

Cypress Home Owners Association
Assessment and Billing Collection Policy

Prompt payment of Assessments by all owners is critical to the financial health of the Association, and to the enhancement of the property values of our homes. Your Board of Directors takes very seriously its obligation under the Declaration of Covenants, Conditions and Restrictions (CC&R's) and the California Civil Code to enforce the members' obligation to pay assessments. The policies and practices outlined herein 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 California Civil Code, the following are the Association's assessment practices and policies:

1. Assessments are billed monthly and are due and payable on the first day of each month. A courtesy billing statement is sent monthly to the billing address on record with the Association. **However, it is the Owner of Record's responsibility to pay each assessment in full each month regardless of the receipt of a statement.** All other assessments, including Special Assessments, are due and payable on the date specified by the Board on the Notice of Assessment which date will not be less than thirty (30) days after the date of notice of the special assessment.
2. Assessments, late charges, interest and collection costs, including any attorney fees, are the personal obligation of the owner(s) of the property at the time the assessment or other sums are levied, *per Civil Code Sections 5650(a) & 5660.pas*
3. Assessments not received within **15 days** of the stated due date are delinquent and shall be subject to a late charge of **twenty dollars (\$20.00)** for each delinquent assessment per unit. Additionally, a "Notice of Past Due Assessment" will be prepared and mailed on the day immediately following the past due date.
4. Any payments made shall be first applied to assessments owed, and only after the assessments owed are paid in full, shall such payments be applied to late charges, interest, and collection expenses, including attorney's fees, unless the owner(s) and the Association enter into an agreement providing for payments to be applied in a different manner.
5. If an assessment is not received within **forty-five (45) days** of the "stated due date", the Association will send a **"pre-lien letter"** to the owner(s) as required by *Civil Code Sections 5650(a) & 5660*, by certified and first-class mail, to the mailing address of record advising of the delinquent status of the account and impending collection action. The owner(s) will be charged a **seventy-five dollars (\$75.00) fee** for the pre-lien letter. Additional pre-lien letters, if needed, will result in a **fifty-dollar (\$50.00) fee**. In addition, the owner(s) will also be charged a **forty dollars (\$40.00) fee** for each title check necessary to process the delinquency and a **one hundred dollar (\$100.00) fee** for a Resolution to Lien action taken by the Board of Directors.
6. If any owner(s) fail(s) to pay the amounts set forth in the pre-lien letter within **thirty (30) days** of the date of that letter, a **lien** for the amount of any delinquent assessments, late charges, interest and/or costs of collection including attorneys' fees may be assessed against the property. The owner(s) will be charged three hundred forty-five dollars **(\$345.00) fee** for the preparation and

recordation of the lien. After the expiration of thirty (30) days following recordation of the lien, the lien may be enforced in any manner permitted by law, including, without limitation, judicial or non-judicial foreclosure *as noted in Civil Code Sections 5725 (b), 5735(a),(b), 5700(a), 5710(a),(c)*, subject to the limitations set forth below under “Additional Provisions to Conform to Law” and as otherwise provided by law.

7. If the balance due is not paid within **thirty (30) days** of recordation of the Lien, the matter may be turned over to an attorney for legal action, including an “action to foreclose” the assessment lien and/or for a money judgment. The owner(s) will be charged **three hundred dollars (\$300.00)** for preparing the matter to be sent to counsel.
8. Any owner(s) who reach the lien stage may be subject to the violation hearing process wherein membership rights including, but not limited to, common area access, voting, and/or facility use privileges may be revoked.
9. Any owner(s) who rents the property in question to a third party may be subject to the “assignment of rents” process through the judicial system wherein the Association collects the rents until the debt is repaid.
10. If there is a failure to bring the account current within the parameters specified in California Civil Code, the Board of Directors may resolve to foreclose on the property via the judicial or non-judicial foreclosure process. The fee to process a foreclosure package is **two hundred seventy-five dollars (\$275.00)**, not including attorney fees, court costs, or other ancillary fees.
11. All owners are entitled to inspect the Association’s accounting books and records to verify the amounts owed on their property pursuant to *Corporations Code Section 8333*.
12. In the event it is determined that the owner(s) paid the assessments on time, the owner(s) will not be liable to pay the charges, interest, and costs of collection associated with the collection of those assessments.
13. Owner(s) unable to pay assessments will be entitled to make a written request for a payment plan to be considered by the Board of Directors. Owner(s) may also request to meet with the Board in executive session to discuss a payment plan. The Board will consider payment plan requests on a case-by-case basis and is under no obligation to grant payment plan requests. If the Board agrees to accept a payment plan, a **\$25.00 per month fee** will be charged to the owner(s) to administer and monitor the payment plan.
14. Nothing herein limits or otherwise affects the Association’s rights to proceed in any lawful manner to collect any delinquent sums owed to the Association.
15. Prior to the release of any lien, or dismissal of any legal action, all assessments, late charges, interest, and legal fees must be paid in full to the Association. The fee to execute **a lien release is \$50.00**.
16. The delinquent owner(s) will be responsible for all costs of collection, including attorneys’ fees, incurred by the Association to collect any delinquent sums *Civil Code Section 5650(b)*.

17. All charges listed herein are subject to change without notice.
18. If an owner pays under protest, the owner can **at the same time** pursue dispute resolution AND commence an action in small claims court (amount at issue must not exceed jurisdictional monetary limit), *per Civil Code Section 5658*.