



Policy and Procedures on the Collection of Annual Fees

Authority:

Blackburne Creek Homeowners' Association Operating Encumbrance
Articles of Association/Bylaws

Purpose:

- 1) To provide clarity to members about policies for collections of annual Association assessment fees.
- 2) To provide guidance to current and future Boards on collection procedures.

Background

An Operating Encumbrance registered on properties in the subdivision secures the Blackburne Creek Homeowners' Association (the Association) assessment fee. The Association considers the non-payment of fees to be unfair to the neighbourhood in general and is a breach of the Operating Encumbrance registered against the property. Collection activity may include the services of a collection agency and court action if needed. Interest and charges are added to the fee for title searches to identify the current owner when the arrears invoices are sent.

Policies

- The annual fee is currently \$90 for single family dwellings and \$60 for condominiums and other multi-family units. These amounts may be changed at the discretion of the Board and through a Board Resolution
- The fee covers the period from July 1st to June 30th, annually.
- The invoice for the fee will be sent in May or June of each year.
- Fees are due July 31st, after which simple interest of 1.5% per month is charged on the outstanding principal balance, calculated on January 1st and July 1st of subsequent years where fees remain unpaid.

Policy and Procedures on the Collection of Annual Fees (Cont'd)

Policies (Cont'd)

- Fees that are unpaid by September 30 will result in a written reminder being sent to the member. This written reminder incurs a penalty of \$25, or as amended by the Board from time to time to reflect collection costs.
- The Board, in severe circumstances, may waive interest and penalties. The justification of such waivers will be decided by the Board.
- Waiver circumstances do not include errors or omissions by a member's lawyer such as neglecting to advise a new member (to the Association) that there is a caveat registered requiring the payment of Association fees. In these cases, the member must pay the fee, penalties and interest and should seek reimbursement from the lawyer directly for these payments. If the lawyer refuses to acknowledge their errors or omissions, members can pursue the matter through the Law Society of Alberta.
- For any fees that are unpaid by November 30, a second letter will be forwarded via registered mail to the Homeowner at an additional penalty of \$25 plus interest accrued.
- A refusal to pay the penalties, interest, or any portion thereof will be an outstanding debt to the Association and recovery will be pursued as per any other outstanding debt.
- At the first Board meeting of the new calendar year, the Board shall review all delinquent accounts and forward to a Collection Agency with a summary of all moneys owing on each account. This will result in an additional collection charge of \$50. The Board will not accept direct payments once the account has gone to Collections as this violates our contract with the Collection agency.
- If a property has a tax notice has been received and the property is up for sale, the Association will wait for sale of the property to receive its outstanding balance. If the property is not up for sale and the tax default date has passed, the Association will move forward with garnishee or seizure of property. The appropriate action to be taken will be based on the advice of the Association's legal representative.

Policy and Procedures on the Collection of Annual Fees (Cont'd)

Policies (Cont'd)

- The Board shall determine outstanding accounts from previous years at a meeting prior to sending out current year invoices. Outstanding accounts will then be forwarded to the Association lawyer for collection through litigation. The steps taken following sending the matter to the lawyer are normally:
 1. A demand letter sent from the lawyer.
 2. Commencement of Small Claims Court action.
 3. Following that action, Writs registered with Personal Property Registry and at Land Titles.
 4. A letter is sent to the member advising that the writs are filed and entered and detailing the new outstanding balance which includes all legal fees incurred to date.
 5. After seven to ten days, the association will instruct the lawyers to take further collection action which includes garnishee, property seizure, or foreclosure on the property.

- The current owner is responsible for all charges assessed against the property

Initially Adopted – 2012

Revised – 2016

Revised - 2020