

SANTA ROSA RANCHOS HOMEOWNERS' ASSOCIATION
ASSESSMENT COLLECTION POLICY

Prompt payment of Assessments by all owners is critical to the financial health of the Association, and to the enhancement of the property values of our homes. Your Board of Directors takes very seriously its obligation to enforce the members' obligation to pay assessments. The Board has adopted this Collection Policy in an effort to discharge that obligation in a fair, consistent and effective manner. The following are the Association's assessment collection practices and policies, pursuant to Civil Code ("CC") §1365(d):

1. Regular assessments are due and payable on the first day of each month. It is the owner's responsibility to timely pay each assessment regardless of whether a statement is received.
2. All other assessments, including special assessments, are due and payable on the date specified in the notice of assessment.
3. Assessments, late charges, interest, reasonable collection costs, and reasonable attorneys' fees, if any, are the personal obligation of the owner of the property at the time the assessment or other sums are levied. (CC §1367.1(a).) Owners shall be responsible for all such amounts unless it is determined that all assessments were paid on time to the Association. (CC §§1366(e); 1367.1(a).)
4. Unpaid assessments are delinquent 15 days after they are due. (CC §1366(e).) A late charge of \$10.00 (*not more than \$10.00 or 10%*) will be charged for any assessment which is not paid in full within 30 days of the due date. (CC §1366(e)(2).)
5. Interest on the balance due will accrue at the rate of 12% per annum, commencing thirty (30) days after the assessment becomes due. (CC&R's, VIII 8.1, § CC §1366(e)(3).)
6. Any payments received will be applied first to assessments owed, and, only after the assessments owed are paid in full will the payments be applied to fees and costs of collection, late charges and/or interest. Payments will be applied to assessments so that the oldest assessment arrearages are retired first, unless the payment indicates that it shall be otherwise applied.
7. If any assessment becomes delinquent, the Association may send a notice regarding the delinquency, and demanding payment thereof, to the owner at his/her address on file with the Association. The owner will be charged a fee for such delinquency notice. If the amount set forth in the delinquency notice is not received before the due date set forth therein, the matter may be turned over to a collection agent or an attorney for further action, including legal action, or the Association may take such other collection action as it deems appropriate.
8. Without prejudice to its right to continue with and/or take other collection action, in the event an assessment is not paid within 30 days of its due date, an owner's membership rights, including, but not limited to voting rights, or rights of use and enjoyment of the recreational common areas and common facilities may be suspended after notice and a hearing pursuant to CC §1363(h) and Corporations Code §7341. The Association will not deny an owner or occupant physical access to his or her separate interest by way of any such suspension of privileges. (CC §1361.5)
9. Prior to recording a lien for delinquent assessments, the Association, its collection agent or attorney will send a pre-lien letter to the record owner as required by CC §1367.1(a), by certified and first class mail to the owner's address of record with the Association. The owner will be charged a fee for such pre-lien letter. The Association may obtain a vesting report from a title company in connection with preparation of a pre-lien letter. If a vesting report is obtained, the owner will be charged a fee for the report.
10. An owner may dispute the debt noticed in the pre-lien letter by submitting to the board a written explanation of the reasons for his or her dispute within 15 days of the postmark on the pre-lien letter. If such written explanation is so received, the board will respond, in writing, within 15 days of the postmark on the explanation. (CC §1367.1(c).)
11. Owners may submit a written request to meet with the board to discuss a payment plan. If such request is mailed within 15 days of the postmark of the pre-lien letter, the board will meet with the owner, in executive session, within 45 days of the postmark of such request. (CC §1367.1(c)(2).)
12. A delinquent owner may also request a payment plan to satisfy his or her debt, without first meeting with the board. Payment plans will be considered on a case-by-case basis. Payment plans must provide for payment of the delinquent amounts, in addition to the amounts which will accrue during the repayment period, including any fees and/or costs related to the administration of the payment plan.
13. If an owner to whom a pre-lien letter is sent fails to pay the amounts demanded therein within thirty (30) days from the date such pre-lien letter is mailed, a lien for the amount of any delinquent assessments, late charges, interest and/or costs of collection, including attorneys' fees may be recorded against the owner's property. The owner will be charged a fee for such lien.
14. A copy of the lien will be sent to the owner at his/her address of record via certified mail within ten (10) days of recordation thereof. After the expiration of thirty (30) days following recordation of lien, the lien may be enforced in any manner permitted by law, including judicial or non-judicial foreclosure. (CC §1367.1(d).)
15. If an owner pays all amounts required by CC §1366.3, and meets the requirements of that section, the Association will inform the owner that he/she may resolve the dispute as outlined in CC §1354, civil action, or by other procedures available through the Association.
16. Within 21 days of receipt of full payment to satisfy a lien, the Association will record a release of lien, and provide a copy thereof to the owner. (CC §1367.1(d).)
17. Owners have the right to inspect certain Association records pursuant to Corporations Code §8333 to verify the debt.
18. The mailing address for overnight payment of assessments is:

Guardian Preferred Properties, Inc.
3756 Tibbetts Street
Riverside, CA 92506
19. Nothing herein limits or otherwise affects the Association's right to proceed in any other lawful manner to collect any delinquent sums owed to the Association. The Association reserves the right to change the amount of any collection fee or charge, without notice, and reserves the right to modify or amend this collection policy at any time.