

## **Casa del Cielo Homeowners' Association Assessment Collection Policy**

The Board of Directors of the Casa del Cielo Homeowners Association ("Association") pursuant to its Articles of Incorporation, its Bylaws and the Declaration of Covenants, Conditions, and Restrictions for Casa del Cielo (the "Governing Documents") is responsible for collection of Assessments and Other Charges (defined below) from Owners in the Association.

1. **Policy Objective.** The following procedures and practices are for the collection of dues and assessments ("Assessments"), assessment related charges and non-assessment charges. All capitalized terms that are not defined herein shall have the meaning as set forth in the Governing Documents.
  
2. **Assessments and Other Charges.** Assessments are the financial life-blood of a HOA. It is essential that all assessments and other charges be paid on a timely basis.
  - A. **Annual Assessments.** Currently, the Association has employed Ann Couch, CPA ("Management") to manage the day-to-day financial operations of the Association. However, this policy will apply to subsequent financial management or administrative companies in the event that the Board elects at any time to replace the current company.
  - B. **Invoices.** The Annual Assessment is currently invoiced annually and payable in monthly installments to all Owners ("Invoice").
  - C. **Due Date.** It is the responsibility of each Owner to pay the Invoice on a timely basis by the date noted on the Invoice, regardless as to whether or not they receive an Invoice. There are no exemptions. Assessments are due on the 1<sup>st</sup> day of the month ("Due Date") and are considered late if not received by the 15th.
  - D. **Other Charges.** Management will promptly notify, in writing, each Owner of any other Assessments (e.g. Special or otherwise), charges or fees (including but not limited to fines, monetary penalties and bank charges due to insufficiency of funds) due to the HOA ("Other Charges"). Such Other Charges shall be due and received at least 15 days from the date of the notice, which shall be the ("Delinquent Date").
  - E. **Late Notice and Collection Charges.** Assessments and Other Charges, are deemed delinquent if payment is not received at the Association postal box on or before the Delinquent Date. Collection Charges include Late Fees, interest, Collection Late Notice Fees, Lien Notice fees, other types of collection fees incurred by the Association, as well as attorney fees and costs.

- i. **Late Fees.** A Late Fee in the amount of \$15.00 / 10% of the assessment or \$15.00, whichever is greater is due if payment is not received by the Delinquent Date.
- ii. **Pre-Judgment Interest.** Pre-judgment Interest is due if payment is not received by the Delinquent Date (if provided for by the CC&R's).
- iii. **Collection Late Notice.** Management will send a Collection Late Notice to the Owner by regular via first class U.S. mail 15 days after the Delinquent Date that includes the past due amount of Assessments and Other Charges plus all Collection Charges, including a fee for the Collection Late Notice. The Collection Late Notice shall include a statement that unless payment, including Late Fees and all other Collection Charges, are received within 15 days, the account may be referred, at the discretion of the Board, to the Association's attorney for collection and/or for the recording of a Notice of Assessment Lien.
- iv. **Recording of Notice of Assessment Lien.** The assessment lien, as created by statute and in the CC&R's may be further evidenced by a Notice of Assessment Lien ("Lien") recorded by the Association. The Lien will include the past due amount of Assessments and Other Charges permitted by AZ statute, plus all Collection Charges, including a fee for the Lien. This Lien is a public record and is available for anyone to access and review at any time. This Lien may be recorded immediately after the deadline in the Collection Late Notice through management or the Attorney. The Lien.
- v. **Form of Payment.** Once the Lien has been recorded, payment must be via cashier's check, certified check or money order.
- vi. **Application of Payment:** Unless the Owner directs otherwise, payments will be applied to the account as follows:
  1. Assessments
  2. Late charges
  3. Collection fees and collection related legal fees and costs
  4. Other fees
  5. Fines
  6. Interest
- vii. **Legal Action.** The Board has the right but not the obligation to refer accounts that remain delinquent to the Association's attorney

for further legal action including but not limited to attorney violation letters, personal money judgment lawsuits, garnishment of wages and bank assets as well as foreclosure of the Association's assessment lien. Any fees and costs incurred will be the Owner's responsibility. These fees and costs can be substantial.

3. **Association Management Company's Duties.** Under this Collection Policy, Management, shall have the following duties including those subsequently assigned by the Board of Directors:
  - A. **Ownership Records.** Management shall maintain all ownership financial records of the Association. In the event an Owner prefers that the Invoice be sent to an alternative mailing address, the Owner is required to put such request in writing (e-mail is sufficient).
  - B. **Verification of Indebtedness.** If an Owner requests a verification of the indebtedness, Management shall provide such verification, in writing, within 10 business days or, if the delinquent account is in the hands of the Attorney for collection, provide the Owner's request to the attorney.
4. **Attorney's Duties.** The Attorney's duties are set forth in a specific agreement between the Attorney and the Association. Absent payment in full to the Attorney, payments will be applied in the manner specified by the Attorney. The Attorney's duties may change from time-to-time with the express consent of the Board of Directors.

Approved by the Board of Directors on March 24, 2017.

Barry Bader, President