

## PLUMAS PINES II HOMEOWNERS ASSOCIATION COLLECTION POLICY

### Delinquent Assessment Collection Policy Civil Code 5320 and 5310 (a) (7)

Prompt payment of Assessments by all owners is critical to the financial health of the Plumas Pines II Homeowners Association (Association) and to the enhancement of the property values of our homes. Your Board of Directors (Board) 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 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 Civil Code Section 5320, the following are the Association's assessment practices and policies:

1. Assessments are due 30 days from the date the annual assessment letter is mailed and delinquent if not received by the forty-fifth (45) day. If a special assessment is necessary, you will be notified in advance of the amount and due date.
2. In the event an assessment is not received within fifteen (15) days after it is due, you will be required to pay the Association a late charge in an amount equal to ten percent (10%) of the delinquent balance or \$10.00 whichever is greater.
3. Interest at the rate of twelve percent (12%) per annum will be added to your account beginning thirty (30) days after the original due date.
4. In the event an assessment is not received within thirty (30) days after the original due date, a letter will be mailed to the owner of record reminding payment is overdue.
5. In the event an assessment is not received within forty-five (45) days of the original due date a Notice of Delinquent Assessment letter (Attachment A) will be sent to the owner by certified mail.
6. In the event all delinquent assessments, fees, costs, and charges are not paid in full within thirty (30) days of receipt of the Notice of Delinquent Assessment letter, a lien will be recorded with the Plumas County Recorder's Office. Within ten (10) days after the lien is recorded the lien will be sent to the owner by certified mail along with a letter stating that if full payment is not made to the Association within thirty (30) days from receipt of the letter a Notice of Default will be recorded against the property to commence the foreclosure proceeding.
7. Once the foreclosure procedure begins, it will continue until the foreclosure sale actually takes place, unless the total amount due to the Association, including all delinquent regular, special assessments, late charges, lien fees, trustee's fees, attorney's fees, and any other charges against the property are paid in full.

8. Any check returned by the bank for insufficient funds, stop payment or any other reasons will be charged back to the owner(s) and a \$25.00 administrative fee for the first check (\$35.00 fee for each subsequent check) plus any bank fees will be added to the assessment.

9. In the event a senior lien holder forecloses on the property, the Association will proceed to obtain a personal money judgment against the owner for all amounts which are due and owing to the Association in connection with the Lot.

10. The Board of Directors reserves its rights, on behalf of the Association, to collect delinquent assessments through Small Claims Court, or any other remedy available at law, or in equity.

11. A copy of the statutorily required "NOTICE ASSESSMENTS AND FORECLOSURE" is provided as Attachment B.

This policy was duly adopted by the action of the Board of Directors on November 18, 2014 and shall be effective as of November 18, 2014.

Board of Directors

Plumas Pines II Homeowners Association

## Attachment A

### PRE-LIEN NOTICE (NOTICE OF DELINQUENT ASSESSMENT)

To:

Property Address:

Date:

“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. Pursuant to Civil Code §1367.1, a lien will be placed on the property at unless all delinquent assessments, fees, costs, and charges are paid in full within 30 days of receipt of the postmark of this notice. The amount of the delinquent assessment is as follows:

a. Delinquent (regular, special or reimbursement) assessment(s) for the period from July 1, 201\_ through June 30, 201\_ at an annual rate of \$125.00, for a total amount of \$125.00.

b. Costs incurred in collecting the delinquent assessment(s) are as follows:

(1) Costs of collections-\$

(2) Late charges-\$

(3) Interest at 12% per annum-\$

(4) Attorney fees-\$ 0

c. TOTAL CHARGES \$

2. You have the right to examine the accounting books and records of the association upon written request to the Board at a mutually agreed and convenient time and shall not be liable to pay the costs of collection, late charges, interest or fees if it is determined that the assessment was paid on time to the association.

3. You have the right to dispute the debt noticed above by sending a written explanation of the reasons why this debt is in dispute by certified mail to the Board of Directors, c/o Plumas Pines II Homeowners Assoc., P.O. Box 23, Graeagle, CA 96103.

The Board shall respond in writing within 15 days of the date of the postmark of the explanation, if the explanation is mailed within 15 days of the postmark of this notice.

4. You have the right to request a meeting with the Board to discuss a payment plan for the above debt if the request is sent by certified mail to the Board of Directors, c/o Plumas Pines II Homeowners Assoc., P.O. Box 23, Graeagle, CA 96103 within 15 days of the date of the postmark of this notice. The Board, or a designated committee, shall meet with you in executive session within 45 days of receipt of the request to discuss a payment plan.

5. For a full description of collection and lien enforcement procedures, please refer to the ASSOCIATION ASSESSMENT COLLECTION POLICY, attached.

Date: Signed:

Plumas Pines II Homeowners Assoc.

## Attachment B

### 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 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 NONJUDICIAL FORECLOSURE

The failure to pay association assessments may result in the loss of an owner's property without court action, often referred to as a non-judicial foreclosure. When using non-judicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the lien is not paid. Assessments become delinquent 15 days after they are due, unless the governing documents of the association provide for a longer time. (Sections 1366 and 1367.1 of the Civil Code)

In a non-judicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use non-judicial 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 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. Among these documents, the association must send 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 dispute an assessment debt by giving the board of the association a written explanation and the board must respond within 15 days if certain conditions are met.

An owner may pay assessments that are in dispute in full under protest, and then request alternative dispute resolution. (Sections 1366.3 and 1367.1 of the Civil Code) An owner is not liable for charges, interests, 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 time-share 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 the 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 to the payment plan standards of the association, if they exist. (Section 1367.1 of the Civil Code)