

# **GRAEAGLE MEADOWS HOMEOWNERS ASSOCIATION**

## **Delinquent Assessment Collection Policy (As Amended 7/11/09)**

This policy statement is furnished to all members in accordance with Article 9, section 1 of the Bylaws of Graeagle Meadows Homeowners Association (GMHOA) and Civil Code section 1367.1

Timely payment of regular and special assessments is of critical importance to GMHOA. Although most owners consistently pay their assessments on time, the failure of any owner to pay assessments when due creates a cash flow problem for GMHOA and causes those owners who make timely payment of the assessments to bear a disproportionate share of GMHOA's financial obligations. To encourage the prompt collection of regular and special assessments, the Board of Directors has enacted the following policies and procedures with respect to the collection of delinquent assessments.

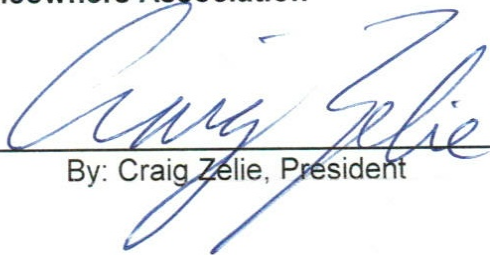
1. Regular assessments are due in advance, on the first day of January, April, July and October of each calendar year and become delinquent if not received, in full, by GMHOA within fifteen (15) days after the due date thereof. Special assessments are due on the date(s) specified upon imposition and each installment thereof shall become delinquent if not received by GMHOA within fifteen (15) days after it is due. A demand letter may be sent to any delinquent property owner(s) at that time. A late charge of \$10.00 or 10% of the delinquent assessment, whichever is greater, shall be due on each delinquent assessment.
2. Interest shall be due on all such amounts, once due and unpaid for thirty (30) days, at the rate of twelve percent (12%) per annum. GMHOA has the right to collect reasonable attorneys' fees and other costs of collection, and its policy is to do so.
3. If any portion of any such assessment or late charge remains unpaid thirty (30) days after the original due date thereof, it is GMHOA's policy to start the process of recording a lien or taking other collection action as allowed by law. So long as their action is authorized or ratified by the Board, any Board member, a principal in any management company retained by the Association, or legal counsel for the Association, may execute and record all Preliminary Lien Notices, the Notice of Delinquent Assessment itself, and any lien modification or release documents.
4. The specific procedures that must be followed by GMHOA in recording a lien or taking other collection action are now governed by provisions of California law that supercede some of the provisions of the GMHOA Governing Documents. See, for example, Cal. Civil Code sections 1365.1, 1366, 1367, 1367.1 and 1367.4. The procedures to be followed in recording and enforcing a delinquent assessment lien, or taking other collection action, will be consistent with the separate GMHOA Notice re Assessments and Foreclosure [As Amended 6/15/09]. Members should refer to that Notice for specific procedures and their rights in assessment collection actions. Members should also see the separate GMHOA Notice re Dispute Resolution Procedures (IDR/ADR) for specific information on their dispute resolution rights in delinquent assessment collection actions.
5. No formal policy regarding payment plan standards has been adopted by the Board. The Board will consider payment plan proposals on a case-by-case basis.

Any payment plan agreed to must comply with the provisions of Civil Code section 1367.1(c)(3).

6. When a unit is being sold, it is the unit owner's (seller's) responsibility to assure that dues are paid within the time limits described in this policy, which are not dependent upon the timing of the close of escrow. Any such dues not paid by the due date are subject to late charges and/or interest as above.
7. All payments received by GMHOA will be first applied to the oldest unpaid regular and special assessments until all such assessments are paid, next to late charges and interest accrued, and then to costs of collection, unless otherwise specified by written agreement.
8. GMHOA shall charge a returned check fee of twenty-five dollars (\$25.00) for all checks returned or dishonored for any reason.
9. All aforementioned notices will be mailed to the record owner(s) by first class and/or certified mail as required by law, at the last mailing address, and any second address provided in writing to GMHOA by such owner(s). It is the owners' responsibility to notify GMHOA, in writing, of any change of mailing address within ten (10) days of such change. If an owner does not furnish proper notice of change of address to GMHOA, then notice to the last known address, and any second address, shall constitute valid and proper notice.
10. This policy statement was duly adopted by action of the Board of Directors of GMHOA and is effective as of July 11, 2009.

**Board of Directors, Graeagle Meadows Homeowners Association**

Dated: 11/24/09

  
By: Craig Zelic, President