

October 20, 2009

Via E-Mail to ads@hilltopcommunityexecutives.net

PERSONAL AND CONFIDENTIAL
ATTORNEY-CLIENT PRIVILEGED

Board of Directors
Bankers Hill Towers Condominium Corporation
c/o Al Simonelli, Association Manager
Hilltop Community Executives
P.O. Box 34398
San Diego, California 92163-4398

Re: Proposed Assessment Collection Policy
Our File No. 1330.01

Dear Members of the Board:

Enclosed is a proposed Assessment Collection Policy, and a Mandatory Assessment Disclosure Notice. The Collection Policy is required to be adopted and annually delivered to the owners during the thirty (30) to ninety (90) day period preceding the beginning of the Association's fiscal year. The Notice is required to be annually distributed during the 60-day period preceding the beginning of the Association's fiscal year. Additionally, we recommend sending a copy of the policy, as well as the Notice with warning of lien letters to meet the requirements of Civil Code Section 1367.1. The enclosed policy is consistent with your governing documents as well as California and federal law, and is drafted to allow the Association to implement aggressive collection procedures.

The policy has been drafted to allow the Association to concurrently proceed with foreclosure and a lawsuit for delinquent assessments. In some cases it is advisable to concurrently proceed with these two remedies. However, at some point prior to either obtaining a judgment or conducting the foreclosure sale, it may be necessary for the Association to abandon one course of action and proceed with the other one (each matter will need to be evaluated on an individual basis). This would help overcome an argument by the delinquent owner that the Association is seeking a multiple recovery.

Please review the proposed Assessment Collection Policy and contact us if you have any questions. The policy should be adopted by a resolution of the Board of Directors, dated, and signed. Please send us a signed copy for our file.

Board of Directors
Bankers Hill Towers Condominium Corporation
October 20, 2009
Page 2

Also enclosed is a Resolution for Assessment Recovery Processing for adoption at your next Board meeting. The purpose of this Resolution is to expedite processing of liens and other documents relating to the Association's delinquent accounts. The Resolution may be rescinded at any time, and please be assured that no document will be executed or recorded without the direction and consent of the Board or your Association Manager. Please sign and return the Resolution at your earliest convenience.

If there are any questions regarding these matters, please call.

Very truly yours,

EPSTEN GRINNELL & HOWELL, APC



Debora M. Zumwalt

DMZ/dw
Enclosures

BANKERS HILL TOWERS CONDOMINIUM CORPORATION ASSESSMENT COLLECTION POLICY

Bankers Hill Towers Condominium Corporation ("Association") is responsible for managing and operating the common areas of the community, and for collecting owners' assessments. The timely collection of assessments from all owners is important to the management and operation of the community, and to the preservation of property values. Pursuant to California Civil Code Section 1365(e), the Association has adopted the following policy for collecting delinquent assessments.

1. Regular assessments shall be paid monthly. Each regular assessment is due on the first (1st) day of the month. Any regular assessment not paid by the fifteenth (15th) of the month shall be delinquent. Any special assessment levied shall be delinquent if not paid fifteen (15) days after the date due. An assessment is considered paid the day the payment is received by the Association or its designated agent. Postmarks are not considered.

2. A late charge of ten percent (10%) of the amount of the assessment shall be assessed when an assessment is delinquent. Any assessment not paid by the thirtieth (30th) day after it is due shall accrue interest at the rate of twelve percent (12%) per annum. Interest shall also accrue on late charges and costs of collection. To simplify monthly accounting, the Association may choose not to compute interest on small delinquencies. However, if the Association takes action against an owner to collect delinquent assessments, the Association will compute, to the fullest extent permitted by law and the Association's governing documents, the interest due from the date of the first delinquency and will add that interest to the delinquent owner's balance.

3. If a check is returned for insufficient funds, the owner will be charged a \$20.00 fee. Post-dated checks will not be accepted. The mailing address for overnight payment of assessments is c/o Hilltop Community Executives, 3737 Fifth Avenue, #204, San Diego, CA 92103. Owners have the right to submit secondary addresses to the Association for purposes of collection notices. Upon receipt of a written request by an owner identifying a secondary address for purposes of collection notices, the Association shall send additional copies of any notices required by Civil Code Section 1367.1 to the secondary address provided. The owner's request shall be in writing and shall be mailed to the Association in a manner that shall indicate the Association has received it. The owner may identify or change a secondary address at any time, provided that, if a secondary address is identified or changed during the collection process, the Association shall only be required to send notices to the indicated secondary address from the point the Association receives the request.

4. Upon any assessment becoming delinquent, the Association or its designated agent will mail a notice pursuant to California Civil Code Section 1367.1 to the owner to pay the account in full or a lien will be recorded against the owner's property. Should the owner fail to bring the account current pursuant to the Association's demand, the Association will cause a lien to be recorded against the owner's property.

BANKERS HILL TOWERS CONDOMINIUM CORPORATION
ASSESSMENT COLLECTION POLICY
PAGE 2

5. Within ten (10) days after a lien is recorded for delinquent assessments, the Association or its designated agent will mail a copy of the lien to all record owners of the property as set forth in California Civil Code Section 1367.1.

6. If an assessment account remains delinquent following recordation of a lien, the Association or its designated agent will diligently proceed with foreclosure pursuant to California Civil Code Sections 1367.1 and 1367.4. Once foreclosure is commenced, no partial payments will be accepted on an assessment account. In lieu of foreclosure, or concurrently, a lawsuit may be filed against the owner personally if the Association concludes such action will enhance the prospect of recovering the delinquent assessments, or will otherwise be in the best interests of the Association.

7. All collection action will comply with the applicable provisions of the Davis-Stirling Common Interest Development Act, California Civil Code Section 1350, et seq.

8. All attorneys' fees, costs, late charges, interest, penalties, fines, charges and expenses billed to the Association for any of the above activities shall be added to the owner's account and shall become the liability of the owner.

9. The Association may, prior to recording a lien or filing a lawsuit, declare the entire annual assessment for the delinquent property immediately due and payable if the Association concludes such action will enhance the prospect of recovering the delinquent assessments, or will otherwise be in the best interests of the Association.

10. As provided in Article V of the Bylaws, the Board may suspend the membership rights of an owner, including the right to vote, until the owner pays the entire delinquency. The Association may implement a suspension following notice to the owner and an opportunity for a hearing which satisfies the minimum requirements of California Corporations Code Section 7341.

11. Monetary payments received from an owner will be credited to balances on the owner's account in the following order:

- (a) Special assessments
- (b) Regular assessments
- (c) Monetary penalties or fines
- (d) Late charges
- (e) Legal fees and costs
- (f) Interest

12. The Association has selected Epsten Grinnell & Howell, APC as its legal counsel for all matters concerning the collection of delinquent accounts, and has further

**BANKERS HILL TOWERS CONDOMINIUM CORPORATION
ASSESSMENT COLLECTION POLICY
PAGE 3**

selected Cal-Western Reconveyance Corporation, A Prommis Solutions Company, as its trustee for the purposes of foreclosing and selling any property which is subject to a delinquent assessment lien.


13. A copy of this collection policy shall be sent annually to all owners within the thirty (30) to ninety (90) day period immediately preceding the beginning of the Association's fiscal year pursuant to California Civil Code Section 1365(e).

14. In general, the Association's Board intends to take whatever actions are authorized by law and the Association's governing documents to collect assessments. If the Board elects to use practices, procedures or notices which exceed those required by law or under the governing documents, it does so without waiving the Association's right to exercise collection remedies to the fullest extent permissible. Any additional notices or time periods the Association might use are extended solely as a courtesy. No owner shall be entitled to expect longer time limits or notices other than those which are required by law or the governing documents. Billing statements are a courtesy. Owners are responsible for making payments on time, whether or not a statement is received.

15. This collection policy is effective Nov., 2009, and was adopted by the Board of Directors at a meeting held 11/2/, 2009.

DATED: 11/2/2009

**BANKERS HILL TOWERS CONDOMINIUM
CORPORATION**


Secretary

NOTICE ASSESSMENTS AND FORECLOSURE

This notice outlines some of the rights and responsibilities of owners of property in common interest developments and the associations that manage them. Please refer to the sections of the Civil Code indicated for further information. A portion of the information in this notice applies only to liens recorded on or after January 1, 2003. You may wish to consult a lawyer if you dispute an assessment.

ASSESSMENTS AND FORECLOSURE

Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay association assessments may result in the loss of an owner's property through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure or without court action, often referred to as nonjudicial foreclosure. For liens recorded on and after January 1, 2008, an association may not use judicial or nonjudicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars (\$1,800). For delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1,800) or more than 12 months delinquent, an association may use judicial or nonjudicial foreclosure subject to the conditions set forth in Section 1367.4 of the Civil Code. When using judicial or nonjudicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid. (Sections 1366, 1367.1, and 1367.4 of the Civil Code) In a judicial or nonjudicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use nonjudicial foreclosure to collect fines or penalties, except for costs to repair common areas damaged by a member or a member's guests, if the governing documents provide for this. (Sections 1366 and 1367.1 of the Civil Code) The association must comply with the requirements of Section 1367.1 of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association. (Section 1367.1 of the Civil Code) At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail, including a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt. (Section 1367.1 of the Civil Code) If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within 21 days, and to provide an owner certain documents in this regard. (Section 1367.1 of the Civil Code) The collection practices of the association may be governed by state and federal laws regarding fair debt collection. Penalties can be imposed for debt collection practices that violate these laws.

PAYMENTS

When an owner makes a payment, he or she may request a receipt, and the association is required to provide it. On the receipt, the association must indicate the date of payment and the person who received it. The association must inform owners of a mailing address for overnight payments. (Section 1367.1 of the Civil Code)

An owner may, but is not obligated to, pay under protest any disputed charge or sum levied by the association, including, but not limited to, an assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as a disciplinary measure, and by so doing, specifically reserve the right to contest the disputed charge or sum in court or otherwise.

An owner may dispute an assessment debt by submitting a written request for dispute resolution to the association as set forth in Article 5 (commencing with Section 1368.810) of Chapter 4 of Title 6 of Division 2 of the Civil Code. In addition, an association may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in Article 2 (commencing with Section 1369.510) of Chapter 7 of Title 6 of Division 2 of the Civil Code, if so requested by the owner. Binding arbitration shall not be available if the association intends to initiate a judicial foreclosure. An owner is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time. (Section 1367.1 of the Civil Code)

MEETINGS AND PAYMENT PLANS

An owner of a separate interest that is not a timeshare may request the association to consider a payment plan to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exist. (Section 1367.1 of the Civil Code) The board of directors must meet with an owner who makes a proper written request for a meeting to discuss a payment plan when the owner has received a notice of a delinquent assessment. These payment plans must conform with the payment plan standards of the association, if they exist. (Section 1367.1 of the Civil Code)

BANKERS HILL TOWERS CONDOMINIUM CORPORATION

**RESOLUTION OF THE BOARD OF DIRECTORS
FOR ASSESSMENT RECOVERY PROCESSING**


Upon a motion duly made, seconded and carried, the Board of Directors of Bankers Hill Towers Condominium Corporation ("Association") hereby authorizes and delegates authority to its legal counsel, Epsten Grinnell & Howell, APC, to execute on behalf of the Association, as its agent and attorney, all liens and other collection documents as necessary and directed by the Board of Directors or the Association's management agent.

This Resolution shall expire upon termination of Epsten Grinnell & Howell, APC's legal services.

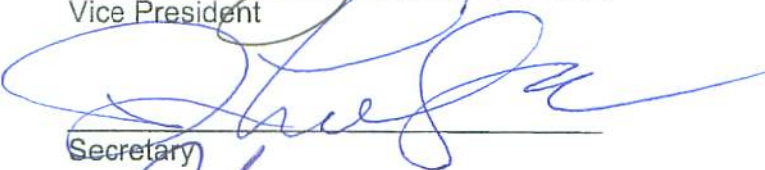
Executed on 11/2, 2009




President



Vice President



Secretary



Treasurer
