

LAS ALTURAS HOMEOWNERS ASSOCIATION

COLLECTION POLICY for ASSESSMENTS, LATE FEES, AND PENALTIES

01-December-2019, Rev -

Introduction

The Association adopted a policy to uniformly and systematically collect assessments and other charges due the Association by its Members, by a resolution of the Board on 04-December-2019. This policy complies with Arizona Revised Statutes ("A.R.S.") 33-1803.

This policy is effective 30-December-2019. Members are homeowners of lots within the Las Alturas Homeowners Association. This policy was provided to every Member's lot in writing by 15-December-2019.

The Board of Directors of the Association has the responsibility to collect assessments. The Association may, in its discretion, employ a management company for the association which may perform collection of the assessments. The Board of Directors may also employ attorneys to collect overdue assessments which may incur late fees and additional collection fees.

Members are expected to pay an assessment each year by its due date.

Collection Process for Unpaid Assessments and Penalties

1. **30 days** after the assessment due date: A friendly reminder letter will be sent to the Member by first class US Mail. The letter shall state a late fee will be charged 15 days after it was sent, which is nominally on the 45th day after the assessment due date. The late fee will be \$15.00 or 10% of the original assessment, whichever is greater.
2. **60 days** after the assessment due date: A delinquent letter will be sent to the Member by first class US Mail. The letter shall state the late fee charged and that it has been added to the assessment. The letter shall also state the interest rate to be charged and that interest will accumulate starting on day 90 after the assessment is due.
3. **90 days** after the assessment due date and beyond: Additional delinquency letters may be mailed to the Member stating the original assessment, late fee, accumulated interest, interest rate(s), and additional fees. The Member's account may be referred to a collection attorney or agency selected by the Board of Directors, in the sole discretion of the Board of Directors. Once the account is in collections, the Member is responsible to pay all additional fees associated with the collection including attorney fees, court costs, etc.

4. **Penalties** may be imposed by the Board of Directors of the Association for violating the Declaration, Bylaws, or Rules. Penalties are due 30 days after they are imposed. When imposed, a letter shall be sent to the Member by first class US Mail. The letter shall state the reason for the penalty, penalty fee, and due date. The due date will be extended to allow the Member to reasonably dispute the content of the letter. The penalty is deemed late if unpaid 15 days after its due date. The Board may impose a late fee of 10% of the unpaid penalty. Unpaid penalties 60 days after the due date may be processed in the same method as unpaid assessments at that time, per Board of Directors of the Association discretion.
5. **Assessments and Penalties:** Any monies paid by a Member for an unpaid assessment or penalty shall be applied first to the unpaid principal amount, applied second to the late fee, and second third to accumulated interest.
6. **Assessments and Penalties:** All letters sent to the Member shall include contact information for questions or dispute.
7. **Assessments and Penalties:** Each unpaid assessment or penalty may incur one late fee, interest accruing starting at 90 days after the due date, attorney fees, court costs, and other additional fees.

Waiver of Past Due Amounts:

The Board of Directors of the Association, for good cause, may waive late fees, interest, and / or penalties on the delinquent account, but not additional fees associated with account collections.

Mailing Address:

The Member is responsible to inform the management company of mailing address changes. Not receiving letters of assessments or penalties will not be considered for forgiveness of an unpaid account fee.

The Collection Agent may also contact the Member by phone or email (in addition to US Mail).

Thank you,

Las Alturas Homeowners Association Board of Directors