

(with corrections made at 24 MAR 2014 BOD Meeting)

Assessment Collection Procedures:

General: After an extensive discussion aimed at establishing the correct balance between “too quickly” identifying an individual homeowner’s account as past due and ensuring prompt collection of Assessments due, the Board reached a general consensus on the following:

- Bills for the following year’s Annual Assessments will be mailed to each Association member in December and will indicate a due date of 1 January and notice that the Board at its regular January meeting the Board will commence a formal process of collection on accounts remaining unpaid.
- At its January meeting, the BOD will receive from TMGA a listing of all Association members whose accounts indicate that Assessment bills for the (now) current year remain unpaid.
- At the January BOD meeting, the Board can then direct TMGA to appropriate Association members whose account has not been satisfied a Reminder Letter (see letter Number One below) reminding them that their account is overdue. The Board may choose to also personally contact individual members whose accounts are not paid.
- At its February meeting, the Board will receive from TMGA a listing of all Association members whose accounts indicate that their Assessment bills for the current year remain unpaid.
- At the February BOD meeting, the Board can then direct TMGA to send Association members whose account has not been satisfied a Delinquency Notice Letter (see letter Number Two below) that also authorizes the addition of a \$5.00 Administrative Fee and a \$15.00 Late Fee to the amount due to the Association. The Board may choose to also personally contact individual members whose accounts are not paid.
- At its March meeting, the BOD will receive from TMGA a listing of all Association members whose accounts indicate that Assessment bills for the (now) current year and incurred Administrative Fees and Late Fees remain unpaid.
- At its March BOD meeting, the BOD can then direct TMGA to send Association members whose accounts (including Administrative Fees and Late Fees) remain unpaid a Notice of Intent to File Lien Letter (see letter three below) by certified mail and to add a \$125.00 Administrative Fee to the amount due the Association. The Board may choose to also personally contact individual members whose accounts are not paid.
 - NOTE: The lien process begins with the sending of the Notice of Intent to File Lien letter by certified mail. If the certified letter is not signed for by a representative of the homeowner and the account (including Administrative Fees and Late Fees) remains unpaid within 30 days, TMGA will post a Notice of Intent to File Lien on the property with a 30-day due date indicating intent to file the lien. If such a posting of the property is required, the posting will result in a \$135 Administrative Fee being added to the Association member’s account.

- At its April and May meetings, the Board will receive from TMGA a listing of all Association members whose accounts (including Administrative Fees and Late Fees) remain unpaid following the required 30-day notice period. The Board can then approve both the filing of a lien and the addition of a \$275.00 Administrative Fee to the amount due.
 - NOTE: An account that proceeds to lien AND that required posting of the property would have incurred the following, in addition to the underlying Assessment:
 - Administrative fee: \$ 5.00
 - Late fee: \$ *
 - Certified Letter of Intent (Lien) \$ *
 - Administrative fee (posting): \$ *
 - Lien fee: \$ *
- *Actual amounts will be those charged to the Association for executing each action under the BOD's management contract

Letter One
REMINDER LETTER
(to be approved at January BOD Meeting)

Our records show that your [year] annual assessment incurred as a member of Derwood Station Homeowners Association No. 2 Inc. owning property at [address] remained unpaid on its due date of 1 January [year].

Payment of this annual fee is required by covenants binding upon your property, and provides the funds with which the Association is able to provide the community services required of it. Delayed payment by any Association member impinges upon each Association member.

The Board of Directors asks that you resolve this issue quickly by mailing your payment in the amount of [amount] to [name and address] before it becomes necessary to begin a more formal collection process.

If you have questions, please call our property manager [name] at [phone number].

Letter Two
DELINQUENCY LETTER
(to be approved at February Board meeting)

Your annual assessment incurred as a member of Derwood Station Homeowners Association No. 2 Inc. owning property at [address] and due on 1 January [year] remained unpaid as of the meeting of the Association Board of Directors on [date of meeting]. The BOD recognizes that delayed payment by any Association member impinges upon each Association member.

At that meeting, the BOD approved commencing a formal process of collection of this overdue account with the sending of this formal delinquency notification. By remaining unpaid to this point, your account with the Association has incurred an administrative fee of \$5.00 and now

stands at [total amount due] imposed by the Association under its authority as detailed in the covenant documents binding upon your property.

The Board of Directors asks that you resolve this issue before [date] by sending your payment in the amount of [total amount due] to [name and address].

Please make this payment before it becomes necessary for the Board to proceed further with the formal collection process through the placing of a property lien for the due amount and the added costs associated with that lien placement.

Letter Three
NOTICE OF INTENT TO PLACE LIEN
(to be approved at the March Board Meeting)

Your annual assessment incurred as a member of Derwood Station Homeowners Association No. 2 Inc. owning property at [address] and due on 1 January [year] remained unpaid as of the meeting of the Association Board of Directors on [date of meeting].

At this meeting, the Board of Directors, acting under its authority as detailed in the covenant documents binding upon your property, voted to both place a lien upon your property for the outstanding amount plus the costs of placing the lien and to send this overdue account to Association's attorney for collection of the total amount currently due [total amount due] plus attorney fees incurred.

The BOD regrets the necessity of taking this action, but non-payment of annual assessment and the associated collection fees by any Association member places a burden upon each Association member.