

WARNER RANCH 4 HOMEOWNERS ASSOCIATION

ASSESSMENT COLLECTION POLICY

Policy No.	CP-WR4-2026-01
Effective Date	
Supersedes	CP-WR4-200310-2, Revised March 10, 2020
Approved By	Board of Directors

Purpose

The purpose of this policy is to establish a consistent and fair process for collecting unpaid assessments owed to Warner Ranch 4 Homeowners Association ("Association"). The Association will administer this policy in accordance with the Declaration, Bylaws, adopted Board resolutions, and applicable Arizona law.

1. Assessment Due Dates

Regular semi-annual assessments are due and payable on:

- January 1
- July 1

The Declaration permits annual assessments to be paid in installments established by the Board, not more frequently than monthly and not less frequently than semiannually.

2. Grace Period

An assessment will not be considered delinquent for collection purposes until thirty (30) days after the applicable due date.

If payment is received within the 30-day grace period, no late charge will be assessed.

3. Late Charge

If the assessment remains unpaid after the 30-day grace period, a late charge of 10% of the unpaid assessment will be added to the homeowner's account, subject to the limits imposed by Arizona law and the Association's governing documents.

The late charge applies to the unpaid assessment and does not constitute an additional assessment against the property.

4. Statement of Account

The Association or its management company will provide homeowners with a statement of account as required by Arizona law.

The statement will include:

- the homeowner's current account balance; and
- the immediately preceding ledger history.

A homeowner may elect to receive the statement electronically when electronic statements are offered.

5. Delinquent Account Notice

When an account becomes delinquent, the management company will notify the homeowner of the delinquent balance and provide information for contacting the management company to resolve the account.

The management company will work with the homeowner to determine whether the account can be brought current through payment in full or an approved payment plan.

6. Payment Plans

A homeowner who cannot pay the delinquent balance in full may request a payment plan.

Payment plans will be administered in accordance with the Association's current Payment Plan Policy.

The Association will make reasonable efforts to communicate with the homeowner and offer a reasonable payment plan before initiating foreclosure, as required by Arizona law.

Approval of a payment plan does not waive any assessment, late charge, or other amount legally owed unless the Board specifically approves such a waiver.

7. Common Expense Lien

Under Arizona law, the Association has a common expense lien for assessments from the time the assessment becomes due.

The existence of the lien does not depend upon the Association recording a separate Claim of Lien. Recording the Declaration provides record notice and perfection of the common expense lien.

The Association may record additional documentation concerning a delinquent account when the Board or its authorized agent determines that recording is appropriate.

Any fees associated with recording such documentation must be authorized by the Association's governing documents, Board-approved policies, management agreement, and applicable law.

8. Notice Before Outside Collection Activity

Before the Association authorizes an attorney, or a collection agency that is not acting as the Association's managing agent, to begin collection activity on a delinquent account, the Association will provide the homeowner the notice required by A.R.S. §33-1807.

The notice will:

1. Give the homeowner at least 30 days to bring the account current or make an approved payment arrangement;
2. Be sent by certified mail, return receipt requested;
3. Be in bold-faced type or all capital letters as required by law; and
4. Include contact information for the person the homeowner may contact regarding payment.

The notice may be included with other correspondence concerning the delinquent account.

REQUIRED STATUTORY NOTICE

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.

9. Board Review and Attorney Collection

If an account remains delinquent after the required collection notices and opportunities to resolve the account, the Board may authorize additional collection action.

A delinquent homeowner's financial information may be discussed during a properly authorized closed portion of a Board meeting when permitted by Arizona law.

The Board will not take a vote or other action during the closed portion of the meeting.

Any Board action or vote to authorize attorney collection or other action will be taken during the open portion of a properly noticed Board meeting.

10. Collection Costs

Reasonable collection costs may be charged to a delinquent account when authorized by the Association's governing documents and applicable Arizona law.

This may include costs associated with collection activity, recording documents, court proceedings, or other collection services when legally recoverable.

Attorney fees and costs will be charged only to the extent permitted by Arizona law and the Association's governing documents.

Nothing in this policy makes an amount a common expense lien merely because the Association has incurred the expense.

11. Application of Payments

Unless the homeowner directs otherwise, payments received on a delinquent account will be applied in the order required by A.R.S. §33-1807:

5. Unpaid assessments;
6. Due but not delinquent assessments;
7. Unpaid charges for late payment of assessments, when authorized;
8. Unpaid reasonable collection fees and costs incurred or applied by the Association;
9. Unpaid attorney fees and costs incurred with respect to assessments, if awarded by a court; and
10. Remaining amounts to other unpaid fees, charges, monetary penalties, interest, and late charges on those amounts.

This statutory order takes precedence over any contrary management-company procedure, contract, or older Board resolution.

12. Foreclosure

The Association will not initiate foreclosure of a common expense lien unless the requirements of Arizona law have been satisfied.

Under current A.R.S. §33-1807, foreclosure may occur only when the owner has been and remains delinquent in an assessment or portion of an assessment for 18 months, or \$10,000 or more, whichever occurs first.

The Association must also exercise reasonable efforts to communicate with the homeowner and offer a reasonable payment plan before filing a foreclosure action.

13. Management Company Responsibilities

The management company is responsible for administering the day-to-day collection process on behalf of the Association in accordance with:

- this policy;
- the Association's management agreement;
- the Declaration and Bylaws;
- Board-approved resolutions and policies; and
- Arizona law.

The management company shall not alter the collection process, payment application order, required notices, or collection timeframes without authorization from the Board when Board authorization is required.

The management company shall maintain accurate records of:

- amounts assessed;
- payments received;
- late charges;
- notices sent;
- payment arrangements;
- collection activity;
- liens or other recorded documents;
- attorney referrals; and
- amounts collected.

14. Consistent Treatment

The Association will apply this policy consistently to all homeowners with delinquent assessment accounts.

Any waiver, adjustment, or settlement of an amount otherwise owed to the Association must be authorized in accordance with the Association's governing documents, Board policies, and applicable law.

15. Compliance With Law

If any provision of this policy conflicts with Arizona law, the Declaration, or another controlling Association document, the controlling law or document will govern.

The Board may amend this policy when necessary to remain consistent with changes in Arizona law or the Association's governing documents.

Board Adoption

RESOLVED, that the Warner Ranch 4 Homeowners Association Board of Directors adopts the foregoing Assessment Collection Policy effective _____, 2026.

President: _____	Date: _____
Secretary: _____	Date: _____