

**Villa Monterey
Improvement Association**

Assessment Collection Policy

May 2017

Dear Villa Monterey Unit One Homeowners:

The Villa Monterey Improvement Association's (the Association) assessment collection policy establishes the process the Board of Directors will follow to ensure that all homeowners comply with the guidelines described in the Association's Amended and Restated Declaration of Restrictions (CC&Rs) regarding the timely payment of Association Assessments.

The Association's CC&Rs state that the covenants, restrictions, reservations, and conditions contained in that document run "with the land and shall be binding upon all persons purchasing or occupying any home" in Villa Monterey Unit One.

Furthermore, the CC&Rs state that failure to comply with any provision of the CC&Rs will result in penalties and monetary fines as determined by the Board of Directors.

Please take the time to review this **Assessment Collection Policy** and to refer to the CC&Rs found at www.villamontereyone.org for further information.

Villa Monterey Improvement Association Board of Directors

**Villa Monterey Unit One
Improvement Association
*Assessment Collection Policy***

**Approved by the Board of Directors
2017**

The following Assessment Collection Policy will be followed for the Villa Monterey Improvement Association (the Association).

Late Fees:

A monthly fee of 10% of the unpaid assessment will be assessed each month on every account showing payments due after the published delinquent date.

Definition of Assessments:

The terms “assessment” or “assessments” used in this document include but are not limited to annual or semi-annual assessments; past due assessments; special assessments; penalties and monetary fines as determined by the board of directors for failure to comply with any provision of the Articles of Incorporation, Amended and Restated Declaration of Restrictions (CC&Rs) or Bylaws; late charges; interest fees; lien fees; legal fees; court costs; collection letter fees; collecting agency fees; mailing costs; recording fees; and demand letter fees.

Assessment Collection Schedule:

1. If payment is not received within fifteen (15) days after the due date, the Association will send a written **reminder letter** to the homeowner and begin imposing a 10% monthly late fee.
2. If payment is not received within forty-five (45) days after the original due date, the Association will send a written **demand letter** to the homeowner. All demand letter fees are the responsibility of the homeowner.
3. If payment is not received within ninety (90) days after the original due date, the Association will record a **lien** on the unit.
4. The Association has two options to collect delinquent assessments:
 - a. Obtain a personal judgment against the owner and/or
 - b. Foreclose the assessment lien on the unit (if the unit qualifies for foreclosure pursuant to ARS Section 33-1256)
5. All lien fees, late charge fees, fines, legal fees, collection fees, recording fees, mailing costs, and court fees are the responsibility of the homeowner.

Payments Will be Applied According To Arizona State Law ARS § 33-1256(K), Which Reads:

Notwithstanding any provision in the condominium documents or in any contract between the association and a management company, unless the member directs otherwise, all payments received on a member's account shall be applied first to any unpaid assessments, for unpaid charges for late payment of those assessments, for reasonable collection fees and for unpaid attorney fees and costs incurred with respect to those assessments, in that order, with any remaining amounts applied next to other unpaid fees, charges and monetary penalties or interest and late charges on any of those amounts.

Waivers:

The Association will not consider a waiver of lien fees, late charge fees, fines, legal fees, collection fees, recording fees, mailing costs, or court 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.

Payment Plans Will Be Accepted Under The Following Conditions:

1. Payments made without benefit of a properly executed payment plan will not be construed as being a part of a payment plan, and collection activity will be initiated in accordance with the Assessment Collection Policy.
2. Late fees as provided in the Assessment Collection Policy will not be charged during the term of the payment plan if payments are received in accordance with the plan.
3. The minimum acceptable payment plan will be allowed only for half-year assessments. The plan will require four consecutive monthly payments, each payment no less than 25% of the half-year assessment due plus collection costs, if any. A homeowner may participate in the monthly payment plan only one time during a three-year period.
4. Upon default of the payment plan, a lien will be filed, and attorney collection proceedings will be implemented with no further notice to the homeowner.

Invalidation of any one of these provisions by judgment or court order will in no way affect the validity of any other provision, and the same will remain in full force and effect.

CC&R Statement Regarding Homeowner Assessments

1. The owner of record of each parcel in said subdivision shall pay to Villa Monterey Unit One Improvement Association within fifteen (15) days of receipt of invoice a sum equal to the aggregate of the following:
 - a. One eighty-seventh (1/87) of the actual cost to Villa Monterey Unit One Improvement Association of all repair, maintenance, taxes, insurance, and reserve funding will be assessed to each homeowner in the form of annual dues.
 - b. The maximum annual dues may be automatically increased without a vote of the membership by an amount not more than twenty (20) percent above the maximum dues for the previous year.
 - c. The annual dues may be increased above the twenty (20) percent by a vote of sixty-seven percent (67%) of the homeowners (58 homeowners).
2. Invoices will be submitted at regular intervals as may be fixed by the Association. If payment is not received after fifteen (15) days, the homeowner shall be subject to a late fee of 10% of the assessment per month unpaid. In the event any such invoice is not paid within thirty (30) days from the date the same is deposited in the United States Mail addressed to such owner, the amount of such invoice shall be and become a lien on the said home upon the Association causing to be filed in the office of the Recorder of Maricopa County an affidavit of the non-payment of such invoice in the form of a Notice of Lien and posting a copy of same upon said parcel within ninety (90) days from the date of mailing of such invoice. Such lien shall be foreclosed in the manner provided by Arizona law for the foreclosure of liens.
3. The dues, together with all late fees, attorney's fees, costs, and any other expenses incurred with the assessments shall be referred to as the assessments. The assessments shall be a charge and a continuing lien upon the home against which the assessment is made. Each assessment also shall be the personal obligation of the person who was the owner of the home at the time when the assessment became due.
4. Villa Monterey Unit One Improvement Association, Inc., may levy a special assessment for the purpose of defraying (in whole or in part) the cost of any construction, reconstruction, repair, or replacement of the common elements or the cost of any other unexpected or extraordinary expenses for the repair of the common areas or other matters; however, such special assessments shall have the assent of sixty-seven percent (67%) or 58 homeowners.