

Jason E. Smith, CCAL
Equity Partner
Bar Certified Real Estate Specialist

Kaycee Scarr Wamsley, LL.M.
Equity Partner

ASSESSMENT COLLECTION ADDENDUM FOR COMMUNITY ASSOCIATIONS

The undersigned community association ("Association") retains Smith & Wamsley, PLLC ("S+W" or "Firm") to provide assessment collection services under this Assessment Collection Addendum ("Agreement"), which modifies the S+W Fee Disclosure.

KEY POINTS

- We primarily collect on a contingency basis (not a deferred fee arrangement).
- The payment of our fees is contingent upon our success in recovering payment from delinquent members of the association.
- We front all out-of-pocket costs.
- S+W will not waive interest, late fees, or fines without the Association's approval.
- We reserve the right to invoice the Association for our fees in the following situations:
 - The Association accepts payment from the member after we begin working on the file.
 - There is a completed lien payoff that does not include our fees and costs because of legislation.
 - The Association becomes the owner of the home after a foreclosure sale.

INVOICING. While S+W will strive to perform collection services and get paid when the debtor makes payment on the debt, there may be times that, because of issues beyond S+W's control, the ability to recover our fees and costs from the debtor is no longer practical or possible. Under the following circumstances, S+W may invoice the Association for our costs and fees:

- The member, title company, or other third party make a payment directly to the Association, including its managing agent, and the Association accepts that payment.
- The Association terminates this Agreement and requests that we close the files we are working on at the time. The Association will be invoiced for our fees and costs not yet collected from the member(s).
- The member sells or refinances the property, there is some other lien payoff through a title company, or the property is foreclosed by a superior lien holder. We may invoice the Association for our fees and costs that are not secured by the lien and recovered as part of a lien payoff.

Attorneys
Jason E. Smith, CCAL
Kaycee S. Wamsley, LL.M.
Sean K. Moynihan
Krista Avenenti

- After foreclosure of the Association's assessment lien, if the Association becomes the record owner of the property by a Sheriff's deed, we may invoice our fees and costs, and the Association may sell or lease the property to recover its costs in pursuing collection.
- If the ledger or account statement provided to S+W fails to accurately account for payments and charges that may have resulted in the file being sent to our office in error.

ADVANCED COSTS. S+W will advance all costs at every stage of the collection process after we have been asked to assist in collection, from our first communications to the member through post-judgment efforts such as wage garnishments.

FEES. S+W's fees for this Agreement shall be those set forth on the current Agreement Fee Schedule, the most recent of which is attached. Unless fees are flat fees, work is billed according to the time spent in 6-minute increments (tenths of an hour). Fees are subject to change upon reasonable notice.

SERVICES INCLUDED. As an experienced debt collection provider, S+W will use its discretion in determining the best steps to pursue recovery with each particular member's file. Those steps may include some or all the following: collection demand letters, phone calls, emails, research on member's contact information, employment, and other relevant financial information, recordation of notices of claim of lien when appropriate, monitor reasonable payment plans, and monitor ownership and other creditor activity related to the property.

COMMUNICATIONS WITH MEMBERS. The Association shall advise members in collections with S+W under this Agreement that they must direct all communications and payments to S+W and suspend lockbox payment access where applicable and possible.

ASSOCIATION RECORDS REQUIREMENT. In order to effectively represent the Association in collection matters, the Association agrees to promptly provide S+W with the following on request:

- A current ledger beginning with a zero balance for each owner's account that reflects all payments made by an owner, including those paid to a prior managing agent or third party;
- A copy of the final demand letter with the required statutory language and proof of certified mailing, return receipt requested;
- An owner/contact information report that details every owner's first and last name (or name of entity), telephone number, property address, and off-site mailing address (if any). The Association agrees to update owner contact information as such updates become available;
- The Association's current collection policy;
- Copies of any bankruptcy notices, tax-lien foreclosure notices, and excess proceeds

complaints received by the Association (or its managing agent) concerning owners whose accounts are referred to the Firm for collection;

- Copies of any correspondence received by the Association (or its managing agent) regarding an owner's account;
- Copies of checks received from the owner during the last six months;
- Information on any attorney that has represented the owner; and
- Information on any third-party collection provider (such as another law firm, collection agency or other third-party collection provider) that the Association has retained in the past to pursue the owner's account for collection.

PAYMENTS. In any case, neither S+W nor the Association shall accept payment from a member unless the member has already signed a written payment plan and directed application of payments as set forth below. If the Association happens to accept direct payment from a member with a signed payment plan, the Association will report the payment to S+W, which will invoice the Association for any portion of such payment that should be apportioned to S+W.

S+W will deposit payments from members into S+W's trust account. Once the deposits have cleared, typically after ten business days, S+W will process payments as follows:

- Payments will first be applied to S+W's out-of-pocket costs paid or payable to third-parties.
- After costs have been paid, S+W will share payments with the Association in one of the following ways:
 - S+W shall retain a portion of each payment made by the member until S+W has received payment for its fees incurred. The remaining portion of each payment shall be disbursed to the Association. Once either S+W or the Association has been paid in full, the remainder of all future payments shall be disbursed to the other party. However, should the Association be paid in full first, the Firm reserves the right to leave a \$50.00 balance owing to the Association until the final payment.
 - S+W may apply the entire payment to either the Association or S+W, then the next payment received will go to the other party. This alternating payment may be repeated until both parties are paid in full. Again, if the Association is paid in full, S+W reserves the right to leave a \$50.00 balance owing to the Association until the final payment.

S+W will not accept payment from a member who does not agree to the allocation of payments as set forth above.

PAYMENT PLANS/SETTLEMENT. The Association agrees that S+W may accept reasonable payment plans from members at any time during the Agreement without further consent by the Association. S+W will not enter into a settlement that involves a reduction in the assessments or other charges posted to the account by the Association without the Association's consent. To expedite effective collection of the Association's assessments, S+W may request the Association

waive late fees, fines, and interest ("Soft Costs"). The Association will not unreasonably withhold agreement.

LAWSUITS. S+W will typically pursue collection through the justice courts for a "money judgment" against the owners and attempt to collect that judgment through wage or bank garnishments or by payment agreements with the debtor. If for any reason S+W determines that the file is uncollectable or otherwise is not a file that S+W finds appropriate to pursue in court, S+W will close the file and inform the Association that it will not pursue recovery of the debt. The Association will not be charged for any fees and costs incurred by S+W under those circumstances.

S+W may pursue collection through foreclosure of the assessment lien as part of this Agreement but will not pursue foreclosure without the express approval of the Association. While most files are paid before a property is auctioned in a foreclosure, the Association agrees to pay S+W all its fees and costs incurred in handling the file if title to the property goes to the Association after being auctioned at a Sheriff's sale.

FIRM DISCRETION NOT TO PURSUE COLLECTION. We reserve the right not to pursue files that we determine may not be successful in a contingency format. In the event that we make such a determination, we will communicate this to the Association and give you the option of retaining us on a fee for service basis. If the Association engages us on a fee for service basis, we will seek to recover our fees and costs incurred prior to that point from the owner. Examples of accounts or events that may (in our discretion) take a file out of the scope of this contingency Agreement are:

- An owner files for bankruptcy.
- The owner is deceased, and the property is in probate.
- An owner files an answer to a lawsuit and contests the debt. We will try to resolve the lawsuit efficiently without resorting to charging the Association for our time, but in some extraordinary cases, we may require the Association to either pay for our time and court costs or close the file.
- An owner files a counterclaim, third-party claim, separate action of any type, or alleges a violation of the FDCPA.

ASSOCIATION OBLIGATIONS. The Association is responsible for providing accurate information to S+W and promptly providing updated information, including any change in contact information or other material information. The Association will respond to inquiries from S+W promptly to ensure that the file may be competently and diligently handled. The Association shall designate an individual representative of the Association who is authorized to direct the legal representation and shall be S+W's primary contact for collection files. The Association will advise owners in collection to send payments to S+W and will suspend lock box access for payments when applicable and possible. The Association will send any payments received to S+W for processing.

FIRM RESPONSIBILITIES. S+W will keep the Association informed about the status of all pending collection matters. S+W will promptly process all payments from or on behalf of debtors and promptly make disbursements to the Association after payments have cleared in S+W's trust account. S+W will provide a complete copy of each collection file at the conclusion of the matter upon request.

CONTROL OF DEBT. The Association retains full ownership, interest, and control of the debt including any Soft Costs. This Agreement simply establishes the terms of an attorney-client relationship, where the attorney has extensive debt collection experience, and the contractual CC&Rs and state law provide the Association the right to recover attorneys' fees and collection and court costs from the debtor.

AGREEMENT TERM. This Agreement begins on the date of execution, continues for a period one (1) year, and renews automatically for successive one-year terms unless otherwise terminated or modified.

TERMINATION/MODIFICATION. This Agreement may be terminated without cause by either party, at any time. In the event the Association terminates the Agreement and requests that S+W stop pursuing recovery of any debt, S+W shall be entitled to compensation for the value of the time and work performed and costs incurred and will invoice the Association for each file to be closed. S+W may change non-material terms of this Agreement with prior written notice to the Association, including the rates and flat fees in the attached exhibit. The Association may terminate the Agreement if it objects to the changes.

ENTIRE AGREEMENT. This Agreement shall constitute the entire agreement between the parties. No variance or modification shall be valid except by supplemental written agreement executed in the same manner as this Agreement. This Agreement constitutes a binding obligation upon the contracting parties.

GOVERNING LAW. The parties agree that the laws of the State of Arizona shall govern all questions of law or disputes arising from or connected with this Agreement.

AGREED TO AND ACCEPTED:

Association Name: Santa Rita III Home Owners Association

Signature: _____

Printed Name: Jim Newberry

Title: President

Date: 4/29/2026

ASSESSMENT COLLECTION AGREEMENT FEE SCHEDULE FOR 2026

Hourly Attorney Rate \$320.00

Hourly Paralegal Rate \$190.00

Hourly Paralegal Assistant Rate \$95.00

Items not Listed are Conducted on an Hourly Basis

PRE LITIGATION		\$159.00	Summary Ruling
		\$407.00	Entry of Judgment
\$152.00	New File Research	\$140.00	Stipulated Dismissal
\$19.00	Updating Research		
\$233.00	Initial Demand	SUPERIOR COURT FORECLOSURE	
\$140.00	Final Demand		
\$140.00	Pre-Foreclosure Demand	\$286.00	Foreclosure Review
\$140.00	Lien ¹	\$152.00	Litigation Guarantee
\$235.00	Payment Agreement	\$769.00	Lawsuit Documents
\$5.00	Payment Processing Fee	\$261.00	Amend Complaint
\$140.00	Credit Card Authorization	\$190.00	Monitor Service
\$140.00	Agreement Return Letter	\$178.00	Extension to Serve
\$140.00	Agreement Breach Letter	\$432.00	Alternative Service
\$140.00	Partial Payment Letter	\$38.00	Acceptance of Service
\$216.00	Payoff to Title	\$712.00	Publication
\$140.00	3rd Party Authorization	\$159.00	Service by Regular Mail
\$140.00	Voicemail Consent Form	\$197.00	Service by Certified Mail
\$140.00	Non-Sufficient Funds Letter	\$375.00	Stipulated Judgment
JUSTICE COURT		\$140.00	Return Stip. Judgment Letter
		\$159.00	Application for Default
		\$776.00	Request for Judgment Packet
\$349/425	Summons/Complaint	\$95.00	Hearing Preparation
\$57.00	Monitor Service	\$256.00	Default Hearing
\$178.00	Extension to Serve	\$166.00	Review Answer
\$413.00	Alternative Service	\$159.00	Jr. Lienholder Disclaimer
\$38.00	Acceptance of Service	\$249.00	Initial Disclosure
\$712.00	Publication for Service	\$159.00	Summary Ruling
\$197.00	Service by Mail	\$140.00	Stipulated Dismissal
\$368.00	Stipulated Judgment		
\$140.00	Return Stip. Judgment Letter	POST-JUDGMENT	
\$191/331	Application for Default		
\$407.00	Default Judgment	\$114.00	Record Judgment
\$128.00	Review Answer	\$38.00	Credit Report
\$185.00	Initial Disclosure	\$76.00	Employment Skip

¹ This fee only applies if the Association or its management company do not prepare the lien.

\$140.00	Judgment Demand Letter	\$140.00	Claim Against the Estate
\$430.00	Garnishment	\$102.00	Review PR Response
\$140.00	Demand on Garnishee		
\$197.00	Order of Continuing Lien		
\$178.00	Garnishee OSC		
\$140.00	Consent Garn. Reduction		
\$159.00	Quarterly Creditor Report		
\$159.00	Discharge of Garnishee		
\$140.00	Post-Garnishment Demand		
\$254.00	Motion for Debtor Exam		
\$216.00	Rescheduling Debtor Exam		
\$159.00	Vacate Debtor Examination		
\$318.00	Post-Judgment Fee App.		
\$159.00	Renew Judgment		
\$292.00	Writ of Special Execution		
\$178.00	Payoff to Sheriff		
\$512.00	Attendance at Sheriff Sale		

TRUSTEE SALE/EXCESS PROCEEDS

\$38.00	Notice of Trustee Sale
\$38.00	Monitor Sale
\$178.00	Demand to Trustee
\$140.00	Review Trustee Complaint
\$426.00	App. for Excess Proceeds
\$320.50+	Affidavit of Mailing
\$483.00	Order to Release Proceeds
\$242.00	Stip. of Order to Release

BANKRUPTCY

\$140.00	Receipt of Bankruptcy Filing
\$140.00	Memorandum to Client
\$286.00	Proof of Claim
\$38.00	Monthly Monitoring
\$140.00	Outside of Plan Agreement
\$140.00	Review Approved Plan
\$140.00	Court Filing re: Plan
\$140.00	Dismissal/Discharge Demand

PROBATE

\$114.00	Search for Probate
\$140.00	Demand to PR