

Sun City Hermosa - Collection

2.7 **Delegation of Powers.** The Board may delegate its authority hereunder to such committees as the Board, in its sole discretion, deems advisable. Any such committee may be composed entirely of Board Members or of Board Members and/or Association members who are not Board Members. The Board shall establish the rules and procedures of such committees.

**Article 3. Assessments.**

3.1 **Covenant For Assessment.** Each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay assessments to the Association for the operation and activities of the Association. Assessments, together with interest, costs and reasonable attorneys' fees for the collection thereof, shall be a continuing lien upon the Lot against which such assessment is made and shall also be the personal obligation of the Owner of the Lot at the time when the assessment fell due. This personal obligation cannot be avoided by abandonment of a Lot or by an offer to waive the benefits of Association membership.

3.1.1 **Annual Assessments.**

- (a) The fiscal year of the Association shall be the calendar year.
- (b) Annual assessments shall be due, in full, on April 1 of each year, unless the Board determines otherwise.
- (c) Not later than February 1 of each year, the Board shall establish the amount of the Annual Assessment for the following fiscal year in an amount not greater than the Maximum Annual Amount as calculated in (e) below.
- (d) Not later than March 1 of each year, the Board shall notify all Members of the Annual Assessment for the following fiscal year. The annual assessment shall not exceed the Maximum Annual Assessment. If the Board fails to so notify Members, then the Annual Assessment shall remain unchanged from the current year.
- (e) The initial Maximum Annual Assessment is \$43.00. The Maximum Annual Assessment may be increased only as follows:

- (i) With the consent of a majority of the Members casting votes at a duly held meeting of the Association at which a quorum is present or a duly held election of the Association where the votes cast equal or exceed the number of votes necessary for a quorum.
- (ii) Without the consent of a majority of the Members, the Board may increase the Maximum Annual Assessment by an amount that is not more than 20 percent greater than the Annual Assessment for the preceding fiscal year.

3.1.2 Special Assessments. No Special Assessment shall be imposed without the vote of at least fifty-one percent (51%) of all Members.

3.1.3 No Offsets. All assessments shall be payable in the amounts specified by the Association and no offsets against such amount shall be permitted for any reason including, without limitation, a claim that the Association is not properly exercising its duties of operation or enforcement.

3.2 Purpose of Assessments. The Assessments levied by the Association shall be used exclusively to promote the common health, safety, benefit, recreation and welfare of the Owners, enforcement of the provisions of the Governing Documents, protection of the status of the Properties as a senior citizen housing development and keeping the Properties in a neat, sanitary and attractive condition. The Board shall have exclusive control of said funds.

3.3 Effect of Nonpayment of Assessments. An Assessment, or installment thereof, shall be delinquent if not paid within fifteen (15) days of the due date as established by the Board. A late charge of ten dollars (\$10.00), to compensate the Association for increased bookkeeping, billing, and administrative costs of dealing with late payments, shall be imposed. Additionally, interest at the rate of ten percent (10%) per annum shall be charged with respect to any Assessment or installment thereof not paid within 30 days of the date due. Returned checks will be assessed the amount permitted to be charged by Civil Code section 1719 (currently \$25.00 for the first NSF check and \$35.00 for each subsequent NSF check).

3.4 Notice of Delinquent Assessment. The amount of any delinquent Assessment, together with any late charges, interest, costs, and attorneys' fees incurred in the collection