

Corrotoman by the Bay Collections Procedures

(Revised 9 October 2023 and Approved by Board of Directors on 14 October 2023 cancels
Collection Policy dtd 10 September 2022)

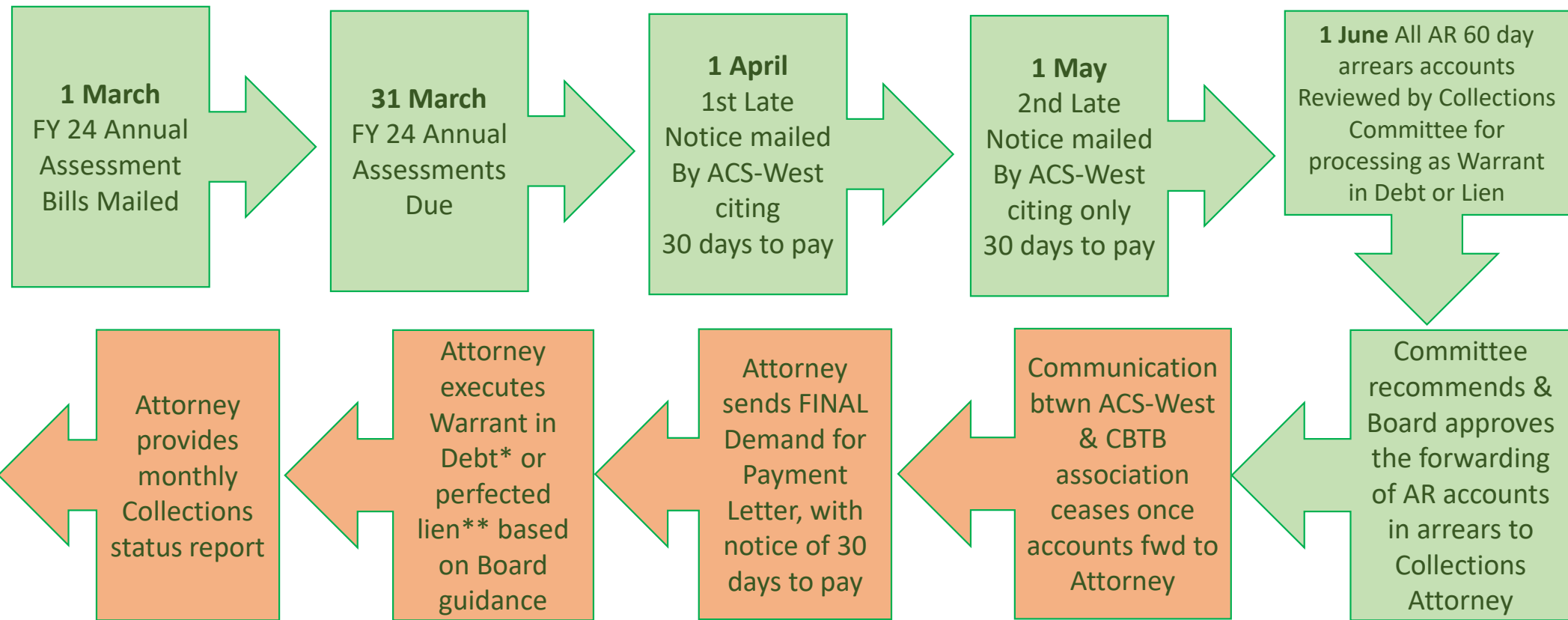
1. The Collections Committee will be comprised of a group of members led by the Collections Committee Chair (whom must be a Board member), and also comprised of the Treasurer, President, Finance Committee Chair, Legal Advisor, current contracted Professional Financial Management Services Provider (PFMSP) Community manager. Their responsibilities include: identification of delinquent accounts and preparing recommendations for the Board of Directors approval as to the following:
 - a. Recommended prior year bad debt write-off based on Fair Debt Collection Act statute of limitations of 5 years.
 - b. Recommend accounts to be forwarded to Collections Attorney for placement of Warrant in Debt or perfected liens based on the review of the budgeted amount available for Collections Legal fees and analysis of potential return on investment.
 - c. Recommend that all accounts in arrears in excess of 60 days be forwarded to Collections Attorney for appropriate Collections action, unless delinquent owner has requested a payment plan be approved of the Board of Directors. If assessment fees for the current fiscal year are not paid in full, the owner is considered not in good standing.
 - d. Each account approved by the Board of Director's in a Board Meeting, (and cited in Meeting Minutes) to be written off will be documented as to the decision and a copy of the individual decision will be submitted to the professional financial management firm for documentation. In addition, a copy of the decision will be filed with the property owner's record locally.
 - e. Payment plans for delinquent accounts may be approved providing BOTH the Treasurer and the Collections Committee Chair concur on proposed payment plan and the proposed payment plan enables pay-off within 18 months of establishment of plan. If Delinquent account holder misses two consecutive months of payments, the account will be forwarded to Collections immediately. Collections Committee will provide updates of

current payment plans with each monthly Collections Committee Report.

2. Collections Committee will coordinate with PFMSP for the preparation and mailing of an initial notice of delinquent assessment letter no later than 30 days after assessment due date and preparation and mailing of a final demand for payment letter to all delinquent account holder(s) no later than 60 days after the assessment due date, advising that their account is moving to collections in the next **thirty (30)** days.
 - a. Upon issuance of the final demand for payment letter, and the expiration of the 30 days, there will be no further correspondence regarding the debt with either the PFMSP or Corrotoman By the Bay (CBTB) Board Members. All correspondence with delinquent lot owners will then be conducted between delinquent account owners and Association Collections Attorney.
 - b. Upon expiration of the 30 days the above referenced letter and continued non-payment of the account, the account will be submitted to the Association Collections Attorney for issuance of Final Demand Payment Notice and then after 30 days, issuance of either a Warrant in Debt or perfection of a lien based on the recommendation submitted by the Collections Committee to the Board of Directors. Those recommendations will be based on a return on investment analysis and require Board approval.
3. Collections Committee will review the accounts receivable reports provided by ACS-West no earlier than thirty days after the annual assessment due date. They will then identify from the delinquent listing (accounts receivable) a prioritization of those accounts to send to collections attorney and cite whether a warrant in debt or a perfected lien is requested. In addition, collections committee will prepare a report to be forwarded to the Board of Directors for approval of all uncollectable "bad debt," IAW the Fair Debt Collection Act, 5-year limitation. This initial list will be done no earlier than thirty (60) days after the assessment due date. (Includes annual and special assessments).
4. The Association Collections Attorney will continue to track and advise the Collections Committee Chair on the status of any warrants in debt liens/judgements/other actions required and keep the CBTB Treasurer

appraised of the collection status on a monthly basis. The Association Collections Attorney will also advise if the account has no likelihood of ever being collected and provide a recommendation as to the appropriate disposition of the account.

Revised Collections Committee Process Flow



* Warrants in Debt 10 years, (initial cost to Board is approximately \$60.00 filing fees, plus additional service of process fee of \$28.00 if out of state debtor.) Attorney fees NOT Charged until accounts are paid in full (they charge 1/3 of amount collected to be paid by delinquent account owner)

** Liens only good for 3 years (costs approximately \$385.00 for Title Search and HOA lien Preparation fees plus \$23.50 lien filing fee per lot)