

Vistoso Community Association
Late Fee and Collection Policy
REVISED April 28, 2011

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 collection 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. Collection Process

Management begins collection procedures when an HOA member (Member) is delinquent in payment of assessments as follows:

Letter One: Friendly Reminder Notice to the member: 20 days delinquent. A 10% late fee is assessed on the 16th day of the delinquency.

Letter Two: Delinquent Notice sent to the member: 30 days delinquent.

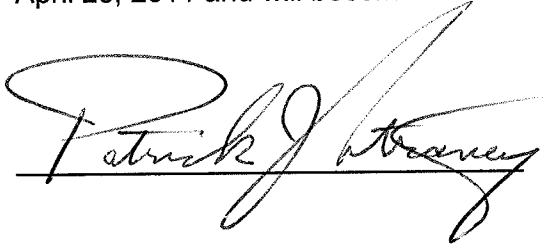
Letter Three: Final Collection Notice sent stating matter is being forwarded to legal counsel. 60 days delinquent.

If the Member has not responded to Letter Three, the account shall be automatically turned over to legal counsel for collection. If the Member has responded to any correspondence, the Board shall evaluate whether to send the account to counsel for collection. After the account has been sent to counsel for collection, counsel may record a lien against the Member's lot.

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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 April 28, 2011 and will become effective as of July 1, 2011.

A handwritten signature in black ink, appearing to read "Patrick J. Straney", written over a horizontal line.

President – Patrick Straney