

Kingswood Estates Unit III Owners Association

Assessment Collection Policy

Pursuant to the Arizona Nonprofit Corporation Act, A.R.S. 33-1803 and 33-1807 and Article 2 (Meetings of Members and Obligations of Members) of the Amended and Restated Bylaws of Kingswood Estates Unit III Owners Association ("Declaration"), as supplemented by resolutions adopted from time to time by the Board of Directors, the following resolution is hereby adopted by the undersigned, being an officer of Kingswood Estates III Owners Association ("Association").

NOW THEREFORE, IT IS RESOLVED that the following procedures and practices are established for the collection of Assessments owing and to become owing by the Owners of Lots. in the Association and the same are to be known as the "Assessment Collection Policy" for the Association in the discharge of its responsibilities regarding collection of Assessments levied against Lots:

1. **POLICY OBJECTIVE.** The Association will pursue collection of all Assessments pursuant to the Declaration and this Assessment Collection Policy. The term "Assessment" shall include Regular Assessments and Special Assessments or any other fees or taxes allowable in the Amended and Restated Bylaws of Kingswood Estates Unit III Owners Association.
2. **OWNERSHIP INTERESTS.** Pursuant to the Declaration, the person who is the Owner of a Lot as of the date an Assessment becomes due is personally liable for the payment of the Assessment. The personal obligation for delinquent Assessment shall not pass to the successors in title of the Owner unless expressly assumed by them.
3. **HANDLING CHARGES AND RETURNED CHECK FEE.** In order to recoup costs incurred because of the additional administrative expenses associated with collecting delinquent Assessments, collection of these fees and charges are part of the Collection Policy. These fees and charges, including a Collection Notice Fee, will be added to the amount outstanding and are collectible to the same extent and in the same manner as the delinquent Assessment.
4. **APPLICATION OF FUNDS RECEIVED.** All moneys received by the Association will be applied to amounts outstanding to the extent of and in the following order:
 - a. First to the unpaid Assessment amount;
 - b. Next, to interest accrued;
 - c. Last to late fees, returned item fee, collection costs and attorney's fees incurred by or on behalf of the Association.
5. **PARTIAL PAYMENTS AND APPLICATION OF FUNDS.** Partial payments will not prevent the accrual of interest on the unpaid portion of the Assessment. The owner will still be considered to be delinquent upon making partial payments.
6. **OWNERSHIP RECORDS.** All collection notices and communications will be directed to those persons shown by the records of the Association as being the Owner of the Lot for which Assessments are due and will be sent to the most recent address of such Owner solely as reflected by the records of the Association. Any notice or communication directed to a person at an address, in both cases reflected by the records of the Association as being the Owner and address for a given Lot, will be valid and effective for all purposes pursuant to the Declaration and this Assessment Collection Policy until such time as there is actual receipt by the Association of written notification of any change in the identity or status of such Owner or its address or both.