



## Agenda Item: **2022 Annual Assessment**

*A proposed agenda item to be presented by Treasurer for board decision at the 15-Nov-21 board meeting. This item is being presented because we must establish an annual assessment for 2022, and should do so at least 30 days before the end of 2021.*

*The intent of this presentation is to establish an annual assessment.*

Motion Title: **2022 Annual Assessment Amount**

Proposed Motion:

**Set the 2022 annual assessment amount at \$ \_\_\_\_\_ per lot.**

Motion Title: **2022 Annual Assessment Due Dates**

Proposed Motion:

**Set the first 2022 annual assessment due date at 15 March 2022 and the second due date at 15 July 2022.**

Alternate Motion(s):

**Set the first 2022 annual assessment due date at \_\_\_\_\_ 2022 and the second due date at \_\_\_\_\_ 2022.**

Information/Arguments:

Annual assessment for 2021 and 2020 was \$180. For 2015-2019 it was \$160.

Additional Information:

Background: -----  
AMENDED AND RESTATED DECLARATION OF CONDITIONS, COVENANTS, RESTRICTIONS AND EASEMENTS FOR HIGH LONESOME RANCH ESTATES—UNIT 1, LOTS 7 THROUGH 50 AND HIGH LONESOME RANCH ESTATES—UNIT II, LOTS 52 THROUGH 141

### ARTICLE 7 - ASSESSMENTS

7.1 Power to Levy Assessments The Association, through its Board of Directors, shall have the power to levy regular annual assessments and such special assessments as shall be determined thereby, and to determine the amount thereof, the date upon which payment of said regular and special assessments shall be made and to collect delinquent assessments by action of law, or otherwise, from the Owners.

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REVISED BYLAWS OF HIGH LONESOME RANCH ESTATES PROPERTY OWNERS ASSOCIATION

### ARTICLE VII - RESPONSIBILITIES, POWERS, AND DUTIES OF THE BOARD OF DIRECTORS

Section 7.3 Duties. It shall be the duty of the Board of Directors to:

- A. As more fully provided in the Declaration:
  1. Fix the amount of the annual assessment against each Lot;
  2. Send written notice of each assessment to every Owner subject thereto; and
  3. Foreclose the lien against any property for which assessments are not paid

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## Assessment Instructions

1. The board establishes assessment amounts and due dates for each annual and special assessment. Delinquency dates are defined by the Declaration. The actions and procedures, and their timing, to execute the assessment are contained herein. Should there arise any conflict between the policies and procedures of this document and those of the Association Rules and Procedures, Association Bylaw, association declaration, or association Articles of Incorporation, the superior document will prevail.
2. For actions and procedures related to debt, age of debt, or debt amount, the use of 'debt' shall include all monetary debts owed by the owner to the association; whereas the use of 'base debt' shall refer only to the total of unpaid assessments (will not include fees, interest, or other monetary penalties).
3. Owners who own more than one lot. Accounts are set up for each lot individually. Therefore, all documents are designated for only one lot. For correspondence, however, the multiple documents for one owner may be combined (not mandatory, though) into one mailing. Unless specified by the owner on the check or pay stub, payments will be evenly distributed among the owner's lot accounts.
4. Initial Notification. After the assessment has been established and at least 30 days before the first due date, the treasurer will mail a notification for each lot to the owner. The treasurer will include a pay stub and return envelope.
5. Payments. Upon receipt, the treasurer will record the payment to be reflected in the account ledger. After recording the payment, the treasurer will arrange for the deposit of the check into the association bank account and will issue a receipt to the owner by email if the association has the owner's email address (hard-copy receipts will be mailed only by exception).
6. Non-Payment or Insufficient Payment. The board may modify actions and procedures regarding non-payment or insufficient payment per paragraph 5, Special Arrangement, below.
  - a. At 20-10 days before due date: The treasurer will email a reminder to the owner if the association has the owner's email address (hard-copy reminders will not be mailed).
  - b. At due date: A lien against the property automatically exists per A.R.S. 33-1807.
  - c. At 10-20 days after due date: The treasurer will mail an overdue notice to the owners of overdue accounts for each individual account. The notice will advise the owner of the existing lien, the impending delinquency date, the impending consequences to delinquency, and the procedures to request a hearing regarding delinquency and/or delinquency consequences.
  - d. At delinquency date:
    - i. Owner becomes ineligible to be a candidate for the board until base debt is satisfied.
    - ii. Owner becomes ineligible to vote in association elections or other matters until base debt is satisfied.

iii. Owner forfeits use and enjoyment of common areas and facilities, excepting the use of roadways and easements, until base debt is satisfied.

iv. A late fee of \$15.00 is imposed upon the delinquent account.

v. Annual 18% interest against the base debt begins to accrue and continues to accrue until base debt is satisfied.

e. At 10-20 days after delinquency date:

i. The treasurer will dismiss the late fee and accrued interest for those accounts no longer delinquent.

ii. The treasurer will record the late fee in the appropriate account ledger(s) for delinquent accounts.

iii. The treasurer will mail a delinquency notice to the owners of delinquent accounts for each individual account. The notice will advise the owner of ineligibility to run for the board, ineligibility to vote, denial of access to common areas (non-roadway), levy of a late fee, and imposition of interest. The notices will also explain the procedures to request a hearing regarding delinquency and/or delinquency consequences.

f. At 3 months plus 10-20 days after delinquency date:

i. The treasurer will record the interest charge in the appropriate account ledger(s) for delinquent accounts.

ii. The treasurer will mail a delinquency interest notice to the owners of delinquent accounts for each account. The notice will advise the owner of the interest charge imposed upon the account. The notice will also remind the owner of ineligibility to run for the board, ineligibility to vote, denial of access to common areas (non-roadway), the continuation of interest accrual, and the procedures to request a hearing regarding delinquency and/or delinquency consequences.

iii. The treasurer will dismiss the accrued interest for those accounts no longer delinquent.

g. At 6, 9, and 12 months plus 10-20 days after delinquency date:

i. The treasurer will record the interest charge in the appropriate account ledger(s) for delinquent accounts.

ii. The treasurer will mail a delinquency interest notice to the owners of delinquent accounts for each individual account. The notice will advise the owner of the interest charge imposed upon the account. The notice will also remind the owner of ineligibility to run for the board, ineligibility to vote, denial of access to common areas (non-roadway), the continuation of interest accrual, and the procedures to request a hearing regarding delinquency and/or delinquency consequences.

iii. The treasurer will dismiss the most recent quarter's accrued interest for those accounts no longer delinquent.

h. At 8 months plus 10-20 days after delinquency date:

i. The treasurer will record the lien against the property with the Cochise County Recorder. If an encompassing lien is already recorded, the treasurer confers with the board regarding the recording of the lien.

ii. The treasurer will annotate the lien-recording fee in the account ledger.

iii. The treasurer will mail a lien-recording-fee notice to the owner of delinquent accounts after lien is recorded. The notice will also remind the owner of the procedures to request a hearing regarding delinquency and/or delinquency consequences.

i. At the first anniversary of delinquency: The board will consider the issue of demand letter. If issued, the cost will be levied against the account and annotated in the ledger as reimbursement to the association for any expenses incurred.

j. At each anniversary of delinquency: The board will consider foreclosure against each delinquent property. The board will weigh the following factors in their considerations (this list is not exclusive):

i. The total account base debt.

ii. The age of the account debt.

iii. The burden on other owners.

iv. Arizona's 6-year statute of limitations for HOAs to enforce a lien, plus any limits on the liens subject to enforcement and collection.

7. Special Arrangement. The board may grant special arrangements for assessment payment as a result of a hearing requested by or on behalf of an owner.

a. The special arrangements can:

i. Establish a special payment schedule,

ii. Waive or suspend all or select consequences to non-payment or insufficient payment, and

iii. Set conditions upon the special arrangement(s), waiver(s), and suspension(s) for their continuation and/or termination.

b. The special arrangement must be:

i. Specific in dates and monetary amounts,

ii. In two original copies, one for the association records and one for the owner, and

iii. Signed and dated (both originals) by the owner(s), the treasurer, and one other board officer.