

SABINO VISTA HILLS ASSOCIATION

ASSESSMENT COLLECTION POLICY

July 10, 2017

Defined Terms:

Late Charges means the charges applied to an account in compliance with A.R.S. § 33-1803 (A), as described below.

Owner means the owner of the property whose responsibility it is to bring an account current.

Payment Plan means a board-authorized written payment plan containing terms described below.

Late Charges:

In compliance with A.R.S. § 33-1803 (A), a late charge of Fifteen Dollars (\$15.00) or ten percent (10%) of the unpaid assessment, whichever is greater, will be applied to every account showing any part of an assessment (\$15.00 or greater) that is over 30 days past due.

Assessment Collection Procedures:

- A written reminder will be mailed to the Owner on the thirtieth (30th) day after the assessment due date stating that the Owner has a past-due assessments and a late charge has been applied to the Owner's account. The Owner is responsible for paying all late charges.
- A written demand letter will be mailed to the Owner on the ninetieth (90th) day after the assessment due date. The delinquent account is assessed a fee for preparation of the demand letter and the Owner is responsible for paying this fee.
- A notice of lien will be filed with the county recorder on every account that shows the assessment being at least one hundred twenty (120) days past due and \$100.00 in past due assessments. The delinquent account is assessed a fee for the preparation and filing of the notice of lien and the Owner is responsible for pay this fee. The lien shall not be released until such time as the account is paid in full.
- Thirty (30) days after a lien notice is recorded on the property, should the account remain delinquent, the Board will determine how to proceed with collection efforts, which may include one of the following:
 - a. For accounts with an outstanding balance of less than Three Thousand Five Hundred Dollars (\$3,500), the Community may file a complaint in Small Claims Court to pursue a personal judgment against the Owner or the account may be referred to an attorney or a collection agency. If a complaint is filed in Small Claims Court and the account is not paid in full or the Owner does not enter into a Payment Plan prior to a personal judgment being obtained, the account may be referred to an **attorney** or a **collection agency** for collection up obtaining the personal judgment. The Owner is responsible for paying all collection costs, legal fees, document preparation fees, and other costs permitted by law or contract.

- b. For accounts with outstanding balances greater than Seven Hundred Fifty Dollars (\$750), the account may be referred to an attorney or a collection agency for further collection proceedings at the discretion of the Board of Directors. The Owner is responsible for paying all collection costs, legal fees, document preparation fees, and other costs permitted by law or contract.
- For properties that have been foreclosed upon, the Board of Directors has the sole discretion as to whether to take action to collect past due assessments.

Applying Payments Received on Past Due Accounts:

Per A.R.S. § 33-1807 (K), unless an Owner directs otherwise, all payments received on an Owner's account shall be applied in the following order:

1. Past due Assessments;
2. Late Charges;
3. Collection Fees (including demand letter, notice of lien, and other applicable document preparation and filing fees);
4. Attorney Fees and Costs; and
5. Other unpaid fees, charges and monetary penalties, or interest and late charges on any of those amounts.

Payment Plans:

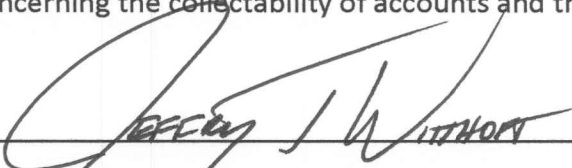
The Board of Directors authorizes Payment Plans for past due balances (including past due assessments and related fees) (the "Debt") with the following terms:

- Payment Plans shall be in writing and signed by the Owner. Payments made without benefit of a written Payment Plan signed by the Owner will not be treated as payments toward the Payment Plan and collection activity shall be initiated in accordance with this Assessment Collection Procedures outlined above.
- The Payment Plan length and amount of the monthly installments owed will be determined by the amount of the Debt:
 - If the Debt is less than \$500.00, a payment plan of six months (six equal monthly installments) will be offered.
 - If the Debt is \$500.01 to \$1,000.00, a payment plan of twelve months (12 equal monthly installments) will be offered.
 - If the Debt is \$1000.01 or more, a payment plan of eighteen months (18 equal monthly installments) will be offered.
- Late Charges as provided in this Assessment Collection Policy will not be charged on the Debt during the term of the Payment Plan so long as payments are received in accordance with the Payment Plan.
- The Owner will be responsible to pay additional assessments as they become due while a payment Plan remains in effect. Future assessments cannot be included in the Payment Plan amount.
- All Payment Plans will be monitored by the managing agent.

- Upon default of Payment Plan, AAM will resume collection efforts with the next step of the Assessment Collection Procedures without further notice to the owner based on where in the process the account was at the time of the Payment Plan commenced.

Waiver of Past Due Amounts:

The Board of Directors will generally not consider waiver of late fees, lien fees, attorneys' fees, or other collection costs incurred on an account where the assessments were not paid in accordance with the Assessment Collections Policy through no fault of the Association or its Agent(s). However, the Board of Directors retains full discretion to make business decisions concerning the collectability of accounts and their compromise or settlement.



July 10, 2017

Jeffrey Witthoft, President

Sabino Vista Hills Association