

**WEST IRVINE MAINTENANCE ASSOCIATION**  
**ASSESSMENT COLLECTION POLICY**

Prompt payment of assessments by all owners is critical to the financial health of the Association. Accordingly, the Board of Directors takes its obligations under the Declaration of Covenants, Conditions and Restrictions (“CC&R’s”) and the California Civil Code to enforce the members’ obligation to pay assessments very seriously. The Board has adopted this Collection Policy in an effort to discharge that obligation in a fair, consistent and effective manner. All policies and practices outlined below 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 applicable sections of the California Civil Code, the following is the Association’s Assessment Collection Policy:

1. Regular monthly assessments are due and payable on the first day of each month. It is the responsibility of the owner of record to pay each assessment in full each month regardless of receipt of a statement. All other assessments, including special assessments, are due and payable on the date specified by the Board in the notice of assessment.

2. Assessments, late charges, interest and reasonable fees and collection costs, including attorney’s fees, are the personal obligation of the owner of the property at the time the assessment or other sums are levied. (Civil Code Sections 1367(a) and 1367.1(a)).

3. Payments are posted as of the date received at the Association’s business office. Assessments are delinquent ***fifteen (15) days*** after they become due. Delinquent assessments shall be subject to a late charge equal to ten percent (10%) of the unpaid assessment or ten dollars (\$10.00), whichever is greater. Interest on all sums imposed in accordance with this Assessment Collection Policy including the delinquent assessments, reasonable fees and costs of collection and reasonable attorneys fees shall be at a rate of 12% per year, commencing ***thirty (30) days*** after the assessment becomes due (California Civil Code Section 1366(e)(2) and (3)).

4. Any payments made shall be first applied to the assessments owed, and only after the assessments owed are paid in full, shall the payments be applied to late charges, interest, or collection expenses. (Civil Code 1367(a) and 1367.1(b)).

5. If the assessment is not paid within ***fifteen(15) days*** of the due date, the Association will send a certified letter (“Notice of Intent to Lien”) to the delinquent homeowner’s address of record informing the owner of the following:

- (a) a general description of the Association’s lien enforcement procedures and the method of calculation of the amount;

- (b) a statement that the homeowner has the right to inspect Association records pursuant to California Corporations Code Section 8333;
- (c) The following statement in 14-point boldface type: “IMPORTANT NOTICE: IF YOUR SEPARATE INTEREST IS PLACED IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR ASSESSMENTS, IT MAY BE SOLD WITHOUT COURT ACTION.”;
- (d) an itemized statement of the charges owed by the homeowner, including items on the statement indicating the amount of any delinquent assessments, the fees and reasonable costs of collection, reasonable attorneys’ fees, any late charges, and interest, if any;
- (e) a statement that the homeowner will not be liable to pay charges, interest, and collection costs, if it is determined the assessment was paid on time to the Association; and
- (f) the homeowner’s right to request a meeting with the board of directors to discuss a payment plan.

The letter described in this Paragraph 5 will be sent to the delinquent homeowner at least 30 days prior to recording a lien against the delinquent homeowner’s separate interest. The cost of the letter will be billed to the delinquent homeowner’s account. All further costs, including reasonable attorneys’ fees, are also the delinquent homeowner’s responsibility. (Civil Code Section 1367.1(a))

6. A homeowner has *fifteen (15) days* from the date of the postmark of the Notice of Intent to Lien to dispute the delinquency by submitting to the Board a written explanation to the Board of the reason for the dispute. The Board shall respond in writing to the homeowner within *fifteen (15) days* of the date of the postmark of the owner’s letter of dispute. (Civil Code Section 1367.1(c))

7. Within *fifteen (15) days* from the date of the postmark of the Notice of Intent to Lien, a delinquent homeowner may submit a written request to the Association to meet with the Board to discuss a payment plan for the amount set forth in the Notice of Intent to Lien. The Board shall meet with the delinquent homeowner in executive session within *forty-five days (45) days* of the date of the postmark of the request.

8. If the delinquent homeowner fails to pay the amount set forth in the Notice of Intent to Lien (a) within *thirty (30) days* of the date of the postmark of the Notice of Intent to Lien, or (b) in the event the delinquent homeowner submits a request to meet, as set forth in No. 7 above, within *sixty (60) days* of the date of the postmark of the Notice of Intent to Lien, a lien will be recorded against the homeowner’s separate interest. The delinquent homeowner will be charged for the lien costs associated

with preparation and recordation of the lien.  
(Civil Code Sections 1367 and 1367.1(d))

9. After recordation of the lien, payment must be made in cash, money order or cashiers check. If any delinquent homeowner, within *thirty (30) days* from the date of recordation of the lien, pays to the Association, under protest, all amounts requested by Civil Code Section 1366.3 (the amount of the assessments in dispute, late charges, interest, all reasonable fees and costs including legal fees not to exceed \$425), associated with the preparation and filing of the lien), and the delinquent homeowner has not exceeded the statutory limit on the number of times this procedure is available, the Association will inform the delinquent homeowner that he/she may resolve the dispute by Alternative Dispute Resolution as outlined in Civil Code Section 1354 or by civil action.

10. 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 and the Association may turn the matter over to legal counsel at any time.

11. The mailing address for overnight payment of assessments is West Irvine Maintenance Association, c/o CHW, 27405 Puerta Real, Suite 230, Mission Viejo, CA 92691.