

Royale Sands Beach Club

Condominium Association

Assessment Collection Policy

(1) Version:12-01-2013 - Late fee changed to \$40 by residents at 2013 annual meeting.

(0) Version: 03-15-2011 - Initial document

The Board of Directors has the obligation to oversee the collection of all Association assessments (monthly condo fees & special assessments) in a timely manner. Based upon the Association's governing documents and in compliance with the NH Condominium Act, the Board of Directors has enacted the following policy concerning the collection of assessments.

The purpose of this policy is to clearly state the actions that may occur when a unit owner defaults on payment. Late payments can create overwhelming pressure on the Association's budget and impact property management. Every member of the Association has an obligation to make prompt payments, and the right to rely on prompt payment by other members, regardless of personal circumstance.

1 – **Assessments** (Condo Fees, Special Assessments & Common Expenses) Condo fees, unless prepaid for the year on January 1, are due on the first of the month. Any Special assessments are due on the date determined by the Board of Directors. Monthly invoices and reminders are not provided.

There is a 10-day grace period for payments, after which a \$40 late fee will apply. If payment is not received by the end of the month in which it is due, interest will apply at a rate of 18% from the date it was due.

Payments are first applied to any interest or fees, and then to the oldest outstanding assessment.

See Declaration, Article XIII, paragraph 2: *“Assessments paid on or before ten (10) days after the date when due shall not bear interest, but all sums not paid on or before ten (10) days after the date when due, shall bear interest at the rate of eighteen percent (18%) per annum from the date when due until paid...”*

See By-Laws, Article VI, Section 10: *“The Board at its option shall have the right in connection with the collection of any Common Expense assessment, or other charge, to impose a late charge of any reasonable amount...”*

2- **Suspension of Membership** (30 Days) If a unit owner remains in arrears after 30 days, a letter for payment will be sent to the unit owner (both by first class & certified mail), and the account will be assessed a \$10 letter fee. The Board may suspend the unit owner's rights in the Association. Suspended unit owners may not vote or enjoy the privileges of the common areas while suspended.

See By-Laws, Article II, Section 4 & 5: *“The membership and voting rights of any member may be suspended by the Board for any period during which any assessment against the Unit to which his membership is appurtenant remains unpaid...”*

3 – Default & Perfection of Lien (60 Days) If a unit owner remains in arrears after 60 days, a second letter for payment will be sent to the unit owner (both by first class & certified mail), and the account will be assessed a \$10 letter fee. The Board may turn the account over to an attorney for consultation, collection and filing of a lien. Further, the Board may accelerate all monthly assessments at this time. All legal costs are passed on to the unit owner.

The timing and process described here is particularly important in those situations where a homeowner in default has a mortgage written after January 1, 2011. The revised NH Condominium Act provides important protection for Condominium Associations to collect money owed, but only if the specified procedure is followed.

A unit owner may present a payment plan to the Board for consideration, to be evaluated on a case by case basis. Unit owners should not expect to be granted long term, or permanent payment plans. The Board is not obligated to accept a payment plan.

See Declaration, Article XIII, paragraph 3: *“The lien for unpaid assessments as provided in New Hampshire Revised Statutes Annotated Chapter 356-B:46 shall also secure reasonable attorney’s fees incurred by the association incident to the collection of such assessment in the enforcement of such lien...”*

See By-Laws, Article VI – Section 9: *“If a Unit Owner shall be in default in the payment of an installment upon a Common Expense assessment, the Board may accelerate the remaining installments of the assessment and file a lien for such accelerated amount upon notice to the Unit Owner...”*

See State of NH RSA 356-B:46 Lien for Assessments: *“The unit owners’ association shall have a lien on every condominium unit for unpaid assessments levied against that condominium unit...”*

...provided that the unit owners’ association sends, within 70 days of the occurrence of any delinquency, the unit owner and the institutional lender holding the first mortgage written notice of the delinquency by certified mail and first-class mail that the account is at least 60 days delinquent...”

The Board of Directors and your neighbors thank you for keeping your account current.

Royale Sands Beach Club Association Contact: board@royalesandsbeachclub.com