

Caswell Cove Marina
Summary of Common Charge Collection Procedures

A revised common charge collection policy was adopted by the Caswell Cove Marina Executive Board at its Executive Board meeting held March 9, 2010 and further amended at the regular meeting of the Executive Board on August 11, 2011. The following outlines the specific procedures for the collection of common charges and special assessments and actions to be taken by the Executive Board and the Property Manager to collect past due and delinquent payments.

1. It is the responsibility of each unit owner to pay all common charges, assessments, fines and other charges imposed on the Unit Account when such payments are due. The Property Manager shall send late notices to any unit owner whose payments are more than 30 days past due.
2. There is no legal requirement that the Association or the Property Manager send a monthly statement or any other notice when charges are due except in situations where there is a change in the amount of the monthly common charges or in similar situations. The mailing of statements, overdue statements or final warning letters is a matter of convenience only. Failure of the Association or Property Manager to send such notices and/or the non-receipt of such notices by a unit owner does not constitute a legal excuse to not pay such charges when due. It is the responsibility of each unit owner to contact the Property Manager with any questions as to the amounts owed on a Unit Account.
3. All amounts received from a unit owner shall be applied to the oldest unpaid amount as shown on the Unit Account Statement. There shall be a late charge in the amount of \$25.00 per month. The late charge will be imposed on the fifteenth (15th) calendar day of each month if there is any amount unpaid on the Unit Account as of the fifteenth (15th).
4. The Property Manager shall refer a Unit Account to the Association's attorney for legal collection proceedings when the amount unpaid on a Unit Account is greater than two (2) months of monthly common charges and/or two (2) months have passed without receipt of a payment from a unit owner.
5. The Property Manager shall automatically apply a \$75.00 one-time fee against the unit owner's account, payable to the Property Manager and collected as part of the past due amount.
6. The attorney for the Association will make a written demand for payment, either by hard copy or electronically in an attempt to collect the past due amount. The written demand shall include a proposed payment plan that the Association will accept. The unit owner will be responsible for payment of all common charges, late charges, assessments, attorney's fees and any other costs of collection.
7. The first attorney letter shall contain a thirty (30) day notice period before a foreclosure may be commenced. If the unit owner contacts the attorney and requests verification of

the amount of unpaid common expenses every reasonable effort will be made to research the account and provide written verification of the amount of unpaid common expenses without additional charge to the unit owner. Once the debt is verified, the unit owner is provided an opportunity to present a payment plan if the unit owner is not able to pay that account in full at one time.

8. Once an account is referred to an attorney for collection, the Association requires the unit owner to deal directly with the attorney's office until the account is paid current. Any checks or payments received by the Association or the Property Manager directly from a unit owner will be delivered to the Attorney's office. The attorney's office will decide on a case by case basis whether to accept the check on account or return the check to the unit owner. If a check is accepted on account the check is delivered to the Association and a new letter is sent to the unit owner with an updated unit account statement itemizing the amounts paid and unpaid and again requesting that the unit owner pay the account in full or contact the attorney's office and propose a payment plan acceptable to the Association. The Property Manager shall not communicate with unit owner(s) concerning unit accounts that have been referred to an attorney for collection but shall refer all unit owner contact to the attorney for review and response until the account is current and the attorney's file is closed.
9. The policy of the Association is to accept a payment plan provided that the payment plan (1) is in writing; (2) requires payment of the current monthly common expenses and assessments, if any, that are due; and (3) an additional monthly payment towards the arrearage in an amount sufficient to satisfy the Unit Account arrearage and bring the Unit Account current within a six (6) month time period. For example, the minimum payment in any payment plan will be the amount due for the current month and an equal amount towards the arrearage or a double payment for each month of the payment plan. In addition, the payment plan must be completed within six (6) months of the date of the first written demand for payment to the unit owner. The date of written demand is the date that the letter is sent to the unit owner. All such notices or letters concerning payment shall be deemed received two (2) business days from the date sent. In extreme situations the payment plan may be modified provided the payment plan is in writing and there is no dispute as to the amount owed. In all cases, the payment plan includes a provision that the unit owner will be responsible for all common charges, late charges, assessments, attorney's fees and costs of collection.
10. A foreclosure action will not be commenced unless the unit owner fails to accept the payment plan or the unit owner does accept the payment plan but fails to make payments in accordance with the payment plan. The attorney notice will include notice required by the Fair Debt Collection Act and request that the unit owner pay the Unit Account in full or the unit owner may accept a payment plan as proposed by the Association.
11. **In situations where the unit owner does not contact the attorney and/or the unit owner fails to sign a payment plan and/or a payment plan is accepted by the unit owner but the unit owner fails to make payments in accordance with the payment**

plan, a title search may be ordered and a foreclosure may be commenced in accordance with the provisions of this collection policy. When a foreclosure is commenced, every record owner of the condominium unit and any party owning a record interest in the unit (examples: holders or mortgages and/or judgment liens) is required to be named as a defendant and served a copy of the foreclosure complaint.

In situations where a foreclosure has been commenced, a unit owner may propose a payment plan but any such payment plan will be subject to approval of the Association. There is no standard payment plan and there is no guaranty that any payment plan will be accepted once a foreclosure has been commenced.

12. It is the policy of the Association to aggressively pursue collection and, if necessary, foreclosure actions once commenced and make every effort to complete a foreclosure action as quickly as possible to minimize potential losses to the Association.
13. Once a Unit Account is collected in full or is collected to the fullest extent possible under Connecticut law, the Unit Account is deemed Paid Current and returned to the Property Manager and Association.
14. All amounts paid by a unit owner shall be applied in the following order:
 - i. Payment of the oldest amount of unpaid common expenses and/or assessments on the unit account;
 - ii. Payment of late charges and/or interest;
 - iii. Payment of other amounts due the Association;
 - iv. Payment of legal fees and disbursements incurred in connection with the collection and/or foreclosure;
 - v. Fines.
15. In situations where the only amount outstanding on the Unit Account statement is fines, the Association shall not begin a foreclosure unless as a pre-condition the Association first obtains a civil judgment against the unit owner and then files a judgment lien against the unit on the land records.
16. In situations where the unit owner account includes amounts owed to the Association for damages to Association property and/or required maintenance pursuant to the Condominium Documents, all such amounts shall be the same as common charges.