

**LOS RANCHITOS HOMEOWNERS ASSOCIATION
COMMERCIAL DELINQUENT ASSESSMENT COLLECTION POLICY**

1. Regular yearly assessments will be billed on or before the first day of each fiscal year. Assessments are due and payable on an annual basis in one installment on the first of each fiscal year.
2. Unpaid assessments are delinquent fifteen (15) days after they are due. (Civil Code Section 1366(e).
3. A late charge of ten percent (10%) will be charged for any assessment which is not paid on or before the thirtieth (30th) day of the month. (Civil Code Section 1366(e)(2).)
4. Interest on the balance due will accrue at the rate of twelve percent (12%) per annum commencing thirty (30) days after the assessment becomes due pursuant to Civil Code Section 1366(e)(3).
5. Prior to recording a lien, the Association or its attorney will send a pre-lien letter to the owner as required by Civil Code Section 1367(a) by certified and first-class mail to the owner's address of record. If the owner fails to pay the amounts set forth in the pre-lien letter when required by that letter, a lien for the amount of any delinquent assessments, late charges, interest, and/or costs of collection, including attorneys' fees, may be recorded against the owner's property. A copy of the lien will be sent to the owner at his/her address of record via certified mail within ten (10) days of recordation thereof. After the expiration of thirty (30) days following recordation of the lien, the lien may be enforced in any manner permitted by law, including judicial or non-judicial foreclosure. (Civil Code Section 1367(e).)
6. If an owner pays all amounts required by Civil Code section 1366, in dispute, and meets the requirements of that section, the Association will inform the owner that he/she may resolve the dispute as outlined in Civil Code Section 1367.6, by civil action or by other procedures available through the Association.
7. If the balance is not paid upon demand, the matter may be turned over to an attorney for legal action, including lien foreclosure and/or a money judgment, or to a collection service for further action including, but not limited to, non-judicial foreclosure of the lien.
8. The delinquent owner will be responsible for all reasonable costs of collection, including attorneys' fees incurred by the Association to collect any delinquent sums. (Civil Code Section 1354 & 1366(e)(3).
9. Any partial payments received on a delinquent account may be applied to the oldest outstanding balance on the account. This may result in a late charge being assessed.
10. Nothing herein limits or otherwise affects the Association's right to proceed in any other lawful manner to collect any delinquent sums owed to the Association.

Adopted by the Board of Directors at its meeting held on November 2, 2017.