

RESOLUTION

The Board of Directors of Continental Country Club, Inc. (the "Corporation") adopted the following Collection Policy on February 20, 2001.

RECITALS

1. Continental Country Club, Inc., an Arizona non-profit Corporation (the Corporation), is charged with certain responsibilities in the maintenance and operation of a country club, other recreational facilities and common areas in or near Flagstaff, Arizona and to provide for the management, maintenance and preservation of the Continental Country Club Development (the Development). The Corporation has all the powers and privileges to perform its duties and obligations as are set forth in the Declarations of Restrictions for residences, lots and common areas placed upon property in the Development now or hereafter recorded in the Office of the Recorder of Coconino County, Arizona (the Declarations).
2. The Corporation has the power to fix, levy, collect and enforce payment by any lawful means of all charges or assessments pursuant to the terms of the Declarations and to pay all expenses in connection therewith.
3. The Corporation must have the financial ability to discharge its responsibilities.
4. The Corporation is required to pursue collection of all charges or assessments from owners of residences or lots (Owners) within the Developments pursuant to the terms of the Declarations.
5. The Board of Directors of the Corporation desires to adopt a non-discriminating and systematic procedure to collect all charges or assessments from owners of residences or lots within the Development (Owners) pursuant to the terms of the Declarations.

Now, therefore, be it resolved that the Corporation does hereby adopt the following procedures and policies for the collection of assessments and other charges of the Corporation.

In witness whereof, the undersigned have executed this Resolution the 20th day of February, in the year 2001.

Bill Babb
Print Name
President

Signature

CONTINENTAL COUNTRY CLUB COLLECTION POLICY

January 4, 2001

STATEMENT OF PURPOSE

The Corporation's economic well-being relies on the timely payment of assessments and other allowable charges.

As it is the Board's responsibility, as defined in the By-Laws of the Corporation and the Declarations, as defined in the Resolution to use its best efforts to collect funds owed to the Corporation, the following policies and procedures have been adopted by the Board of Directors of the Continental Country Club, Inc., the Corporation.

POLICY

1. IMPLEMENTATION

- a. The Staff will implement this Collection Policy in accordance with Attachment A

2. AMOUNTS PAYABLE TO THE Corporation

- a. Amounts payable to the Corporation from Owners of residences or lots (Owners) within the Development pursuant to the terms of the Declarations include, but are not limited to, the amounts set forth in the Declaration for such Development, and include but are not limited to the annual lot assessment, special assessments, rules enforcement fees, architectural control fees, repairs to the common area that are an owner's responsibility, legal fees and other costs (all collectively referred to as Assessments) associated with collection of the Assessments on behalf of the Corporation.

3. PAYMENT SCHEDULE

- a. Annual Lot Assessments are due on or before January 1st each year.
- b. Annual Lot Assessments not paid on or before January 31st are deemed delinquent.
- c. All other assessments and fees are due 30 days from the date of the invoice.
- d. Payments received are applied to the oldest charge first.

4. LATE FEES and INTEREST CHARGES

- a. A late fee of 10% of the annual lot assessment may be charged to the homeowner's account when the account becomes delinquent unless otherwise determined by the Board of Directors.
- b. If an Assessment or any portion thereof is not paid within (30) days of its due date, the balance owing will then start to accrue interest.
- c. A \$15.00 Non Sufficient Funds charge will be applied to the homeowner's account for any check returned by the bank.
- d. Late charges, interest, costs of collection, including attorneys fees and NSF check fees shall be the personal obligation of the delinquent owner and shall also be secured by an assessment lien against the Lot of the delinquent Owner.
- e. All interest, late charges, costs of collection, and other fees are due and payable immediately, without notice.

5. LIEN FILING

- a. If the Corporation records a lien against the lot of a delinquent Owner(s) with the Coconino County Recorder's office, all costs and attorney's fees the Corporation incurs for preparation, recording and satisfying the line(s) shall be the personal obligation of the delinquent Owner(s) and shall also be secured by the assessment lien against the Lot of the delinquent Owner(s).
- b. The Board of Directors of the Corporation shall determine the charge associated with preparation of and
- c. recordation of the lien.

6. COLLECTION LETTERS AND SERVICES

- a. The Corporation may cause, but shall not be required, to send a "late notice" to the delinquent Owner(s).
- b. The Corporation may simultaneously send a copy of the notice to the mortgage lender of the property.
- c. If the Corporation refers a delinquent account to an attorney or collection agency for collection of assessments from a delinquent Owner(s), the attorneys' fees and/or costs of collection incurred will be the personal obligation of the delinquent Owner(s) and will be secured by the assessment lien against the Lot of the delinquent Owner.
- d. Upon referral to an attorney or collection agency, the attorney or agency shall take all appropriate action to collect the accounts referred.

7. OTHER COSTS OF COLLECTION

- a. Should the corporation incur charges for the following, the charges may become the personal obligation and/or be secured by an assessment lien against the Lot of an owner:
 1. Fees charged by an agent or representative of the Corporation to collect funds payable to the Corporation
 2. Owner bankruptcy
 3. Foreclosure action or deed in lieu of foreclosure
 4. Notification, filing and satisfying liens
 5. Enforcement of the Corporation's Rules, Bylaws, Declaration or Policies
 6. Litigation
 7. Coordinating repairs to the Corporation's common areas that result from the acts of owners, their tenants or guests

8. WAIVER

- a. The Corporation may grant a waiver of any provision herein upon petition in writing by an owner showing personal hardship.
- b. Such relief granted an owner shall be appropriately documented in the files.
- c. Such relief may include extension of the time for filing of lawsuits and liens or other modifications of these procedures as the Corporation shall determine appropriate under the circumstances.

9. ONGOING EVALUATION

- a. Nothing in this Resolution shall require the Corporation to take specific actions other than to notify homeowners of the adoption of these policies and procedures.
- b. The Corporation has the option and right to continue to evaluate each delinquency on a case by case basis.

COLLECTION PROCEDURE, TIME FRAME AND IMPLEMENTATION OF THE COLLECTION POLICY

1. Owners shall pay to the Corporation the Annual Lot Assessment on or before January 1 of every year.
2. An Assessment shall be deemed delinquent and a late charge will be imposed if the entire Assessment is not paid within thirty (30) days of its due date. Upon becoming delinquent:
 - a. A late fee shall be assessed and interest shall begin to accrue as per terms of this policy.
 - b. A demand for payment may be sent to the delinquent Owner(s).
3. March 1st, a **NOTICE OF INTENT TO LIEN** may be sent to the delinquent Owner by certified and regular mail and include the following:
 - a. a copy of the invoice showing the amount due and when it was due
 - b. late fees and interest accrued to that date
 - c. Statement of intent: *"if payment is not received within 30 days, a Lien shall be recorded with the Coconino County Recorder. The charge associated with such lien recordation and release is \$150.00"*
 - d. The fee may be changed from time to time by the Board of Directors.
4. April 1st, if full payment has not been received or payment arrangements agreed to between the Owner and the Corporation, the Corporation will record a Lien against the Lot of the delinquent Owner(s) with the Coconino County Recorder.
 - a. Upon recordation with the Coconino County Recorder, the Corporation shall, by regular and certified mail, send a copy of the Notice and Claim of Lien to the delinquent Owner(s) at the Owner(s) address on record with the Corporation.
 - b. A copy of the Notice of Lien may be mailed to the Mortgage lender with a request that the lender send a letter to the delinquent owner advising the owner of the lender's option to accelerate the mortgage debt.
5. The Corporation may institute an action for a personal judgment against a delinquent Owner(s) for unpaid Assessments, late charges, interest, costs of collection, attorneys fees and other unpaid charges at any time after an Assessment becomes delinquent. The Corporation may institute an action to foreclose the Assessment lien any time after the Corporation records a Notice and Claim of Lien against the Lot of the delinquent Owner(s).

Records in the Book Minutes February, 2001

Signed on February 20, 2001

Bill Bab

President, Board of Directors

ATTACHMENT A

STAFF PROCEDURES

GENERAL MANAGER

1. Shall ensure that the assessment invoices are mailed at least 20 days before the due date of the assessment.
2. Shall ensure that the Corporation acts uniformly and prudently in all collection issues.
3. Shall determine whether to accept assessment checks marked "paid in full," or to mail back to property owner.
4. Shall authorize the waiver of any late fees.
5. Shall review on a monthly basis unpaid lot assessments and report to the Board of Directors as necessary.
6. Shall function as liaison with the Corporation's legal representatives regarding actions to be taken on delinquent accounts and shall seek authorization from the Board of Directors prior to authorizing law suits or foreclosure action.
7. Shall have final approval on any payment plan negotiated by the property owner, the Membership Director and/or the Controller.

MEMBERSHIP DIRECTOR

1. Shall ensure that the notifications and letters set forth in this policy are mailed in accordance with the schedule.
2. Shall record liens with the County Recorder in compliance with this policy.
3. Shall ensure that the collection policy is included in the "new owners package" at the time of property transfer.
4. Shall ensure that a summary of the collection policy is published periodically in the newsletter.
5. Shall maintain a log of delinquent owners and action taken.
6. Shall verify with the County Recorder and Assessor that the Corporation's records reflect the correct owner and address for each delinquent property owner.
7. Shall notify Controller of all lien fees and collection related fees.

CONTROLLER

1. Shall ensure that assessment invoices are mailed promptly in December and statements monthly until the assessment is collected.
2. Shall Receive and credit all assessment payments to the property owners account.
3. Shall invoice lien fees and collection related fees to the owners account.