



A Celebration of Home™

Marley Park Community Association, Inc.
Delinquency Policy and Guidelines (the “Policy”)
(Adopted November 1, 2010)

Effective January 1, 2011, the Delinquent Assessments Collections Policy and Guidelines (the “Policy”) for the Marley Park Community Association is as follows:

RECITALS:

- A. Pursuant to the Community Charter for Marley Park recorded in the official records of Maricopa County, Arizona, on April 23, 2004 as Instrument No. 04-0440662, as amended and supplemented from time to time, (the “Charter”), the Marley Park Community Association’s Board is charged with the responsibility to collect assessments to pay for the maintenance and replacement of common area property and other association expenses, including but not limited to the additional responsibility for the collection of a telecommunity fee as defined in the Charter (the “Telecommunity Fee”). The Association is entitled to recover assessments, reasonable collection costs, reasonable attorney’s fees, late fees and interest when assessments are not paid on time.
- B. Mandatory Annual Assessments and Fees, including the Telecommunity Fee (collected on a monthly basis and hereafter collectively referred to as the “Assessments”) are due and payable in full on the first day of each month pursuant to Article 14 of the Charter. All charges, including but not limited to late fees, interest, collection costs, and attorney’s fees incurred related to collection of such past due assessments are the responsibility of the defaulting owner and per Article 14 of the Charter, secured by the consensual assessment lien that exists against the Lot of that defaulting owner/member of the Marley Park Community Association (hereafter, “Owner”).
- C. Unless otherwise directed by the payor, payments received will be applied in the following order: a) Unpaid principal; b) Interest; c) Late Fees; d) Collection Costs; e) Attorney’s fees incurred due to the delinquency; and then to f) Unpaid penalties or other charges on the account.
- D. Any Owner may submit a request for special consideration to the Board in writing to delay the payment of any assessments imposed by the Association. The Association is permitted to make special arrangements for the delayed payment of any assessments on a case-by-case basis.

If an Owner requests, in writing, verification of indebtedness, then within fifteen (15) days of

such request, the Association (or the Association through its managing agent) will supply such verification. No further debt collection will be taken with respect to such Owner for a period of fifteen (15) days after the verification has been provided.

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

Action to Be Taken When Account is Delinquent:

1. Due Dates, Late Fees and Charge Back Fees:

- a) The Assessment will be deemed delinquent if it is unpaid by 5:00 p.m. on the fifteenth (15th) day of the month. The Association shall post payments on the day that the payment is received by the Association.

A \$15.00 late fee will be charged on the delinquent Assessment. All late charges shall be due and payable immediately, without notice, in the manner provided by the Charter (and as set forth herein) for payment of Assessments (“Late Fee”).

- c) Any check returned by the bank for insufficient funds, stop payment or other reasons is subject to a charge back to the Owner of the amount of the check, an administrative fee and any bank fees charged to the Association (“Returned Check Fee”). The Returned Check Fee shall be in addition to any Late Fee assessments or interest incurred by an Owner.

2. Notices to Delinquent Owners:

The Association, or the Association via its managing agent, may send late notices after a delinquency has arisen on an account.

Once an account has had a delinquency for greater than forty-five (45) days, the Association, or the Association via its managing agent, may also send a letter to such Owner that the Association reserves the right to turn such delinquent account over to legal counsel for handling. (The failure of the Association or its managing agent to send such a letter is not a violation of this Policy. Such a letter is a courtesy only and is not required under the Charter or applicable Arizona state law.)

3. Attorney Referral:

Though generally a delinquent account will not be turned over to legal counsel for handling until there has been a delinquency for at least 90 days, the Association reserves the right to turn an account over to its legal counsel at any time after a delinquency has arisen.

Once an account has been turned over to legal counsel, the Association will rely on the advice and guidance of legal counsel in determining what course of action should be taken related to such delinquent account. Options include, but are not limited to, the following or any

combination of the following if the above collection efforts have not been successful: a) Notice of Lien being recorded; b) Demand letter requesting payment by date certain; c) Personal Judgment litigation; and/or d) Foreclosure of the Association's assessment lien. The decision to pursue one remedy does not limit or prohibit the Association from pursuing any and all other available remedies pursuant to the Charter and/or Arizona state or federal law.

The facts and circumstances of each file will be taken into consideration, which may include, but are not limited to the following: a) amount of delinquency; b) length of time a delinquency has existed on such account; c) residency of Owners (i.e., in state or out of state); and/or d) whether a trustee's sale is set to occur on that property or has already occurred.

Per Article 14 of the Charter, any collection costs and/or attorneys fees the Association incurs related to a delinquent account, will be posted to the assessment account ledger of the delinquent owner and are not only the personal obligation of the delinquent Owner(s), but also secured by the assessment lien against the lot of such delinquent Owner(s).

4. Amendments

This Policy may be amended from time to time by the Board of Directors.

5. Approval

This Policy was Approved and adopted by the Board of Directors of Marley Park by unanimous written consent on November 1, 2010, effective January 1, 2011, such written consents attached hereto and this Resolution and Written Consents being placed into the books and records of the Association in the same manner as would meeting minutes. This Policy supersedes as of the aforementioned effective date and replaces all prior Collection Policies, including the Policy adopted as of August 22, 2007.

In addition, per Article 3.14 of the Marley Park Bylaws, this Resolution has been posted in a conspicuous/prominent place within Marley Park within three (3) business days after all written consents were obtained. A document signed by the Community Association Manager evidencing the time and location of such posting is attached hereto.