

# **Old Stone Ranch Homeowners Association Assessment Collection Policy Effective January 1, 2020**

WHEREAS, the board of directors of **Old Stone Ranch Homeowners** ("Association") is responsible for collecting assessments for common expenses and other charges, including fines, attorney's fees and collections costs, from homeowners pursuant to the Declaration of Covenants, Conditions and Restrictions ("Declaration") and Arizona Law; and

WHEREAS, pursuant to Section 4 of the Declaration, the Association Directors have the right to adopt rules and regulations setting forth the procedures for the purposes of making assessments and for the billing and collection of assessments.

NOW THEREFORE, BE IT RESOLVED THAT the Association hereby adopts the following procedures and policies for the collection of assessments and other charges of the association.

#### **Late Charges:**

In accordance with Section(s) 4.7 of the Declaration and A.R.S. §33-1242, A.R.S. §33-1803(A) any assessment or installment of an assessment shall be deemed late if not paid within thirty (30) days after becoming due and are subject to late charges in the amount of **10%** for each unpaid assessment or installment thereof.

#### **Collections Costs:**

In accordance with Section(s) 4 of the Declaration, all collection costs, fees, interest, and reasonable attorneys' fees incurred by the Association in collecting or attempting to collect the delinquency, regardless of whether a lawsuit is filed, are the personal obligation of the Owner of the Lot as well as a charge and continuing lien against the Lot.

#### **Assessment Collection Procedures:**

- A written reminder will be mailed to the Owner after the **thirty (30)** day that the assessment was due stating that the Owner has past due assessments and a late charge has been applied to the Owner's account. The Owner is responsible for paying all late charges.
- A written notice of intent to lien will be mailed to the Owner after the **forty-fifth (45)** day following the assessment due date. The Owner is assessed a fee for the preparation of the notice of intent to lien and the Owner is responsible for paying this fee.
- After the **ninetieth (90)** day following the assessment due date that the assessments are still outstanding, a notice of lien will be filed with the county recorder. The Owner is assessed a fee for the preparation and recording of the notice of lien and the Owner is responsible for paying this fee. The lien will not be released until such time as the account is paid in full.
- After the **one hundred and twentieth (120)** day following the assessment due date, if the account is still delinquent after a lien notice is recorded on the property, a final demand letter fee is assessed and a final demand letter will be mailed to the Owner stating that the Owner may enter into a payment plan under the following terms:
  - Payment Plans shall be in writing and signed by the Owner. Payments made without a written Payment Plan signed by the Owner will not be treated as payments toward the Payment Plan and collection activity shall continue.

- The Payment Plan length and the amount of the monthly installments will be determined by the amount of the debt as follows
  - If the debt is less than \$500, a payment plan of six months (6 equal monthly installments) will be offered.
  - If the debt is \$500.01 to \$1,000, a payment plan of twelve months (12 equal monthly installments) will be offered.
  - If the debt is \$1,000.01 or more, a payment plan of eighteen months (18 equal monthly installments) will be offered.
  - The Association reserves the right to adopt any other payment plan it deems necessary under the circumstances.
- Late Charges as provided in this Assessment Collection Policy will not be charged on the debt during the term of the Payment Plan so long as payments are received in accordance with the Payment Plan.

The Owner will be responsible to pay current and future assessments as they become due while a Payment Plan remains in effect.

- All Payment Plans will be monitored by the Managing Agent. The Owner shall be responsible for paying any associated fees.
- Upon default of the Payment Plan, the Managing Agent will resume collection efforts with the next step of the Assessment Collection Procedures without further notice to the owner based on where in the process the account was at the time the Payment Plan commenced.
- If the Owner does not respond to the Final Demand within thirty (30) days, or defaults on the agreed upon Payment Plan, the account will be referred to an attorney or a collection agency for further collection proceedings. The Owner is responsible for paying all collection costs, legal fees, document preparation fees, and other costs in accordance with the Declaration and Arizona law. The following language will be included in the last letter sent to the Owner prior to referral of the account to an attorney or a collection agency: ***Your account is delinquent. If you do not bring your account current or make arrangements that are approved by the Association to bring your account current within thirty days after the date of this notice, your account will be turned over for further collection proceedings. Such collection proceedings could include bringing a foreclosure action against your property.***

**Applying Payments Received on Past Due Accounts:**

Per A.R.S. § 33-1256(J), A.R.S. § 33-1807(K), unless an Owner directs otherwise, all payments received on an Owner's account shall be applied first to any unpaid assessments, for unpaid charges for late payment of those assessments, for reasonable collection fees and for unpaid attorney fees and costs incurred with respect to those assessments, in that order, with any remaining amounts applied next to other unpaid fees, charges and monetary penalties or interest and late charges on any of those amounts.

**Waiver of Past Due Amounts:**

The Board of Directors will generally not consider waiver of late fees, lien fees, attorneys' fees, or other collection costs incurred on an account where the assessments were not paid in accordance with the Assessment Collection Policy through no fault of the Association or its Agent(s). However, the Board of Directors retains full discretion to make business decisions concerning the collectability of accounts and their compromise or settlement.

  
(Signature)