



ANNUAL DUES ASSESSMENT and COLLECTION POLICY

This document establishes an official policy regarding the assessment and collection of the Saddleback Homeowners Association Annual Dues, as provided by our Covenants Conditions & Restrictions (CC&Rs) and California State law.

1. The Saddleback Homeowners Association Treasurer or the contracted HOA financial management company (Agent) will notify Saddleback homeowners via U.S. MAIL and/or INTERNET EMAIL of the next year dues assessment by **December 1st** of the current year. The mail or email will state the amount owed and method of payment, which will normally be by check, payable to the Saddleback Homeowners Association. Other payment methods, such as online debit or credit card transactions, may also be available if the contracted Association Agent provides such methods. To allow timely communications regarding financial matters, the homeowner is solely responsible for informing the Association or its Agent of any changes to their email address and phone number contact information.
2. Annual HOA property assessments for the next year are paid forward and due to the Association by **December 31st** of the current year, and shall be considered late if not received by **January 15th** of the following year. For example, in the year 2020, dues are required to be paid by December 31st, 2020; if received after January 15th, 2021, such payments will be considered late and incur additional penalties plus interest to the homeowner.
3. If the property owner fails to pay the required dues by **January 15th**, interest from the due date of December 31st at the rate of ten percent (10%) per annum, compounded annually, will accrue. A \$15 surcharge will also be added for late-payment processing. In addition, the following actions will be taken:
 - A. On **January 16th** of the current year, the Association or its Agent will send a reminder letter to the address on record of the affected property owner. The letter will inform the individual that the assessment is past due and include the amount required to settle the debt. It will also instruct the homeowner to immediately contact the Treasurer or Agent and resolve the matter.
 - B. If the outstanding assessment debt is not paid by **February 15th** of the current year, a certified letter will be sent by the Association or its Agent via U.S. Mail to the property owner. The letter will state the amount owed and the basis for calculating the new total debt. It will also instruct the owner to submit payment by **February 25th** of the current year. If payment in full (original assessment plus penalties) is not received by that date, the entire amount will be referred to a collection agency for further action. In such cases, the final total debt will include fees rendered by the collection agency, along with any additional accounting and/or attorney fees related to the collection activity.

This policy was approved and enacted by the Saddleback Board of Directors on November 25, 2020.