

**GLENSHIRE/DEVONSHIRE RESIDENTS ASSOCIATION**  
***DELINQUENT ASSESSMENT COLLECTION POLICY***

- 1. Due Dates:** All Regular Assessments shall be due and payable, in advance, on the first day of each year. Special Assessments shall be due and payable on the due date specified by the Board in the notice imposing the assessment or in the ballot presenting the special assessment to the members of approval. In no event shall a Special Assessment be due and payable earlier than thirty (30) days after it is imposed. A late charge of 10% will be imposed if the assessment has not been paid within 30 days. Furthermore, the Association shall be entitled to recover any reasonable collections cost, including attorney's fees, that the Association then incurs in its efforts to collect the delinquent sums. Payment plans are available in accordance with the Association's policy.
- 2. Payment Receipts/Overnight Payment Locations:** Owners can request a receipt from the Association which indicate the date of payment and person who received it. Any request for a receipt of payment must be submitted directly to the Association's business address (separately from any actual payment). Overnight payment of assessments may be delivered to the following address:

Glenshire/Devonshire Residents Association  
15726 Glenshire Drive  
Truckee, CA 96161
- 3. Application:** Any payments made by the owner of a separate interest toward the debt shall first be applied to the assessments owed, and, only after the assessments owed are paid in full shall the payment be applied to the fees and costs of collection, attorney's fees, late charges, or interest.
- 4. Interest:** At the option of the Association, interest shall be due on all such accounts, once due and unpaid for thirty (30) days, at the rate of 12% per annum.
- 5. Secondary Address:** Upon receipt of a written request by an Owner identifying a secondary address for the purposes of assessment collection notices, the Association shall send additional copies of any collection notices required by this Collection Policy to the secondary address provided. The Owner's notice of a secondary address must be in writing and mailed to the Association in a manner that shall indicate that the Association has received it.
- 6. Internal Dispute Resolution (IDR):** Prior to authorizing a Pre-lien letter, the Association, in a separate written communication, shall offer to meet and confer with a delinquent owner to resolve any assessment dispute. An Owner who wishes

to accept the Meet and Confer Offer must do so by submitting his/her written request to accept the offer with the Association within twenty (20) days of the Meet and Confer Offer. The Association shall set a prompt date and time for the meeting at the Association office. The Association shall designate a Board officer, along with the Association manager to participate in the meeting with the delinquent owner. If no resolution is reached, the Board of Directors, in an open meeting, by majority vote, may initiate the Pay or Lien Process.

**7. Pre-Lien or Pay:** If any portion of any such assessment or late charge remains unpaid for sixty (60) days, a Pre-lien letter *may* be sent, by certified mail, to the delinquent record owner(s) at the owners last mailing address provided to the Association. Such notice will include a detail of the total amounts delinquent, including but not limited to, assessments, late charges, interest and costs of collection. A copy of the Association's collection policy shall be attached to the Pay or Lien Letter. The opportunity for the delinquent owner to participate in IDR, meet and confer or the Alternative Dispute Resolution (ADR) process will again be offered at this time.

**8. Assessment Lien:** If the delinquent Owner does not bring his/her account current within the deadline set forth in the Pre-Lien Letter, the Board of Directors shall approve the recordation of an assessment lien against the delinquent owners property. The Board's decision to record the assessment lien shall be by a majority vote of a quorum of the Board members at the open meeting. The Board's action should refer to the Unit/Lot/parcel number of the property that is delinquent, rather than the name of the owner. Recording this notice creates a lien, which is subject to foreclosure, against the Owner's property.

**9. Pre-Foreclosure Actions:** *If any portion of any such assessment or late charge remains unpaid for one (1) year or accrues the amount of \$1,800 after the original due date, the Board may begin the foreclosure proceedings.* Prior to initiating foreclosure, the Board of Directors must, in executive session, approve the decision to proceed with foreclosure by a majority vote of a quorum of the Board of Directors. The Board shall record the Board's executive decision in the minutes of the next meeting of the Board open to members by referencing the unit/lot/parcel number of the property that is delinquent. *The entire "nonjudicial" process may be handled by the Association's attorney or assigned agent.*

**10. Notice of Default and Election to Sell:** The Notice of Default and Election to sell shall be recorded at the County Recorder's Office and a three month reinstatement period shall begin.

**11. Notice of Trustee Sale:** If, after three months the delinquency is not cured the Association's agent *may* proceed with the "nonjudicial" foreclosure process in accordance with current law and practice.

**12. Return Check:** A fee of \$25 will be charged to the owner for all returned checks.

## 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 the 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 FORECLOSURE

Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay association assessments may result in the loss of an owner's property through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure or without court action, often referred to as nonjudicial foreclosure. For liens recorded on and after January 1, 2006, an association may not use judicial or nonjudicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars (\$1,800). For delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1,800) or more than 12 months delinquent, an association may use judicial or nonjudicial foreclosure subject to the conditions set forth in Section 1367.4 of the Civil Code. When using judicial or nonjudicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid. (Sections 1366, 1367.1, and 1367.4 of the Civil Code)

In a judicial or nonjudicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use nonjudicial 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 Section 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, including 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 submitting a written request for dispute resolution to the association as set forth in Article 5 (commencing with Section 1368.810) of Chapter 4 of Title 6 of Division 2 of the Civil Code. In addition, an association may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in Article 2 (commencing with Section 1369.510) of Chapter 7 of Title 6 of Division 2 of the Civil Code, if so requested by the owner. Binding arbitration shall not be available if the association intends to initiate a judicial foreclosure.

An owner is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time. (Section 1367.1 of the Civil Code)

Owners have the right, but not the obligation, to pay under protest any disputed charge and by so doing, specifically reserve the right to contest the disputed charge or sum in small claims court or any other court.

## MEETINGS AND PAYMENT PLANS

An owner of a separate interest that is not a timeshare 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 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 with the payment plan standards of the association, if they exist. (Section 1367.1 of the Civil Code)