

**Vistoso**  
COMMUNITY ASSOCIATION  
Delinquency Policy  
Approved JUNE 25, 2020

## I. Introduction

The Board of Directors of the Association has a fiduciary responsibility to collect assessments, late fees and interest on delinquent accounts. The Association's management company performs the initial collection of assessments for the Association. The following is an outline of the delinquency process as approved by the Vistoso Community Association (the Association) Board of Directors (the Board) pursuant to the authority granted by Article VIII, Section 8.1.2 and Article IX, Section 9.1 of the Associations' Restated Covenants, Conditions and Restrictions (CC&R's), as well as Article IV, Sections 4.7(a), (c), (k), and (p) of the Association's Restated Bylaws.

This delinquency procedure complies with the requirements of Article VII, Sections 8.9 and 8.10 of the Restated CC&R's and Articles VI and VII of the Restated Bylaws which require that thirty (30) days written notice be given before enforcement of an assessment lien and sets late fees at 10% interest on delinquent balances at an additional 12% per annum, and will be assessed to the account at the end of the 30 day period. This procedure will be performed by management as follows:

## II. Delinquency Process

Management begins delinquency procedures when a Vistoso Community Association member (Member), is delinquent in their payment of assessments, as follows:

**Accounts Receivable (A/R) – Step 1:** Statement sent to owners showing assessment amount, due date, grace period and late date.

**A/R Letter One – Step 2:** Rebill Letter (aka Late Notification) sent to the member at 16 days delinquent. A 10% late fee is assessed on the 16<sup>th</sup> day of the delinquency by A/R.

**Pre-Legal (P/L) Letter One – Step 3:** Sent to the member 30 days after rebill letter. Pre-legal charge applies to member account

**P/L Letter Two (Final Demand Letter) – Step 4:** Sent to the member 15 days after the P/L Demand Letter 2nd Pre-legal charge applies to member account.

**P/L Process Three – Step 5:** Pre-legal prepares the lien \*\*approximately 20 days after the P/L Final Demand Letter. 3rd Pre-legal charge applies to member account

**A/R Process Two – Step 6:** Transfer to Attorney approximately 30 days from the date of the P/L Final Demand Letter by A/R.

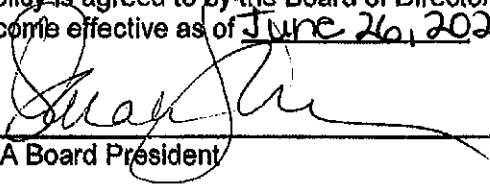
**P/L Process Four - Step 7:** Release of Lien upon collection of past due assessments and ancillary costs. re-legal charge for the lien release is included in the Lien stage.

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If the Member has not responded to the Pre-Legal Department during any of the additional Pre-Legal steps/processes provided to the delinquent owner, or paid their assessment in full, the account shall be automatically turned over to legal counsel for collections.

Management and the attorneys have no authority to waive assessments. Management and the attorneys may waive fines, late fees and interest, but only if the assessments are paid in full. If the case has not been referred to counsel, management may enter into reasonable written payment agreements approved by the Board.

This policy is agreed to by the Board of Directors at a duly noticed Board meeting on June 25, 2020 and will become effective as of June 26, 2020



VCA Board President

June 30, 2020  
Date