

SANTA RITA RANCH III

RESOLUTION NUMBER 2018-001 OF THE SANTA RITA RANCH III HOMEOWNERS ASSOCIATION BOARD OF DIRECTORS REGARDING ASSESSMENT COLLECTION POLICIES & PROCEDURES

WHEREAS, The Board of Directors (Board) of Santa Rita Ranch III Homeowners Association, Inc. (Association) is charged with the responsibility for collecting all assessments from the members in a fair and uniform manner; and,

WHEREAS, the Declaration of Covenants, Conditions and Restrictions of this Association directs this responsibility to the Board for such collection; and,

WHEREAS, the Association has contracted with a professional community association management company to provide management service and supervision over certain contract services to the Association;

NOW THEREFORE IT IS RESOLVED, that the Board of Directors has elected to authorize its managing agent to carry out the following policy with respect to all delinquent accounts, reserving to itself the right to modify or intervene in certain cases, as the Board may see fit.

Santa Rita Ranch III Homeowners Association Assessment Collection Policy

1. **Due Dates**: Annual Assessments are billed on a quarterly basis and are due and payable on the first day of each month in which the assessment is due ("Due Date"). The current Due Dates are January 1, April 1, July 1 and October 1, of each year. Special Assessments, Additional Assessments, and all other charges are due on the dates specified.

This Assessment Collection Policy affixes a delinquency date 15 days after each of the above stated Due Dates ("Delinquency Date"). Assessments shall be deemed delinquent if not paid in full by the Delinquency Date.

2. **Late Notice**: All Owners whose payments have not been received by the Association by the close of business on the Delinquency Date, shall be assessed interest from the date due at a rate equal to the greater of: (1) ten percent (10%) per annum or (2) the annual rate of interest, if any, then in effect for new first priority single family residential mortgage loans guaranteed by the FHA/VA and a late fee in the amount of \$15.00, or as may change from time to time in the Exhibit A of the Management Contract. The member will be sent a late notice by mail and all fees associated with this letter will be charged to the Owner's account.
3. **Late Letter**: No sooner than thirty (30) days after the Due Date, the Association may send a Letter to the Owner with the amount of the delinquent assessment owed to the Association. Failure to cure may result in the acceleration of the balance of Assessments

for the fiscal year and the filing for and foreclosure of the lien for the Assessments against the Owner. The initial Late Letter will be sent via first class mail and a fee in the amount of \$23.50, or as may change from time to time in the Exhibit A of the Management Contract, will be charged to the Owner's account.

4. Demand Lien Letter: No sooner than forty-five (45) days beyond the Due Date, the Association may send a demand letter (referred to as the "Demand-Lien Letter") to the Owner making formal demand for immediate payment for all outstanding amounts. The Demand Lien Letter will be sent via regular and certified mail, return receipt requested. A fee in the amount of \$95.00, or as may change from time to time in the Exhibit A of the Management Contract, will be charged to the Owner's account.
5. Notice of Lien: Approximately sixty (60) days after the Due Date, if an Owner fails to pay in full the entire amount covered by a Demand-Lien Letter by the date specified, The Association may cause to be prepared and recorded with the County Clerk and Recorder a written Notice of Lien. Management may make an attempt to contact the owner of record by phone or email according to the management database if such information has been provided to management. The Owner's account will be charged a fee in the amount of \$175.00, or as may change from time to time in the Exhibit A of the Management Contract, and all applicable filing fees.
6. COURT ACTION DEMAND LETTER: A copy of the Notice and Claim of Lien may be sent to the Owner together with an additional demand for payment in full of all amounts outstanding within fifteen (15) days of the date of the transmittal to the Owner of the Notice of Lien, informing them that if payment is not received within fifteen (15) days, legal action may be filed against them in a court of competent jurisdiction. The letter and Notice of Lien will be sent both regular and certified mail. All fees associated with the preparation and filing will be charged to the Owners account at a rate of \$75.00, or as may change from time to time in the Exhibit A of the Management Contract.
7. Further collection efforts to secure Assessments on those accounts which have not resolved the delinquency at the conclusion of (120) days will be directed to legal counsel. The Board may pursue any actions or remedies, including, but not limited to, actions for personal judgment, foreclosure or receivership, to collect amounts owed in any order or contemporaneously, and cumulatively.
8. Release of Lien: When all amounts claimed under the Notice of Lien, and all other costs and Assessments which have accrued subsequent to the Recording of the Notice of Lien, have been fully paid, the Association shall execute and record a notice releasing the lien upon payment by the Owner of a reasonable fee as fixed by the Board of Directors of the Association to cover the cost of preparing and recording the release of lien.
9. Return Check Charges. A fee as stipulated in Exhibit A of the Management Contract shall be assessed against an Owner in the event any check or other instrument attributable to or payable for the benefit of such Owner is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to, insufficient funds.

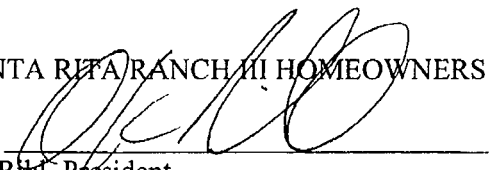
Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law. If two or more of an Owner's checks are returned unpaid by the bank within any twelve month period, the Association may require that all of the Owner's future payments, for a period of one year, be made by certified check or money order.

10. Attorney Fees on Delinquent Accounts. The Association shall be entitled to recover its reasonable attorney fees and collection costs incurred in the collection of assessments or other charges due the Association from a delinquent Owner.
11. Waivers. Nothing in this Policy shall require the Association to take specific actions other than to notify homeowners of the adoption of these policies and procedures. The Association has the option and right to continue to evaluate each delinquency on a case by case basis. The Association may grant a waiver of any provision herein upon petition in writing by an Owner showing a personal hardship. Such relief granted to an Owner shall be appropriately documented in the files with the name of the person or persons representing the Association granting the relief and the conditions of the relief. In addition, the Association is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Association may determine appropriate for the specific circumstances associated with the collection of assessments and associated fees.
12. Personal Obligation. The Association's failure to apply the Assessment Collection Policies & Procedures does not negate the Owner's Personal Obligation to pay assessments, associated interest, late charges, or reasonable fees associated to the collection of Assessments nor does it negate the ability to send the Notice of Lien.

IT IS FURTHER RESOLVED THAT this Assessment Collection Policy is effective upon adoption hereof, to remain in force and effect until revoked, modified, or amended.

IN WITNESS WHEREOF, the said Board of Directors has caused this Resolution and Policy to be signed by its Board of Directors, this 30th day of May, 2018, and direct its distribution to all homeowners.

SANTA RITA RANCH III HOMEOWNERS ASSOCIATION

By: 
OK Rini, President