



BLOSSOM ROCK RESIDENTIAL ASSOCIATION, INC.
DELINQUENCY POLICY AND GUIDELINES
Adopted: March 27, 2024

R E C I T A L S:

A. All terms not specifically defined herein shall have the meaning(s) ascribed to them in the re-recorded Declaration of Covenants, Conditions, Restrictions and Easements for Blossom Rock Residential Community recorded on June 24, 2022, as Fee No. 2022-072800, in the Official Records of Pinal County, Arizona, as amended and supplemented from time to time (collectively, the “Residential Declaration”).

B. Pursuant to Article 7 of Residential Declaration, the Board of Directors of Blossom Rock Residential Association, Inc. (the “Residential Association”) has the responsibility of collecting various fees such as Administration Fees as well as annual assessments such as Regular Assessments, Neighborhood Assessments, Special Assessments and Reimbursement Assessments from the Owners for the various purposes set forth therein. The Administration Fees and the Regular Assessments, Neighborhood Assessments, Special Assessments and Reimbursement Assessments are collectively referred to herein as, the “Fees and Assessments.”

C. The Residential Association is entitled to recover the Fees and Assessments and reasonable collection costs, reasonable attorney’s fees, late fees and interest (collectively, the “Delinquency Costs”) when the Fees and Assessments are not paid on time. Each Fee and Assessment payable with respect to a Residential Property, and all associated Delinquency Costs, are the personal obligation of the Owner(s) of such Residential Property at the time when the Fees or Assessments becomes due and is also an obligation secured by a lien on the Residential Property as set forth in Section 7.10 of the Residential Declaration.

D. The following Delinquency Policy and Guidelines were approved and adopted by the Board of Directors of the Residential Association at a duly held meeting of the Board of Directors held on March 26, 2024, with said Delinquency Policy and Guidelines to become effective on April 1, 2024:

Action to Be Taken When Account is Delinquent

1. Payment Schedule, Late Fees and Charge Back Fees.

(a) Pursuant to Sections 7.2.4 and 7.3.4 of the Residential Declaration, both the Regular Assessments and the Neighborhood Assessments shall be due and payable in advance, on the first (1st) day of each fiscal year of the Residential Association, unless the Board directs otherwise. Pursuant to this authority, the Board has determined that the Regular Assessments and the Neighborhood Assessments shall be collected on a monthly basis and are due and payable in full on the first (1st) day of each month.

(b) The Regular Assessments and the Neighborhood Assessments will be deemed delinquent if they are unpaid by 5:00 p.m. on the fifteenth (15th) day of the month. The Residential Association shall post payments on the day that the payment is received by the Residential Association.

(c) Pursuant to Section 7.4.3 of the Residential Declaration, Special Assessments may be due and payable in one payment or periodically as the Board shall direct at the time that the Special Assessment is levied; however, in no event shall the installment of a Special Assessment be due from an Owner sooner than thirty (30) days after the Board has adopted its resolution authorizing such Special Assessment.

(d) Pursuant to Section 7.5.3 of the Residential Declaration, Reimbursement Assessments shall be due and payable thirty (30) days after the date of the notice of the levy given to the applicable Owner. Regular Assessments and Special Assessments may be levied progressively, in a manner consistent with the provisions of Section 4.5 of Declaration of Covenants, Conditions, Restrictions and Easements for Blossom Rock, recorded on June 24, 2022, as Fee No. 2022-072799, in the Official Records of Pinal County, Arizona (the "Alliance Declaration").

(e) A \$15.00 late fee will be charged on the delinquent Fees and Assessments (the "Late Fee"). All delinquent charges shall be due and payable immediately, without notice, in the manner provided in the Residential Declaration (and as set forth herein) for payment of Fees and Assessments.

(f) Any check returned by the bank for insufficient funds, stop payment or for other reasons is subject to a charge back to the Owner of the amount of the check, an administrative fee and any bank fees charged to the Residential Association (the "Insufficient Fund Fee"). The Insufficient Fund Fee shall be in addition to any Late Fee or interest incurred by an Owner.

(g) Unless otherwise directed by the member, payments received will be applied in the following order: (1) Unpaid principal, (2) Interest, (3) Late Fees, (4) Collection Costs, (5) Attorney's fees incurred due to the delinquency, and (6) to unpaid penalties or other charges on the account.

(h) Pursuant to Section 7.13 of the Residential Declaration, if an Owner requests, in writing, verification of Fees and Assessments, then within ten (10) days of such request, the Residential Association (or the Residential Association through its managing agent) will supply such verification. No further debt collection will be taken with respect to such Owner for a period of ten (10) days after the verification has been provided.

(i) Any Owner may submit a request for special consideration to the Board of Directors in writing to delay the payment of any Assessments imposed by the Residential Association. The Residential Association may, on a case by case basis, make special arrangements with the Owner for the delayed payment of any Assessments.

2. Notices to Delinquent Owners. The Residential Association, or the Residential Association via its managing agent, may send late notices after a delinquency has arisen on an account. Once an account has had a delinquency for greater than forty-five (45) days, the Residential Association, or the Residential Association via its managing agent, may also send a letter to such Owner that the Residential Association reserves the right to turn such delinquent account over to legal counsel for handling. The failure of the Residential Association or its managing agent to send such a letter is not a violation of the Delinquency Policy and Guidelines. Such a letter is a courtesy only and is not required under the Residential Declaration or applicable state law.

3. Debt Collection Referral to Legal Counsel.

(a) Though generally a delinquent account will not be turned over to legal counsel for handling until there has been a delinquency for at least ninety (90) days, the Residential Association reserves the right to turn an account over to its legal counsel at any time after a delinquency has arisen.

(b) Once an account has been turned over to legal counsel, the Residential Association will rely on the advice and guidance of legal counsel in determining what course of action should be taken related to such delinquent account. Options include, but are not limited to, the following or any combination of the following if the above collection efforts have not been successful: (1) Demand letter requesting payment by certain date, (2) Notice of Lien being recorded, (3) Personal Judgment litigation, and (4) Foreclosure of the Residential Association's assessment lien. The decision to pursue one remedy does not limit or prohibit the Residential Association from pursuing any and all other available remedies pursuant to the Declaration and/or state or federal law.

(c) The facts and circumstances of each file will be taken into consideration, which may include, but are not limited to, the following: (1) amount of delinquency, (2) length of time a delinquency has existed on such account, (3) residency of Owners (i.e., in state or out of state), and (4) whether a Trustee's Sale is set to occur on that property or has already occurred.

(d) Pursuant to the provisions of Article 7 of the Residential Declaration, any collection costs and/or attorney's fees the Residential Association incurs related to a delinquent account, will be posted to the Assessment account ledger of the delinquent Owner, and are not only the personal obligation of the delinquent Owner(s), but are also secured by an assessment lien against the lot of such delinquent Owner(s).

4. Amendments. The Delinquency Policy and Guidelines may be amended from time to time by the Board of Directors.