

RESOLUTION 09-02

Collection Policy & Procedures

WHEREAS, the Association is charged with certain responsibilities regarding administration of the Association's business, and care, maintenance, and service of the Common Areas;

WHEREAS, the Association must have the financial ability to discharge its responsibilities;

WHEREAS, the Board of Directors (the "Board") is required by the Covenants, Conditions and Restrictions for Tucson Estates (the "CC&Rs") to pursue collection of assessments and other charges from delinquent Owners;

AND WHEREAS, the Board desires to adopt a uniform and systematic procedure to collect assessments and other charges of the Association.

THEREFORE, BE IT RESOLVED, that the Board of Directors for the Association does hereby adopt the following procedures for the collection of assessments and other charges of the Association:

1. **Due Dates.** Monthly assessments, as determined by the Board of Directors pursuant to Section 8.13 of the CC&Rs, are due on the 1st day of each month. Assessments or other charges not paid to the Association within 30 days of the due date shall be considered past due and delinquent. In addition to the procedures set forth in this Resolution, the Association also may exercise any of its other rights and remedies against delinquent Owners, as set forth in the Association's governing documents.

2. **Billing Statement.** Non-receipt of a billing statement or coupon book from the Association shall in no way relieve the Owner of the obligation to pay the amount due by the due date.

3. **Late Charges and Interest.** Interest accrues at the rate of the legal rate of interest (currently 10% per annum), on all delinquent assessments. A late fee of \$10.00 is charged if the assessment is not received by the Association on or before 30 days after the due date.

4. **Late Notices.**

(a) After a monthly assessment or other charge due the Association become 30 days past due, the Association may cause, but shall not be required to send, a "late notice" to the Lot Owner who is delinquent in payment.

(b) After a monthly assessment or other charge due the Association becomes 60 days past due, the Association may cause, but shall not be required to send, a "second notice" to the Lot Owner who is delinquent in payment.

(c) If payment in full is not received within 90 days of its due date, the Association may (but shall not be required to) send a notice of intention to refer the account to an attorney. In any event, the account may be referred for collection to the Association's attorney when it becomes 90 days past due.

5. **Liens.** The Association may file a Notice of Lien against the Lot of any delinquent Owner in accordance with the terms and provisions of the CC&Rs and Arizona law. However, the Association's lien arises in the CC&Rs and per the Arizona Planned Communities Act, and no Notice is required to be filed for the lien to be in force. The Board of Directors may authorize the judicial foreclosure of the Association's lien at any time after the balance due on an account reaches \$1,200.00 (excluding interest, late fees and attorney fees).

6. **Returned Check Charges.** In addition to any and all charges imposed under this Collection Policy or the other governing documents of the Association, a \$25.00 fee or other amount deemed appropriate by the Board of Directors shall be assessed against an Owner in the event any check or other instrument attributable to or payable for the benefit of such Owner is not honored by his bank or is returned by the bank for any reason whatsoever, including but not limited to, insufficient funds. This returned check charge shall be a "common expense" for each Owner who tenders payment by check or other instrument that is not honored by the bank upon which it is drawn. Such return check charges shall be due and payable immediately, upon demand. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law. Returned check charges shall be the obligation of the Owner(s) of the Lot for which payment was tendered to the Association. Returned check charges shall become effective on any instrument tendered to the Association for payment of sums due under the governing documents for the Association.

8. **Required Payment by Certified Funds.** If two or more of a Lot Owner's checks are returned unpaid by the bank within any fiscal year, the Association may require that all of the Lot Owner's future payments, for a period of one year, be made by certified check or money order.

9. **Attorney Fees.** Attorney fees and costs incurred by the Association for collection of a delinquent account will be added to the amount due from the Owner and will also be covered by the assessment lien against the Lot. If legal action is necessary, a lawsuit will be filed for a personal judgment against the Owner unless the Board of Directors authorizes judicial foreclosure of the Association's assessment lien.

TUCSON ESTATES PROPERTY OWNERS ASSOCIATION, IN WITNESS WHEREOF, the undersigned, being the President and Secretary of Tucson Estates Property Owners Association, have executed this resolution on October 14, 2009, certifying that this Resolution was adopted by the Board of Directors on the Thirteenth day of October, 2009.

By Larry Axhelm
Its' President Larry Axhelm

ATTEST:

By Bob Bethel
Its' Secretary Bob Bethel

