

## Exhibit A

## Collection Activity Performed by Principal Management Group

Check those steps to be followed in the collection program for your association. Collection is worked monthly but may be worked twice monthly upon request. Please note the middle column reflects the approximate number of days at which a collection step is taken based on the past due date.

Check Here	Collection Step	Date Range	Notes
(X)	a. Past Due Notice/Late Statement	____ 10th ____	Statement sent following late date after fees are assessed.
( )	b. Utility Cut-Off Notice	____ N/A ____	Only if association has common meters and cut-off is permitted in documents.
(X)	c. Initial Collection Letter	____ 30 - 45 ____	This letter allows the HO (30) days to pay or dispute the balance.
(X)	d. Intent to report delinquent account to Credit Bureau	____ 60 - 75 ____	This letter allows the HO (10) days to pay prior to credit bureau reporting.
(X)	e. Notification to owner of Credit Bureau reporting	____ 70 - 85 ____	Currently a \$59.54 charge is assessed to the HO account.
(X)	f. Order title search to determine legal owner & send notice	____ 80 - 105 ____	Currently a \$65.00 charge is assessed to the HO account.
(X)	g. File lien against property	____ 95 - 120 ____	Currently a \$156.96 charge is assessed to the HO account.
(X)	h. Notification to owner of lien filing	____ 110 - 125 ____	To be done in correlation with item "g".
(X)	i. Forward collection file to attorney for judicial or non-judicial foreclosure.	____ 120 - 135 ____	Must be allowed in documents.

Payment Application - Any payment received by the Association from an owner whose account reflects an unpaid balance shall be applied to the outstanding balance in the following order.

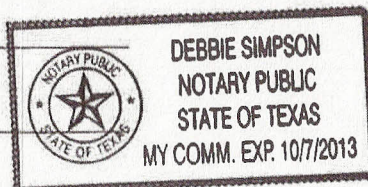
First - Cost of Collection, including Attorney fees;  
Fourth - Accrued but unpaid interest;

Second - Violation fines;  
Fifth - Special Assessments;

Third - Late charges;  
Sixth - Regular Assessments.

This Instrument was acknowledged before me on this 2 day of June, 2010, by Mark Eder.

Debbie Simpson  
Notary Public, State of Texas



Printed Name

My Commission Expires: \_\_\_\_\_

Please return to:  
Principal Management Group  
12700 Park Central Drive, Suite 600  
Dallas, Texas 75251

Mark Eder 6-2-10  
Signature - Authorized Board Member Date

Timber Creek Estates HOA  
Name of Association

Inst # 00440459  
Filed for Record in: Rockwall County  
On: Oct 08, 2010 at 03:58P



# Rockwall Timber Creek Homeowners' Association, Inc.

## FINING POLICY

The Board of Directors of the Homeowners Association has adopted the following Fining Policy for the enforcement of the Association's Governing Documents (to include the CC&R's, By-Laws, and Rules & Regulations):

1. **Violation Notice (Warning):** Homeowners will be notified when a violation occurs and will be given a time period of seven (7) days in which to correct the violation. Violations which present hazards for residents or are damaging property will require immediate correction and any costs for same will be assessed to the owner's account.
2. **Violation Notice (2<sup>nd</sup> Warning):** Homeowners will be notified a second time if the previously sited violation has not been corrected and will be given a time period of seven (7) days in which to correct the violation.
3. **Assessment of Fine (Hearing Notice):** If after the specific time period given the violation continues, the homeowner will be notified that a fine will be levied against his/her account after a period of 30 days.
4. **"Damage Assessment":** Violations that result in property damage or cause the Association to incur cleanup costs will result in a "Damage Assessment" on the homeowner's account. Non-payment of this type of assessment will result in a lien being placed on the property.
5. **"Appeal Process":** If a homeowner so chooses, an appeal can be made via written request to the board within 30 calendar days of receiving the first violation notice. Within 10 calendar days of receiving the homeowner's request, the board will give the homeowner notice of the date, time, and place of the hearing. This hearing will be scheduled for a date within 45 calendar days from the date the request was received by the board, and the hearing should be scheduled to provide a reasonable opportunity for both the homeowner and the board to attend. Failure to submit an appeal or to appear at a scheduled hearing will result in an automatic appeal denial. Failure to correct the violation and/or pay the fine will follow the fine schedule outlined in this Fining Policy.

## FINE SCHEDULE

- |                             |  |
|-----------------------------|--|
| <b>1st Fine:</b>            | An owner will receive a fine of \$25.00 and 7 days to comply, if compliance is not met then;   |
| <b>2<sup>nd</sup> Fine:</b> | An owner will receive an additional fine of \$50.00 and 7 days to comply, if compliance is not met then;   |
| <b>3<sup>rd</sup> Fine:</b> | An owner will receive an additional fine of \$100.00. If compliance is not met within 3 days, the owner will receive an additional \$100.00 fine automatically every 10 days until compliance is met not to exceed \$800.00. |

**Note:** Any accrued fines take precedence over HOA dues and will be deducted from payments prior to the reduction of a resident's dues balance. All of these fines will be collected thru the collections department the same as the association dues.