

**Land of Canaan Homeowner's Association  
Collection/Foreclosure Policy**

**Collection/Foreclosure Process for Unit Weeks with Unpaid Maintenance Fees and/or Special Assessment fees.**

The board of Directors hereby adopts the following policy in regards to the collection of all unpaid maintenance fees and/or special assessment fees owed by all unit week owners.

1. A Late fee Charge of 10% of the unpaid maintenance fee and/or special assessment fee shall be charged to each unit week(s) owner(s) that have not paid their yearly maintenance fee by September 1 of the year due. This date can be changed past September 1 but only with approval of the Board of Directors. Special assessment fees shall have a due date set by the board at the time of the assessment.
2. A letter shall be sent after the deadline with the new total amount owed for the maintenance fee and/or special assessment fee owed along with the added late fee.
3. If owner(s) have not paid their maintenance fee or special assessment fees along with the late fee by October 30<sup>th</sup> a lien could be filed along with the outstanding balance being turned over to collection (thus resulting in a negative mark against your credit). Owner(s) that have liens filed will also have to pay all lien fees and cost acquired. Units with outstanding balances cannot be used or traded until the balance has been paid in full.
4. The management of the resort will attempt to make contact through mail and/or phone in an attempt to collect all fees owed to the resort within a reasonable time. If necessary the board has instructed the resort employees that if these attempts fail (in order to avoid foreclosure) the unit owner be offered to deed back their week to the homeowner's association. Should the owner choose to deed back their unit week(s) that are in the collection stage a 20% collection fee (based upon the accrued fees owned) must be paid to the collection company along with a \$150.00 fee for necessary legal work be paid to the resort.
5. Foreclosure's – Are done as a last resort measure in order to have the unit week(s) either sold through a court ordered foreclosure auction sale or given back to the resort. At the time of deciding to deal with any foreclosure action the board shall look at all unit weeks that are in arrears and shall decide which units to foreclose on.
  - A. First the board must decide which type of unit week(s) they desire to do foreclosure action on. (Board must decide if they want to do foreclosure action on; red, white or blue weeks).
  - B. Upon deciding which unit week types to foreclose on, the board shall direct the foreclosure action shall be based upon those unit week(s) that have the largest amount of fees owed to the resort.