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RESOLUTION OF HERITAGE RANCH OWNERS ASSOCIATION

Delinquent Assessment Collection Policy and Procedure

WHEREAS, the Heritage Ranch Owners Association's CC&Rs Article V establishes the obligation, purpose, method, and basis procedure for assessing each owner of a separate interest, and

WHEREAS, California Civil Code Section §5310 requires that homeowner association Boards of Directors shall prepare and distribute to all members a written statement describing the Association's policies in enforcing lien rights or other legal remedies for the default in the payment of its assessments against its members.

NOW, THEREFORE BE IT RESOLVED that the Association hereby adopts the following policies and practices in enforcing the lien rights or other legal remedies against its members for their default in the payment of assessments:

All assessments shall be delinquent if not received within fifteen (15) days after they shall be due and shall bear a late charge penalty of \$30.00 per quarter. A monthly statement will be sent showing the posting of the late charge. Payments are to be made payable to: HROA, 2130 Heritage Loop Road, Paso Robles, CA 93446.

If two (2) quarterly assessments are unpaid, membership privileges may be suspended. Should three (3) quarterly assessments not be paid, and a written request for a payment arrangement has not been received, the account shall be turned over to an attorney or collection company to file a "Notice of Intent to Lien." The costs become part of the debt owed against the property. The "Notice of Intent to Lien" shall be sent to the delinquent property owner requesting payment in full within thirty (30) days to avoid the placement of a lien upon the property.

Should payment not be received in full within the thirty (30) day period, the Board of Directors will review the account during an Executive Session Board Meeting and decide to record a lien in an open Board Meeting. A "Notice of Assessment Lien" in the office of the San Luis Obispo County Recorder in accordance with the laws of the State of California. Said lien shall be handled by the attorney or collection company and shall be for payment by the property owner of all assessments then due, any assessments thereafter accruing, and for any reasonable costs incurred in collecting the delinquent assessments including, but not limited to, reasonable collection fees, late charges, and interest assessed. A copy of the recorded lien shall be sent to the property owner.

Should the amounts claimed by the lien not be fully paid within thirty (30) days after recordation of the lien, the Board of Directors may meet in an Executive Session Board Meeting and authorize the initiation of foreclosure or to participate in dispute resolution pursuant to the Association's "Meet and Confer" program required in Civil Code Section 5900 et seq. If dispute resolution is not agreed to, a demand letter shall then be sent providing fifteen (15) days to pay the account in full. A "Notice of Default" shall be recorded if the account is not fully paid within the allotted fifteen (15) days after the demand letter has been sent.

Foreclosure proceedings commence when the "Notice of Default" is recorded. Foreclosure will result in the sale of the property and the proceeds of the sale will be applied to the payment of all delinquent assessments, and other reasonable costs incurred in collecting the delinquent assessments, including, but not limited to, reasonable attorney fees and trustee fees and costs, late charges, and interest assessed. In the event the proceeds of the sale are not sufficient to pay said sums, a deficiency judgment may be sought against the property owner personally for any amounts not so paid.

Should the Association's lien rights be destroyed or otherwise rendered unenforceable in whole or in part, then the Association may seek a personal money judgment against the property owner for all assessments, costs, and attorney fees that may be due from the property owner, as incurred by or on behalf of the Association. The Association may also utilize other means of collection.

The foregoing policies and practices 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.

BE IT FURTHER RESOLVED that within thirty (30) to ninety (90) days prior to the beginning of each fiscal year a copy of this DELINQUENT ASSESSMENT POLICY AND PROCEDURE as adopted or as may be subsequently modified and amended, shall be delivered to each of the property owners of the Association as required by Civil Code Section 5320(a).

THIS RESOLUTION is adopted and made a part of the minutes of the Board Meeting held on May 22, 2025, and rescinds and supersedes all prior iterations of this Policy.



Masen Yaffee, Board President