

Timberlane Lodge, Inc.
Collection Policy

Prompt payment of assessments by all owners is critical to the financial health of the association and to the enhancement of the property values of our homes. The Board of Directors takes very seriously its obligation under the Declaration of Covenants, Conditions and Restrictions (CC&Rs) to enforce the members' obligation to pay assessments. The policies and practices outlined in this document shall remain in effect until such time as they may be changed, modified, or amended by a duly adopted resolution of the Board of Directors. Therefore, pursuant to the CC&Rs the following are the association's assessment practices and policies:

1. All late payments of assessments, fees, accrued interest, and fines are subject to this collection policy.
2. All collection costs including but not limited to postage, third party collection agency, attorney fees, court costs, publication costs, liens and foreclosures shall be the responsibility of the homeowner.
3. These assessments, fines and collection costs shall be recorded as debts against the lot and are the personal responsibility of the owner.

Bi-annual assessments shall be due and payable on the last day of the month in which they become due. It is not the responsibility of the association or the management agent to provide a monthly billing statement, invoice, or reminder that the bill is due. These are provided simply as a matter of courtesy.

All other assessments, including special assessments and fines are due and payable on the date specified by the Board on the notice of assessment or fine, which date will not be less than thirty (30) days after the date of notice of the assessment or fine.

4. Any check returned by the bank for insufficient funds, stop payment, or any other reasons is subject to a charge back to the Homeowner's account of the amount of the check, an administrative fee of \$25, plus any bank fees charged to the association, and any administrative charges allowed under Washington law.

5. Any payments made shall be first applied to assessments owed and then be applied to late charges, interest, and collection expenses, including attorneys' fees. The owner and the association may enter into a written agreement providing for payments to be applied in a different manner.

6. Assessments not received by the stated due date are delinquent and shall be subject to a late charge of twenty Dollars (\$20). There is, however, a 10 day grace period in which payments made after the due date will not incur a late fee. Late fees will apply on the 15th day of the month.

7. An interest charge at the rate of 12% per annum may be assessed against any outstanding balance, including fines, delinquent assessments, late charges, and costs of collection. These may also include attorney's fees and third party collection costs. Such interest charges shall accrue thirty (30) days after the assessment becomes due and shall continue to be assessed until the account is brought current.

8. On or about the 30th day after an assessment payment, fine, late fee and/or interest is delinquent, a pre-lien notice may be sent by mail, to the delinquent record owner(s) at the owners' last mailing address provided to the association. If the owner(s) have provided a written notice to the association noting a secondary address, all notices shall be sent to that address also. The notice to owner will include an itemized statement of the total amounts delinquent, including fines, assessments, late charges, interest and costs of collection. The board may

further request the homeowner's delinquency be reported to the national credit bureaus via a third party collection agency. Any expenses incurred during the reporting process will be added to the homeowner's account as collection costs.

9. On or after the 10th day after the pre-lien notice is sent, the association may record a lien on the property to secure the debt. On or after the date that any assessment or other amount due becomes delinquent, the Board may file an action in court to collect the balance due. The Board reserves the right to direct the collection agent or the attorney to record the lien after 10 days of no contact from the homeowner. The Board can also direct the recording of the lien in a shorter period of time in cases of duress, bank foreclosure, property abandonment, pending sheriff's sale or other extenuating circumstances where the association's interest may be in jeopardy.

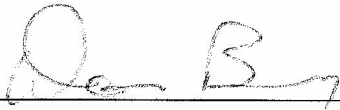
10. If the total amount secured by the lien is not paid in full within thirty (30) days following notice to the homeowner of the recorded lien, the Board may vote on the decision to file suit to foreclose on the lien. All resulting collection fees and costs will be added to the total delinquent amount.

11. At any time in the process, the Board may authorize the use of further legal proceedings to collect the amount due including, but not limited to, court proceedings to seek wage garnishments or account attachments. All costs associated with further collection efforts shall be added to the total delinquent account.

12. At any time the Board may seek legal advice related to enforcement of assessment collections, and is entitled to follow the advice of legal counsel, even if it deviates from the above processes and so long as it is not in derogation of the statutes relating to assessment collection in condominium or homeowner associations.

13. The Board reserves the right to contract with a licensed and bonded collection agent to collect current or delinquent assessments. It is the Board's policy that any collection charges, an appropriate collection fee, fees for service, letters, process, or any other contracted fee, shall be added to the homeowner's account in accordance with the appropriate state law. It is the policy of the Board that the association shall recover the full amount of the assessments due and that the homeowner will pay for all costs of collection. It is the policy of the association that the collection agency has the option to obtain investigative consumer credit reports on an individual owner(s) for purposes of assisting in collecting the delinquent assessments. Any information gained by the collection agency must be kept in strict confidence and must fully comply with the Privacy Act.

This policy is adopted by the board of directors as reflected in the meeting minutes.



President



Printed Name

Date