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**BOARD RESOLUTION
RE: ASSESSMENT COLLECTION**

EIGHTH STREET SQUARE

The undersigned, being the president of the **Eighth Street Square Townhouse 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 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 (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, as defined under **Article IV** 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 monthly and are due on or before the first day of each month. Any assessment not paid 30 days after the due date shall bear interest at the rate of .5% percent per month, or the maximum allowed by law, whichever is greater. The homeowner is subject to a \$15 late fee for each payment received after the 30th of month. An additional \$10 late letter fee will be imposed by the management company. The management company will mail a Late Notice by Regular USPS to the Unit Owner;

2. Payments remitted as and for assessments must be made payable to Eighth Street Square Townhouse Association ("HOA"). Payments made payable to any other person, entity, or payee will be returned to the person or entity remitting the same.

3. Payments remitted as and for assessments need to indicate the Unit to which said payment is attributable. In short, payments remitted by persons or entities other than a Unit Owner, must indicate the Unit to which said payment should be applied and if it does not, it may be returned to the person or entity remitting the same.

4. Owners who own more than one (1) Unit (or a Third Party remitting a payment on behalf

of the Owner of more than one (1) Unit) must remit payment of Assessments for each Unit by separate remittance, with the specific Unit indicated on said remittance or indicated in an accompanying written communication. This will ensure that payments are posted to the correct Unit. If however one (1) payment is remitted by an Owner of multiple Units or if a Third Party remits a payment on behalf of an Owner of multiple Units, the Association reserves the right to either a) return the remittance or payment to the person remitting the same; or b) to negotiate the same, if and only if the remittance or a written communication accompanying the remittance indicates the Unit(s) to which the remittance should be applied and the amount to be applied to each Unit. If no instructions are set forth, the Association will return the payment to the party issuing the same.

5. If a remittance is returned to the person issuing the same because the remittance does not conform with the requirements of these rules, 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.

6. 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.

7. The Association will not provide information as to how much is owed as and for Assessments related to a particular Unit except to the Unit 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 such as a tenant or managing agent, the Association will then provide assessment balance information to the Third Party so indicated by the Unit Owner in the written statement. Nothing by way of this paragraph prohibits the Association from informing a Third Party as to the actual monthly assessment rate related to a specific Unit.

8. The BOD directs the management company to send a second Late Notice once the delinquency is 30 days delinquent. The second Late Notice shall be mailed by regular USPS.

9. The BOD directs the management company to send a payment Demand Letter once the delinquency is 30 days delinquent. The Demand Letter shall be sent by Certified Mail and regular USPS mail. The Unit Owner shall be responsible for the Demand Letter fee of not less than \$10 (check contract).

10. The BOD directs the management company to prepare and record a Notice and Claim of Lien, pursuant to Article VII of the Declaration. Once the delinquency reaches 90 days delinquent a Lien will be filed. A copy of the Notice and Claim of Lien shall be sent by Regular USPS Mail to the Unit Owner. At time of recording, the Unit Owner shall be responsible for the fees associated with the preparation of the Lien, Lien recording and Satisfaction of Lien recording fees totaling not less than \$110.00.

11. The BOD will proactively determine, on a case by case basis, further collections actions against a delinquent Unit Owner, which may include directing the Association's attorneys or collection agency to file a lawsuit or begin foreclosure proceedings.

12. Due to the fact that this Collection Policy is being implemented at the time when Unit Owners are in various stages of delinquency, the management company shall immediately

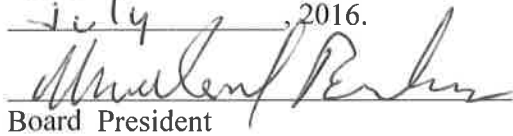
begin all collections actions for balances over \$417.00 (three months of dues) at the Demand Letter stage.

13. If a payment that is remitted is dishonored by the financial institution upon which it was drawn, said insufficient funds will carry with it a returned check fee of up to \$50.

14. 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.

15. If an approved payment arrangement is entered into between the BOD and the delinquent owner, 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.

This Resolution was adopted by the BOD at the Board meeting held on the 13 day of July, 2016.


Board President