



**TAHOE DONNER ASSOCIATION  
BOARD OF DIRECTORS**

**ADMINISTRATIVE RESOLUTION 2017-1**

**ASSESSMENT COLLECTION,  
DELINQUENCY AND FORECLOSURE ACTIONS  
POLICY**

**WHEREAS**, the Davis-Stirling Common Interest Development Act (“Davis-Stirling”)<sup>1</sup> requires Tahoe Donner Association (“the Association”) to make an annual policy statement regarding assessment collection, procedures used in handling delinquent assessments, and the enforcement of lien rights; and,

**WHEREAS**, the Restated Bylaws<sup>2</sup> of the Association requires an annual statement regarding the policies and procedures used to enforce its remedies for defaults in the payment of assessments (regular, special, individual special), including the foreclosing of liens; and,

**WHEREAS**, Davis-Stirling<sup>3</sup> and the Covenants & Restrictions<sup>4</sup> of the Association authorize the Board of Directors to adopt and implement reasonable measures to protect the interests of the Association in the timely collection of assessments duly imposed upon the membership; and,

**WHEREAS**, The Board finds it to be in the best interests of the Association to adopt and implement the procedures reflected in the Appendix entitled “Policies and Procedures Regarding Assessment Collection, Delinquency and Foreclosure Actions”, and finds that it has the authority to do so; and,

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<sup>1</sup> Davis-Stirling, DIVISION 4, PART 5, Chapter 6, ARTICLE 7, §5310(a), (6) and (7); and Chapter 8, ARTICLE 3, §5730 (a) and (b).

<sup>2</sup> Restated Bylaws of Tahoe Donner Association, Article XII, Section 5 (c).

<sup>3</sup> Davis-Stirling, DIVISION 4, PART 5, Chapter 8, ARTICLE 2, §5650 (b).

<sup>4</sup> First Restated Declaration of Covenants and Restrictions of Tahoe Donner, ARTICLE IV, Section 10 (a).

**WHEREAS**, the following constitutes the policy and procedures regarding the handling and distribution of annual policy statement regarding delinquent assessment accounts of Tahoe Donner Association and supersedes the previously approved policy and procedures (Resolution 2011-3-A);

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Directors of Tahoe Donner Association approves and adopts the Appendix, "Policies and Procedures Regarding Assessment Collection, Delinquency and Foreclosure Actions", as the required Annual Policy Statement of the Association.

**PURPOSE**

To establish policy and procedures utilized for dealing with the collection of assessments, the handling of delinquent assessment accounts, and if necessary, foreclosure actions that complies with existing current California Civil Code and Governing Documents.

The appended document will be provided to each homeowner annually with the annual assessment notification and be included in the Annual Budget Report. The mandatory Section 5730 notice required by Davis-Stirling shall be published in the Annual Budget Report.

Should the law or governing documents change, any policies and procedures that conflict with regulatory requirements or a more efficient notification system be utilized, this resolution and appendix will be updated.

**RESPONSIBILITY**

The Director of Finance & Accounting is responsible for ensuring compliance with the provisions of this Resolution.

**APPROVAL**

Approval of the Policy regarding Assessment Collection, Delinquent and Foreclosure Actions Policy and any changes, amendments or modifications thereafter, may only be accomplished through Board action at a properly noticed meeting of the Board.

**ACCEPTED AND DATED: July 29, 2017**



JEFFERY CONNORS, President



JEFF SCHWERTFEGER, Vice President



JEFF BONZON, Treasurer



JENNIFER JENNINGS, Secretary



DARIUS BROOKS, Director

APPENDIX

TAHOE DONNER ASSOCIATION

Policies and Procedures  
Regarding Assessment Collection, Delinquency and Foreclosure Actions

Each Property Owner's annual Regular Assessment is due at the beginning of each fiscal year on January 1st, and becomes delinquent on March 1st of the same fiscal year. Special and Special Individual Assessments (Architectural Standards, Covenants and Forestry Assessments, Fines and Inspection Fees) are due thirty (30) days after invoicing and delinquent thirty (30) days thereafter. Delinquent accounts are subject to the following schedule of procedures and charges. **(The actions indicated below will not be taken until at least the date specified, but may occur at a later date due to scheduling considerations.)**

**Interest Amount:** Interest charged will be equal to the maximum allowed by law (currently 12 percent per annum).

**ANNUAL REGULAR ASSESSMENT**

**March 1:** DELINQUENCY FEE (10 PERCENT OF REGULAR ASSESSMENT BALANCE) is charged to the account; also, interest begins to accrue on the delinquent assessment balance.

**April 1:** Notice of pending suspension of membership rights (eligibility for candidacy to serve as a director, to vote in any election, to access the amenities as a member) for failure to pay the assessment and of the member's right to a prior hearing thereon, and notice of intent to record a lien against the member's property to secure amounts owed, is sent to Owner(s) of Record via certified mail.

**April 15:** Assessment Lien recorded against property; The LIEN FEE amount (which may be changed by The Board as part of the annual budget) is charged to the account. If requested, hearing on pending suspension of membership rights must be completed at least five days prior to the suspension's effective date.

**April 20:** Effective date of suspension of membership rights, which shall remain in effect until the account is brought current.

**May 1:** Interest begins accruing on Delinquency Fee.

**June 15:** Delinquent accounts become subject to all appropriate collections/legal recourses, including FORECLOSURE of the assessment lien, to recover amounts owed. All costs and fees related to such actions, including attorneys' fees, become the property owner's obligation.

**July 1:** Interest begins accruing on Lien Fee.

**SPECIAL AND SPECIAL INDIVIDUAL ASSESSMENT(S)**

**Days After Invoicing**

**60:** DELINQUENCY FEE (10 PERCENT OF ASSESSMENT BALANCE) is charged to the account; also, interest equal to the maximum allowed by law (currently 12 percent per annum) begins to accrue on the delinquent assessment balance.

- 90:** Notice of pending suspension of membership rights (eligibility for candidacy to serve as a director, to vote in any election, to access the amenities as a member) for failure to pay the assessment and of the member's right to a prior hearing thereon, and, if applicable, notice of intent to record a lien against the member's property to secure amounts owed, is sent to Owner(s) of Record via certified mail.
- 105:** If applicable, Assessment Lien recorded against property; The LIEN FEE amount (which may be changed by The Board as part of the annual budget) is charged to the account. If requested, hearing on pending suspension of membership rights must be completed at least five days prior to the suspension's effective date.
- 110:** Approximate effective date of suspension of membership rights, which shall remain in effect until the account is brought current.
- 120:** Interest begins accruing on Delinquency Fee.
- 165:** Delinquent accounts become subject to all appropriate collections/legal recourses, including FORECLOSURE of the assessment lien, to recover amounts owed. All costs and fees related to such actions, including attorneys' fees, become the property owner's obligation.
- 180:** If applicable, interest begins accruing on Lien Fee.

### **TIMELINESS OF PAYMENTS**

In relation to the imposition of penalties, etc., in accordance with this schedule shall be determined by:

- Official USPS postmark date appearing on the envelope in which a payment is received through the mail (private postage meter dates are ignored).
- Any other method of delivery (i.e. hand-delivered payments, overnight services, electronic payments) are considered delivered on date of receipt of payment.
- Send payments to: Tahoe Donner Association, ATTN: Accounting, 11509 Northwoods Blvd, Truckee, CA 96161

### **APPLICATION OF PAYMENTS**

It is the Association's policy to apply payments received as follows:

- First, to the oldest unpaid Assessment.
- Second, to the Interest and Penalties (Delinquency Fee, Lien Fee, costs of collection, etc.) related to that oldest unpaid Assessment.
- Next, to the second-oldest Assessment, followed by the Interest and Penalties related to that second-oldest Assessment.

This sequence continues until the most recent Assessment is paid, the Interest and Penalties related to that most recent Assessment are then paid.