

Verrado Community Association, Inc. Delinquency Account Collection Process

1. Assessments are due and payable in full on the first day of each month. All other charges including but not limited to late fees, interest, collection costs and fines are due as incurred.
2. Payments received will be applied in the following order: Unpaid assessments and telecommunity fees, late fees, attorney's fees and related collection fees.

Action to be commenced:

1. Rebill Notice

- a. A payment by a member is deemed delinquent if it is unpaid sixteen (16) days after the due date.
- b. A late notice will be sent and the account will be charged a late fee of fifteen dollars (\$15.00) and any additional hard costs that might be assessed the Association by their contracted accounting service.

2. Demand Letter

- a. By the forty-six (46) days after the due date, the Association will send a notice (referred to as the "Demand Letter") to the Owner setting forth the amount of the delinquent assessment owing.
- b. The Demand Letter will be sent via regular first-class mail.
- c. The Owner's account will be charged a late fee of fifteen dollars (\$15.00) and any additional hard costs that might be assessed the Association by their contracted accounting service.

3. Assessment Pre-Lien Demand Letter

- a. The Association will send an Assessment Pre-Lien Demand Letter to the Owner making formal demand for immediate payment for all outstanding amounts. The Assessment Pre-Lien Demand Letter will be sent via regular mail. The Owner's account will be charged any fees assessed the Association.
- b. After the Assessment Pre-Lien Demand Letter is sent if there is no payment, then the Association will review the accounts to determine further action. This could include recording a lien with the Maricopa County Recorder's Office or pursue a Default Judgment Lawsuit.

4. Collections

- a. When accounts are deemed uncollectible they will be written off. Then they will be forwarded to the Associations collection company for further collection efforts.

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