

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE VILLA MILANO AT RANCHO SIN VACAS HOMEOWNERS  
ASSOCIATION  
Re: Collection Policy**

This Resolution has been adopted by the Board of Directors of Villa Milano at Rancho Sin Vacas Homeowners Association (the "Association") pursuant to the Arizona Planned Communities Act, and the pertinent provisions of the *Declaration of Covenants, Conditions, Restrictions and Easements for Villa Milano at Rancho Sin Vacas Subdivision* (the "Declaration"). The purpose of this Resolution is to set forth the Board's policies and procedures on collection of delinquent assessments and other charges.

**Preamble.** The Association is responsible for managing, maintaining and administering the Common Areas within Villa Milano, for administering and enforcing the provisions of Article VI of the Declaration, for collecting assessments, and for expending funds to fulfill its obligations. Therefore, it is imperative that each Owner timely pays all assessments due to the Association to fund these obligations. The Association intends to follow this procedure when Assessments are not paid in a timely manner as required in the Community Documents and under Arizona law (see A.R.S. §33-1803 and §33-1807).

1. **Due Dates.** The annual assessment is due on the 1st day of January each year. All Assessments or other charges not paid to the Association by the 31<sup>st</sup> of January or such other due date established by the Board shall be considered past due and delinquent. ***The Association is not responsible for mail delays.***

2. **Billing Statement.** The Association is not required to provide a billing statement to an Owner as a condition to an Owner's obligation to pay assessments or other charges of the Association. Non-receipt of a billing statement or a late notice shall in no way relieve the Owner of the obligation to pay the amount due by its due date.

3. **Late Charges and Interest.** Interest accrues at the rate of 12% per annum on all delinquent assessments. A late fee equal to the greater of \$15.00 or 10% of the unpaid assessment is charged if payment is not timely received by the Association. After late fees are added to the account, they become part of the assessment and interest also accrues on unpaid late fees.

4. **Acceleration of Assessment.** If any installment of any assessment levied against a Lot remains unpaid for 90 days beyond the due date, the Association may accelerate the remainder of the installments and declare them due and payable in full.

5. **Late Notices.**

5.1. After an assessment or other charge due the Association becomes 30 days past due, the Association may send a "late notice" to the Lot Owner who is delinquent in

payment. Any failure by the Association or its managing agent to send a late notice to a delinquent Owner will not waive any of the Association's collection rights.

5.2. After an assessment or other charge due the Association becomes sixty (60) days past due, the Association may send a "second notice" to the Lot Owner who is delinquent in payment.

5.3. If payment in full is not received within ninety (90) days, the Association will send a notice of intention to refer the account to an attorney or collection agency.

6. **Liens.** The Association may file a Notice of Lien against the Lot of any delinquent Owner in accordance with the terms and provisions of the CC&Rs. However, the Association's lien arises in the CC&Rs, and no notice is required to be filed for the lien to be in force.

7. **Return Check Charges.** In addition to any and all charges imposed under the Community Documents or this Resolution, a \$25.00 fee or other amount deemed appropriate by the Board of Directors shall be assessed against an Owner in the event any check or other instrument attributable to or payable for the benefit of such Owner is not honored by the Owner's bank or is returned by the bank for any reason whatsoever, including but not limited to, insufficient funds. This returned check charge shall be added to the assessment account of each Owner who tenders payment by check or other instrument that is not honored by the bank upon which it is drawn. Such return check charges shall be due and payable immediately, upon demand. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law. Returned check charges shall be the obligation of the Owner(s) of the Lot for which payment was tendered to the Association. Returned check charges shall become effective on any instrument tendered to the Association for payment of sums due under the Community Documents.

8. **Required Payment by Certified Funds.** If two or more of a Lot Owner's checks are returned unpaid by the bank within any fiscal year, the Association may require that all of the Lot Owner's future payments, for a period of one year, be made by certified check or money order.

9. **Institution of Collection Activity:** If the assessments, late fees and attorney's fees/collection costs are not brought current within 30 days from the Association's final notice, or if satisfactory arrangements for the payment of these amounts are not made with the Association within that time period, then legal action against the Owner may be filed. The Association's Board of Directors may choose to refer the delinquent account to a Collection Agency or the Association's attorney, as approved at a regular monthly Board meeting.

The Association's Board of Directors may authorize the appropriate collection entity to either:

A. Foreclose the assessment lien against the Lot which may result in the Owner's loss of the property; or

B. File a lawsuit to obtain a personal judgment against the Owner and collect that judgment through garnishment, attachment, execution or any other available remedy.

Attorney fees incurred by the Association for legal services will be added to the amount due from the Owner and will also be a lien against the Lot.

The effective date of this Resolution is \_\_\_\_\_.

IN WITNESS WHEREOF, the undersigned certifies that this document is a true and correct copy of the Resolution that was adopted by the Board of Directors of Villa Milano at Rancho Sin Vacas Homeowners Association at its duly held meeting on the \_\_\_\_\_ day of \_\_\_\_\_, 2017.

VILLA MILANO AT RANCHO SIN VACAS  
HOMEOWNERS ASSOCIATION, an Arizona non-profit corporation

By: \_\_\_\_\_  
Its: President

ATTEST:

\_\_\_\_\_  
Secretary

STATE OF ARIZONA    )  
                                  )ss.  
County of Pima        )

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2016,  
by \_\_\_\_\_, as President of Villa Milano at Rancho Sin Vacas Homeowners Association, an Arizona non-profit corporation.

\_\_\_\_\_  
Notary Public

STATE OF ARIZONA    )  
                                  )ss.  
County of Pima        )

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2016,  
by \_\_\_\_\_, as Secretary of Villa Milano at Rancho Sin Vacas  
Homeowners Association, an Arizona non-profit corporation.

\_\_\_\_\_  
Notary Public