

PASEO WESTPARK MAINTENANCE ASSOCIATION

Assessment and Billing Collection Policy

Updated on July 24, 2023

Prompt payment of Assessments by all owners is critical to the financial health of the Association, and to the enhancement of the property values of our homes. Your Board of Directors takes very seriously its obligation under the Declaration of Covenants, Conditions and Restrictions (CC&Rs) and the California Civil Code to enforce the members' obligation to pay assessments. The policies and practices outlined herein shall remain in effect until such time as they may be changed, modified, or amended by a duly adopted resolution of the Board of Directors. Therefore, pursuant to the CC&R's and California Civil Code, the following are the Association's assessment practices and policies:

1. Assessments are billed monthly and are due and payable on the first day of each month. A courtesy billing statement is sent monthly to the billing address on record with the Association. **However, it is the Owner of Record's responsibility to pay each assessment in full each month regardless of the receipt of a statement.** All other assessments, including Special Assessments, are due and payable on the date specified by the Board on the Notice of Assessment which date will not be less than thirty (30) days after the date of notice of the special assessment.
2. Assessments, late charges, interest and collection costs, including any attorney fees, are the personal obligation of the owner(s) of the property at the time the assessment or other sums are levied, *per Civil Code Sections 5650(a) & 5660.*
3. Assessments not received within **thirty (30) days** of the stated due date are delinquent and shall be subject to a **Late Charge** of **ten dollars (\$10.00) or ten percent (10%), whichever is greater**, for each delinquent assessment per unit. Additionally, an **Interest Charge at the rate of twelve percent (12%) per annum** will be assessed against any outstanding balance, including delinquent assessments, late charges, and cost of collection, which may include attorney fees. Such interest charges shall continue to be assessed each month until the account is brought current.
4. Any payments made shall be first applied to assessments owed, and only after the assessments owed are paid in full, shall such payments be applied to Late Charges, Interest Charges, and collection expenses, including attorney's fees, unless the owner(s) and the Association enter into an agreement providing for payments to be applied in a different manner.
5. If an assessment is not received within **sixty (60) days** of the "stated due date", the Association may send a **"pre-lien letter"** to the owner(s) as required by *Civil Code Sections 5650(a) & 5660*, by certified and first class mail, to the mailing address of record advising of the delinquent status of the account and impending collection action. The owner(s) will be charged the **Pre-Lien Fee** for the pre-lien letter. Each additional pre-lien letter, if needed, will result in additional **Pre-Lien Fee**.

6. If any owner(s) fail(s) to pay the amounts set forth in the pre-lien letter within **thirty (30) days** of the date of that letter, a **lien** for the amount of any delinquent assessments, late charges, interest and/or costs of collection including attorneys' fees may be assessed against the property. The owner(s) will be charged the **Lien Processing Fee** for the preparation and recordation of the lien. After the expiration of thirty (30) days following recordation of the lien, the lien may be enforced in any manner permitted by law, including, without limitation, judicial or non-judicial **foreclosure** as noted in *Civil Code Sections 5725 (b), 5735(a),(b), 5700(a), 5710(a),(c)*, subject to the limitations set forth below under "Additional Provisions to Conform to Law" and as otherwise provided by law. Any unpaid assessments subsequent to a lien filed may result in the filing of additional liens at the owner(s)'s expense.
7. If the balance due is not paid within **thirty (30) days** of recordation of the Lien, the matter may be turned over to an attorney for legal action, including an "action to foreclose" the assessment lien and/or for a money judgment. The owner(s) will be charged the **Attorney Package Preparation Fee** for preparing the matter to be sent to counsel.
8. If an owner's unpaid assessment(s) has become delinquent, the Association may invite the owner(s) to a hearing that, if not resolved satisfactorily, may lead to the suspension of membership privileges. Those privileges can include, but are not limited to, access to Association Common Area or recreational/common facilities and the Improvements located thereon. Suspension of membership privileges may happen independent of, and simultaneous with, any lien that may be recorded against the owner(s)'s property due to the owner(s)'s delinquent assessment(s).
9. Any owner(s) who rents the property in question to a third party may be subject to the "assignment of rents" process through the judicial system wherein the Association collects the rents until the debt is repaid.
10. If there is a failure to bring the account current within the parameters specified in California Civil Code, the Board of Directors may resolve to foreclose on the property via the judicial or non-judicial foreclosure process.
11. An Owner(s) is entitled to inspect the Association's accounting books and records to verify the amounts owed on their property pursuant to *Corporations Code Section 8333*.
12. In the event it is determined that the owner(s) paid the assessments on time, the owner(s) will not be liable to pay the charges, interest, and costs of collection associated with the collection of those assessments.
13. Owner(s) unable to pay assessments will be entitled to make a written request for a payment plan to be considered by the Board of Directors. Owner(s) may also request to meet with the Board in executive session to discuss a payment plan. The Board will consider payment plan requests on a case-by-case basis and is under no obligation to grant payment plan requests.

14. Nothing herein limits or otherwise affects the Association's rights to proceed in any lawful manner to collect any delinquent sums owed to the Association.
15. Prior to the release of any lien, or dismissal of any legal action, all assessments, late charges, interest, and legal fees must be paid in full to the Association.
16. The delinquent owner(s) will be responsible for all costs of collection, including attorneys' fees, incurred by the Association to collect any delinquent sum [*Civil Code Section 5650(b)*].
17. All charges listed herein are subject to change without notice. The current fee information can be viewed on the Association's website, paseowestpark.org.
18. If owner(s) pays under protest, the owner(s) can **at the same time** pursue dispute resolution AND commence an action in small claims court (amount at issue must not exceed jurisdictional monetary limit), *per Civil Code Section 5658*.

Additional Provisions to Conform to Law

Prior to the recording of a lien, owner(s) that are delinquent will be sent a "pre-lien" letter. The pre-lien letter will include an offer by the association to engage in internal dispute resolution upon receipt of a written request within thirty (30) days of the pre-lien letter, pursuant to the association's meet and confer program required by *Civil Code Section 5900, et seq.*

Prior to recording of a lien, the Board of Directors will approve the recording of the lien in general session at a regular or special board meeting.

The association may not foreclose unless delinquent assessments are greater than \$1,800 or greater than one year in arrears.

Prior to commencing foreclosure, the association will offer to engage in internal dispute resolution upon receipt of a written request within thirty (30) days of the offer of such internal dispute resolution, pursuant to the association's meet and confer program required by *Civil Code Section 5900, et seq.* and will also offer to engage in formal alternative dispute resolution with a neutral third party pursuant to *Civil Code Section 5925, et seq.*

Prior to commencement of foreclosure, the Board of Directors will approve the foreclosure in executive session and note the approval in the following general minutes of the Association using the assessor's parcel number.

All completed foreclosures shall be subject to a ninety (90) day right of redemption.

IMPORTANT NOTICE: IF YOUR SEPARATE INTEREST IS PLACED IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR ASSESSMENTS, IT MAY BE SOLD WITHOUT COURT ACTION

1. All owners are entitled to inspect the Association's accounting books and records to verify their amounts owed pursuant to Corporations Code Section 8333.
2. In the event it is determined that an owner has paid the assessments on time, the owner will not be liable to pay the charges, interest and costs of collection associated with collection of those assessments.
3. Any owner who is unable to pay assessments will be entitled to make a written request for a payment plan to be considered by the Board of Directors. An owner may also make a written request to meet with the Board in executive session to discuss a payment plan. If the owner requests to meet with the Board to discuss a payment plan within fifteen (15) days of receiving the pre-lien letter, then the Board shall meet with the owner within forty-five days of the postmark on the owner's request, unless there is no regularly scheduled board meeting within that period, in which case the board may designate a committee of one or more members to meet with the owner. The Board will consider payment plan requests on a case-by-case basis and is under no obligation to grant payment plan requests.
4. An owner is entitled to dispute the assessment debt by submitting a written request for dispute resolution to the association pursuant to the association's "meet and confer" program required in Article 2 (commencing with Section 5900) of Chapter 10.
5. Prior to initiating foreclosure against the owner's separate interest, the owner is entitled to submit a written request for alternative dispute resolution with a neutral third party pursuant to Article 3 (commencing with Section 5925) of Chapter 10, except that binding arbitration shall not be available if the association intends to initiate a judicial foreclosure.
6. Statements will be mailed from Management as a courtesy **AND MAY NOT REFLECT** the collection costs, attorneys' fees or other charges, or payments received by the collection service.
7. Nothing herein limits or otherwise affects the Association's right to proceed in any lawful manner to collect any delinquent sums owed to the Association.
8. All charges listed herein are subject to change upon thirty (30) days' prior written notice.
9. The mailing address for payments of assessments by overnight delivery is:

**Paseo Westpark Maintenance Association
c/o Action Property Management
2603 Main St., Suite 500
Irvine, CA 92614**

Please note that should an account be referred to a collection service, the collection service will provide a different address for overnight payments.