

AUTHORIZATION INSTRUCTIONS

Association: Gold Ridge Forest Property Owners Association
("HOA")
Owner(s): (collectively, "Owner")

Pursuant to these Authorization Instructions ("Authorization"), HOA hereby appoints and authorizes ASSOCIATION LIEN SERVICES ("ALS") to act as its agent for the purpose of collecting delinquent assessments from Owner on behalf of HOA. HOA hereby understands and acknowledges that this Authorization gives authority to ALS to attempt collection of delinquent assessments from Owner only and no other Owner subject to the levy of assessments by HOA. HOA further understands that ALS' collection proceedings may include sending attorney letters, letters offering to participate in dispute resolution, preparing, recording and executing, on HOA's behalf, a Notice of Delinquent Assessment Lien ("Lien"), a Notice of Default ("NOD") or a Notice of Trustee's Sale and any other documents permitted or required under Sections 1350 through 1376 and 2924 *et seq.* of the California Civil Code.

HOA hereby represents and acknowledges that the Board of Directors must, by a majority, vote in favor of recording a Lien against Owner's property to collect Owner's delinquent assessments, in a duly held open meeting of the Board of Directors and must record the votes of such decision in the minutes of such meeting. After the vote, HOA will provide written confirmation that such a vote has occurred and the results of said vote by either a signed Board Resolution and/or a copy of the relevant minutes of the meeting in accordance with state statutory requirements.

TO AVOID ACCOUNTING ERRORS AND POSSIBLE INVALIDATION OF REQUIRED NOTICES, AFTER SIGNING THIS AUTHORIZATION, HOA OR HOA'S MANAGEMENT COMPANY WILL FORWARD ALL PAYMENTS RECEIVED FROM THE OWNER TO ALS AND WILL NOT PROCESS ANY PAYMENTS FROM OWNER DIRECTLY.

Upon HOA's or its managing agent's receipt of a demand from Owner, or such Owner's agents, for HOA to participate in Internal Dispute Resolution ("IDR"), as set forth in California Civil Code Section 1363.810 *et seq.*, or Alternative Dispute Resolution ("ADR") as set forth in California Civil Code Section 1369.510 *et. seq.*, HOA agrees that HOA or HOA's managing agent will notify ALS in writing immediately and in no event, later than the same business day that the request for IDR or ADR is received. If no demand for IDR or ADR is made, HOA and/or its managing agent shall confirm in writing that no demand has been made prior to the recordation of a lien.

If HOA does not have its own counsel, HOA may request that the matter be referred to the law firm of Swedelson & Gottlieb, ALS' outside counsel. HOA understands and agrees that if Owner requests ADR and HOA desires to have ALS' outside counsel,

Swedelson & Gottlieb, represent HOA in the ADR, HOA must execute a separate retainer agreement with the law firm of Swedelson & Gottlieb at its regular hourly rates.

In addition, HOA hereby authorizes Association Lien Services to have its vendors serve notices required to be served on the Owner in relation to the collection of Owner's above-referenced delinquent assessments.

If HOA engages in IDR, as set forth in California Civil Code Section 1363.810 *et seq.*, or ADR, as set forth in California Civil Code Section 1368.510 *et seq.*, HOA agrees that any settlements, releases and/or waivers agreed to pursuant to such IDR or ADR shall include ALS as a released party. HOA further agrees that, irrespective of the terms of any settlement reached, ALS shall be paid any and all of ALS' fees incurred by HOA within thirty (30) days of any such settlements, releases and/or waivers.

If Owner gives notice to HOA or its managing agent of a secondary address for purposes of receiving notices (as described in California Civil Code Section 1367.1 or Section 1365.1), HOA, or its managing agent, shall immediately, and in no event, later than the same business day the notice is received, provide ALS with such secondary address.

If Owner informs or has informed HOA or its managing agent that Owner is represented by legal counsel, HOA shall immediately notify ALS of same and shall provide the name(s) and address(es) of such legal counsel.

It is expressly understood and agreed that ALS will not initiate a foreclosure sale until Owner's delinquent assessments, as verified by HOA or its authorized representative: (a) are in an amount of One Thousand, Eight Hundred Dollars (\$1,800) or more, excluding accelerated assessments and specified late charges and fees; and/or (b) have been delinquent for more than twelve (12) months.

It is expressly understood and agreed that a decision to initiate foreclosure of a lien shall be made by a majority of a quorum of HOA's Board of Directors in an executive session meeting, in compliance with California Civil Code Section 1367.4, and that the Board of Directors must record the votes in the minutes of the next open meeting of the Board of Directors. HOA hereby agrees that any decision made by the Board of Directors to initiate foreclosure of a lien shall be made in compliance with Civil Code Section 1367.4. Thereafter, HOA or its managing agent shall notify ALS in writing of its decision. The notification shall provide the number of votes in favor of and opposed to the decision to initiate foreclosure of the lien.

ALS will arrange for notice of the Board's decision to initiate foreclosure to be delivered to Owner in the manner required by Civil Code Section 1367.4. HOA understands and agrees that ALS cannot notice the sale of Owner's property until notice of the decision to initiate foreclosure has been delivered to Owner in accordance with Civil Code Section 1367.4. In the event HOA elects to deliver or have its managing agent deliver the notice to initiate foreclosure to Owner, HOA or its managing agent shall deliver the notice by

personal service to the Owner (meaning hand-delivery to the Owner directly at the Owner's address at the property) or the Owner's legal representative, unless such Owner does not live within the subject property for which the delinquent assessments described herein apply (an "Offsite Owner"), in which case notice shall be provided to Owner by first-class mail at Owner's most current address. HOA or its managing agent shall provide proof of service on a resident Owner or proof of service in the form of a statement signed under penalty of perjury on an Offsite Owner of the results of the Board's vote to initiate foreclosure ALS and HOA understands and agrees that until ALS receives proof of service on Owner, no sale will be scheduled.

It is expressly understood and agreed that HOA will be responsible for all fees and costs charged by or incurred by, or on behalf of ALS or its designated trustee in the event ALS is unable to proceed with the lien and foreclosure process, for any reason, including, without limitation, HOA's failure to advise ALS of the acceleration of special assessments or any requirement set forth in HOA's delinquency policy, or for any reason other than the foreclosure of a senior lien, including, without limitation, if a collection file must be closed or re-started for reasons not attributable to ALS. By sending this Authorization Form, HOA represents and warrants that the special assessments were levied in accordance with HOA's governing documents, collection policy and state statute. Notwithstanding the foregoing, in the event the collection process must be terminated due to the foreclosure of a senior lien, HOA will pay to ALS a cancellation fee of \$325.00, plus costs incurred by ALS.

In the event a legal issue arises which impacts upon ALS' ability to proceed with collection of a delinquent account for any reason, including if HOA accepts money directly from the Owner, ALS is authorized to consult with its legal counsel at its regular hourly rate. **If ALS' legal counsel deems necessary, it will contact HOA, in writing, at its hourly rate, regarding HOA's options or the reasons why ALS cannot proceed with the collection process. HOA is, thereafter, free to utilize the services of any other attorney.**

Neither ALS' general counsel nor its attorneys, staff or employees make any representations or warranties regarding the successful results of the collection process, including any non-judicial foreclosure proceedings. HOA and its managing agents have read ALS' brochure and this Authorization Form and understand their contents. HOA understands and agrees that ALS contracts with and relies on outside vendors for information or services during its collection process. HOA expressly agrees that ALS shall not be liable for the errors or omissions of its vendors.

If ALS is named as a party in a lawsuit or other proceeding involving the collection process, including any non-judicial foreclosure proceedings, HOA expressly and unequivocally agrees that all attorneys' fees and costs incurred by ALS, its principals, attorneys and employees, in defense of such a lawsuit or proceeding shall be borne by HOA. HOA agrees to indemnify ALS and hold ALS, its agents, officers, principals, attorneys, directors and employees harmless from any claims, obligations, causes of

action, losses, damages, costs, expenses, judgment or liability of any nature whatsoever. HOA expressly agrees to indemnify and accept the responsibility for all of the expenses and costs incurred by ALS in defending itself in any such lawsuit, together with any loss, liability or judgment suffered as a result of same. If there is no conflict of interest, HOA shall be entitled to use its own attorney to defend ALS in such lawsuit. If HOA tenders the defense of any lawsuit to its insurance carrier and said carrier denies coverage to ALS, HOA shall remain obligated to indemnify, defend and hold harmless ALS, its principals, attorneys and employees. By signing below, HOA certifies that the information provided in this worksheet is true and correct and further authorizes ALS to begin collection, including non-judicial foreclosure proceedings, under the terms and conditions set forth above. The person signing below is either a member of the Board of Directors or its authorized agent and certifies that the Board of Directors has authorized execution of this Agreement.

ACCEPTED BY: _____
Signature of Member or Authorized Agent

Patricia Schoggins
(Please Print Your Name)

Title: Finance Director

Date: 7/28/08