

Sand Flower Community Association

Assessment Collection Policy

Effective June 1, 2022

WHEREAS, the board of directors of **Sand Flower Community Association** ("Association") is responsible for collecting assessments for common expenses and other charges, including fines, attorney's fees and collections costs, from homeowners pursuant to the Declaration of Covenants, Conditions and Restrictions ("Declaration") and Arizona Law; and

WHEREAS, pursuant to Section 7.1 of the Declaration, the Association Directors have the right to adopt rules and regulations setting forth the procedures for the purposes of making assessments and for the billing and collection of assessments.

NOW THEREFORE, BE IT RESOLVED THAT the Association hereby adopts the following procedures and policies for the collection of assessments and other charges of the association.

Late Charges:

In accordance with Section 8 of the Declaration and A.R.S. §33-1242, A.R.S. §33-1803(A) any assessment or installment of an assessment shall be deemed late if not paid within seven (7) calendar days after becoming due and are subject to late charges in the amount of \$20.00 for each unpaid assessment or installment thereof.

Collections Costs:

In accordance with Section 8.1 of the Declaration, all collection costs, fees, interest, and reasonable attorneys' fees incurred by the Association in collecting or attempting to collect the delinquency, regardless of whether a lawsuit is filed, are the personal obligation of the Owner of the Lot as well as a charge and continuing lien against the Lot.

Assessment Collection Procedures:

- A written reminder will be mailed to the Owner after the seventh (7th) calendar day that the assessment was due stating that the Owner has 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 notice of intent to lien will be mailed to the Owner after the forty-fifth (45) calendar day following the assessment due date. The Owner is assessed a fee for the preparation of the notice of intent to lien and the Owner is responsible for paying this fee.
- After the ninetieth (90) calendar day following the assessment due date that the assessments are still outstanding, a notice of lien will be filed with the county recorder. The Owner is assessed a fee for the preparation and recording of the notice of lien and the Owner is responsible for paying this fee. The lien will not be released until such time as the account is paid in full.
- After the one hundred and twentieth (120) calendar day following the assessment due date, if the account is still delinquent after a lien notice is recorded on the property, a final demand letter fee is assessed and a final demand letter will be mailed to the Owner stating that the Owner may enter into a payment plan under the following terms:
 - Payment Plans shall be in writing and signed by the Owner. Payments made without a written Payment Plan signed by the Owner will not be treated as payments toward the Payment Plan and collection activity shall continue

Applying Payments Received on Past Due Accounts:

Per A.R.S. § 33-1256(J), A.R.S. § 33-1807(K), unless an Owner directs otherwise, all payments received on an Owner's account shall be applied first to any unpaid assessments, for unpaid charges for late payment of those assessments, for reasonable collection fees and for unpaid attorney fees and costs incurred with respect to those assessments, in that order, with any remaining amounts applied next to other unpaid fees, charges and monetary penalties or interest and late charges on any of those amounts.

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 Collection 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.



05/02/2022

(Signature)

(Date)