

## **ASSESSMENT COLLECTION POLICY**

(June 1, 2007)

Prompt payment of assessments by all owners is critical to the financial health of the Association and to the enhancement of property values. Pursuant to the Declaration of Covenants, Conditions, and Restrictions (CC&Rs) and the California Civil Code, the policies and procedures outlined herein shall remain in effect until such time as they may be modified or amended by a duly adopted resolution of the Board of Directors (Board).

1. Regular monthly assessments are due and payable on the first (1st) day of each month. As a courtesy, a billing statement is sent each month to the billing address of record. It is the owner's responsibility to pay each assessment in full each month regardless of the receipt of a billing statement.
2. All other assessments including special assessments, are due and payable on the date specified by the Board at the time of adoption, which date shall not be less than thirty (30) days after the date of notice of the special assessment.
3. Assessments, late charges, interest, and collections, including any attorneys' fees, are the personal obligation of the owner of record at the time the assessment or other fees are levied (Cal. Civil Code §1367(a), §1367.1(a)).
4. Any payments made shall first be applied to assessments owed and, only after assessments owed are paid in full, shall such payments be applied to late charges, interest, and collection expenses, including attorneys' fees, unless the owner and the Association stipulate in writing to an alternative payment plan.
5. Assessments not received with fifteen (15) days of the date due are considered delinquent and shall be subject to a late charge of ten (\$10) dollars or ten (10%) percent, whichever is greater, for each delinquent assessment per unit.
6. Interest will accrue at the rate of twelve (12%) percent per annum and will be assessed against any outstanding balance, including delinquent assessments, late charges, and costs of collection, which may include attorneys' fees. Accrual of interest charges shall begin thirty (30) days after the assessment becomes due and shall continue to be assessed each month until the account is brought current.
7. If an assessment is not received within forty-five (45) days of the date of delinquency, the Association or its designee, in the event the account is submitted to collection, will send a Notice of Intent to Lien to the owner's address of record advising of the delinquent status of the account and of the impending collection action, at a cost of fifty-five (\$55) dollars, which will be charged to the member's account.

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8. If an owners fails to pay the amounts set forth in the Notice of Intent to Lien within thirty (30) days of the date of the notice, the Association will authorize its management agent or its designee to record a lien against the owner's property for the amount of any delinquent assessments, late charges, interest, and/or costs of collection, including attorneys' fees. The owner shall be charged for the fees and costs of preparing and recording the lien. At the end of the thirty (30) day period following recordation of the lien, the lien may be enforced in any manner permitted by law, including, without limitation, judicial or non-judicial foreclosure (Cal. Civil Code §1367(e),§1367.1(g)). The decision to lien will be made by a majority vote of the Board in an open meeting and the vote will be recorded in the minutes of that meeting.
9. If an owner, within thirty (30) days of the date of recordation of the lien, pays to the Association, under protest, all amounts required by Cal. Civil Code §1366.3 (the amount of assessments, late charges, interest, all fees and costs of preparing and filing the lien to date, including attorneys' fees, not to exceed the statutory allowance), the owner may request resolution of the assessment dispute by Alternative Dispute Resolution (ADR) as outline in Cal. Civil Code § 1354, by civil action, or by other procedures available through the Association.
10. If the balance due is not paid within fifteen (15) days of recordation of the lien, the matter may be turned over to an attorney for legal action, including an action or proceeding to foreclose the assessment lien and/or a monetary judgment. The owner shall be charged one hundred (\$100) dollars for preparing the delinquent owner's collection file to be sent to counsel. An owner is entitled to inspect the Association's accounting books and records pursuant to Cal. Corporations Code §8333.
11. In the event it is determined that the owner has paid the assessments on time, the owner shall not be liable to pay the charges, interest, and costs of collection associated with collection of those assessments.
12. If the delinquent account is sent to the Association's attorney or collection agency, owners shall not send any assessment payments or correspondence to the Association. Payments and correspondence shall be accepted only by the law firm or collection agency.
13. Prior to recording a lien, the Association shall offer ADR to the delinquent owner, and if accepted, the Association shall participate in the same.
14. A copy of the recorded lien shall be posted by U.S. certified mail to all owners of record, within ten (10) days of recordation.

15. The Association shall not commence foreclosure proceedings against the owner's residence, unless the delinquent assessments equal or exceed \$1,800 or the assessments are more than twelve (12) months delinquent.
16. The decision to initiate foreclosure shall be made by a majority vote of the Board in an executive session no less than thirty (30) days prior to any public sale. The decision to foreclose shall be recorded in the minutes of that meeting.
17. The Board shall provide written notice of the Board's decision to foreclose by first-class mail to the owner at the most current address shown on the books of the Association.
18. An owner who is unable to pay assessments shall be entitled to make a written request for a payment plan to be considered by the Board. An owner may also request to meet with the Board in executive session to discuss a payment plan. While the Board will consider payment plan requests, it is under no obligation to grant such requests.
19. 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.
20. A delinquent owner shall be responsible for all assessments, late charges, interest, and costs of collection, including attorneys' fees, incurred by the Association to collect any delinquent sums (Cal. Civil Code §1366(e)). All delinquent sums must be paid in full to the Association prior to the release of any lien or dismissal of any legal action.
21. All charges listed herein are subject to change upon thirty (30) days' written notice.
22. Payments sent by overnight delivery should be addressed to:

Barcelona of Pasadena COA  
c/o Muggee Management Co.  
137 E. Olive Ave.  
Monrovia, CA 91016
23. When a delinquent owner brings his or her account current, a release of lien shall be recorded in the office of the country recorder within twenty-one (21) days of receipt of payment.