

TRAILWOOD HOMEOWNERS ASSOCIATION

COLLECTION POLICY

WHEREAS, the timely collection of amounts owed to the Association from the homeowners is essential to the proper administration of the Association and is required in fairness to all homeowners;

NOW, THEREFORE, the following is hereby adopted by the Board of Directors of Trailwood Homeowners Association as an official collection policy of this Association, effective for the collection of assessments delinquent more than three (3) years from the date of this Collection Policy and assessments due for the 2016 fiscal year onward and for every year thereafter, unless otherwise modified by the Board:

1. The Annual Association Assessment fee (the "Assessment") is due on or before January 1 of each year.
2. In accordance with Article IV, Section 8 of the Declaration of Covenants, Conditions and Restrictions and Article V, Section 8 of the Bylaws, any Assessment not paid in full within 30 days of the due date (January 30) shall bear interest from the due date at a rate of six (6%) percent per annum until the Assessment is paid in full.
3. In accordance with Article IV, Section 1 of the Declaration of Covenants, Conditions and Restrictions and Article V, Section 1 of the Bylaws, any legal fees and/or costs associated with the collection of any unpaid assessment or other amounts owing will be the sole responsibility of the delinquent homeowner.
4. **One Month Delinquent** – The Association will send a late notice to the homeowner with the total amount due, including interest.
5. **Two Months Delinquent** – The Association will send a second late notice to the homeowner with the total amount due, including interest.
6. **Three Months Delinquent** – The Association will send a third late notice to the homeowner with the total amount due, including interest.
7. **One Year Delinquent** – Homeowners who, as of January 1 each year, are delinquent in the payment of the previous year's Assessment or any other delinquent Assessment to the Association, will be referred to the Association's legal counsel. The Association attorney will send a notice of intent to record a lien to the homeowner, demanding full payment of all amounts owing on the account, to be received by the Association attorney on or before April 1. Failure to make full payment on or before April 1 will result in a lien being recorded against the homeowner's lot. The Association reserves the right to pursue further collection action against the homeowner.

No further notices of delinquency will be sent by the Association directly. All contact with the homeowner will be made by the Association's attorney from this point onward.
8. **Two and a Half Years Delinquent** – The Association attorney will send a final notice prior to foreclosure to the homeowner who is two and a half years delinquent in paying an Assessment. The notice will demand payment in full of all amounts owing on the account, to be received on or before December 31.

9. **Three Years Delinquent** – The Association attorney will proceed to file a lawsuit to foreclose the Association’s lien against the homeowner who is three (3) years delinquent in paying an Assessment. The homeowner will be responsible for all charges assessed by the Association resulting from the collection process, including but not limited to, all attorney’s fees, costs and expenses related to the filing of liens and legal action, correspondence related to the delinquency, conversations with the attorney related to the delinquency, costs related to the investigation of the account and miscellaneous fees as may be applicable. These fees cannot be waived.
10. **Over Three Years Delinquent** – For homeowners who are more than three (3) years delinquent in paying an Assessment as of the effective date of this Collection Policy, the Association attorney will send a final notice prior to foreclosure to the homeowner. The notice will demand payment in full of all amounts owing on the account, to be received on or before 60 days from the date of the final notice. Failure to pay all amounts owing on the account within 60 days will result in the Association attorney filing a lawsuit against the homeowner to foreclose the Association’s lien. The homeowner will be responsible for all charges assessed by the Association resulting from the collection process, including but not limited to, all attorney’s fees, costs and expenses related to the filing of liens and legal action, correspondence related to the delinquency, conversations with the attorney related to the delinquency, costs related to the investigation of the account and miscellaneous fees as may be applicable. These fees cannot be waived.

NOTE: Payment plans are available **upon written request** by a homeowner. The homeowner may request consideration in writing, in which an explanation of the delinquency is provided and a specific payment plan covering **the entire balance owed** is offered (including the specific dates and amounts of the proposed payments to be made under the plan). The acceptance of any payment plan is subject to the approval of the Board of Directors, **in its complete and sole discretion**. If a payment plan is approved, the homeowner will be expected to fully comply with the plan. If any payment under the plan is late or missed, the payment plan will be subject to immediate termination by the Board, and additional interest, legal fees and costs may accrue as a result of the default. Immediate and full payment of the delinquency will then be required or legal action will be initiated.

APPROVED BY THE TRAILWOOD HOMEOWNERS ASSOCIATION BOARD OF DIRECTORS
ON _____, 2015

By: _____

Its: Secretary