

TrailMark Homeowners Association, Inc.

Collection Policy (Revised)

WHEREAS, the Board of Directors of TrailMark Homeowners Association, Inc. is empowered to determine where, when and how assessments shall be paid to the Association pursuant to Article 9 of the Declaration of Covenants, Conditions and Restrictions.

WHEREAS, the Board of Directors is committed to ensuring that all assessments are paid to the Association and developing a fair and equitable policy providing that failure to pay in a timely manner shall result in penalties.

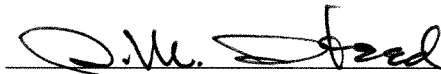
WHEREAS, it is the intent that this policy resolution shall be applicable to all Owners for the payment of any delinquent amounts owing the Association.

NOW THEREFORE, BE IT RESOLVED THAT the following policies and procedures are established regarding the collection of assessments:

- A. The annual assessment for each lot shall be paid, following notice of the annual assessment rate, in four (4) equal quarterly installments due on the first day of each quarter. Quarters begin on the first day of January, April, July and October of each year.
- B. If payment arrives at the designated payment address after the thirtieth (30) of the first month of the quarter, a late fee of \$25.00 will be assessed.
- C. When payments are received, they shall be applied to the Owner's account in the following order: legal fees and costs, late charges, interest, fines, and oldest assessment due.
- D. Failure to pay assessments shall result in the following action:
 1. If payment is not received by the 30th day of the quarter, a late charge of \$25.00 shall be assessed and a late notice mailed, notifying the Owner of the late charges.
 2. Every month thereafter for the next four (4) months, if an account carries a balance equal to or greater than the current quarterly assessment, an additional late charge of \$25.00 plus interest at the rate of eighteen percent (18%) per annum shall be assessed. Letters shall be mailed to the Owner requesting payment in full.
 3. By the end of the sixth (6th) month, if the account balance is \$288.00 or more, the account shall be forwarded to the Association's Attorney for collection action. All applicable legal fees and costs will become the responsibility of the Owner and will be charged to the Owner's account.
 4. Upon receipt of the new collection account, the Attorney shall file a lien against the property and send a letter to the Owner demanding payment within 30 days.

- E. In addition to any and all charges imposed under the Declaration of Covenants, Conditions and Restrictions, a \$20.00 fee shall be assessed against the Owner in the event any check or other instrument attributable to or payable for the benefit of such Owner is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to insufficient funds.
- F. If the Board of Directors considers the Owner to be making a "good faith" effort to pay the assessments debt, referral to the Association's Attorney may be delayed.
- G. Once an account has been forwarded to the Attorney for collection, the Attorney shall handle all communications regarding the debt. The Manager or Board of Directors should not discuss the matter directly with the Owner.
- H. Decisions regarding the course of legal action for each collection account, beyond the initial lien and attorney demand letter shall be made by the Board of Directors on a case-by-case basis and based on the recommendation of the Attorney.
- I. If the Association receives information about pending bankruptcy or foreclosure against an Owner, that account may be referred immediately to the Attorney for collection.

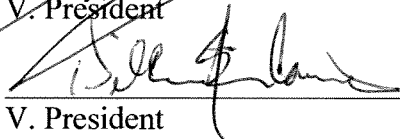
Adopted this 13th day of November 2003 by the Board of Directors of TrailMark Homeowners Association, Inc. This policy shall become effective January 1, 2004.



President



V. President



V. President

Secretary



Treasurer