

The Gardens Inc. Homeowners Association
16625 S Desert Foothills Pkwy
Phoenix, AZ 85048 (480) 759-4945 / FAX (480) 759-8683

RESOLVED, that the following **ASSESSMENT COLLECTION POLICY** shall be adopted effective immediately:

LATE INTEREST: Late interest at the rate of 9% per annum shall be assessed to any account showing an unpaid assessment 15 days after the due date.

Assessment Collection Schedule:

1. Written reminder to property owner on the 15th day after the first unpaid assessment informing them that the account is outstanding and a late fee may have been applied to the account.
2. Written collection and intent to lien demand letter mailed the 45th day after the first delinquent assessment was due. All demand letter fees are the responsibility of the property owner. Homeowner is given 15 days from demand letter date to remit payment or contact the management company to enter into a payment plan.
3. Every account that shows the assessment being at least 60 days past due may be transferred to the association's collection agent for commencement of collections and a notice of lien may be recorded. All fees are the responsibility of the property owner. At any time during this process, the homeowner may request to enter into a payment plan for all outstanding assessments and fees. The association may not release its lien until such time as all assessments, late fees, and related collection costs have been paid in full.
4. For every account that shows the assessment being at least 90 days past due, one of the following processes may occur:
 - Accounts whose balances are less than \$3,500.00 may be referred to small claims court to obtain a personal judgment against the owner(s) of the lot whose responsibility it is to bring the account current. All collection costs are the responsibility of the lot owner. Or,
 - Accounts whose balances are over \$3,500.00 may be referred to the association's attorney for further collection activity including lawsuit or foreclosure. All legal fees and collection costs are the responsibility of the lot owner.

Foreclosure Collection Procedure:

- At the discretion of the board of directors, lots foreclosed upon with account balances less than \$3,500.00 may be referred to small claims court to obtain a personal judgment against the owner(s) of the lot whose responsibility it was to bring the account current at the time of foreclosure.
- At the discretion of the board of directors, lots foreclosed upon with account balances greater than \$3,500.00 may be referred to the association's attorney to pursue a personal judgment in justice court against the owner(s) of the lot whose responsibility it was to bring the account current at the time of foreclosure.

Payments will be applied to an account as follows (pursuant to Arizona Revised Statutes):

1. Past due assessments
2. Late Charges
3. Collection Fees (Demand Letter/Lien/Collection Agency/Skip Trace/Court Fees)
4. Legal Fees/Costs
5. Monetary Penalties

The board of directors may decide not to consider a waiver request for late fees, lien fees or collection fees incurred on an account where the assessment was not paid in accordance with the assessment collection policy through no fault of the association or its agent.

Payments plans will be accepted under the following conditions:

Payments made without benefit of a properly executed payment plan will not be construed as a payment plan, and collection activity may be initiated in accordance with the assessment collection policy.

Late fees as provided in the assessment collection policy may not be charged during the term of the payment plan if payments are received in accordance with the plan.

A minimum payment plan equal to the current assessment installment plus one-twelfth of the annual assessment plus one-twelfth of the collections costs and late fees will be accepted on a monthly basis.

A lien may be filed and legal collection proceedings may be implemented upon default of a payment plan with no further notice to the property owner.

IN WITNESS WHEREOF, the undersigned have executed this consent as of 6-11, 2014.



For the board of directors
The Gardens Inc. Homeowners Association