

Queens Bay Homeowners Association Collection Policy

Authority & Applicability

This Collection Policy is adopted pursuant to the Association's Declaration of Covenants, Conditions and Restrictions, Bylaws, and applicable Arizona law. In the event of a conflict between this policy and the Association's governing documents or state law, the governing documents and applicable law shall control.

Purpose

The purpose of this Collection Policy is to establish a fair, consistent, and transparent process for the collection of delinquent assessments. Timely payment of dues is essential to maintain the financial stability of the Association and to ensure that all owners contribute equitably to the operation, maintenance, and preservation of the community. This policy is intended to promote compliance while providing a structured and respectful approach to resolving past due accounts.

1. Delinquency Timeline & Communication

- Payments are due on the first of the month.
- 15 Days Past the 1st of the month, a late charge of \$10 and the 12% interest per annum will be assessed and access to common area elements will be restricted.
- 2nd Payment Past Due - A courtesy email reminder will be sent to the owner requesting payment of the outstanding balance including the late charge and interest. If no response is received, access to common area elements are still restricted and any items stored in the Parking Lot will be removed at the owners expense.
- 3rd Payment Past Due - A second reminder email will be issued, including the reminder that their stored items in the parking lot were removed from the property and common area access continues to be restricted.
- 4th Payment Past Due - A third and final email reminder will be sent. If no response or payment is received, the account will proceed to formal collection action.

2. Formal Collection Action

- After 4 consecutive payments are missed, a certified letter will be mailed to the owner. The letter will provide 30 days to bring the account current. The notice will clearly state that failure to pay may result in a lien being filed against the property.

3. Late Fees & Interest

- A \$10 late fee will be applied each month an account remains past due. Interest will accrue at a rate of 12% annually on all outstanding balances.

4. Payment Plan / Hardship Provision

- Owners experiencing financial hardship are encouraged to contact the Association before or during the collection process. The Board may, at its discretion, approve a written payment plan agreement to allow the balance to be

paid over time. Payment plans must include current dues plus a structured repayment of past due amounts. Failure to comply with an approved payment plan may result in the account returning to the standard collection process.

5. Lien Process

- If the balance remains unpaid after the 30-day certified notice period, the Association may proceed with filing a lien against the property.

6. Escalation to Foreclosure

- If the total delinquent balance reaches \$1,200 or more, the Association may pursue foreclosure proceedings as a last resort, in accordance with applicable laws and governing documents.

7. Commitment to Fairness

- The Board's goal is to collect assessments in a consistent and respectful manner while protecting the financial health of the Association. Owners are encouraged to communicate early if they are experiencing financial hardship to explore possible arrangements.