

SAN FRANCISCO SUITES

DELINQUENCY CONTROL POLICY

Prompt payment of Assessments by all owners is critical to the financial health of the Association and to the enhancement of the property values of our shares. Your Board of Directors takes very seriously its obligation under the Declaration of Covenants, Conditions and Restrictions (CC&R's) and the California Civil Code to enforce the members' obligation to pay assessments. The policies and practices outlined shall remain in effect until such time as they may be changed, modified, or amended by a duly adopted resolution of the Board of Directors. Therefore, pursuant to the CC&R's and Civil Code Sections of the Davis Stirling Common Interest Development Act as they apply to the collection of delinquent assessments, the following are the Association's assessment practices and policies:

Regular assessments are due, in advance, on the first (1st) day January each year delinquent if not received, in full, by the Association within thirty (30) days after the due date thereof. Special and Special Individual Assessments are due on the date(s) specified upon imposition and each installment thereof shall be delinquent if not received by the Association within thirty (30) days after it is due. The owner of record is required to notify the Association in writing of any changes to their mailing address. It is the owner of record's responsibility to pay each assessment in full each payment period regardless of whether a statement is received. A late charge of ten dollars or ten percent (10%) of the delinquent assessment will be assessed on any delinquent assessment.

All balances are subject to interest of 12% per annum if they remain unpaid 30 days after they become due.

If any portion of any Regular (Common) Assessment or Reimbursement Assessment, late charge, interest or cost of collection remains unpaid seventy (70) days after the original due date thereof, a "Letter of Intent" to file a Notice of Delinquent Assessment ("Lien") will be prepared and sent to the record owner(s). In the case of an unpaid Special Assessment, the "Letter of Intent" may be issued on the 30th day after the Special Assessment is due. Please be advised that the association has the right to collect all reasonable costs of collection.

All such amounts, and all other assessments and related charges thereafter due to the Association until all such amounts are paid, must be paid in full and 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 to the time that all such amounts are paid in full.

If all such amounts have not been received thirty (30) days after the "Letter of Intent" has been sent, a Lien will be prepared and recorded as to the delinquent property and the owner(s) thereof, and all resulting collection fees and costs will be added to the total delinquent account.

If all such amounts have not been received, in full, within thirty (30) days after the recordation of such Lien, the Association may, without further advance notice, proceed to take any and all additional enforcement remedies as the Association, in its sole discretion, deems appropriate, including, without limitation, non-judicial foreclosure of such Lien, judicial foreclosure, or suit for money damages, all at the expense of the property owner(s).

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.

The Association shall charge a "returned check charge" of twenty (\$20.00) for all checks returned as "non-negotiable", "insufficient funds" or any other reason plus any costs or fees charged to the Association by the banking institution.

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). The owner(s) may provide a secondary address for the purposes of notification of delinquency.

The mailing address for overnight payment of assessments is the same as that for routine assessment payments unless otherwise noted.