

GLACIER HILLS HOMEOWNERS' ASSOCIATION
COLLECTION POLICY AND PROCEDURE

POLICY: The purpose of this policy is to collect Glacier Hills Homeowners' Association's accounts receivables in a timely and consistent fashion, and to protect those receivables when bad debt conditions warrant. This collection procedure as approved by the Glacier Hills Homeowners' Association (herein called GHHOA) shall be strictly followed and applied consistently to all lot owners. Amounts not paid within 30 days of notices to lot owners will incur at 10% annum late penalty, which will be applied as simple interest on the unpaid balance monthly (10% / 12 months = monthly late penalty). All lot owners will be provided a copy of the GHHOA collection policy and procedure.

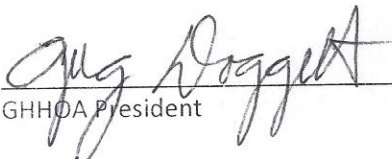
PROCEDURE:

- 1) The GHHOA Secretary and Treasurer shall issue initial notices to lot owners for either annual dues or special assessments 30 days prior to the due date. These notices will be sent via valid email addresses as provided by the lot owners in Adobe format or via regular US postal service. Initial notices will include a section on late fee penalty assessment on any unpaid balances not received by the due date; said section will reference the GHHOA Covenant document Article and Section pertaining to assessing late fees. (See attached letter template A for such notices)
- 2) The GHHOA Secretary and Treasurer shall keep a photocopy of each check received by lot owners for record keeping purposes.
- 3) The GHHOA Secretary and Treasurer shall enter all such payments into a manual or software ledger program for record keeping purposes on a timely basis.
- 4) The GHHOA Secretary and Treasurer will keep a record of all initial notices sent for both the Annual Dues and any Special Assessments.
- 5) The GHHOA Secretary and Treasurer shall report to the GHHOA Board of Directors the status of all paid and unpaid Annual Dues, and any Special Assessments. They may optionally provide the same report to the Association as a whole, such to the GHHOA Board of Directors approval.
- 6) The GHHOA Secretary and Treasurer shall assess a monthly late penalty via the simple interest calculation (the late penalty assessment cannot be calculated against prior late penalty amounts assessed, only upon the principal amount owed) as noted in the policy section above on unpaid balances each month.
- 7) The GHHOA Secretary and Treasurer shall keep a file for each lot owner that is in arrears, with a copy of the initial notice, and any subsequent notices sent. In addition, any correspondence received or verbal conversation held with said lot owner will be documented within this file.
- 8) The GHHOA Secretary and Treasurer has the power to negotiate appropriate monthly payment amounts for lot owners who request it, as long as the agreed monthly payment amounts result in full payment within one calendar year of said agreement. Such agreements must be made in writing and approved by the GHHOA President.
- 9) The GHHOA Secretary and Treasurer has the power to negotiate and write off the monthly late penalty with lot owners when said action results in a promise to pay agreement within 30 days. Such agreements must be made in writing and approved by the GHHOA President. If the promise to pay is not upheld by the lot owner within the 30 day period, said late penalty amounts will be reapplied to the lot owner's account retroactively.
- 10) The GHHOA Secretary and Treasurer shall issue monthly notices to lot owners every 30 days, or on the last date of the month to lot owners for any unpaid balances, which will include any late payment penalties as noted in step 4 of this procedure). Said continuing unpaid balance notices will include a section of late fee penalty assessment on any unpaid balances not received by the

due date; said section will reference the Covenant document Article and Section pertaining to assessing late fees. (See attached letter template B for the first such letter and attached letter template C for subsequent such letters for continuing unpaid balances).

- 11) The GHHOA Secretary and Treasurer shall issue a letter of intent to file a lien against the property of those lot owners who are at least six (6) months in arrears on any payments. This letter of intent must be sent via the US Postal Service by certified letter with a confirmation that said letter was received by the recipient. In addition, it can also be sent via a valid email address as provided by the lot owner in Adobe format. The letter of intent to file a lien must provide the lot owner with at least 30 days to bring their account current. The lien letter will include a section on liens as provided in the GHHOA document Article and Section pertaining to liens. (See attached template D for the lien template letter).
- 12) On unpaid balances still in arrears 30 days after the lien letter has been sent, the GHHOA Secretary and Treasurer will file the lien against the lot owner's property, along with any late penalties, and legal fees incurred to collect such amounts.
- 13) The GHHOA Secretary and Treasurer will be responsible to ensure that all filed liens are kept current in the legal system over time in order to protect the GHHOA's accounts receivables.

Reviewed/Approved:



GHHOA President

11-8-2011
Date



GHHOA Vice President

10-17-2011
Date



GHHOA SECRETARY AND TREASURER

10-17-2011
Date