

VALENCIA OWNERS ASSOCIATION
ASSESSMENT COLLECTION POLICY
Effective July 1, 2009

The following Assessment Collection Policy shall be followed for the Valencia Owners Association:

LATE CHARGE: In compliance with Arizona Revised Statute §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) which is over 15 days past due.

Assessment Collection Procedures:

- Written reminder to Owner on the sixteenth (16th) day after assessment due date that account is outstanding and a late charge has been applied to account;
- Written demand letter mailed on the thirtieth (30th) day after assessment due date. All demand letter fees are the responsibility of the Owner;
- A lien notice is filed on every account that shows the assessment being at least ninety (90) days past due. The delinquent account is assessed a lien fee. The lien shall not be released until such time as the account is paid in full. All lien fees are the responsibility of the Owner.
- After a lien notice is recorded on the property, should the account remain outstanding, one of the following processes will occur:
 - a. Accounts with an outstanding balance less than Two Thousand Five Hundred Dollars (\$2,500.00) will be referred to Small Claims Court to obtain a personal judgment against the Owner of the Lot whose responsibility it is to bring the account current. All legal fees are the responsibility of the Owner; or
 - b. Accounts with outstanding balances greater than Two Thousand Five Hundred Dollars (\$2,500.00) will be referred to an attorney for further collection proceedings at the discretion of the Board of Directors. All legal fees are the responsibility of the Owner.

Foreclosure Collection Procedures:

- At the discretion of the Board of Directors, Lots that have been foreclosed upon with account balances less than Two Thousand Five Hundred Dollars (\$2,500.00) will be referred to Small Claims Court to obtain a personal judgment against the Owner of the Lot whose responsibility it was to bring the account current at the time of the foreclosure; or
- At the discretion of the Board of Directors, Lots that have been foreclosed upon with account balances greater than Two Thousand Five Hundred Dollars (\$2,500.00) will be referred to an attorney to pursue a personal judgment in Justice Court against the Owner of the Lot whose responsibility it was to bring the account current at the time of the foreclosure.

Payments will be applied to an account as follows, in accordance with Arizona Revised Statute §33-1807(K):

1. Past Due Assessments
2. Late Charges
3. Collection Fees (Demand Letter/Lien)
4. Attorney Fees/Costs
5. Fines or other unpaid fees and charges or interest

The Board of Directors will generally not consider waiver of late fees, lien fees, or attorney 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. However, the Board of Directors retains full discretion to make business decisions concerning the collectability of accounts and their compromise or settlement.

Payment plans will be accepted under the following conditions:

- Payments made without benefit of a written payment plan will not be construed as being a part of a payment plan and collection activity shall be initiated in accordance with the Assessment Collection Policy;
- Late Charges as provided in the Assessment Collection Policy shall not be applied during the term of the payment plan if payments are received in accordance with the plan;
- The minimum acceptable payment plan shall require payments equal to one-sixth of the aggregate of the full assessment due plus collection costs, to be paid on a monthly basis;
- Upon default of payment plan, a lien notice will be filed and attorney collection proceedings will be implemented with no further notice to the Owner.