

Sugarloaf Homeowners Association

San Mateo, California 94403

POLICY AND PRACTICES REGARDING DELINQUENT ASSESSMENTS, LATE CHARGES, FILING OF LIENS AND LEGAL ACTION

1. The Regular Annual Assessment shall be payable in the manner as fixed by the Board. The Board, in its discretion, may require that the annual assessment be paid in a single payment, or in equal quarterly or monthly installments. The Board shall fix the amount, the manner payment and the due date(s) of the annual Assessment on a yearly basis at least forty-five (45) days in advance of each fiscal year.
2. The regular annual Assessment may be increased by the Board above the regular annual Assessment for the preceding fiscal year; provided, however, that the regular Assessment shall not be increased in any fiscal year by an amount in excess of twenty percent (20%) of the regular annual Assessment for such items for the preceding fiscal year without the vote or written consent of a majority of a quorum of the Voting Power.
3. Any Assessment installment not paid within fifteen (15) days after the due date shall be delinquent. There shall accrue with each delinquent installment a late charge of ten dollars (\$10.00), or ten percent (10%) of the delinquent installment, whichever is greater, to cover administrative expense, and all delinquent installments shall bear interest at a rate of twelve percent (12%) per annum, commencing thirty (30) days after the Assessment installment becomes due.
4. The Board, on behalf of the Association, may cause to be recorded in the office of the County Recorder of the County a notice of any delinquent sums due the Association from any Owner; which notice shall state the amount of such delinquent sums, and other authorized charges and interest (including the cost of recording such notice and attorney's fees), a sufficient description of the Lot against which the same has been assessed, the name of the record Owner or Owners thereof, a description of the Owner's interest in the Planned Development, and the name and address of the trustee authorized by the Board to enforce the lien by nonjudicial foreclosure and sale.
5. 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 unless otherwise specified by written agreement.
6. A "returned check charge" of twenty-five dollars (\$25.00) will be assessed for all checks returned as "non-negotiable", "insufficient funds" or any other reason.
7. All above-referenced notices will be mailed to the record owner(s) at the last mailing address provided in writing to the Association by such owner(s).
8. The mailing address for overnight payment of assessments is: Sugarloaf Homeowners Association, 655 Mariners Island Blvd. #301, San Mateo, CA 94404-1061.
9. 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.
10. The attached "Notice – Assessments and Foreclosure" is incorporated into the Association's Policy.

December 2007