

# LINWOOD HEIGHTS HOMEOWNERS ASSOCIATION

## Assessment Collection Policy

Pursuant to the Arizona Planned Communities Act, A.R.S. 33-1803 and 33-1807 (or Arizona Condominium Act, A.R.S. 33-1242 and 33-1256 for condominiums) and the Declaration of Covenants Conditions and Restrictions as supplemented by resolutions adopted from time to time by the Board of Directors, ("Declaration"), the following resolution is hereby adopted by the undersigned, being an officer of Linwood Heights Homeowners Association ("Association").

**NOW THEREFORE, IT IS RESOLVED** that the following procedures and practices are established for the collection of Assessments owing and to become owing by the Owners of Units ("Lots," etc.) in the Association and the same are to be known as the "Assessment Collection Policy" for the Association in the discharge of its responsibilities regarding collection of Assessments levied against Units ("Lots," etc.):

1. **POLICY OBJECTIVE.** The Association will pursue collection of all Assessments pursuant to the Declaration and this Assessment Collection Policy. The term "Assessment" shall include Regular Assessments and Special Assessments or any other fees or taxes allowable in the Declaration of Covenants Conditions and Restrictions.
2. **OWNERSHIP INTERESTS.** Pursuant to the Declaration, the person who is the Owner of a Unit ("Lots," etc.) as of the date an Assessment becomes due is personally liable for the payment of the Assessment. The personal obligation for delinquent Assessment shall not pass to the successors in title of the Owner unless expressly assumed by them.
3. **HANDLING CHARGES AND RETURNED CHECK FEE.** In order to recoup costs incurred because of the additional administrative expenses associated with collecting delinquent Assessments, collection of these fees and charges are part of the Collection Policy. These fees and charges, including a Collection Notice Fee, will be added to the amount outstanding and are collectible to the same extent and in the same manner as the delinquent Assessment.
4. **APPLICATION OF FUNDS RECEIVED.** All moneys received by the Association will be applied to amounts outstanding to the extent of and in the following order:
  - a. First to the unpaid Assessment amount;
  - b. Next, to interest accrued;
  - c. Last to late fees, returned item fee, collection costs and attorney's fees incurred by or on behalf of the Association.
5. **PARTIAL PAYMENTS AND APPLICATION OF FUNDS.** Partial payments will not prevent the accrual of interest on the unpaid portion of the Assessment. The owner will still be considered to be delinquent upon making partial payments.
6. **OWNERSHIP RECORDS.** All collection notices and communications will be directed to those persons shown by the records of the Association as being the Owner of the Unit ("Lot," etc.) for which Assessments are due and will be sent to the most recent address of such Owner solely as reflected by the records of the Association. Any notice or communication directed to a person at an address, in both cases reflected by the records of the Association as being the Owner and address for a given Unit ("Lot," etc.), will be valid and effective for all purposes pursuant to the Declaration and this Assessment Collection Policy until such time as there is actual receipt by the Association of written notification of any change in the identity or status of such Owner or its address or both.

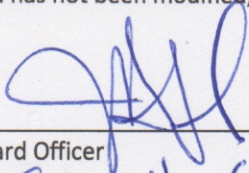
7. NOTIFICATION TO OWNER.

30 DAYS PAST DUE October 1	LATE NOTICE. A payment by a member is deemed DELINQUENT if it is unpaid thirty (30) or more days after the due date. A late notice will be sent via regular first-class mail, a late fee of \$15.00 or 10% (whichever is greater) will be charged to the Owner's account, and a Collection Notice Fee will be charged to the Owner's account. Interest will be charged at the rate specified in the Declaration.
60 DAYS PAST DUE November 1	2 <sup>nd</sup> LATE NOTICE. No sooner than Sixty (60) days after the due date, the Association will send a notice via regular first-class mail to the Owner setting forth the amount of the delinquent Assessment owing. All fees associated with this letter will be charged to the Owner's account, including an additional Collection Notice Fee.
90 DAYS PAST DUE December 1	INTENT TO LIEN NOTICE. No sooner than Ninety (90) days beyond the due date, the Association will send a notice of Intent to Lien to the Owner making formal demand for immediate payment for all outstanding amounts. The Intent to Lien notice will be sent via regular mail. All fees associated with this letter, including Intent to Lien fee, will be charged to the Owner's account.
120 DAYS PAST DUE January 1	RECORDATION OF LIEN. One hundred twenty (120) days after the due date, where the Board has determined an Assessment lien is to be pursued, if an Owner fails to pay in full the entire amount covered by an Intent to Lien notice by the date specified, the Board will cause to be prepared and recorded with the County Recorder a written notice of Lien pursuant to A.R.S. 33-1807 (or A.R.S. 33-1256 for condominiums). A lien fee will be charged to the Owner's account.

8. ALTERNATIVE COLLECTION COURSES. The Board, acting with input and recommendation from management and/or counsel, will evaluate which course of legal action appears to be in the best interest of the Association for recovery of unpaid Assessments. Where foreclosure of the Assessment lien in favor of the Association against a Unit ("Lot," etc.), together with pursuit of personal judgment against the Owner, is determined to be advisable, or personal judgment alone, the Board will direct counsel to proceed accordingly pursuant to the minimum foreclosure requirements of A.R.S. 33-1807 (or A.R.S. 33-1256 for condominiums).
9. VERIFICATION OF INDEBTEDNESS. Where an Owner requests verification of the indebtedness, Management will, upon notification of the Owner's request, supply such verification within fifteen (15) business days. The exercise of the collection rights of the Association regarding Assessments will in all ways comply with the Fair Debt Collection Practices Act and A.R.S. 33-1803 and 33-1807 (or 33-1242 and 33-1256 for condominiums).
10. OWNER'S AGENT OR REPRESENTATIVE. If the owner expressly or impliedly indicates to the Association that the owner's interest in the property is being handled by an agent or representative, any notice from the Association to such agent or representative pursuant to this Collection Policy shall be deemed to be full and effective notice to the owner for all purposes.

IT IS FURTHER RESOLVED THAT this Assessment Collection Policy replaces and supersedes in all respects all prior resolutions with respect to the collection of Assessments by the Association and is effective upon adoption hereof, to remain in force and effect until revoked, modified, or amended.

This is to certify that the foregoing resolution was adopted by the Board of Directors of Linwood Heights Homeowners Association on the 11 day of May, 2023, to be effective as of today and has not been modified, rescinded, or revoked.



Board Officer

James H. Gibson

Treasurer

5/11/23  
Date