

An Update from Your Star Valley Estates HOA Board of Directors

We all hope that everyone has stayed safe during the past several weeks and that home schooling for kids at home has gone well. Hopefully, the state-mandated restrictions for self-quarantine may be lifted in the next few weeks.

This short newsletter is to provide an update to the community on several topics that should be of interest to each homeowner.

(Note: The board has been able to conduct business under requirements defined in the association's governing documents, per the *ByLaws, Article VI Meeting of Directors, Section 6.4, Action Taken Without A Meeting (In-Lieu Actions)* **Note: In-lieu actions require an unanimous vote to pass.**) A summary of in-lieu actions are tabularized below:

In-Lieu Vote Summary (8 April 2020)						
Proposal	Pass/Fail	President (Zimmerman)	VP (Law)	Member- at-Large (Moreno)	Treasurer (Pritchard)	Secretary (Nelson)
#1 The SVEHOA Board proposes to redo the Annual Member's election by conducting a mail-in vote. Specific details will be forthcoming in a community-wide letter, approved by the board, prior to the election.	Pass	Yes	Yes	Yes	Yes	Yes
#2 Approval for the board to seek detailed information from its management agent (Platinum) for imposing penalties/collection fines for drive-thru violations, late quarterly assessments, and fees associated when turning over delinquent homeowners to collections.	Pass	Yes	Yes	Yes	Yes	Yes
#3 The Board proposes to suspend community-wide drive-thru inspections.	Fails	No	Yes	Yes	Yes	Yes
#4 The Board proposes to suspend sending any new accounts with delinquent assessments to collections and to cease and freeze applying additional fees on any delinquent accounts still within Platinum's control until further notice.	Pass	Yes	Yes	Yes	Yes	Yes
#5 The Board directs the Secretary to draft -- and coordinate approval through the board -- of a community-wide letter informing homeowners of the board's actions on all proposals. The letter, when finalized and approved, will be forwarded to Platinum and mailed to homeowners. Approval also covers the cost of a community-wide mailing.	Pass	Yes	Yes	Yes	Yes	Yes

Mrs. Zimmerman's term as President ended 30 April 2020. Effective 1 May, Bibiana Law, VP, will serve as the acting President until the board meets again and new roles can be designated for the following year.

Annual Member's Meeting. As a result of guidance issued by the Center for Disease Control and Prevention (CDC) in mid March and the Governor's "*Stay home, Stay healthy, Stay connected*" order, which began on March 31, ordering all Arizonans to limit their time away from their home, and to adhere to specific recommendations outlined above, the board voted to cancel the Annual Member's Meeting which was originally scheduled to be held at the Mt. Zion Lutheran Church on 24 March. Because the voting instructions permitted homeowners to turn-in ballots at the meeting instead of mailing them, and because the meeting was cancelled, some homeowner's ballots were excluded from being counted. In fairness to these homeowners, the board voted to redo the election as a "mail-in" election only. Details of the election will be forthcoming in a new ballot package to be sent to each homeowner **by 18 May**.

Administrative Fees/Penalties for Infractions Against the Association's Governing Documents and for Late (or Non-Payment) of Quarterly Assessments. Note: Due to potential fiscal hardships created by COVID-19, your board voted to suspend forwarding accounts with delinquent assessments to collections and to cease/freeze applying additional fees on delinquent accounts still within Platinum's control, until further notice (after the state stay-at-home quarantine is lifted). However, please be advised that when our community returns to normal operations again, enforcement of the association's governing documents will resume. Homeowners will be notified when full enforcement is resumed. Until then, the board feels that now is a good time to make sure all homeowners are aware of the costs that may result for infractions against our governing documents. These include (repeat) drive-thru infractions, violations of the community's design guidelines, and other areas specified in our governing documents (i.e., ByLaws, Rules & Regulations, and Covenants, Conditions, and Restrictions (CC&Rs)). Penalties and fees are discussed in the sections that follow.

Drive-thru Infractions. During drive-thru inspections, homeowners, who after receiving a 3rd infraction letter for the same offense, are notified by the management agent (via certified mail, at a cost of \$.55 postage + \$.10 envelope + \$6.80 certified letter) that an executive session is being requested between the homeowner and the board to discuss why the delinquency has not been corrected. At the hearing, fines may be decreed by the board, as outlined in the community's Rules and Regulations document, Section VII, Fining Procedures. After the hearing, and in addition to any fine, the homeowner will be provided a summary of the board's decision via certified mail. The cost of notification will be charged to the homeowner.

Infractions Against the Association's Governing Documents. For infractions against the association's governing documents, the homeowner will be notified by certified mail, in accordance with state statute requirements, i.e., Arizona Revised Statutes (ARS), ARS 33-1803. If the violation is not corrected, an executive session will be scheduled between the homeowner and board. During the hearing, fines may be levied, as outlined in the community's governing documents. Afterwards, the homeowner will be provided a summary of the board's decision via certified mail. The cost of notification will be charged to the homeowner.

Late Quarterly Assessments Payments. Accounts become delinquent after the 15th day due. Association quarterly assessments are due the 1st day of each quarter, i.e., 1 January, 1 April, 1 July, and 1 Oct. For homeowners who pay quarterly, notification is typically done approximately 30 days in advance of the start of the next quarter. Many pay semi-annually (\$52) or annually (\$104) to avoid delinquency.

The management agent sends a 1st notice when an account becomes 30 days past due. Charges include a 1% late fee on the assessment (or \$.26 – ref: CC&Rs Section 6.10.1 which states that delinquent assessments shall bear interest at 12% per annum, or 1% of the assessment when it becomes delinquent) plus a \$5 admin fee, making fees owed \$31.26. It is also important to understand that the admin fee, per the management agent's contract, escalates with each subsequent-delinquency notice sent. For accounts that remain delinquent, significant charges can accumulate. For example, a second notice sent 15 days after the first results in an additional \$15 admin/delinquency fee added to the original late charge, making the delinquency total \$46.26. A 3rd notice (demand letter) results in another \$20 delinquency fee, making the delinquency now total \$66.26. A 4th notice (final demand) results in an additional delinquency fee of \$25, plus an additional charge of \$6.80 to cover certified mailing cost; making the delinquency shortfall total \$98.06 into the start of the next quarter. For accounts delinquent into the next quarter, the same late fee structure is applied to any new unpaid assessment. In addition to late charges and fees, a lien may be recorded on the property when an owner becomes delinquent. Typically, liens are prepared for collections through the association's management agent with additional (preparation) fees billed. **Liens must be reviewed/approved by the board.**

Pre-Collection Fees. In addition to the above fees, additional administrative charges may be billed by the management agent when preparing an account for collections. Typically, following the 4th Final Demand letter, the association is notified and asked if it wants to send the delinquent account to collections. If the account is referred to an attorney continued collection of the unpaid balance, a \$50 attorney prep fee is added to the owner's account. It is best to contact Platinum as soon as possible regarding any issues.

Collection Agent Fees. It is probably unnecessary to go into deep detail regarding fees billed by a collection agent. It is a complicated process that is managed by professionals outside of the association. Simply stated, attorney's fees, court costs to obtain a judgment, administrative costs to manage the account, as well as a variety of other fees and costs depending on the case, can accumulate. Overall, charges can easily exceed \$3,000 in addition to the original debit.

This completes a quick update for homeowners during the current pandemic. We look forward to being able to meet again soon, face-to-face. Please be advised that a new mail-in voting package will be prepared and mailed out shortly. Thank you for taking the time to read up to this point.

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SVE HOA Board of Directors