

**BOARD RESOLUTION  
RE: ASSESSMENT COLLECTION**

**UNION HILLS CONDOMINIUM ASSOCIATION  
EFFECTIVE DATE: February 1, 2018**

The undersigned, being the President of the Union Hills Condominium Association, an Arizona non-profit corporation (the "Association"), acknowledges adoption of the following resolution as an action of the Board of Directors ("BOD") of the Association and hereby direct that this written consent to such action be filed with the minutes of the proceedings of the BOD and that the Collection Policy being adopted by this Resolution be carried out by the BOD in the enforcement of the Declaration of Covenants, Conditions and Restrictions (the "Declaration"), Bylaws (the "Bylaws") and Articles of Incorporation (the "Articles") (all collectively known as the "Governing Documents").

WHEREAS, each Owner of a Unit ("Unit Owner") is required to pay to the Association assessments under Article 4 of the Declaration;

WHEREAS, the Association relies upon all of its members to timely pay assessments so that the Association can meet its obligations as required under the Governing Documents;

WHEREAS, Unit Owners are ultimately responsible for the timely payment of assessments to the Association;

WHEREAS, it is the Unit Owner that will be detrimentally impacted if assessments are not timely remitted, as late fees will be imposed, as a lien arises as a matter of law, a Notice and Claim of Lien can be recorded, and/or the Association can pursue foreclosure of the assessment lien or a personal money judgment against the Owner of the Unit;

WHEREAS, pursuant to the Declaration, those costs of collection, including attorneys' fees, that the Association incurs in trying to collect past due Assessments, also become secured by the assessment lien against the Unit of the delinquent Owner;

NOW, THEREFORE, the BOD resolves as follows:

1. Assessments are due monthly, on or before the 1<sup>st</sup> day of each month. If an assessment is not received by the Association on or before the 30<sup>th</sup> day of the month due, a late fee in the amount of \$15 will be imposed along with a collection fee late letter charge of not less than \$10. The management company will mail a Late Notice by Regular USPS to the Unit Owner.

2. Payments should be made payable to Union Hills Condominium Association ("HOA"). Payments made payable to any other person, entity, or payee may be returned to the person or entity remitting the same.

3. Payments need to indicate the Unit or Units to which said payment is attributable. If there is not a clear indication of the Unit on the payment or how it is supposed to be applied to multiple Units, the payment may be returned.

4. If a payment is returned, the Association must receive the properly re-issued payment by fifteen (15) days after the delinquency date in order for the remittance to be deemed timely.

5. The Unit Owner is the party responsible to communicate with, to inform, or to otherwise advise the Third Party remitting payment of assessments on behalf of the Unit Owner as to the actual amount required to be remitted and the due dates for said remittances to be considered timely.

6. The Association will not provide information as to how much is owed as and for Assessments related to a particular Unit except to the Lot Owner, or in the case of a refinance or sale, to a properly inquiring title company or escrow officer. However, if the Unit Owner authorizes, in writing, that the Association can disseminate such assessment account information to a Third Party (e.g. a tenant, managing agent, or family member who is not a spouse).

7. The BOD directs the management company to send a Demand Letter 60 days after a monthly assessment is due and unpaid. The Demand Letter shall be sent by regular USPS mail. The Unit Owner shall be responsible for the Demand Letter fee of not less than \$50.

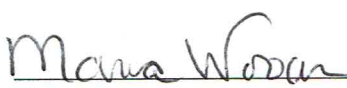
8. The BOD directs the management company to send accounts to the Association's attorneys after three monthly assessments are past due and in other cases if other types of assessments are past due. At that time, the attorneys will send a demand letter and pre-lien notice. If payment is not made, the attorneys are authorized to record a Notice of Lien and thereafter to pursue a collection lawsuit based on the Owner's obligation to pay assessments and related charges. The BOD may also authorize lien foreclosure if necessary. The Unit Owner is responsible for all collection expenses, costs and attorneys' fees. Any bankruptcy accounts will be immediately turned over to the Association's attorney.

9. If an owner or a Third Party remits a check that is dishonored by the financial institution upon which it is drawn, the Association may require that up to the next six months' remittances be in certified funds or money orders. Owners are liable for all NSF charges.

10. If an approved payment arrangement is entered into between the BOD and the delinquent owner (prior to turning over an account to attorneys), as long as the terms of the payment arrangement are being satisfied, no further collections actions (late fees, demands, liens, lawsuits) will be taken against the delinquent owner. If the owner violates the approved payment arrangement, the BOD has the right to continue collections efforts as the BOD sees fit and reinstate any waived amounts.

11. The BOD may modify this process is as deemed in the best interest of the Association.

This resolution was adopted by the Board of Directors at the Board meeting on the 1<sup>st</sup> day of February, 2018.

  
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President