



**OLD STONE RANCH HOMEOWNERS ASSOCIATION  
ASSESSMENT COLLECTION POLICY**

WHEREAS, the Declaration of Covenants, Conditions and Restrictions for Old Stone Ranch Homeowners Association (the "Association"), an Arizona nonprofit corporation, recorded with Maricopa County Recorder's Office on June 14, 2005, at Recording Number 2005-0799585 and thereafter as amended (the "CC&Rs") at Article IV creates an obligation for Owners to pay Assessments, penalties for delinquent payments, collection costs and reasonable attorneys' fees incurred in the collection of such Assessments, and makes the same a continuing lien against the Lot.

WHEREAS, the Declaration of Covenants, Conditions and Restrictions at Article III, Section 3.10 creates an obligation for owners to pay reasonable fines, penalties, and other amounts levied against an Owner or Lot for violations of the governing documents.

WHEREAS, A.R.S § 33-1803 and § 33-1255 further clarify the Association's authority to impose penalties for delinquent payments.

WHEREAS, A.R.S. § 33-1807 and § 33-1256 impose a statutory lien against all homes in a planned community, clarifies the application of payments received for an Owner's account, and imposes notice requirements before the Association authorizes an attorney or collection agency to begin collection activity.

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Directors for Old Stone Ranch Homeowners Association adopts the following Assessment Collection Policy:

**COLLECTION POLICY**

**LATE FEE**

A late fee equal to the **greater of \$15.00 or 10.00% per annum (0.8% per month)** of any unpaid assessment or installment thereof, penalties for delinquent assessments, collection costs, and reasonable attorneys' fees may be charged to any account that shows an assessment not paid within thirty (30) days after the assessment due date.

**NON-SUFFICIENT FUNDS (NSF) FEE**

An NSF fee of \$35.00 may be charged to any account on which a payment is returned for non-sufficient funds, stopped payment, or similar payment abatement/cancellation.

**PAYMENT APPLICATION**

Pursuant to A.R.S. § 33-1807 and § 33-1256, payments received are applied to unpaid amounts on Owner accounts as follows:

- 1) Assessments
- 2) Late Fees
- 3) Reasonable Collection Fees
- 4) Attorney Fees and Costs
- 5) Other Fees, Charges, and Monetary Penalties (e.g., fines)

**ASSESSMENT COLLECTION SCHEDULE**

- 1) First written reminder (Late Notice/Late Statement) sent to Owner on or after the 30<sup>th</sup> day of the first unpaid assessment, informing them that their account is delinquent and that a late fee has been applied.

- 2) Second written reminder (Intent to Lien Notice/Late Statement) sent to Owner on or after the 60<sup>th</sup> day after the first unpaid assessment due date, informing them that their account is delinquent, an additional late fee has been applied, and, if the account is not brought current, a notice of lien will be recorded against the home.
- 3) Recorded Notice of Lien (Lien Package) and Demand Notice (Collection/Lien/Demand Letter) sent to Owner on or after the 90<sup>th</sup> day after the first unpaid assessment due date. Pursuant to A.R.S. § 33-1807 and § 33-1256, this notice is sent certified mail, return receipt requested, and the Owner is given thirty (30) days to remit payment or agree to a payment plan. Lien Recording and Demand Notice fees are the responsibility of the Owner.
- 4) Any account with an assessment balance that is at least 120 days past the assessment due date shall be referred to the Association’s attorney for further collection activity (File Transfer and Account Review with Attorney), up to and including lawsuit or foreclosure. All legal fees, collection costs, and court costs are the responsibility of the Owner.

**POST-FORECLOSURE COLLECTION PROCEDURES**

In accordance with Article IV, Section 4.1 of the CC&Rs, Assessments and Charges shall also be the personal obligation of the Owner or Person who was the Owner at the time such amount became due.

At the discretion of the Board of Directors, Units foreclosed upon with balances owed may be referred to the Association’s attorney or an outside collection agency for further collection action, up to and including a lawsuit for personal judgment against the Owner or Person who was the Owner at the time such amount became due. All collection costs, court costs, and legal fees are the responsibility of the debtor.

**PAYMENT PLANS**

For accounts that have not been turned over to the Association’s attorney, payment plans will be set up and monitored by the Managing Agent. Payment plans shall be subject to a properly executed payment plan agreement. Acceptable payment plans shall include payment of current assessment installments plus monthly installment payments towards the unpaid balance on the account pursuant to the following chart:

Past Due Balance	Acceptable Payment Plan Duration
\$500.00 or Less	Up to six (6) months
\$500.01 or More	Up to twelve (12) months

All other payment plan proposals are subject to Board approval.

Late fees, as provided for in this policy, shall not be charged during the term of the payment plan if payments are received in accordance with the plan.

Collection activity, up to and including legal collection activity, shall resume upon default of a payment plan with no further notice to the property owner.

**WAIVER OF PAST DUE AMOUNTS**

In general, the Board of Directors will 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 this Assessment Collection Policy through no fault of the Association or its Agent(s). The Board of Directors does, however, retain the right to make business decisions regarding the collectability of accounts and their compromise or settlement.

**CERTIFICATION**

IN WITNESS WHEREOF, I, Harlan Stork, hereby attest that this Assessment Collection Policy was adopted by unanimous written consent of the Board of Directors on the 27th day of July, 2022.

DocuSigned by:

*Harlan Stork*

029777E4D4D34C5...

Signature

OSR HOA President

Title