

**COLONIA ENCANTADA HOMEOWNERS' ASSOCIATION
DELINQUENT COLLECTION PROCESS
Adopted February 16, 2009**

DAY	ACTIVITY	WHO	REASON	TIMING	EVENT	PURPOSE	FEES
1	Assessment Due	Management	Operative Documents	15 Days	Coupon Billing or ACH	To encourage payment	No Fee
15	Late Charge	Management	Non-payment	15 Days	Application of Late Fee	To encourage payment	10% of assessment due, per statute
30	Rebill Invoice	Management	Non-payment	15 Days	Notification of non-payment	To encourage payment	\$15
45	Lien Warning Notice	Management	Non-payment	15 Days	Notification of pending lien filing via certified mail	To prevent public recordation of lien	\$50
60	Lien Filed	Management	Non-payment	15 Days	Prepare and record lien with County Recorder and notify owner via certified mail	Recordation of lien to make public notice of delinquency	\$150 + County Recorder filing fees and runner fees
IF THERE IS NO POSITIVE RESPONSE TO THE ABOVE COMMUNICATION THEN THE FOLLOWING OCCURS:							
75	Final Demand Letter	Management	Non-payment	15 Days	Letter asking for written response	For voluntary pmt in full or secure written payment plan	\$75
90	Atty Demand Letter	Attorney	Non-payment	15 Days	Letter asking for written response	For voluntary pmt in full or secure written payment plan	\$150 to \$300/hour
120	Prepare Summons & Complaint	Attorney	Non-payment	45 to 60 Days	Filed in Court	For voluntary pmt in full or secure written payment plan	\$150 to \$300/hour
135	Application for Default	Attorney	No answer filed by Homeowner in response to legal action	20 to 45 Days	Application for Default; Judgment to Court	To obtain default money judgment	\$150 to \$300/hour
150	Request for Judgment from court	Attorney	No answer filed by Homeowner in response to legal action	15 to 45 Days	Request for Judgment to Court	To obtain final civil money judgment	\$150 to \$300/hour
165	Letter of Enforcement	Attorney	Non-payment	15 Days	Letter asking for response and informing the Homeowner of possible actions that may be taken to enforce judgment	Notify Homeowner of judgment and to collect balance voluntarily	\$150 to \$300/hour
165	Judgment Recordation and Credit Reporting	Attorney	Non-payment	15 days	Reporting of Judgment to credit reporting agencies and recordation of judgment with County Recorder	Alert public and credit agencies of judgment awarded to Association	\$150 to \$300/hour
180	Options put in place	Attorney	Non-payment	On-going	*Garnishment (wages, bank account(s), rents) * Judgment Debtors Exam * Sheriff's Sale (a.k.a. judicial foreclosure)	To collect judgment balance through involuntary means	\$150 to \$300/hour
IF LEGAL COUNSEL IS REQUIRED TO ATTEND LEGAL PROCEEDINGS THEN THE FOLLOWING APPLIES:							
165	Pretrial/Mediation Hearing/Attend Judgment Debtors Examination	Attorney	Answer Filed by Homeowner in response to Lawsuit	45-90 Days	Prepare Documents for Hearing and attend Hearing	Settlement; monitor for compliance or default; trial if no voluntary resolution is achieved	\$150 to \$300/hour
210	Judgment or Payment Agreement	Attorney	No Resolution with Homeowner	45-90 Days	Prepare Documents for and attendance at Trial	Attorney and Management organization of materials for trial and presentation of evidence to obtain judgment at trial	\$150 to \$300/hour

This timeline is based on the late date as established by the CC&R's, in accordance with the Arizona Revised Statutes, is approximate and listed as best case scenario. It is dependent upon the service of process, the timeliness of the individual court and defendant response times. Delays by the court for any reason are common and may delay the process once the suit is filed and calendared by the court.

All fees incurred are paid by the Association and charged to the Homeowner's account. Once the balance is paid, the Association will recover these costs. All legal representation in the court system is handled by an attorney who is licensed to practice law and is bound by the Federal Fair Debt Collections Act.