

Quinta Verde Patiohouse Corporation

Assessment Collection Policy

RESOLVED, that the following **ASSESSMENT COLLECTION POLICY** shall be adopted effective immediately:

LATE FEE: A late fee of 10% of the delinquent amount may be assessed on every account showing a balance of assessment due 20 days after the due date and may be charged for each delinquent assessment. Interest may also be assessed at 10% per annum on assessments and special assessments together with all expenses, including attorney's fees incurred to collect unpaid charges.

Assessment Collection Schedule:

1. Written demand letter to the property owner on the 20th day after the first unpaid assessment informing them that the account is outstanding and late fees have been applied to the account for each delinquent assessment. All demand letter and certified mail fees are the responsibility of the property owner.
2. Every account that shows a delinquent balance of \$420.00 or higher will be transferred to the Association's collection agent as designated by the Board of Directors for commencement of collection action and a notice of lien may be recorded. All fees are the responsibility of the property owner. At any time during this process, the homeowner may request to enter into a no-cost repayment plan for all outstanding assessments and fees. The association shall not release its lien until such time as all assessments, late fees, and related collection costs have been paid in full.
3. For every account that remains delinquent the collection agent may commence all appropriate legal remedies for collection including the following:
 - Accounts whose balances are less than \$3,500.00 may be referred to small claims court to obtain a personal judgment against the owner(s) of the property owner whose responsibility it is to bring the account current. All collection costs and fees are the responsibility of the property owner. Or,
 - Accounts whose balances are over \$3,500.00 may be referred to the Association's attorney for further collection activity including lawsuit or foreclosure. All legal fees and collection costs are the responsibility of the property owner.

Foreclosure Collection Procedure:

- At the discretion of the Board of Directors, properties foreclosed upon with account balances less than \$2,500.00 may be referred to the Association’s collection agent for a small claims suit in order to obtain a personal judgment against the owner(s) of the property whose responsibility it was to bring the account current at the time of foreclosure.
- At the discretion of the Board of Directors, properties foreclosed upon with account balances greater than \$2,500.00 may be referred to the Association’s attorney to pursue a personal judgment in Justice Court against the owner(s) of the property whose responsibility it was to bring the account current at the time of foreclosure.

Payments will be applied to an account as follows (pursuant to Arizona Revised Statutes):

1. Past due assessments
2. Late Charges
3. Collection Fees (Demand Letter/Lien/Collection Agency/Skip Trace/Court Fees)
4. Legal Fees/Costs
5. Monetary Penalties

The Board of Directors may decide not to consider waiver of late fees, lien fees or collection fees incurred on an account where the assessment was not paid in accordance with the Assessment Collection Policy through no fault of the Association or its Agent.

Payments plans will be accepted under the following conditions:

Payments made without benefit of a properly executed payment plan will not be construed as a payment plan, and collection activity may be initiated in accordance with the Assessment Collection Policy.

Late fees and interest as provided in the Assessment Collection Policy may not be charged during the term of the payment plan if payments are received in accordance with the plan.

A minimum payment plan equal to the current assessment installment plus one-twelfth of the annual assessment plus collections costs and late fees will be accepted on a monthly basis.

A lien may be filed and legal collection proceedings may be implemented upon default of a payment plan with no further notice to the property owner.

IN WITNESS WHEREOF, the undersigned have executed this consent as of _____, 2013.

For the Board of Directors
Quinta Verde Patiohouse Corporation