

**VICTORIA GROVE MAINTENANCE ASSOCIATION
COLLECTION PROCEDURES & POLICIES**

Adopted 10/19/10
Amended January 19 2016 Civil Code Only

PROCEDURES:

Regular Assessments are due on the first (**1st**) day of each month and are deemed delinquent if not received within fifteen (15) days. Special assessments are due on the day specified and are delinquent if not received within fifteen (15) days of the due date.

For any assessment not received within fifteen (15) days of the due date, a **Late Charge** equal to (\$10.00 or 10%, whichever is greater, will thereafter be charged to the Owner's account. Thereafter, the Association or its agent, will prepare and send a demand letter to the Owner, reminding the owner of the amounts past due and giving the Owner fifteen (15) days to bring the account current. The charge for this letter will not exceed \$ 55.00

If the account is delinquent for more than forty-five (45) days in any amount, or if the Owner has passed an NSF check to the Association, or if the Owner has breached a payment plan, or if an Owner has made numerous late payments, overnight payments must be certified funds.

At the expiration of the time stated in the demand letter, if any delinquency remains unpaid, the delinquent account is turned over to the Associations attorney who prepares an **Intent to Lien** letter in accordance with California Civil Code 5655, which is sent to the Owner with information that the Association shall proceed to record a lien against the Owner's property within the Association ("Property") in the event full payment is not received within **thirty (30) days**. With the Intent to Lien letter, a notice and offer will be sent to the Owner of the Owner's right to dispute an assessment debt by submitting a written request to meet with the Board pursuant to California Civil Code commencing at section 5900. The collection charge to prepare and issue the Intent to Lien letter shall be charged to and payable by the delinquent Owner(s) and shall not exceed \$400.00, not including mailing costs. **At this point and forward in the collection process, all payments for delinquent amounts must be made to the Association's attorney on behalf of the Association and certified funds may be requested. Once the account is sent to legal counsel for collection, payment in full may be required, unless a payment plan is accepted by the Association. If partial payments are received, these may be returned to the Owner.**

Should any delinquency remain unpaid after the expiration of the thirty (30) day period set forth in the Intent to Lien letter, a **Notice of Delinquent Assessment Lien** on behalf of the Association against the Owner's property within the Association is prepared and recorded and mailed to the purported owner of record along with notice of the right to seek a Meet and Confer with the Board under California Civil Code commencing at Section 5900 or alternative dispute resolution under California Civil Code commencing at Section 5925, before the foreclosure is California Civil Code commencing at Section 5925 before the foreclosure is commenced. The Association's

attorney is authorized to prepare, sign and issue this lien. The delinquent owner's account shall be charged for the fees and costs associated with the preparation and recording of the assessment lien. These fees shall not exceed \$400.00, not including mailing and recording costs.

At least thirty (30) days after the Notice of Delinquent Assessment Lien is recorded, if the account remains delinquent in any amount, the Association's attorney may, in lieu of foreclosure against the Property, at the Board's discretion, proceed with a lawsuit for collection of the unpaid assessments. Alternatively, at least thirty (30) days after the Notice of Delinquent Assessment Lien is recorded, if the account remains delinquent in the principal assessment amount of \$1,800 or an assessment is delinquent for more than twelve (12) months, at the direction of the Board, the Association's attorney shall initiate foreclosure upon the assessment lien. All fees and costs associated with the foreclosure and/or the lawsuit for collection shall be charged to and payable by the delinquent Owner(s);

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

COLLECTION POLICIES:

In addition to the within Procedure for the collection of delinquent Assessments, the board of directors has established the following Policies to establish a uniform standard for the payment and collection of delinquent assessments:

Assessments - Assessments subject to the Collection Policy include the monthly regular assessments and any levied special assessments (or any additional assessment regardless of what is called).

Costs of Collection - The costs of collection for delinquent assessments, including trustee fees and reasonable attorney fees and costs, are included as a charge against a member's assessment account and are included in the amount of any Assessment Lien recorded against the property and the amount of any collection recovery action by the Association against the Owner(s).

Delinquency - The term Delinquency shall include any delinquent unpaid regular or special assessments, (and any additional assessment regardless of what it is called), late charges, interest, and costs of collection incurred or any portion thereof.

Partial Payments - If a partial payment is received which is less than the entire unpaid balance owed on the member's account, including the collection charges, provided the Notice of Delinquent Assessment Lien has not been recorded, the partial payment may be credited to the oldest outstanding balances on the member's account and the remaining unpaid balance shall be subject to this Procedure and Policy for collection. If the Notice of Delinquent Assessment Lien

has been recorded, partial payment may not be accepted and applied to the account, until the owner and Association have entered into a written payment plan. The Association may, but is not required to accept a payment plan; acceptance of any payment plan is at the discretion of the Board.

Payments - Payments received by the Association after a delinquent account has been assigned to the Association's attorney for collection shall be forwarded by the Association to the attorney and all further communications for the collection of the delinquent account are to be through the Association's attorney. For any assessment paid on time, the owner shall not be liable to pay a late charge, interest or costs of collection as it relates to that assessment, however, the Association need not accept such an assessment payment if the account is already delinquent. Amounts which are not yet delinquent, but are due, will be required to be paid at the time delinquent amounts are paid.

Notice of Dispute and Hearings - The owner may dispute the debt noticed in the intent to lien letter by submitting to the board a written explanation of the reasons for his or her dispute. The Association shall respond in writing within fifteen (15) days of the postmark date of the request. Further, the owner may make a written request to meet with the Board to discuss a payment plan, and the Board shall meet with the owner at an executive session within forty-five (45) days of the postmarked date of the request, if the request is mailed within fifteen (15) days of the postmarked date of the intent to lien letter, otherwise the Board may appoint a committee or one or more members to meet with the owner. These dispute and hearing provisions are in addition to those rights under California Civil Code Section 5650(b)(1-3).

Payment Plans - Upon written request by a delinquent Owner(s), short term Payment Plans may be approved in the sole discretion of the Board of Directors based upon the justifying circumstances of each delinquent Owner. However, the Association is not a bank and does not intend on the long term financing of an Owner's Delinquency.

Returned Check Charges - A charge of \$ 15.00 - \$25.00 shall be added to the account of any member whose check to the Association or its attorney or management company, is returned dishonored by the member's bank.

Statements - Monthly or other statements or coupons are a courtesy to the members and not an invoice for payment. If an owner does not receive a statement or a coupon, or such statement or coupon is for something less than everything due the Association, nevertheless payment must be made to the Association at the last given address, provided the account is not delinquent. If the account is delinquent payments may only be made according to this policy. Additionally, a statement and coupons with or without a stated unpaid balance, may not reflect any or all of the collection costs incurred on a delinquent Owner's account, including attorney or trustee fees and cost which have been charged to the member's account according to this Collection Policy and Procedure. **Therefore, a delinquent owner must communicate with the Associations's attorney to confirm the total delinquency owed.**

No Waiver of collection Charges - If a member's account becomes delinquent and the Association is required to incur collection charges dues to the member's delinquency, the Association's policy is not to waive the delinquent member's payment of these collection charges since it would not be fair to the members who pay their dues to also pay for the collections charges incurred by the Association dues to another Owner's delinquency.

**The mailing address for overnight payment of assessment is:
Victoria Grove Maintenance Association
c/o/ Encore Property Management
526 Queensland Circle
Corona, CA. 92879**