

Rafter J Ranch Homeowner's Association Homeowner's Debit and Credit Action Policy

A. Application

This policy establishes the action levels and the actions normally taken to collect fees and other debts owed to the Rafter J Homeowner's Association (the Association) by its members.

B. General

The Association does not send out invoices. It sends out coupon sheets that stipulate the fees due, the dates the fees are due, the amount due if the fees are not received before the end of the grace period, and the end date of the grace period.

C. Actions and Action Levels—Balance Due

1. The Action to be taken (Action Identifier) is based on two criteria—one based on the amount owed and the other based on the past-due history. The Action Identifier (defined in paragraph C.2 below) is found at the row-column intersection of the criteria within the following table:

| Time Past Due ⇨ Amount Due ⇩ | 1 – 30 Days | 31 – 60 Days | 61 – 90 Days | > 90 Days |
|---|----------------|-----------------|-----------------|--------------|
| ≤ \$10.00 | a | a | a | a |
| \$10.01 – 4×Monthly Fee | b | c | d | e |
| > 4× Monthly Fee | e | f | g | h |

2. The Action Identifiers shown in the table above are defined as follows:

- a. Telephone call made to the account holder to alert them of the situation; Administrative Fees are not assessed since a letter or statement is not sent.
- b. Letter with statement is sent to the account holder stating that an unresolved debt is past due.
- c. Statement sent to the account holder showing administrative fees being assessed.
- d. Statement sent to the account holder stating that the account should be brought current to avoid legal actions and fees.
- e. Letter with statement sent to the account holder stating that a lien will be filed if the account is not brought current within 30 days of the letter's date.
- f. Certified letter with statement sent to the account holder stating that a lien will be filed if the account is not brought current within 10 days of letter receipt date.
- g. Contact the Association Attorney to file a lien against the account holder's property.

- h. Contact the Association Attorney to begin court action against the account holder to collect of all debts owed the Association by the account holder.

D. Actions and Action Levels—Credit

| Action Level | Action |
|----------------------------|---|
| < \$30.00 | Telephone call to the account holder to alert them of the situation. |
| ≥ \$30.00 | Statement to the account holder showing the credit. |
| Semi-annual coupon mailing | Generate letters to all account holders who have a credit stating how the credit may be incorporated into making upcoming payments. |