

Blackhawk Homeowners Association, Inc.

Special Assessment & Dues Collection Procedure

Effective January 1, 2008

Quarterly assessments are due by the first (1st) day of each quarter beginning January, April, July and October. The Association Manager will mail each lot owner a statement each quarter notifying you of:

- The amount due for the coming quarter
- Any credit you may have on your account.
- Any past due amount outstanding from the **prior** month.

Note: If your account is not **paid in full and received before** the end of the month, you will incur an additional late fee.

The statement will be mailed so as to give you approximately 15 days notice before the first of each quarter. The statement will be sent each lot owner to the address then on record with the Associations Property Manager and will have been deemed delivered when deposited with the postal service. It will be the responsibility of the lot owner to contact the Association Management Company should a statement not be received by the 20th day of the month proceeding each quarter or for other questions you may have regarding your account, **particularly regarding any late payment fees pending if you are delinquent.** Claims of non-receipt of notice or statement will not be accepted as a reason for non-payment

A late payment is (30) thirty days. There will be a 6.5% late fee on all outstanding charges older than (30) thirty days. Additionally, a \$5.00 collection fee will be assessed. These fees are applied to delinquent accounts only and are established to cover the administrative labor and material and postage cost of collection efforts to recover monies due the Association.

Special Assessments: In the event a Special Assessment is required payment terms and schedules will be advised in the notice issued announcing its need.

Insufficient funds check: In the event that any check payment by a homeowner is returned for insufficient funds or the homeowner stops payment, the Association will charge that homeowner a non-negotiable fee of \$25.00. In addition, personal checks will no longer be accepted for payment from that homeowner until the outstanding balance due is paid either by money order or certified check

30 Days Delinquent: The Association Manager will send a 30 Day demand for payment letter.

60 Days Delinquent: The Association Manager will send a 15 Day demand for payment letter. This letter will advise the lot owner of the timing of future action to be taken without prior notice. The account will continue to be assessed any monthly late fees and collection charges.

90 Days Delinquent: A title search will be initiated to determine the legal owner of the property. The search company fee will be charged to the account.

120 Day Delinquent: If the account has not been paid in full, or the homeowner has not made payment arrangements with the Association Manager, **a Filing of Lien against the property will be made.** The account will be charged a fee of not less than \$120.00, which includes the cost of recording the lien. After filing the Association's attorney will send a demand for payment to the homeowner asking for full payment within thirty (30) days and advising that, if the account is not paid in full legal action may be initiated which may include a request for foreclosure of the Association's lien.

The homeowners account will be assessed a flat non-negotiable legal/collection fee amount of not less than \$325.00 immediately upon referral to the Associations attorney. This letter will also include the notices required by Chapter 209 of the Texas Property Code advising the homeowner that if payment in full is not received within the thirty (30) days, the homeowners right to access the Association amenities, including the pool, will be terminated.

120 Days Delinquent Option: The Association may take any and all available legal means to collect the monies owed the Association if the homeowners account has not been paid current, or a payment plan has not been established, or if the homeowner has defaulted on an approved payment plan. In doing so, the property owner will be liable for all legal fees, court costs and expenses incurred.

Partial Payment: All partial payments received prior to referral of the account to the Association's attorney will be applied to the account in the following order: Late fees, legal fees, deed restriction enforcement fees, and oldest outstanding assessment. Overdue payment and Collection fees will continue to be charged on any unpaid monthly ending balance. **Payments will not be credited to dues assessments until all other obligations have been satisfied**

Payment Arrangements: If a homeowner wishes to enter into a payment arrangement, a request must be submitted to the Association Manager for consideration. If a homeowner defaults in payment of an approved payment arrangement made with the Association Manager and approved by the Board, all amounts will be due immediately and the homeowner will not be eligible for future payment arrangements, absent extraordinary and extenuating circumstances. After the account has been referred to the Association's attorney all communications and payment arrangements will be made by and through the attorney's office.

Right of Hearing: After receipt of a 30 Day Demand for payment notice or after contacting the Association Manager and not having received a satisfactory explanation as to the reason for the letter or wishing to contest any charges made, the lot or home owner may request in writing a hearing before the Board. The request must be received within (15) fifteen days after receipt of the demand letter. A designated Board committee will make arrangements to hold the hearing within 30 days.

Mandatory Membership: Membership in the Association is mandatory pursuant to the terms and conditions of the Declaration and a condition of the purchase of the property. A homeowner is obligated to pay the assessments to the Association even if the homeowner does not use the Association's amenities.

Effective date: The foregoing collection procedure has been adopted by the Board of the Association to be effective on January 1, 2008 for all accounts that have not yet reached the stage of the homeowner having been notified of the Associations intent to file a lien against the property. The foregoing collection procedure by the Board of the Association is a directive to the Association Manager and is intended to be a guide to the collection of assessment owed to the Association. The Board of the Association may at any time revise the foregoing collection procedure and may at any time direct the Association Manager to proceed differently with the collection of an individual account. Failure of the Association Manager or the Board of the Association to follow the foregoing collection procedure shall not in any way affect the homeowners' obligation to pay all assessments when due, along with any fees and collection costs. To obtain any information regarding this collection procedure or to obtain the most up-to-date copy of the collection procedure, a homeowner should contact the Association property manager.

The Association Manager at the direction of the Board of Directors and on behalf of the Association may elect to pursue any available method of collection allowable under Texas law, which may include but is not limited to the filing of a lawsuit for foreclosure against the homeowner.

Board Approved: January 1, 2008