

RESOLUTION OF THE BOARD OF DIRECTORS
TUCSON NATIONAL TOWNHOMES WEST HOMEOWNERS' ASSOCIATION
COLLECTION POLICY & PROCEDURES

The following resolution has been adopted by the Board of Directors of the Tucson National Townhomes West Homeowners Association, Inc. (the "Association"), at a regular meeting on April 26, 2011.

RECITALS

- A. The Association is charged with certain duties and responsibilities.
- B. The Association must have the financial ability to discharge its duties and responsibilities.
- C. The Board of Directors (the "Board") is required by the Declaration of Covenants, Conditions and Restrictions for Tucson National Townhomes West HOA (the "Declaration") to pursue collection of assessments and other charges from delinquent owners.
- D. The Board desires to adopt a uniform and systematic procedure to collect assessments and other charges of the Association.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors for the Association does hereby adopt the following procedures for the collection of assessments and other charges of the Association:

1. **Due Dates.** The annual assessment, as determined by the Board in accordance with Article III of the Declaration, shall be payable in advance, in four (4) installments due on the 1st day of January, April, July, & October. Assessments or other charges not paid to the Association within 30 days of the month in which they are due shall be considered past due and delinquent.
2. **Billing Statement.** The Association may, but shall not be 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. If the Association provides an Owner with a billing statement for quarterly assessments, although billing statements are not required, the statement should be mailed or sent to the Owner between the 1st and 15th day of the month preceding each due date. Non-receipt of a billing statement shall in no way relieve the Owner of the obligation to pay the amount due by the due date.
3. **Late Charges and Interest.** Interest accrues at the rate of eighteen percent (18%) per annum, on all delinquent assessments. A late fee of 10% of the assessment is charged if the assessment is not received by the Association on or before the 30th of the month in which it's due. After late fees are added to the account, they become assessments 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 ninety (90) days beyond the due date, the Association may accelerate the remainder of the assessment installments and declare them due and payable in full.

5. Late Notices.

(a) After a quarterly assessment or other charge due the Association become thirty (30) days past due, the Association may cause, but shall not be required to send, a "late notice" to the lot owner who is delinquent in payment.

(b) After a quarterly assessment or other charge due the Association becomes sixty (60) days past due, the Association may cause, but shall not be required to send, a "second notice" to the lot owner who is delinquent in payment.

(c) If payment in full is not received within ninety (90) days, the Association may (but shall not be required to) send a notice of intention to refer the account to an attorney.

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 Declaration. However, the Association's lien arises in the Declaration, 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 Governing Documents of the Association, or this Resolution, a fifteen dollar (\$15.00) 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 bank or is returned by the bank for any reason whatsoever, including but not limited to, insufficient funds. This returned check charge shall be a "common expense" for 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 governing documents for the Association.

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. Lien for Assessments. If any installment of the annual assessment is not paid when due, the Association will advise the owner that his/her account must be brought current within 15 days thereafter. If that installment is not paid within that time frame, the Association automatically

has a lien against the lot and the account may be forwarded to the Association's attorney to record a Notice of Lien against the lot and collect the delinquency. Attorney fees incurred by the Association for legal services will be added to the amount due and will also be a lien against the lot.

ADOPTED BY THE BOARD OF DIRECTORS OF TUCSON NATIONAL TOWNHOMES WEST HOMEOWNERS' ASSOCIATION ON April 26, 2011.

By: Dan Sturmon
 President

Attest: Claire Williams
 Secretary