



Hidden Springs Ranch Homeowners Association
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Exhibit A COLLECTIONS POLICY

This collections policy is adopted by the Board of Directors of Hidden Springs Ranch Homeowners Association, Inc. effective January 1, 2012.

1. **Due Date:** **Assessments are due in on the first day of May of the Fiscal Year.** The fiscal year begins January 1 and continues through December 31. Two payment options will be available to members whose accounts are current as of April 1 of the fiscal year.
 - a. A single payment for the entire assessment plus any outstanding penalties, fines or fees, due on May 1.
 - b. Three installments, each equaling one-third of the dues assessment plus \$15.00 processing fee, due on May 1, August 1 and November 1.Members with an outstanding account balance as of April 1 must pay according to Option a.
2. **Late Date:** If payment is not received within 30 days of the due date, the assessment shall be deemed delinquent, shall be due in full, and will incur a late fee. **The late fee is \$ 25.00, and will continue to be imposed on the first day of each month as long as the account reflects an outstanding balance due.** The fee is to defray the additional administrative time involved in collection of delinquent accounts.
3. **Steps in Collection Process:** The collection process has multiple steps: (a) notice of delinquency and offer of payment plan; (b) demand letter by attorney or collection agent; (c) notice of lien claim recorded in county records; and (d) foreclosure. The Board may delegate to the managing agent or an Association officer decision-making authority on all steps except foreclosure; the delegation may be informal, and need not be documented by resolution or other writing to be effective. Foreclosure must be authorized by the Board at a meeting for which the published agenda gives fair notice that assessment delinquencies will be discussed. **To safeguard owners' privacy rights, no identifying information about the accounts will be published in the agenda or discussed in open meeting where persons other than the Directors and managing agent are in attendance.**
4. **Payment Plan Offer:** When (a) an account is delinquent by at least two months or (b) the amount owed exceeds an amount equal to two annual assessments, the Association will send a payment plan offer to the owner (provided the owner has not defaulted on a payment plan in the preceding two years). Among the factors that will be considered in setting payment plan terms are: length of delinquency, amount due, owners' payment history, reason for non-payment, owner performance on previous payment plans, and violation history, to the extent it reflects owner's willingness to abide by Association rules and standards, as well as any other relevant circumstance. The Association shall have discretion to tailor the payment plan to an owner's personal circumstances, and thus payment plan terms may not be identical for all owners. Additional provisions relating to payment plans are set forth in the Association's Payment Plan Guidelines, which document is incorporated by reference in this Collection Policy.
5. **Referral to Collection Agent:** **If the Association and owner do not agree on a payment plan within 30**

days of the offer, or if the owner defaults under an agreed payment plan, the account shall be referred to an attorney or agency for collection. The timing of the referral shall be at the discretion of the Association.

- a. Accounts will not be referred to a collection agency unless the outstanding balance exceeds an amount equaling the two most recent annual assessments.
6. Payment Arrangements: The Association is required to offer a payment plan only once before referring the account to an attorney or collection agent. The Association may offer payment plans later in the collection process, but that decision is completely optional. If an owner does not accept or defaults on the initial payment plan offer, the Association does not have to offer the same payment terms at a later time. **As a general rule, the older and larger an account becomes, the stricter the payment plan terms will be.**
7. Owner Rights During Delinquency: The Association may withhold from an owner the right to use/access Association amenities during the period of delinquency. If the owner is on a payment plan, then the right to use the amenities will be restored when the owner's account is determined to be current by the Association board. **The delinquency shall preclude the owner from voting or serving on the Board of Directors until the account has been brought current.**
8. Collection Costs: The Association will initially pay for all collection costs and attorneys fees, but will bill the same to a delinquent owner's account. **The owner must reimburse to the Association all collection fees.**
9. Insufficient Funds (NSF) Fees: **A fee of \$25.00 will be levied for each returned check.** In the event an owner delivers two or more checks within a six month period that are dishonored, the Association reserves the right to require that future payments be made by money order, cashier's check, or other certified funds.
10. Partial or Conditional Payments: The Association will return to the owner all partial payments that are (a) delivered with a notation "payment in full" or comparable stipulation or (b) backdated to make it appear that a late payment was tendered on time.
11. Exceptions: The Association may make exceptions to this Collections Policy for good cause or in the interest of fairness or economy. Each exception is made on its own merits, and the Board is not required to make the same exception for every owner.