

Casa Bella II Condominiums Master Owners Association Collection Policy

This COLLECTION POLICY ("Policy") is hereby adopted by the Board of Directors ("Board") for the Casa Bella II Condominiums Master Owners Association ("Association") this 10th day of August, 2018 and is effective as of the date of adoption.

RECITALS

WHEREAS, the Association and the Owners are governed by the Amended and Restated Declaration of Condominium Casa Bella II Condominiums recorded with the Office of the Maricopa County Recorder at Instrument No. 2017-0781302 ("Declaration") and the Bylaws of the Association ("Bylaws").

WHEREAS, Section 12.1.2.1 of the Declaration states that the Board shall have the power to make and enforce all Rules and regulations covering the operation and maintenance of the Project and the Units.

WHEREAS, Section 24 of the Declaration affords the Association the ability to enforce the provisions of the Declaration and Rules including the right to collect unpaid Assessments and other related charges in a manner allowed by law and is entitled to impose temporary suspensions of the Owners' rights to use the Common Elements

WHEREAS, the Board desires to clarify the Association's rights and procedures pertaining to the payment and collection of Assessments, fines, or other related charges imposed pursuant to the Declaration and Arizona law.

NOW THEREFORE, the Association adopts the following Policy that supersedes and replaces any other collection policy of the Association.

ASSESSMENT COLLECTION PROCEDURES:

The Association on its own or through its management company may begin collection action when an individual lot Owner is delinquent in paying Assessments and any other related charges imposed by the Association.

1. **Assessment Due Date:** Assessments are due and payable on or before the first (1st) day of each month ("Due Date") and are considered delinquent if not paid fifteen (15) days after the Due Date.
2. **Late Notice:** If payment of the Assessment or other related charges is not received by the management company or the Association's bank lock box by the 15th day of the month, a "Late Notice" will be mailed to the delinquent Owner and a late fee in the amount of \$50.00 will be imposed and added to the Owner's account. Any assessments not paid within fifteen (15) days of the Due Date shall also bear interest at the rate of ten percent (10%) per annum.

3. **Demand Letter:** If payment of the Owner's outstanding balance is not received within forty-five (45) days of the Due Date, a "Demand Letter" will be mailed to the delinquent Owner and the Owner will be given fifteen (15) calendar days to pay the outstanding balance. If arrangements are made to pay the outstanding balance before the expiration of the fifteen (15) day deadline, the account will be monitored for default. If a payment plan is defaulted on, the Association has the option to proceed with its collection efforts without additional notice to the Owner.

4. **Lien Preparation and Filing:** If payment of the outstanding balance is not paid within sixty (60) days of the Due Date, the Association may choose to record a Notice of Claim of Lien with the Maricopa County Recorder's Office setting forth the amount of any delinquent Assessment and related collection fees and costs. The Association may charge a lien fee and said amount will be the delinquent Owner's personal obligation and shall be secured by the Assessment lien pursuant to the Declaration and A.R.S. §33-1256. Note: A lien will stay in place against the property until the lien balance is paid in full.

5. **Turnover to Counsel:** If payment of the Owner's outstanding balance is not paid within seventy (70) days of the Due Date, management, with direction from the Board, may turn the Owner's account over to the Association's attorney for further action. Other action may be taken as directed by the Board.

6. **Collection Costs.** Attorney's fees, costs and all other costs of collection incurred by the Association in relation to any action taken by the Association, its management company, or its attorney pursuant to this Policy, whether or not a lawsuit is filed, shall be the personal obligation of the delinquent Owner and shall be secured by the Association's Assessment lien pursuant to the Declaration and A.R.S. §33-1256. If an Owner's payment is returned for insufficient funds by the Owner's financial institution or dishonored in any other way, the Owner shall be responsible for any accompanying returned check fee and said fee shall be the personal obligation of the delinquent Owner and shall be secured by the Assessment lien pursuant to the Declaration and A.R.S. §33-1256.

7. **Notices.** All notices may be sent via regular mail to the Owner's mailing address listed in the Association's books and records. If no mailing address is listed, all notices may be sent via regular mail to the property address. Failure of the Owner to receive notice from the Association shall not absolve the Owner of the obligation to pay the outstanding balance owed the Association.

8. **Suspension of Rights.** If an Owner's account is delinquent after the expiration of the Late Notice, the Board may suspend the right of an Owner or his tenants or guests to use the Common Elements for a period of 15 days. If the Owner's outstanding balance remains unpaid after the end of the 15-day period, and following notice to the delinquent Owner, the Association may suspend the rights of an Owner or his tenants or guests to use the Common Elements for another period of fifteen (15) days. The Board may continue to temporarily suspend the Owner's right to use the Common Elements after proper notice has been provided to the delinquent Owner.

9. **Enforcement.** The Association may enforce this Policy as well as the provisions of the Declaration in any manner provided for herein, in the Declaration, or by law or in equity.

This Policy shall not be construed to require receipt of actual notice by a homeowner of any Delinquent Notices, Late Notices, Demand Letters, or Notice of Claim of Lien as a precondition to turnover a delinquent account to the Association's attorney for collections. The Association reserves the right to deviate from the foregoing collection procedures. Any deviation does not relieve delinquent Owners of liability for delinquent assessments and related collection fees and costs.

CASA BELLA II CONDOMINIUMS MASTER OWNERS ASSOCIATION

By: Bobbie Reid
President

By: Wanda Beidge
Vice President

By: Kam Fink
Secretary

By: BR McGee
Treasurer

By: [Signature]
Director