

OAK HILLS HOMEOWNERS ASSOCIATION

ASSESSMENT COLLECTION POLICY

Assessments/Notice of Assessments

The Association has a duty to levy regular and special assessments sufficient to perform its obligations under the governing documents and California law. Not less than 30 days nor more than 60 days before any increase in the regular assessment or any special assessment become due; the Association will give the Owners notice of the assessment. The Board of Directors (Board) may provide additional periodic statements of assessments and charges; however, the absence of such statements does not relieve Owners of their obligation to pay assessments.

Due Date

Regular assessments and Oak Hills Homeowners Association dues are due in advance on the first (1st) day of each assessment period and become delinquent if not received, in full, by the Association within forty-five (45) days after the due date. Special Assessments and Individual Special Assessments are due on the date(s) specified upon imposition and each installment thereof shall be delinquent if not received by the Association within 45 days after the specified due date.

Obligation to Pay Assessments

A regular or special assessment and any late charges, reasonable fees and costs of collection, reasonable attorney's fees, if any, and interest, if any, as determined in accordance with Civil Code Section 5650(a), shall be a debt of the Owner of the separate interest at the time the assessment or other sums are levied. A monetary charge may be imposed by the Association as a means of reimbursing the Association for costs incurred by the Association in the repair of damage to common areas and facilities for which the Owner's or the Owner's guests or tenants were responsible. 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 (Lien) to be recorded with the Monterey County Recorder's Office.

Late Fees

A late charge not exceeding ten percent (10%) of the delinquent assessment, or \$10.00, whichever is greater, will be imposed 45 days after the due date unless the Civil Code specifies a late charge in a smaller amount. A collection fee, which is the reasonable cost of collection per Declaration, will also be assessed to the Owner's account. No late charge shall be imposed more than once for a single delinquent payment.

Interest

Interest on all sums imposed in accordance with Civil Code section 5650(b)(3), including the delinquent assessment, reasonable fees and costs of collection, and reasonable attorneys' fees, at an annual interest rate not to exceed twelve percent (12%), shall be due commencing One Hundred Eighty (180) days after the assessment becomes due.

Collection Agency

Any account which remains delinquent in an amount equal to two (2) periods of assessments may be referred to a Collection Agency for formal collection. A certified letter will be sent to the owner warning that the account will be sent to a collection agency if payment is not received within 30 days.

When an Owner's account has been referred to the collection agency:

1. All communications with, and payments by, the Owner regarding the delinquency shall be made only to the collection agency.
2. The Owner will not receive a monthly invoice from the Association or the Financial Management Company until the account is no longer with the collection agency. All balance requests must be directed to the collection agency.
3. All payments must be sent to the collection agency. Checks can be made payable to Oak Hills Homeowners Association and sent to the collection agency for processing.
4. If the Board approves a payment plan, all fees and costs incurred during the life of the plan remain the responsibility of the Owner. All payment plans must be in writing and signed by the delinquent Owner.
5. Partial payments will not suspend collection activity.
6. No Resale Certificate shall be issued when a Owner is in collection until the balance of the delinquency, including outstanding costs and fees, have been verified.
7. The Board, after Notice and Hearing, may suspend any right or privilege of an Owner and / or the Owner's invitees, tenants, family, agents, guests, or occupants of the Owner's unit to use and enjoy the Common Area, provided that no such suspension shall exceed sixty (60) days for each violation.

Payments

All such amounts and all other assessments and related charges due to the Association must be paid in full. The Association shall not be required to accept any partial or installment payments from the date of the institution of an action to enforce the payment of delinquent amounts until such amounts are paid in full.

Application of Payments

All payments received by the Association, regardless of the amount paid, will be directed to the oldest assessment balances first, until which time all assessment balances are paid, and then to late charges, interest and costs of collection (including attorneys' fees) unless otherwise specified by written agreement.

Pre-Lien

At least thirty (30) days prior to recording a lien on the separate interest property, the Association must provide the Owner, in writing, by certified mail, all information as required by Civil Code section 5730. Attorneys' fees and costs in the collection of a past due account will be charged to the delinquent Owner.

Dispute Resolution

An Owner who is in receipt of a Pre-Lien Notice may request and the Association will participate in a dispute resolution program. The Owner may choose Internal Dispute Resolution (IDR) in which the Owner will "meet and confer" with the Board or their representatives or they may choose Alternative Dispute Resolution (ADR) with a neutral party to mediate. The cost of ADR will be split by the parties. Any dispute resolution options offered shall be in addition to, and not in limitation of, the rights and procedures described in the Declaration and California law.

Notice of Delinquent Assessment (Lien)

If an Owner does not request dispute resolution within thirty (30) days from the date of the mailing of the Pre-Lien Notice, or upon the conclusion of dispute resolution, the Board shall vote in an open meeting to determine whether a Notice of Delinquent Assessment shall be recorded. Any decision to

record a Notice of Delinquent Assessment must be approved by a majority of the Board and shall be recorded in the minutes of that meeting. A copy of the Notice of Delinquent Assessment will be mailed by certified mail to all record Owners of the separate interest no later than ten (10) calendar days following the date of its recordation.

Payment Plan

An Owner may make a formal written request to meet with the Board to discuss a payment plan for the debt described in the Pre-Lien Notice. The Board shall meet with the Owner, in executive session, within forty-five (45) days of the postmark of the notice. If there is no regularly scheduled Board meeting within that period, the Board may appoint a Director to meet with the Owner.

Foreclosure

Delinquent Assessments, which comply with the provisions of Civil Code sections 5720, can be collected using Judicial or Non-Judicial Foreclosure of the Owner's separate interest property.

Redemption

Property foreclosed upon by the Judicial or Non-Judicial process is subject to the right of redemption as provided by law.

Remedies

In addition, to and/or in place of any other remedy specified in this Collection Policy, the Association shall be entitled to bring an action at law against the Owner personally responsible for the payment of the amount due.

Attorneys' Fees and Costs

The Association shall be entitled to charge the Owner for the reasonable costs of collection, and attorneys' fees, in addition to the late charges imposed in accordance with the Collection Policy.

Returned Check Charge

The Association shall charge a returned check charge for all checks returned as "non-negotiable", "insufficient funds" or for any other reason. Such charge shall be deemed a reasonable cost of collection as permitted by the Declaration, provided the amount does not exceed the maximum allowed by California law.

Mailing Address

All above-referenced notices will be mailed to the record Owner(s) at the mailing addresses provided in writing to the Association by such Owner(s). It is the Owner's responsibility to inform the Association, in writing, of their current mailing address or secondary address.

Policy Revision

The policies and practices outlined here shall remain in effect until such time as they may be changed or modified or amended by a duly adopted resolution of the Board.

This policy is an addendum, and in addition to, all rights the Association has under the laws of the State of California, the Declaration, By-Laws, and Rules and Regulations, as amended.

This policy shall be effective as of the 20th day of August 2026



Secretary, Oak Hills Homeowners Association