

NORTHVIEW CONDO'S INC. HOMEOWNERS ASSOCIATION

ASSESSMENT COLLECTION POLICY

Because the Association is responsible for managing, maintaining and repairing the common areas, timely payment of assessments is extremely important to the operations of the Association. Owner's failure to pay the assessments when due; create a cash-flow problem that disrupts the Association's operations. As a result, the Board has adopted the following policies for the collection of delinquent assessments.

Assessment Due Date: Regular dues assessments are payable monthly in twelve (12) equal installments. Each installment is due on the 1st day of each month and delinquent if not paid by the 15th of the same month. Billing statements are sent as a courtesy. Payment of assessments is required even if you do not receive a billing statement. Special assessments shall be due and payable on the due date specified by the Board in the notice imposing the assessment.

Delinquent Assessments: Delinquent assessments will be subject to late charges and interest as follows:

1. *Late Charge.* Delinquent assessments will be assessed a late charge of ten dollars \$10.00. A late charge will not be imposed more than once per delinquent installment.
2. *Interest Late Charge:* Any installment not paid by the thirtieth (30th) day of the month will accrue interest at the rate of twelve percent (12%) per annum.

Liability for Collection Costs: All late charges, interest, attorneys' fees and collection costs incurred by the Association will be added to the owner's account and will become the liability of the owner.

Enforcement Rights: Assessments are the separate debt of the owners. In addition to any other rights provided for by the law or described in the Association's Covenants, Conditions & Restrictions (CC&Rs), By-Laws, or other governing documents; the Board has the right to collect delinquent assessments as follows:

1. *File Lawsuit:* The Association may commence and maintain lawsuit directly on the debt without waiving its right to establish a lien and initiate foreclosure against the owner's unit for the delinquent assessment. In any action to collect delinquent assessments, late charges or interest, the prevailing party will be entitled to costs and reasonable attorneys' fees. If such costs and fees are awarded to the Association they will be become a reimbursement special assessment the owner.
2. *Lien & Foreclosure:* The Association may file a lien against the owner's unit for the amount of the delinquent assessment together with any late charges, interest, costs, attorney' fees and penalties. The Association, through its Board, may bid on the unit at the sale and may hold lease/mortgage and convey the acquired unit.
3. *Suspend Privileges & Voting Rights:* The Board may suspend the common area privileges and voting rights of any owner who is more than thirty days delinquent in paying any assessment.
4. *Additional Remedies:* The remedies described above are in addition to and not in substitution of any other rights and remedies the Association may have.

Lien & Non-Judicial Foreclosure: Upon any assessment-becoming delinquent and prior to the recordation of a lien, the Association will use the following procedure:

Notice of Delinquency: A notice will be mailed to the owner via first class mail and certified mail to pay the account in FULL or a lien will be recorded against the owner's property. The following will be included in the *Notice of Delinquency*:

- a. A copy or summary of this Delinquent Assessment Collection Policy.
- b. The method of calculation of the amount owed.
- c. A written statement that the owner has the right to inspect the Association's records, pursuant to Corporate Code, Section 8333.

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- d. An itemized statement (Owner Ledger) of the charges owed by the owner, including items on the statement, which indicate the amounts of delinquent assessment payments, costs of collection, attorney's fees, late charges and interest (if any) and their method of calculation.
- e. A statement that the owner shall not be liable to pay delinquent assessment payments, costs of collection, attorney's fees, late charges and interest (if any); if it is determined the assessment was paid on time to the association.
- f. 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 (California Civil Code, Section 1367.1)
- g. The owner's right to request a meeting with the Board to discuss a Payment Plan.

Recording of Lien: If the owner fails to bring the account current, a lien will be recorded against the owner's property.

Prior to the recording of a lien, homeowners that are delinquent will be sent a "pre-lien" letter. The pre-lien letter will include an offer by the association to engage in informal 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 1363.810, et seq.

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

Notice of Lien: Within ten (10) days following recordation of the lien, a copy of the lien will be mailed to all owners of record for the property, as provided for in California Civil Code, Section 2924b.

Foreclosure: Thirty (30) days following recordation of the lien, foreclosure will begin. In lieu of foreclosure, or currently a lawsuit may be filed against the owner personally; if the Board concludes such action is in the best interests of the Association.

Prior to commencing foreclosure, the association will offer to engage in informal dispute resolution upon receipt of a written request within thirty (30) days of the offer of such informal dispute resolution, pursuant to the association's meet and confer program required by *Civil Code* Section 1363.810, et seq. and will also offer to engage in formal alternative dispute resolution with a neutral third party pursuant to *Civil Code* section 1369.510, et seq.

Prior to commencement of foreclosure, the Board of Directors will approve the foreclosure in executive session and note the approval in the regular minutes of the association without identification of the name of the individual.

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

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

Returned Checks: Personal checks returned from the bank for non-sufficient funds will be subject to a service charge.

No Offsets Allowed: As required by law, owners may not offset payment of their assessments for any reason.

Crediting Payments: Any payments received will be credited to the outstanding balance in the following order: special assessments, reimbursement special assessments, regular assessments, monetary penalties and fines for rules violations, late charges, attorneys' fees and costs, and interest.

Attorneys' Fees: If a lawsuit for foreclosure action is initiated by the Association to recover assessments, the Association is entitled to recover not only the amount in default but also reasonable cost of collection, including title company charges and attorney fees as provided for by statute as well as the Association's CC&R's, Bylaws or other governing document.

Fair Debt Collection: State and Federal laws may govern The Association's Assessment Collection Policy practices regarding "fair debt collection". Penalties can be imposed for debt collection practices that violate these laws.

If for any reason a homeowner does not receive the monthly statement, the address for any payment or correspondence is as follows:

Northview Condominium Association, Inc. HOA
c/o: Paragon Equities, Inc.
Post Office Box #91665
Long Beach, CA 90809

Notice of Assessments & Foreclosure: The statutorily required Notice of Assessments and Foreclosure is contained in Attachment "A" to this policy.