

MEADOWMONT PROPERTY OWNERS' ASSOCIATION
MEMBERS ASSESSMENT COLLECTION POLICY
(rev: 12/13/14)

This document sets forth the Meadowmont Property Owners' Association's policy regarding the collection of Assessments pursuant to the "Meadowmont Property Owners' Association Conditions, Covenants & Restrictions", the "First Restated Bylaws of Meadowmont Property Owners' Association" and California Civil Code Section 4340 et seq.

1. **Assessments in General.** The Association has a duty to levy regular and special Assessments sufficient to perform its obligations under the governing documents and California law. Regular Assessments are levied annually.

2. **Obligation to Pay Assessments.** Each Assessment or charge is an obligation of the Owner at the time the Assessment or other sums are levied. Each Assessment or charge is also a lien on the Owner's Property from and after the time the Association causes a Notice of Delinquent Assessment (pursuant to California Civil Code Section 5660) to be recorded with the Calaveras County Recorder's Office.

3. **Notice of Assessments.** Not less than thirty (30) days nor more than sixty (60) days before any increase in the annual Assessment or any special Assessment become due, the Association will give the Owners notice of the Assessment. Notice will be sent by first-class mail to the address on the membership register as of the date of notice. The Board of Directors may elect from time to time to provide additional periodic statements of Assessments and charges, but lack of such statements does not relieve the Owners of the obligation to pay Assessments.

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4. **Designation of Agent.** The Board of Directors may designate an agent or agents to collect Assessment payments and administer this Assessment Collection Policy. Such designated agent may be an officer of the Association, manager, banking institution, law firm or other appropriate agent.

5. **Due Date/Delinquency Date of Assessments.** Regular annual Assessments are due on July 1st of each year. A regular annual Assessment or any portion thereof, is delinquent if it has not been post marked before August 1st of the year in which the Assessment is levied. A special Assessment, or any portion thereof, is delinquent if it has not been received as directed by the Board thirty (30) days after the special Assessment is due.

6. **Interest Charges.** The unpaid balance of an Assessment account shall be subject to interest at a rate not to exceed 12 percent per annum (1% monthly), commencing 30 days after the Assessment becomes due. A special Assessment shall bear interest beginning on the 30th day after which such Assessment is due.

7. **Interest and Collection Charges:** Any costs and fees incurred in processing and collecting delinquent amounts, including, without limitation, late fees and interest charges, charges for preparation of delinquency notices or referral for collection, postage and copies, and attorneys' fees and costs, shall become an additional charge against the Owner and the Owner's Property shall be subject to collection action pursuant to this policy.

8. **Application of Payments.** Payments shall be applied first to principal owed, then to interest, fees and collection charges.

9. **Initial Delinquency Notice.** Once an Assessment, or any portion thereof, has become delinquent, the Owner shall receive an initial delinquency notice stating all amounts past due and any known collection charges imposed as of the date of the notice, which may be in the form of a letter, monthly statement,

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past due notice, or any other form of writing or notice from the Association or its designated agent.

10. Notice of Intent to Record a Lien. If an Assessment account remains unpaid for one year after it is due, the Association or its designated agent, may without further notice to the Owner, refer the account for collection. Following referral, and in accordance with California Civil Code Section 5660, the Association's agent for collection shall notify the Owner by certified mail that a lien will be recorded against the Owner's Property unless the entire balance of the account is paid within thirty (30) days and shall provide an itemized statement of the charges owed as of the date of the notice, including the costs of the Notice of Intent to Lien. The agent for collection may require that payment be made in certified funds.

11. Recording of Lien. A lien may be recorded if, within the time period allowed for the Owner to pay the entire balance of the account, the Owner fails to pay such balance.

12. Foreclosure. Subject to the limitations of California Civil Code Section 5710 and Section 5720, foreclosure proceedings may commence thirty-one (31) days after recording the lien on the Property if either the entire balance of the account has not been paid or a payment agreement has not been entered into with the Association.

13. Payment Agreement. Unless required by law, neither the Association nor its designated agent has any obligation to accept partial payments on an Assessment account. An Owner may petition the Board of Directors in writing for a payment agreement to allow the Owner to make periodic payments on the entire balance of the Assessment account, in addition to the ongoing Assessment payments, in amounts and on a payment schedule agreed to be the Board of Directors. The Association has no obligation to enter into such a

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payment agreement. Any agreement entered into with the Owner shall be reasonable, as determined by the Board in its sole discretion and for the sole purpose of assuring that the best interests of the Association are served. The payment agreement shall be in writing and a provision shall be included that failure to meet any term of the agreement shall give the Board the right to immediately continue the collection process without further notice to the Owner.

14. Recording of Release of Lien. A Release of Lien will not be recorded until the entire balance of the Owner's account is paid. All charges incurred in recording a Release of Lien, including reasonable attorneys' fees, will be charged to the account.

15. Dishonored Checks. At any time that the Association or its designated agent receives a check dishonored by the bank for any reason, a charge of \$25.00 shall be imposed. The Board of Directors may immediately proceed with the collection process if the Assessments are not paid within ten (10) days after notice of the dishonored check is sent to the Owner. The Association may also seek damages in accordance with California Civil Code section 1719.

16. Dispute of Charges. If the Owner questions the accuracy of the calculation of an account or the amount charged to the Assessment account, a written objection to the specific charges must be made to the Board of Directors within thirty (30) days of the date a "Notice of Lien" is sent to the Owner of the charge or balance. A telephone call will not reserve any rights. The disputed amount may remain unpaid during the investigation, but undisputed portions of the account must be paid before the delinquency date in order to avoid collection charges. No action will be taken to collect the disputed amounts until completion of the investigation and a decision is made by the Board of Directors, unless the Board determines the Owner is acting in bad faith and

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takes action under paragraph 17 of this Policy. The Owner must provide the following information in writing regarding any dispute:

- a. The Owner's name, mailing address, Property address and account number;
- b. The exact dollar amount in dispute or in error;
- c. For each charge or payment in dispute, an explanation of the reasons the Owner believes there is an error, with sufficient detail such as dates, names and check numbers, so that the dispute may be investigated efficiently and effectively. If the Owner does not know how the error was made, that statement may be made, but the dates and check numbers, etc., must be given;
- d. Copies of checks, letters or other documents referred to or claimed must accompany the written objection.

17. Failure of Owner to Cooperate. If at any time during the Board of Director's attempts to work with the Owner to collect Assessments, the Board believes that the Owner is refusing to make a good faith effort to meet his or her Assessment obligations to the Association, the Board may, in its duty to protect the interests of the Association and in addition to collecting the delinquent Assessments pursuant to this Policy, choose to impose non-monetary sanctions against the Owner after notice and an opportunity for the Owner to attend a hearing on the matter. The process commenced may include suspension of membership rights, including the right to use recreational facilities, as allowed by California law and the Association's governing documents.

18. Other Remedies. The Association reserves the right to avail itself of any other remedies permitted by law and the Association's governing documents to collect Assessments and related costs and charges, including, but not limited to bringing an action in Small Claims, Municipal or Superior Court. Such remedies may be taken in addition to or in lieu of any action already taken, and

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commencement of one remedy shall not prevent the Association from electing at a later date to pursue another remedy.

19. Address of the Association and the Board of Directors. Owners should respond in writing or make payments to the address as directed by the designated agent. If no address is given, responses and petitions should be mailed to the Association at the following address:

Meadowmont Property Owners' Association
Board of Directors
P.O. Box 213
Arnold, Ca 95223

20. Sufficiency of Notice. Except for notice that under California law must be sent by certified mail, notice is sufficient if either hand delivered or mailed first class, postage prepaid, to the Owner at the address on the membership register at the time of notice.

21. Void Provisions. If any provision of this Policy is determined to be null and void, all other provisions of the Policy shall remain in full force and effect.

ADOPTED BY RESOLUTION, DATED 12/9/14 OF THE BOARD OF DIRECTORS:

Date: _____

Signed: _____
Richard J. Brockett, MPOA Secretary/Treasurer

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