

## **FOOTHILLS CLUSTERS HOMEOWNERS ASSOCIATION DELINQUENCY POLICY**

The following is the Foothills Clusters Homeowners Association Delinquency Policy. This policy has been written within the guidelines of the Declaration of Covenants, Conditions, and Restrictions applicable to the Foothills Clusters Homeowners Association and the laws of the State of Arizona. This policy will be enforced to ensure the financial security of the Association, while simultaneously ensuring the value, desirability and integrity of the Foothills Clusters community. This delinquency policy will be enforced effective October 1, 2014 and will apply to assessments billed for the year 2015 and thereafter.

### **I. ANNUAL BILLING**

Each homeowner will be billed annually for the homeowners' assessments. Payments must be postmarked by the due date indicated on the assessment invoice. Payments postmarked after the due date will be subject to penalties as outlined below. A charge of \$25.00 (or the maximum allowed by Arizona State law) will be issued to any account whose check is refused by the payer bank.

### **II. LATE PAYMENTS**

A reminder notice will be sent to the owner if the payment is not received thirty (30) days from the due date. If payment of the assessment is not received within thirty (30) days from the initial due date, said assessment will incur a late charge as determined by the Board of Directors and will bear interest from the due date at the rate of six percent (6%) per annum until paid in full.

If full payment of the assessment, late fee and accrued interest has not been made within sixty (60) days after the due date, the owner will be mailed a 15-day demand letter as required by statute.

The notice will set out the balance due as of the date of the notice and will state that the owner has fifteen (15) days from the mailing of the notice to pay the outstanding balance without the attorney's fees and court costs. If full payment is not received within fifteen (15) days of the mailing of that letter, then the account will be turned over to the association's attorney for collection.

### **III. COSTS OF LEGAL ACTION**

If it is necessary to initiate legal action, including but not limited to liens, foreclosure proceedings, and law suits, in order to collect overdue assessments, the homeowner will be responsible for all overdue assessments, late fees, accrued interest, costs of collection, reasonable attorney's fees and court costs as provided by the Declaration of Covenants, Conditions and Restrictions for the Foothills Clusters Homeowners Association and the Arizona Planned Community Act.

[The Board of Directors for the Foothills Clusters Homeowners Association will determine the appropriate action to be taken in any situation not expressly covered by this delinquency policy.]