

CLEARWATER FARMS UNIT III  
PROPERTY OWNERS ASSOCIATION, INC

ASSESSMENT AND COLLECTION POLICY RESOLUTION
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WHEREAS the Declaration of Conditions, Covenants and Restrictions for Clearwater Farms Unit III Property Owners Association, Inc., recorded in Docket 84-247967, of the records of Maricopa County, Arizona (the "Declaration") sets forth the legal description of the Property and subjects each Owner of a Lot that is part of the Property to certain obligations, easements, restrictions, covenants, and conditions;

WHEREAS Paragraph 5 of the Declaration provides that each Lot Owner shall be assessed and obligated to pay his/her proportionate share of the Common Expenses and that the amount of such assessment and the timing of such payments shall be determined by the Board of Directors;

WHEREAS the Lot of such Owner who is delinquent in the payment of his/her assessment shall be subject to a lien as provided in the Declaration; and

WHEREAS Lot Owners who fail to make payments as determined by the Board of Directors shall be subject to late charges and shall be responsible for all costs and expenses of collection, including attorney's fees, court costs, and other expenses incurred as a result of the defaulting lot owner's default, as provided in the Declaration.

BE IT RESOLVED that the following policy is hereby adopted by the Clearwater Farms Unit III Property Owners Association, Inc. Board of Directors with respect to the payment and collection of the annual assessments and any other monies owed to the Clearwater Farms Unit III Property Owners Association, Inc. (the "Association"):

1. The annual assessment shall be due in one payment on the first day of February of each year.
2. Any other monies owed to the Association shall be due on the due date stated in such bill or, if not stated, upon presentation of the bill.
3. The annual assessment and other monies owed to the Association, or any portions thereof, remaining unpaid thirty days after the due date will be considered delinquent and the Lot Owner shall be in default.
4. The delinquent Lot Owner will be sent a late notice by the Association. Such notice shall be sent by First Class U.S. Mail to the delinquent Lot Owner's address as shown on the books of the Association.
5. The delinquent Lot Owner's outstanding balance shall accrue interest at the prime rate as set

by Bank One of Arizona, N.A., Phoenix, Arizona, formerly Valley National Bank of Arizona, but in no event less than 18% per annum.

6. Lot Owners with accounts more than 45 days past due will be sent a demand letter and a notice of intent to record a Notice of Lien. Such notice will be sent by First Class Certified U.S. Mail, Return Receipt Requested, and by First Class U.S. Mail to the delinquent Lot Owner's address as shown on the books of the Association. The costs and expenses of all collection efforts and legal actions required to collect the delinquent assessments, fees, late charges, and interest, including attorney's fees, court costs, and other expenses incurred in collection of such shall be paid by the delinquent Lot Owner.
7. If an assessment or any other monies owed the Association, or any portion thereof, remain unpaid sixty (60) days after the due date, a Notice of Lien shall be recorded against the delinquent Lot Owner's lot and the Association may commence an action at law or in equity to obtain a personal judgment and/or foreclose the assessment lien.

ADOPTED, this 10th day of May, 1995 by the Clearwater Farms Unit III Property Owners Association, Inc. Board of Directors. This policy will be effective immediately.

signed Lillian Gill

President

Clearwater Farms Unit III

Property Owners Association, Inc.