

COLLECTION POLICY FOR MESA VIEW HOMEOWNERS ASSOCIATION #5

Effective January 1, 2007

Timely payment of regular and special assessments is of critical importance to the Association. A member's failure to pay assessments when due creates a cash-flow problem for the Association and causes those owners who make timely payment of their assessments to bear a disproportionate share of the community's financial obligations. Therefore, the Board of Directors has enacted the following policies and procedures concerning **collection of delinquent assessment accounts**:

1. **Assessment Due Date.** All regular assessments and special assessment shall be due on May 1st and November 1st. Special assessments shall be due and payable on the due date specified in the notice imposing the assessment. Regular and special assessments shall be **delinquent if not paid within 45 days after they become due.**
2. **Late Fees.** If any installment payment of a regular assessment, or payment of a special assessment, is not made within 45 days after it has become due, a **late payment charge of \$10.00 shall be imposed.** The Association will send another statement.
3. **Delinquency.** If the homeowner remains delinquent after 76 days, a final collection letter will be sent by the Association, giving the owner(s) another 30 days to pay in full (A fee will be charged on the owner's account when this letter is sent). The Association shall be entitled to recover any reasonable collection costs including attorney fees that the Association then incurs in its efforts to collect the delinquent sums. **If payment is not received within 30 days of this letter the account will be sent to the Association's attorney.**
4. **Lien policy.** Prior to filing a lien for delinquent assessments, the Association or its attorney shall send a warning letter, via certified and first class mail, to the unit owner(s) when the account is more than 105 days past due. If the delinquent account is not paid current within thirty (30) days, the Association or its attorney may cause to be recorded in the County Recorder's Office a Notice of Delinquent Assessment (assessment lien) concerning all sums that are then delinquent assessment, late charges, costs and reasonable attorney fees. **Recording this notice creates a lien, which is subject to foreclosure, against the delinquent owner's property.**

5. **Enforcement of Lien.** If the delinquent account is not paid current within thirty (30) days of the filing of the lien, the **Association may enforce the lien in any manner permitted by law, including but not limited to foreclosure of lawsuit for money damages.**
6. **Foreclosure Costs.** If a lawsuit or foreclosure procedure is initiated by the Association to recover assessments, **the Association is entitled**, by law and by the Declaration of Restrictions, **to recover not only the amount in default, plus late charges, but also reasonable costs of collection, including trustee fees, title company charges and attorney fees.**
7. **Reasonable Costs of Collection.** The Association is entitled to collect all of the following as reasonable costs of collection: interest, late charges, collection expenses, administration fees, attorney's fees, reimbursement assessments or any other amounts due to the Association.
8. **Application of Payments.** Payments received on delinquent assessments will be applied to the owner's account as follows: payments shall be applied first to the principal delinquent balance. **Only after the principal is paid in full shall any payments be applied to interest, late charges, collection expenses, administration fees, attorney's fees, reimbursement assessments, or any other amount due to the Association which results in continued delinquencies.**
9. **Release of Lien.** As soon as a delinquent owner has paid in full all delinquent assessments and charges, including attorney fees, the attorney will prepare a Release of Lien which will be recorded in the County Recorder's Office of the county in which the lien was recorded within twenty-one days of payment.
10. **No Waiver.** Failure of the Association to strictly enforce this policy is not a waiver of its right to collect delinquent sums.