

**Collection Policy
of
Digby Heights Homeowners Association**

The Board of Directors of the Digby Heights Homeowners Association (the "Association") is responsible for collecting assessments for common expenses and other charges from the Owners of Lots within Digby Heights. Individual Owners may be delinquent in paying their assessments from time to time. The Board has determined that it is in the best interest of the Association to adopt consistent policies and procedures for the collection of assessments and any other amounts due the Association.

Resolutions

Resolved, by the Board of Directors of the Association, that:

1. Due Date. The Association's regular annual assessment amount shall be payable in twelve equal installments, due on 1st of each month beginning in January of each calendar year. Any supplemental or special assessment shall be due and payable as determined by the Board. The Board or Manager shall give the Owners not less than 30 days advance notice of assessment amounts and payment dates.

2. Late Charge. A late charge of \$15 shall be assessed against each Lot and its Owner with an account balance that is not paid in full by the 15th day of the month. The Manager is authorized and directed to charge and collect such late charge from each delinquent Owner.

3. Collection Costs. Any delinquent Owner shall be responsible for all costs and expenses incurred by the Association in connection with the delinquency, including, without limitation, all fees or charges imposed by the Association's Manager or bank for services in connection with the delinquency (including charges for delinquency letters, statement fees for delinquent accounts and nsf fees), recording fees and other costs incurred in connection with the recording and/or release of any notice of lien, and all attorney fees and other costs incurred by the Association. All such costs and expenses shall be charged to the delinquent Owner's account and shall be included as part of the Association's assessment lien.

4. Statements/Thirty-Day Notice. For any Lot that is delinquent for 30 days or more, the Manager shall send the Owner written notice that if the Owner's account is not paid in full within 30 days, it will be referred to the Association's attorney for collection (including filing a notice of lien against the delinquent Lot), and that the delinquent Owner will be responsible for all attorney's fees and other collection costs, including the attorney's initial or minimum collection fee.

5. Referral to Attorney. Any account that remains delinquent more than 30 days after the notice required by Section 4 is given shall be referred to the Association's attorney, unless the delinquent Owner makes alternative payment arrangements that are satisfactory to the Board in its sole discretion. In addition, any account may be immediately referred to the

Association attorney if the Association or its Manager receives notice of a lender foreclosure or Owner bankruptcy. Once an account is referred to the Association attorney, all attorney fees and other legal charges shall be assessed to the delinquent Lot and its Owner as incurred.

6. Attorney Contact/Collection. Once an account is referred to the Association's attorney and until the account is brought current or put on a written payment plan acceptable to the Board, (a) all contact with the delinquent Owner will be through such attorney's office, and (b) such attorney shall collect all amounts due from the delinquent Owner on behalf of the Association.

7. Interest. The Board has determined that it is generally impractical to charge and collect interest on delinquent assessments that do not require legal action, but that interest at the rate of 12% per annum on each amount from the date first due shall be required on all accounts (a) for which the Association institutes any form of legal collection proceeding or (b) which otherwise remain unpaid for more than 90 days after referral to the Association attorney. Any monetary judgments against an Owner for amounts due the Association shall bear interest from the date of the judgment until paid at the rate of 12% per annum.

8. Collection Representative. The Manager is authorized and directed to act on behalf of the Board as its designated representative to oversee the collection of all delinquent assessments and other amounts due the Association, including directing the Association's attorney in connection with any such matter.

9. Application of Payments. All payments received by or on behalf of any Lot and its Owner will be applied first against any outstanding interest charges and then against other outstanding amounts in the order they became due (i.e., towards the oldest first).

10. Definitions. "Manager" means the company providing property management services to the Association. Any other capitalized terms not otherwise defined in this Collection Policy, as well as the term "assessment", have the same meaning as in the Declaration of Reservations, Restrictive Covenants and Easements for Digby Heights.

Adopted at a meeting of the Board of Directors on 12/21/2015, 2015

Digby Heights Homeowners Association

By Dan McHenry
Dan McHenry, President

By Sierra Stamm
Sierra Stamm, Vice President

By Marcie Haase
Marcie Haase, Secretary