

CARMEL MOUNTAIN RANCH RESIDENTIAL COMMUNITY ASSOCIATION ASSESSMENT COLLECTION POLICY

Carmel Mountain Ranch Residential Community Association ("Association") is responsible for managing and operating the common areas of the community, and for collecting owners' assessments. The timely collection of assessments from all owners is important to the management and operation of the community, and to the preservation of property values. Pursuant to California Civil Code Section 5310(a)(7), the Association has adopted the following policy for collecting delinquent assessments.

1. Regular assessments shall be paid monthly. Each regular assessment is due on the first (1st) day of the month. Any regular assessment not paid by the thirtieth (30th) of the month shall be delinquent. Any special assessment levied shall be delinquent if not paid thirty (30) days after the date due. An assessment is considered paid the day the payment is received by the Association or its designated agent. Postmarks are not considered.

2. A late charge of ten dollars (\$10.00) or ten percent (10%) of the amount of the assessment, whichever is greater, may be assessed when an assessment is delinquent. Any assessment not paid by the thirtieth (30th) day after it is due may accrue interest at a rate of up to twelve percent (12%) per annum. Interest may also accrue on late charges and costs of collection. To simplify monthly accounting, the Association may choose not to compute interest on small delinquencies. However, in such a case, if the Association takes action against an owner to collect delinquent assessments, the Association may compute, to the fullest extent permitted by law and the Association's governing documents, the interest due from the date of the first delinquency and will add that interest to the delinquent owner's balance.

3. Post-dated checks will not be accepted. The mailing address for overnight payment of assessments is c/o Walters Management, 9665 Chesapeake Drive, Suite 300, San Diego, CA 92123-1364. Owners have the right to submit secondary addresses to the Association for purposes of collection notices. Upon receipt of a written request by an owner identifying a secondary address for purposes of collection notices, the Association shall send additional copies of any notices required by Civil Code Sections 5660(a)-(f), 5675 and 5710(b) to the secondary address provided. The owner's request shall be in writing and shall be mailed to the Association in a manner that shall indicate the Association has received it. The owner may identify or change a secondary address at any time, provided that, if a secondary address is identified or changed during the collection process, the Association shall only be required to send notices to the indicated secondary address from the point the Association receives the request.

4. Upon any assessment becoming delinquent, the Association or its designated agent will mail a notice pursuant to California Civil Code Sections 5660(a)-(f), 5675, and 5710(b) to the owner to pay the account in full or a lien will be recorded against the owner's property. Should the owner fail to bring the account current pursuant to the Association's demand, the Association will cause a lien to be recorded against the owner's property.

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5. Within ten (10) days after a lien is recorded for a delinquent assessment account, the Association or its designated agent will mail a copy of the lien to all record owners of the property as set forth in California Civil Code Section 5675(c).

6. If an assessment account remains delinquent following recordation of a lien, the Association or its designated agent will diligently proceed with foreclosure pursuant to California Civil Code Sections 5705, 5710, 5715 and 5720. Once foreclosure is commenced, no partial payments will be accepted on an assessment account. In lieu of foreclosure, or concurrently, a lawsuit may be filed against the owner personally if the Association concludes such action will enhance the prospect of recovering the delinquent assessments, or will otherwise be in the best interests of the Association.

7. All collection action will comply with the applicable provisions of the Davis-Stirling Common Interest Development Act, California Civil Code Section 4000, et seq.

8. All attorneys' fees, costs, late charges, interest, penalties, fines, charges and expenses billed to the Association for any of the above activities shall be added to the owner's account and shall become the liability of the owner.

9. The Association may, prior to recording a lien or filing a lawsuit, declare the entire annual assessment for the delinquent property immediately due and payable if the Association concludes such action will enhance the prospect of recovering the delinquent assessments, or will otherwise be in the best interests of the Association.

10. As provided in Article IV, Section 4.06 of the Declaration of Covenants, Conditions and Restrictions, the Board may suspend the membership rights of an owner, including the right to vote until the owner pays the entire delinquency. The Association may implement a suspension following notice to the owner and an opportunity for a hearing which satisfies the minimum requirements of California Corporations Code Section 7341.

11. Monetary payments received from an owner will be credited to balances on the owner's account in the following order:

- (a) Reimbursement assessments
- (b) Special assessments
- (c) Regular assessments
- (d) Late charges
- (e) Legal fees and costs
- (f) Interest

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(g) Monetary penalties or fines

12. The Association has selected Epsten Grinnell & Howell, APC as its legal counsel for all matters concerning the collection of delinquent accounts, and has further selected Nationwide Reconveyance, LLC as its trustee for the purposes of foreclosing and selling any property which is subject to a delinquent assessment lien.

13. A copy of this collection policy shall be sent annually to all owners within the thirty (30) to ninety (90) day period immediately preceding the beginning of the Association's fiscal year pursuant to California Civil Code Section 5310(a)(7).

14. In general, the Association's Board intends to take whatever actions are authorized by law and the Association's governing documents to collect assessments. If the Board elects to use practices, procedures or notices which exceed those required by law or under the governing documents, it does so without waiving the Association's right to exercise collection remedies to the fullest extent permissible. Any additional notices or time periods the Association might use are extended solely as a courtesy. No owner shall be entitled to expect longer time limits or notices other than those which are required by law or the governing documents. Billing statements are a courtesy. Owners are responsible for making payments on time, whether or not a statement is received.

15. The Board of Directors adopted this collection policy at its open meeting on JANUARY 8TH, 2018. This collection policy is effective FEBRUARY 1ST, 2018.

**CARMEL MOUNTAIN RANCH
RESIDENTIAL COMMUNITY ASSOCIATION**



OTTO STEINBUSCH

Secretary

DATED: 01-08-2019