

## Sandside Villas HOA Collection Policy

### Adopted on 29 April 2010

Prompt payment of assessments by all owners is critical to the financial health of the association and to the enhancement of our property values. Your board of directors is responsible under the Declaration of Covenants, Conditions and Restrictions (CC&R's) and the California Civil Code for enforcing the members' obligation to pay assessments. Therefore, pursuant to the CC&R's and Civil Code, the association's assessment practices and policies are outlined as follows. These policies and practices shall remain in effect until such time as they may be changed, modified, or amended by a duly adopted resolution of the board:

1. Assessments, late charges, interest and collection costs, including any attorneys' fees, are the personal obligation of the owner of the property at the time the assessment or other sums are levied.
2. Regular monthly assessments are due and payable on the first day of each month. All other assessments, including special assessments, are due and payable on the date specified by the board on the Notice of Assessment, which date will not be less than thirty (30) days after the date of notice of the special assessment.
3. Any payments made shall be first applied to assessments owed, and only after the assessments owed are paid in full, shall such payments be applied to late charges, interest, and collection expenses, including attorneys' fees, unless the owner and the association enter into an agreement providing for payments to be applied in a different manner.
4. Assessments not received within fifteen (15) days of the stated due date are delinquent and shall be subject to a late charge of ten dollars (\$10.00) for each delinquent assessment per unit as provided by Motion #3 adopted by the board of directors on Oct 6, 1990.
5. An interest charge at the rate of 7% per annum will be assessed against any outstanding balance, including delinquent assessments, late charges, and cost of collection, which may include attorneys' fees as provided in Article IV of the CC&Rs. Such interest charges shall accrue thirty (30) days after the assessment becomes due and shall continue to be assessed each month until the account is brought current.
6. If a special assessment is payable in installments and an installment payment of that special assessment is delinquent for more than sixty (60) days, all installments will be accelerated and the entire unpaid balance of the special assessment shall become immediately due and payable. The remaining balance shall be subject to a late charge and interest as provided above.
7. If an assessment is not received within sixty (60) days after the assessment becomes delinquent, the association or its designee, in the event the account is turned over to a collection agent, will send a pre-lien letter to the owner as required by Civil Code, by certified and first class mail, to the owner's mailing

address of record advising of the delinquent status of the account and impending collection action. The owner will be charged a fee for the pre-lien letter.

8. If an owner fails to pay the amounts set forth in the pre-lien letter within thirty (30) days of the date of that letter, the Association will authorize the service for collection to record a lien for the amount of any delinquent assessments, late charges, interest and/or costs of collection, including attorneys' fees against the owner's property. The owner will be charged for the fees and costs of preparing and recording the lien. Thirty (30) days following recordation of the lien, the lien may be enforced in any manner permitted by law, including, without limitation, judicial or non-judicial foreclosure.
9. Prior to the release of any lien, or dismissal of any legal action, all assessments, late charges, interest, and costs of collection, including attorneys' fees, must be paid in full to the association.
10. The mailing address for payments of assessments by overnight delivery is

Sandside Villas HOA  
c/o Inland Pacific Management, LLC  
PO Box 2109  
Manhattan Beach, CA 90267

Should an account be referred to a collection service, the collection service will provide the new address for overnight payments.