

# CASAS ADOBES TERRACE



## HOMEOWNERS ASSOCIATION

The following Assessment Collection Policy Resolution has been adopted by **Casas Adobes Terrace Homeowners Association** ("Association"):

### RECITALS

**WHEREAS**, pursuant to the Declaration of Covenants, Conditions and Restrictions for **Casas Adobes Terrace Homeowners Association** recorded on June 8, 1993 at Docket 9558 at page 777 in the Official Records of Pima County, each Owner of a Lot in the Association covenants and agrees to pay their proportionate share of the Common Expenses ("Assessments") to the Association;

**WHEREAS**, pursuant to Article VII Section 2 of the CC&Rs, the Board of Directors of the Association ("Board") has the right to determine when payment of the Assessments is due; and

**WHEREAS**, pursuant to Article VII Section 8 of the CC&Rs the Board has the right to adopt procedures for billing and collecting annual and special assessments payable to the Association.

**NOW, THEREFORE**, be it resolved that the Association hereby adopts the following procedures for the collection of assessments and other charges due and payable to the Association:

1. **Due Date:** Assessments shall be due and payable in two (2) equal semi-annual installments, due the 1<sup>st</sup> of January and the 1<sup>st</sup> of July each year.
2. **Statement of Account:** The Association shall provide each Owner a statement of account with the same frequency as assessments are due in Paragraph 1, above. The statement of account will include the current account balance due and the immediately preceding ledger history.
3. **Mailing of Statements:** Statements shall be mailed to homeowners not less than two weeks prior to the due date. The failure of the Association to send a bill to a homeowner does not relieve any homeowner of their liability for the assessment and other charges (CC&Rs Article VII Section 8).
4. **Interest Charges Imposed on Delinquent Assessments:** The CC&Rs provide, at Article VI Section 9, any Assessment, or the installment of an Assessment not

paid within fifteen (15) days after the due date shall bear interest from that date at the rate of twelve percent (12%) per annum (1% per month).

5. **Late Charges Imposed on Delinquent Assessments:** The CC&Rs provide, at Article VII Section 9, that a late charge of \$10.00 shall be applied to an unpaid Assessment, or the installment of an Assessment, if not received by fifteen (15) days after the due date.
  
6. **Return Check Charges:** A thirty-five dollar (\$35.00) fee shall be assessed against an Owner in the event any check or other instrument paid by the Owner is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to, insufficient funds. If two or more of an Owner's checks are returned unpaid by the bank within any fiscal year, the Association may require that all of the Owner's future payments be made by certified check or money order.
  
7. **Costs and Fees on Delinquent Accounts:** Pursuant to the Article VII Section 9 and Article VIII Section 4 of the CC&Rs, the Owner shall be personally liable for any delinquent Assessment together with interest, late fees, lien fees, administrative costs, reasonable collection and attorneys' fees and any other sums due to the Association in any manner allowed by law.
  
8. **Collection Notification:**
  - a. **30 Days Delinquent:** An Owner whose Assessment, or any installment of an Assessment, remains unpaid thirty (30) days after the due date of the Assessment, or any installment of an Assessment, will be sent a REMINDER NOTICE showing the overdue amount and associated interest and late fees, to be sent via regular mail.
  
  - b. **60 Days Delinquent:** An Owner whose Assessment, or any installment of an Assessment, remains unpaid after sixty (60) days will be issued a SECOND NOTICE, providing an update on the amounts due and notifying the homeowner that the Association may take legal action to collect if the outstanding balance is not settled immediately. This notice will be sent by regular mail.
  
  - c. **90 Days Delinquent:** An Owner whose Assessment, or any installment of an Assessment, remains unpaid after ninety (90) days will be issued, by both first class and certified mail, return receipt requested, a FINAL

NOTICE, which will contain a further update on amounts due and the following statement from ARS 33-1807 paragraph K, verbatim and in boldface all caps font:

**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.**

The Association reserves the right, in its sole discretion, to accelerate the foregoing notice procedures at any time; provided, the Association will always issue a notice consistent with Subsection (c) above at least 30 days prior to referring an Owner's account to an attorney for further collection action.

9. **Use of Certified Mail/Regular Mail:** In the event the Association shall cause a collection or demand letter or notices to be sent to a delinquent Owner by regular mail, the Association may also cause, but shall not be required unless stated otherwise in this Policy, to send an additional copy of that letter or notice by certified mail.
10. **Reasonable Efforts to Contact Homeowners:** In the event efforts to communicate with homeowners by regular or certified mail are unsuccessful, the managing agent and attorney/ collection agent will make good faith efforts to find and contact the delinquent homeowner prior to filing for a foreclosure judgment. This may include, but not be limited to, internet searches, credit bureaus, financial institutions, utility companies and court records
11. **Liens:** Common Expense liens for unpaid assessments are created at the time they become due (ARS 33-1807) but may, based on recommendation from the Association attorney, record a Notice of Lien against the property of any delinquent Owner.
12. **Retention of Debt:** The Association shall not sell the uncollected debt of any homeowner in whole or part to a third-party collection agency.

**13. Delegation of Authority:** The Board authorizes its managing agent to implement and execute all of the terms of this Assessment Collection Policy. Management may process delinquent accounts through the steps in this enforcement policy and may forward accounts to legal counsel after sending the notice in 8(c) above. Additionally, management has the discretion to waive interest, late fees, and fines in order to negotiate resolution of delinquent accounts. Until such time as foreclosure action has been filed with a court by the Association attorney or collection agent, the managing agent may also enter into payment arrangements with delinquent owners without approval of the Board.

Approved by the Board of Directors on 14th day of September, 2024 replacing the version dated December 19 2019 and all previous versions and effective as of the date adopted above.

By: \_\_\_\_\_

Board President

Board Secretary

24 Oct. 2024

Date

24 Oct 24

Date