

POWER RANCH COMMUNITY ASSOCIATION

Assessment Collection Policy

Pursuant to the Arizona Nonprofit Corporation Act, A.R.S. 1803 and Article 7, Section 7.10, of the Declaration of Covenants Conditions and Restrictions for Power Ranch Community Association, ("Community Declaration" or "Declaration"), the following resolution is hereby adopted by the undersigned, being all of the directors of Power Ranch Community Association ("Association").

WHEREAS, Power Ranch Community Association has authority pursuant to Article 7, Section 7.1 of the Community Declaration to levy assessments against property;

WHEREAS, the Board of Directors of Power Ranch Community Association ("Board") finds there is a need to establish orderly procedures for the collection of assessments levied against properties that remain unpaid beyond the prescribed due dates;

NOW THEREFORE, IT IS RESOLVED that the following procedures and practices are established for the collection of assessments owing and to become owing by the Owners in the Community area of Power Ranch Community Association, and the same are to be known as the "Assessment Collection Policy" for the Association in the discharge of its responsibilities regarding collection of assessments levied against properties:

1. POLICY OBJECTIVE: The collection of assessments pursuant to the Community Declaration and this Assessment Collection Policy will be governed by the following objective:

- a. The Power Ranch Association will pursue collection of all Annual Assessments coming due for a given calendar year during that same year. Should the recovery of amounts owing by a particular Property and the Owner thereof require commencement of legal proceedings, those proceedings will be initiated prior to the end of the year for which the unpaid annual assessments are due.
- b. At each step within the collection process, the Board will analyze the facts and circumstances then known concerning a given delinquency to direct collection efforts toward the expedient course of action.

2. OWNERSHIP INTERESTS: Pursuant to Article 1, Section 1.38 of the Declaration, the person who is the Owner of a Property as of the date an assessment becomes due is personally liable for the payment of the assessment. The personal obligation for Delinquent Assessment shall not pass to the successors in title of the Owner unless expressly assumed

by them. As used herein, the term "Delinquent Owner" refers to that person who held title to a Property on the date an assessment become due. As used herein, the term "Current Owner" refers to that person who holds title to a Property on the date relevant to the reference herein to such person. Unless expressly denoted otherwise the "Owner" of a Property refers to the Delinquent Owner or the Current Owner or both, as may be appropriate under the circumstances at hand.

3. **DUE DATES:** The due date for a given assessment is prescribed by Article 3.7, Section 7.9 of the Declaration and is referred to in this Assessment Collection Policy as the "Due Date". The date beyond which Section 7.1 prescribes the assessment as being delinquent is referred to in this Assessment Collection Policy as the "Delinquency Date" and is presently the tenth (10th) day after the due date.

a. Owners may contact the Association to request a payment plan for delinquent accounts.

4. **HANDLING CHARGES AND RETURN CHECK FEE:** In order to recoup for costs incurred because of the additional administrative expenses associated with collecting delinquent assessments, collection of the following fees and charges are part of the Collection Policy:

- a. Any handling charges, administrative fees, postage, or other expenses incurred by Power Ranch Community Association, Inc. in connection with the collection of any assessment or related amount owing beyond the Delinquency Date for such assessment will become due and owing by the Owner responsible for the unpaid assessments which are the focus of the collection action.
- b. A reasonable charge, based on the Bank's fees, will become due and payable for any check tendered to Power Ranch Community Association, which is dishonored by the drawee of such check, the charge being in addition to any other fee or charge which Power Ranch Community Association is entitled to recover from an Owner in connection with collection of assessments owing respect to such Owner's Property.
- c. Any fee or charge becoming due and payable pursuant to this paragraph 4 will be added to the amount outstanding and is collectible to the same extent and in the same manner as the delinquent assessment.

5. **APPLICATION OF FUNDS RECEIVED:** All moneys received by Power Ranch Community Association will be applied to amounts outstanding to the extent of and in the following order:

- a. First to the unpaid assessment amount;
- b. Next, to interest accrued;
- c. Last to late fees, attorney's fees and related collections costs incurred by or on behalf of the Power Ranch Community Association.

6. **OWNERSHIP RECORDS:** All collections notices and communications will be directed to those persons shown by the records of Power Ranch Community Association as being the Owner of the Property for which assessments are due and will be sent to the most recent address of such Owner solely as reflected by the records of the Community Association. Any notice or communication directed to a person at an address, in both cases reflected by the records of Power Ranch Community Association as being the Owner and address for a given property, will be valid and effective for all purposes pursuant to the Community Declaration and this Assessment Collection Policy until such time as there is actual receipt by Power Ranch Community Association of written notification of any changes in the identity or status of such Owner or its address or both.
7. **NOTIFICATION OF OWNER'S REPRESENTATIVE:** Where the interest of an Owner in a Property have been handled by a representative or agent of such Owner or when an Owner has otherwise acted so as to put the Community Association on notice that its interest in a Property have been and are being handled by a representative or agent, any notice or communication from Power Ranch Community Association, pursuant to this Assessment Collection Policy will be deemed full and effective for all purposes if gen to such representative agent.

8. **NOTIFICATION TO OWNER:**

- a. ***Late Notice:*** No sooner than *fifteen (15) days* after the due date, Power Ranch Community Association may charge a *ten percent (10%)* late fee per delinquent assessment. A statement reflecting the late fee will be sent via regular mail.
- b. ***30 Day Letter:*** No sooner than *thirty (30) days* after the due date, Power Ranch Community Association will send a 30 Day Letter (referred to as a Delinquent Letter) to the homeowner reflecting the current outstanding balance, payment options, and a request for payment. The late notice will be sent via regular mail. The account will be charged \$23.50 or the amount stipulated in Exhibit A of the Management Contract.

c. **PRE-LIEN DEMAND LETTER:** No sooner than *sixty (60) days* after the due date, Power Ranch Community Association will send a Demand Letter (referred to as the Demand Lien Letter) to the Owner making formal demand for immediate payment of all outstanding amounts. The demand letter will be sent via regular and certified mail, return receipt requested. All fees associated with this letter will be charged to the Owners account. Management will make an attempt to contact the owner of record by phone or email according to the management database and information gathered from the Power Ranch site office, prior to filing a lien. The account will be charged \$95 or the amount stipulated in Exhibit A of the Management contract.

Per Article 3, Section 3.1 a of the Declaration of Power Ranch Community Association, the Association has the right to suspend both voting rights and the right to use the recreational facilities and other Common Areas by any Member who are delinquent in assessments, have violated the Declaration and/or the Power Ranch Rules.

d. **NOTICE OF LIEN:** Approximately *ninety (90) days* after the due date, if the owner fails to pay in full the entire amount covered by the Pre Lien Demand Letter, the Board will cause to be prepared and recorded with the Maricopa County Recorder a written Notice of Lien. The letter and Notice of Lien will be sent both regular and certified mail. The account will be charged \$175 or the amount stipulated in Exhibit A of the Management Contract.

e. **COURT ACTION DEMAND LETTER:** A copy of the recorded Notice and Claim of Lien will be sent to the Owner together with an additional demand for payment in full of all outstanding dues within *fifteen (15) days* of the date of the transmittal to the Owner of the Notice of Lien and informing them that if payment is not received within *fifteen (15) days*, legal action will be filed against the Owner either by an Attorney, through a collection agency or management with a court of competent jurisdiction. All fees associated with preparation and filing of this court action will be charged to the Owner's account, including, but not limited to a process service fee and additional court costs. The account will be charged \$75.00 or the amount stipulated in Exhibit A of the Management Contract.

9. **FORECLOSURE SUIT:** When the Board has directed that the collection action to be taken is a suit for personal judgment against the Owner and for foreclosure of the assessment lien, upon the expiration of the time period given in the demand letter accompanying the Notice of Lien, the continued delinquency of unpaid assessments owing will be reported to the Board, together with all pertinent acts concerning the delinquency and the ramifications of the proposed foreclosure of the property. As soon as practical thereafter, the Board will direct counsel to initiate legal proceedings in a court of competent jurisdiction seeking foreclosure of the assessment lien and recovery either from the Current Owner and, where different, the Delinquent Owner, or from the Current

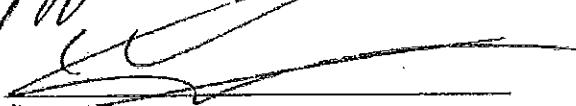
Owner only, for in each case all amounts owing arising from the unpaid assessments and the collection thereof.

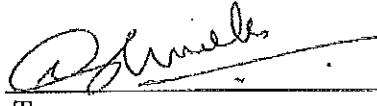
10. **ALTERNATIVE COLLECTION COURSES:** At each step in the collection process the Board, acting with input and recommendation from management and counsel, will evaluate which course of legal action appears to be in the best interest of Power Ranch Community Association for recovery of unpaid assessment. Where foreclosure of the assessment lien in favor of Power Ranch Community Association, together with pursuit of personal judgment against the owner, is determined to be advisable, the Board will direct counsel to proceed accordingly.
11. **VERIFICATION OF INDEBTEDNESS:** Where an Owner requests verification of the indebtedness, Management will upon notification of the Owner's request, supply such verification within fifteen (15) business days before any further collection action is taken with respect to such Owner. The exercise of the collection rights of Power Ranch Community Association regarding assessments will in all ways comply with the Fair Debt Collection Practices Act and A.R.S. 33-1803.

IT IS FURTHER RESOLVED THAT this Assessment collection Policy replaces and supersedes in all respects all prior resolutions with respect to the collection of assessments by Power Ranch Community Association, and is effective upon adoption hereof, to remain in force and effect until revoked, modified, or amended.


President


Vice President


Secretary


Treasurer

This is to certify that the foregoing resolution was adopted by the Board of Directors of Power Ranch Community Association by a unanimous consent to be effective as of this _____ day of _____, 2012 and has not been modified, rescinded or revoked.