

**June 2016**

**THE TRAILS AT WOODLOT HOMEOWNERS ASSOCIATION, INC.**

Collection Procedures

The Trails at Woodlot Homeowners Association Board of Directors considers the timely payment of the Association dues CRITICAL to the successful management of the Association. The following Collection Procedures are effective as of the date of this document.

1. Association dues from single-family homeowners are due 30 days after assessment is received. Association dues from the townhouse homeowners are due quarterly, i.e., on or before January 1<sup>st</sup>, April 1<sup>st</sup>, July 1<sup>st</sup> and October 1<sup>st</sup> of each year. The Association, through the Association's self-management, will send an invoice to the homeowner in advance of the due date. Failure to receive an invoice does not preclude timely payment of homeowner assessments.
2. If the dues are not paid within 15 days after the due date, a late fee of \$5.00, or 5 percent, whichever is greater, will be assessed; and interest at the rate of 10 percent per annum will accrue from the due date until payment is received. The Association will send the homeowner a delinquent notice (2<sup>nd</sup> invoice), giving the owner ten (10) days to pay the full amount due.
3. There will be an additional \$30.00 processing fee, bank fee (for returned check) and late fee applied to the amount due on assessments for checks returned due to insufficient funds.
4. If payment in full is not received by the prescribed time in the delinquency notice, a FINAL NOTICE (3<sup>rd</sup> invoice) will be sent, which will inform the owner that if the account is not paid in full within 10 days, it will be referred to the Association's attorney for collection through the legal process. Additional costs for collection, plus legal fees, will be added to the amount due and will become the owner's responsibility to pay.
5. If the account is turned over to the Association's attorney, the homeowner must work directly with the attorney concerning the account until the account is paid in full.
6. When a delinquent account is referred to the attorney for collection by the Association, the owner will be sent a formal letter with a 30-day due date for the amount due, including attorney's fees.
7. If the homeowner fails to pay the amount due by the due date, the attorney will prepare a District Court Complaint against the owner. The complaint will be filed with the Court and returned by the Court to the attorney for private process service. A private process server will serve it on the owner. The owner is responsible for Court costs and private process service fees.

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### Collection Procedures (Continued)

8. As authorized by the Board of Directors, the attorney will file a lien against the property, send the homeowner a formal notice by certified mail and physically post the notice on the property. A lien will then be filed 30 days after the homeowner receives the notice. The owner is responsible for posting costs and lien filing fees.
9. Once the complaint is served, the homeowner must attend a trial for judgment.
10. Most Judgments are obtained under Affidavit. Based on the documents filed, if the homeowner does not appear to defend the suit, a Judgment will be entered the day of the trial.
11. Collection attempts are made against bank accounts, wages, etc. However, if there is no information regarding assets, a District Court Oral Examination Request will be filed by the attorney and served on the homeowner. The homeowner must appear in Court, and the attorney can question him as to the whereabouts of assets. The homeowner is responsible for all filing fees and private process service fees.
12. If the owner does not appear for the Oral Examination, a Show Cause document must be filed with the Court. This document is returned and served on the homeowner, who must appear to *Show Cause* as to why the homeowner did not appear for the Oral Examination. If the homeowner does not appear for this proceeding, the Judge will issue a bench warrant for his/her arrest. The homeowner is responsible for all filing fees and private process service fees.