

ASSESSMENT BILLING AND COLLECTION POLICY

The following is the Assessment, Billing and Collection Policy (ABC Policy) of the Association, as adopted by its BOD on April 6, 1987 and amended on May 17, 1988, September 27, 1988, September 16, 1991, March 8, 1996, August 20, 1999, June 6, 2003 and **May 30, 2008**. Said policy is authorized by and in adherence with Sections 6.01 through 6.14 of the Declaration of Dedication.

A. DATE SPECIFIC ACTIONS

1. November 1: An operating budget and a written statement of the Owner's Use Period assessment for the following fiscal year are mailed to each Owner. Assessments are due and payable on January 1st. It is the policy of the BOD to mail the notice to the Use Period Owner's address of record as provided to the Association by the Owner.

2. January 1: Assessments due and payable.

3. January 11: Delinquency date. For Owners who fail to pay their assessment by this date, a second notice is mailed informing Owners of their default status and that Late Fees and Interest will be charged to their account as of February 1st.

4. February 1: Third notice is mailed to all Owners in default. This notice advises that each delinquent account has been assessed a **\$100.00 (per year)** late fee and interest at 1.5% per month (18% per year). Owners in default may not make or hold reservations for any type of use. Any existing reservations are canceled with no guarantee that another reservation will be available when Owner's account is brought current. Defaulting Owners are denied Day Use privileges. Owner Use Period(s) becoming available as a result of delinquencies shall be made available for Bonus Time Use or the Administrative Hold program. Net proceeds shall offset the Association's operating expenditures and will not be applied against the defaulting Owner's debt.

5. March 1: Accounts in default are contracted to a professional collection service. The cost of said service shall be added to the defaulting Owner's account. Please note: after the account has been contracted to the collection service, all correspondence must be directed to the collection service.

6. April 1: A Claim of Assessment Lien may be filed with Maricopa County, Arizona on each delinquent Owner's Use Period(s) and small claims action may be initiated. All costs are added to the Owner's account.

B. FORECLOSURE OF LIENS

At the discretion of Management, and with approval of the BOD, foreclosure of Liens begins on appropriate Owner's Use Period(s) with all costs added to the defaulting Owner's account.

C. RETURNED CHECKS

1. The Association charges a fee for returned checks. The official notice of a returned check will be sent by certified letter instructing the writer either to bring cash or to send a

certified check, money order or cashier's check in the amount of the returned check, plus the returned check fee, to the SCR Accounting Department.

2. The returned check fee is \$30.00 or 5% of the face amount of the check, whichever is greater. The returned check fee applies to each check returned. The fee and replacement funds are due within *fourteen (14) days* of receipt of the official notification (via certified letter) that a check was returned.

D. MEMBER'S ADDRESS

1. Each Owner of an Owner Use Period(s) at SCR becomes a member of the Association. The Covenants, Conditions and Restrictions (CC&Rs) of SCR require that the Association communicate with each of its members on several occasions each year. In order to meet these communications requirements, the Association maintains a register which contains the names, addresses and telephone numbers of all its members.

2. It is the duty of each Member to maintain their current information within the Association's Member register. The Association will mail any required communication to the address that appears in this register and will assume that the address is current. If the address in the register is the wrong address and the communication is returned to the Association as undeliverable, the communication shall be deemed to have been delivered to the Owner as indicated in Article XI, Section 11.02, Notice, of the Declaration. Such returned mail shall be placed in the Member's file located in the SCR Accounting Department.

3. Owner's can submit a change of information to the Association's Member register, which is required to be in writing, by mail or hand delivered to the Association's Administrator at 6302 East Camelback Road, Scottsdale, Arizona 85251, sent via fax to 480-947-6853, or by e-mail to adminasst@scrstaff.com

4. If an Owner's assessment billing is returned to the Association's Administrator by the U.S. Postal Service because the Owner has moved and not notified the Association's Billing Department or the Administrator, a rebilling fee of \$2.00 will be posted to the Owner's account as a Personal Assessment.

5. In accordance with the Declaration of Dedication, Article VI Assessments, Section 6.03, the Association is required, no later than November 1st of each year, to provide each Owner an operating budget for the following fiscal year and a statement of the Assessment levied against each Use Period owned for such year.

6. If the Owner of a Use Period does not receive a copy of the Budget and a Statement of Assessment by November 30th of each year, the Owner must immediately contact the SCR Accounting Department. An Owner, who for any reason does not receive his/her Assessment Statement, is nonetheless responsible for the timely payment of his/her Assessment and will be charged with late fees and interest in accordance with the Association's ABC Policy.