (30) days past due. This Notice will recite intent to turn the matter over to an attorney for collection enforcement if balance is not paid within 30 days. Attorney actions include but are not limited to filing a lien against the owner's property, a personal judgment against the owner and property foreclosure.
6. PLACEMENT OF LIEN - When any assessment is delinquent 90 days the Association shall have a lien placed on the Lot by the Association's law firm.
7. FURTHER ACTION - 90 days after a lien has been placed on any Lot, the Association shall have the option to foreclose on the lien unless the Owner is complying with a written payment plan that has been approved by the Board of Directors.
8. When a fine that has been levied on any lot for violations of the Covenants, Conditions and Restrictions, Architectural Guidelines, Rules and Regulations or other rules enacted by the Board, is delinquent 90 days, the Association may place a lien on the property.
9. Should a delinquent owner request a payment plan arrangement where he/she will (1) bring his/her account current within twelve months of said request, and (2) agree to sign an authorization for automatic withdrawal of payment plan installments, the managing agent can accept payment agreement without further approval by the Board of Directors.

APPROVED: *Dorothy Buffone*  
President

APPROVED: *Barbara Carlson*  
Vice President

APPROVED: *Nancy Dulmer*  
Treasurer/ Secretary