

Stoneridge Place at Pleasanton Homeowners Association Assessment Collection Policy

Article 1

Introduction

Section 1.01 Purpose

The purpose of this Assessment Collection Policy is to establish procedures to facilitate the collection of Assessment amounts due by an Owner to the Stoneridge Place at Pleasanton Homeowners Association. This Policy is intended to enforce compliance of the Members of the Association with the Governing Documents, in addition to giving the Members knowledge of procedures that are applied uniformly. This Policy is subject to the Declaration of Restrictions (CC&R's) recorded on November 24, 1997, as Recorder's Serial No.97-310526, Official Record of Alameda County. All capitalized terms used in this Policy are terms defined either in the CC&R's, Bylaws, or elsewhere in the Governing Documents.

Section 1.02 Fiduciary Responsibility of Board of Directors

It is the fiduciary responsibility of the Board of Directors to collect all assessments for the maintenance and replacement of common area property and other association expenses in a timely fashion. The Association is entitled to recover assessments, reasonable collection costs, reasonable attorney's fees, late fees and interest. The Association will not use non-judicial foreclosure to collect fines or penalties but other remedies are available to collect these and any sums not suitable for collection by non-judicial foreclosure. The association shall comply with requirements of their CC&R's and the California Civil Code when collecting delinquent assessments. If an error is made that requires termination of any collection proceeding or beginning a collection process over, the Association shall bear the costs; otherwise, the owner is responsible for all costs as identified above.

Section 1.03 Date of Adoption

The Board of Directors of the Stoneridge Place at Pleasanton Homeowners Association adopted articles 1 - 6, inclusive, of this Policy on November 14, 2002. This document is updated annually to include applicable California Civil Code amendments as dictated by prevailing law.

Article 2

Definitions

Section 2.01 Application of Definitions

Unless the context otherwise requires, the terms defined in this Article shall have the meanings as defined. Any term or phrase not defined in this Article, but shown in

quotations, within parentheses, in another provision of these Rules, shall have the meaning set forth as if it were defined in this Article. The capitalization of the first letter of any term, other than proper names used in this document, indicates that such term is defined in this policy.

Section 2.02 Annual Assessment

"Annual Assessment" shall mean a charge against the Owners and their Lots representing their share of the Common Expenses. The Annual Assessment is a regular Assessment as described in California Civil Code Section 1366.

Section 2.03 Assessments

"Assessment" shall mean any Annual Assessment, Capital Improvement Assessment, Reconstruction Assessment, Penalty Assessment, Reimbursement Assessment and Special Assessment.

Section 2.04 Association

"Association" shall mean STONERIDGE PLACE AT PLEASANTON HOMEOWNERS ASSOCIATION, a California nonprofit corporation (formed pursuant to the California Nonprofit Mutual Benefit Corporation Law), and its successors. The Association is an "Association" as defined in Section 1351 (a) of the California Civil Code.

Section 2.05 Association Management Documents

"Association Management Documents" shall mean the Articles, Bylaws, Declaration, Supplementary Declaration, Rules, Guidelines and Policies, as may be adopted by the Board of Directors, and any amendments to any of the foregoing.

Section 2.06 Board

"Board" shall mean the Board of Directors of the Association.

Section 2.07 Capital Improvement Assessment

"Capital Improvement Assessment" shall mean a charge against the Owners and their Lots representing their share of the Association's cost for installing or constructing capital Improvements on the Common Area. Capital Improvement Assessments shall be levied in the same proportion as Annual Assessments.

Section 2.08 Declaration

"Declaration" shall mean the Declaration of Covenants, Conditions and Restrictions and Reservation of Easements for Stoneridge Place at Pleasanton recorded on November 24, 1997 as Recorder's Serial No. 97-310526 in the office of the recorder of the County of Alameda, State of California.

Section 2.09 Owner

"Owner" shall mean the Person or Persons, including Declarant, holding fee simple interest to a Lot. Each Owner has a Membership in the Association. The term "Owner" includes sellers under executory contracts of sale but excludes Mortgagees. The term "Owner" may be expanded in a Supplemental Declaration to include other Persons.

Section 2.10 PCMI

"PCMI" shall mean Premier Community Management, Inc., the professional managing agent responsible for the day-to-day operations of the Association.

Section 2.11 Penalty Assessment

"Penalty Assessment" shall mean a charge levied against an Owner as a monetary penalty as a disciplinary measure for failure of such Owner to comply with the provisions of the Association Management Documents or bringing such Owner and his Separate Interest into compliance with the provisions of the Association Management Documents.

Section 2.12 Reconstruction Assessment

"Reconstruction Assessment" shall mean a charge against the Owners and their Lots representing their share of the Association's cost to reconstruct any Improvements on the Common Property. Such charge shall be levied among all Owners and their Lots in the same proportions as Annual Assessments. Reconstruction Assessments are "special Assessments" as described in California Civil Code Section 1366.

Section 2.13 Reimbursement Assessment

"Reimbursement Assessment" shall mean a charge levied against an Owner as a means of reimbursing the Association for costs incurred by the Association in the repair of damage for which the Owner was allegedly responsible to Common Area, the Maintenance' of which is being performed by the Association pursuant to the provisions of this Declaration.

Section 2.14 Special Assessment

"Special Assessment" shall mean a charge against an Owner and his Lot representing a reasonable fine or penalty, including reimbursement costs, as provided for in CC&R's.

Section 2.15 Separate Interest

"Separate Interest" shall mean, as such term is defined in Section 1351(1) of the California Civil Code, the separately owned Lot.

Article 3

Payment Processing Information

Section 3.01 Payee

1. Assessment Payment is to be issued to:
Stoneridge Place at Pleasanton Homeowners Association

Section 3.02 Direct Payment Delivery

1. The Association utilizes a direct payment option through the Union Bank of California for processing of Assessment payments.

2. Payment of Assessments due is to be directed to:

Premier Community Management Remittance Processing
P.O. Box 45462
San Francisco, CA 94145-0462

Section 3.03 Automatic Preauthorized Payment Option

1. Automatic preauthorized payment option is available through the Association's banking institution, Union Bank of California.
2. Owners desiring to establish this type of payment option are to remit an "Authorization Agreement for Preauthorized Payments" to Union Bank of California.
3. Any questions regarding this available service or requests to obtain a copy of the required remittance form are to be directed to Union Bank of California (800) 927-6000.

Section 3.04 Overnight Payment Delivery

- I. Overnight payment of Assessments due is to be directed to:

Stoneridge Place at Pleasanton Homeowners Association
C/O Premier Community Management, Inc.
5250 Claremont Avenue, Suite 124
Stockton, CA 95207

Section 3.05 Secondary Address Provision

1. An Owner may request that all notices and correspondence be provided to a secondary address in which case the Association must provide the information to both the primary and the secondary address.

Article 4

Collection Procedures

Section 4.01 Agreement to Pay

- I. Subject to limitations contained in the Association Management Documents, the Association, through its Board, shall fix, establish and collect from time to time Assessments sufficient to perform its obligations under the Association Management Documents.
2. Each Owner is deemed to covenant and agree to pay such Assessments to the Association.

Section 4.02 Assessment Allocation

- I. Assessments levied by the Board shall be allocated to the Owners as follows:
 - a. *All Owners within Covered Property.* Assessments for the purposes indicated below shall be levied against Affected Owners and their Separate Interests at an equal amount for each such Separate Interest.

- i. Capital Improvement Assessments to cover the cost of any installation, construction or replacement of a described Capital Improvement within Common Area;
- ii. Reconstruction Assessments to cover the amount by which the cost of the repair, replacement or reconstruction of damaged or destroyed Insured Improvements exceeds the amount of insurance proceeds and the deductible that is available to the Association for such purpose;
- iii. Regular Assessments to cover the Common Expenses; and
- iv. Special Assessments to cover the cost of any act or undertaking of the Association which in the judgment of the Board is for the benefit of all Affected Owners and/or the Separate Interests of such Affected Owners within the Covered Property.

Section 4.03 Other Assessments

- 1. Assessments for other purposes shall be levied as follows:
 - a. **Penalty Assessments.** A Penalty Assessment may be levied against an individual Owner as a disciplinary measure for failure of such Owner to comply with the provisions of the Association Management Documents;
 - b. **Reimbursement Assessments.** Reimbursement Assessments may be levied against an individual Owner at the amount necessary to reimburse the Association for costs incurred by the Association in performing any repair, restoration, reconstruction and maintenance of damage for which such Owner was allegedly responsible; and
 - c. **Special Assessments for Materials or Services.** A Special Assessment may be levied against any Owner who contracts with the Association or accepts materials or services provided by the Association, in the amount necessary to reimburse the Association for the costs incurred in providing such materials and services.
 - d. **Processing Fee Assessments.** A Processing Fee Assessment may be levied against any Owner at the amount necessary to reimburse the Association for costs incurred by the Association in performing any required review of architectural plans and/or inspection of his or her Lot or any other like service performed in response to any requirement for which such Owner is obligated to participate.

Section 4.04 Installment Schedule

- I. Assessments are due on the first day of each month and are delinquent at 5:00 p.m. on the 15th day of the month, at which time a late charge of \$10.00 of the assessment (or special assessment), whichever is greater will be charged [per the governing documents] on the 16th day of the month. All balances due as of 5:00 p.m. on the 30th day of the month will be subject to interest of 12% per annum. All such amounts must be paid in full and the Association shall not be required to accept partial payments absent a written agreement.

2. Special Assessments shall be due and payable on the due date specified by the Board of Directors in the notice imposing the Assessment or in the ballot presenting the Special Assessment to the Members for approval.

Article 5

Notice of Delinquency Lien

Section 5.01 Personal Obligation & Notice of Delinquency Lien Procedure

IMPORTANT NOTICE: IF YOUR SEPARATE INTEREST IS PLACED IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR ASSESSMENTS, IT MAY BE SOLD WITHOUT COURT ACTION.

1. On or about the 46th day after a payment is due, a 30-day Pre-Lien Notice will be prepared and sent, by certified mail, to the delinquent record owner(s) at the owners' last mailing address provided to the Association. If the delinquent record owner(s) have provided a written notice of a secondary address, all notices shall be sent to that address also. Such notice will include an itemized statement of the total amounts delinquent, including but not limited to, assessments, late charges, interest and costs of collection, if any, and a notice that the owner is entitled to ask to meet with the Board or Board representative(s) pursuant to the Association's internal dispute resolution "meet and confer" program.
2. The decision to record a lien shall be made by the Board of Directors, approved by a majority vote in an open meeting. The Board shall record the vote in the minutes of that meeting referring to the property by parcel number, and not name of the owner. Likewise, the decision to file in small claims shall be made by the Board and not the Association's agent.
3. On or about the 30th day after the Pre-Lien Notice is sent the Association may record a lien on the property to secure the debt; however, there are limitations that may preclude foreclosure of the lien at this time (see paragraph 7).
4. If all sums secured by the lien are not paid in full within thirty (30) days after recordation, and the amount of delinquent regular or special assessments reaches \$1,800.00, not including any accelerated assessments, late charges, fees and costs of collection, attorney's fees, or interest, or has been delinquent more than 12 months, the Board may make the decision to foreclose the lien. All resulting collection fees and costs will be added to the total delinquent amount. At some point in time prior to initiating foreclosure, the Board shall offer the owner and, if so requested by the owner, shall participate in dispute resolution pursuant to the association's "meet and confer" program or alternative dispute resolution with a neutral third party. The decision to pursue dispute resolution shall be the choice of the owner, except that binding arbitration shall not be available if the association intends to initiate a judicial foreclosure.
5. The decision to initiate foreclosure shall be made only by the Board of Directors, by majority approval, and while the discussion may be held in executive session,

the decision shall be recorded in the minutes of an open meeting in the same form as the decision to record a lien was made (by parcel number only). A Board vote to approve foreclosure of a lien must take place at least 30 days prior to any public sale.

6. If the Board votes to foreclose, the Board shall provide notice of its decision by personal service to an owner who occupies the separate interest or to the owner's legal representative. If the owner does not occupy the separate interest, said notice will be sent by first-class mail, postage prepaid, to the most current address shown on the books of the Association. In the absence of written notification by the owner to the association, the address of the owner's separate interest may be treated as the owner's mailing address. In addition, statutory procedures including recorded notices regarding foreclosure and sale will be accomplished.
7. The decision to initiate foreclosure shall be made only by the Board of Directors, by majority approval, and while the discussion may be held in executive session, the decision shall be recorded in the minutes of an open meeting in the same form as the decision to record a lien was made (by parcel number only). A Board vote to approve foreclosure of a lien must take place at least 30 days prior to any public sale.
8. If the Board votes to foreclose, the Board shall provide notice of its decision by personal service to an owner who occupies the separate interest or to the owner's legal representative. If the owner does not occupy the separate interest, said notice will be sent by first-class mail, postage prepaid, to the most current address shown on the books of the Association. In the absence of written notification by the owner to the association, the address of the owner's separate interest may be treated as the owner's mailing address. In addition, statutory procedures including recorded notices regarding foreclosure and sale will be accomplished.
9. A non-judicial foreclosure by an association shall be subject to the owner's right to redeem the property up to 90 days after the sale.
10. All charges assessed to the assessment account must be paid in full as a condition to curing and releasing a recorded Lien and other documents of foreclosure. If the account is not paid in full, arrangements must be made with the Association's Agent assigned to the collection of the account or the Board or Board representative, at a meeting arranged under the "meet and confer" process of the Association.
11. When a payment is made, the owner may request a receipt and the association will provide it. On the receipt, the association shall indicate the date of payment and person who received it.
12. You may, but are not obligated to, pay under protest, any disputed charge or sum levied by the association, including, but not limited to, an assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as a disciplinary measure, and by so doing, specifically reserve the right to contest the disputed charge or sum in court or otherwise.

13. Each payment from an owner shall be applied first to the principal assessments owed, and, only after the assessments owed are paid in full shall the payments be applied to costs of collection, attorney's fees, late charges, or interest, unless an alternate agreement is entered into between the Association and the owner.
14. An owner may request the association to consider a payment plan to satisfy a delinquent assessment. The Board will inform the owners of the standards for payment plans, to the extent standards have been adopted by the Board. Certain timelines apply as follows: If an owner's request is mailed within 15 days of the date of the postmark of the notice of delinquency (lien), the Board will meet with the owner in executive session within 45 days of the postmark of that request. However, if there is no regularly scheduled Board meeting during that period, the Board may designate one or more Directors to meet with the owner. Payment plans may incorporate any assessments that accrue during the payment plan period, however they shall not impede an association's ability to record a lien to secure payment of delinquent assessments. Additional late fees shall not accrue during the payment plan period if the owner is in compliance with the terms of the payment plan. The owner will be charged a payment plan fee to administer the payment plan. In the event of a default on any payment plan, the association may resume its efforts to collect the delinquent assessments from the time prior to entering into the payment plan.
15. Any check returned by the bank for insufficient funds, stop payment or any other reasons will be charged back to the unit and a \$25.00 administrative fee plus any bank fees will be assessed to the account. If the account has been turned over to the Association's agent for collection and a check is returned, the account will be assessed whatever administrative fees as the Agent provides.
16. The mailing address for overnight payment of assessments is the same as that for routine assessment payments unless otherwise noted.
17. An owner of a separate interest has the right to inspect the association's financial books and records to verify the delinquency, per: la)'ls related to inspection of HOA records.
18. Except where prohibited by law, the Board of Directors of the Association may revise this policy, either generally or on a case-by-case basis, if it finds good cause to do so. To the extent there are any general discretionary changes (rather than compliance related to the law or governing documents), the Board shall circulate the policy to owners at least 30 days before the meeting at which the revisions will be considered.

This policy is consistent with the Association's CC&R's as well as the following Civil Code Sections in the Davis-Sterling Act:

DAVIS-STIRLING CONVERSION CHART		
Re: Collection Policy		
Civil Code 2013	Civil Code 2014	Subject
1363(±)&(g)	5850-5855	Monetary Penalty Schedule, Hearing Notice and Decision
1366	5600-5650	Levy of Assessments; Limitations, Increases; Delinquent Assessments; Late Fees and Interest
1367.1-1367.4	5650-5725	Payments; Disputes As To Debt; Procedure; Enforcement Of Lien; Penalty; Priority Of Lien; Assignment Or Pledge Of Right To Collect Payments; Actions Under Code Of Civil Procedure; Correction Of Errors; Application Of Section
1367.1	5665	Right To Request Meet And Confer (IDR) With The Board; Debts For Assessments That Arise On And After January 1, 2006; Collection Of Delinquent Assessments
1367.4	5715-5740	Application Of Limitation On Foreclosure Of Assessment Liens, Minimum Requirements Before Foreclosure Is Allowed, Right Of Redemption
1362.5	5205	Right To Inspect Association Records
1363.810	5900	IDR
1369.510	5925	ADR

Article 6

Required Disclosure

Notice, Assessments and Foreclosure

Section 6.01 Notice Assessments and Foreclosure

This notice outlines some of the rights and responsibilities of owners of property in common interest developments and the associations that manage them. Please refer to the sections of the Civil Code indicated for further information. A portion of the information in this notice applies only to liens recorded on or after January 1, 2003. You may wish to consult a lawyer if you dispute an assessment.

1. Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay association assessments may result in the loss of an owner's property through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure, or without court action, often referred to as non-judicial foreclosure. For liens recorded on and after January 1, 2006, an association may not use judicial or non-judicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars (\$1,800). For delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1,800) or more than 12 months delinquent, an association may use judicial or non-judicial foreclosure subject to the conditions set forth in Article 3 (commencing with Section 5700) of Chapter 8 of Part 5 of Division 4 of the Civil Code. When using judicial or non-judicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid. (Sections 5700 through 5720 of the Civil Code, inclusive)
2. In a judicial or non-judicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use non-judicial foreclosure to collect fines or penalties, except for costs to repair common area damaged by a member or a member's guests, if the governing documents provide for this. (Section 5725 of the Civil Code)
3. The association must comply with the requirements of Article 2 (commencing with Section 5650) of Chapter 8 of Part 5 of Division 4 of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association. (Section 5675 of the Civil Code)

4. At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail, including a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt. (**Section 5660** of the Civil Code)
5. If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within 21 days, and to provide an owner certain documents in this regard. (**Section 5685** of the Civil Code)
6. The collection practices of the association may be governed by state and federal laws regarding fair debt collection. Penalties can be imposed for debt collection practices that violate these laws.

Section 6.02 Payments

1. When an owner makes a payment, the owner may request a receipt, and the association is required to provide it. On the receipt, the association must indicate the date of payment and the person who received it. The association must inform owners of a mailing address for overnight payments. (**Section 5655** of the Civil Code)
2. An owner may, but is not obligated to, pay under protest any disputed charge or sum levied by the association, including, but not limited to, an assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as a disciplinary measure, and by so doing, specifically reserve the right to contest the disputed charge or sum in court or otherwise.
3. An owner may dispute an assessment debt by submitting a written request for dispute resolution to the association as set forth in Article 2 (commencing with **Section 5900**) of Chapter 10 of Part 5 of Division 4 of the Civil Code. In addition, an association may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in Article 3 (commencing with **Section 5925**) of Chapter 10 of Part 5 of Division 4 of the Civil Code, if so requested by the owner. Binding arbitration shall not be available if the association intends to initiate a judicial foreclosure.
4. An owner is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time. (**Section 5685** of the Civil Code)

Section 6.03 Meetings and Payment Plans

1. An owner of a separate interest that is not a time-share interest may request the association to consider a payment plan to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exists. (**Section 5665** of the Civil Code)

2. The board must meet with an owner who makes a proper written request for a meeting to discuss a payment plan when the owner has received a notice of a delinquent assessment. These payment plans must conform with the payment plan standards of the association, if they exist. (**Section 5665** of the Civil Code)

3. (b) An association distributing the notice required by this section to an owner of an interest that is described in Section 11212 of the Business and Professions Code that is not otherwise exempt from this section pursuant to subdivision (a) of Section **11211.7** of the Business and Professions Code may delete from the notice described in subdivision (a) the portion regarding meetings and payment plans.