

**The Mabury Ranch Homeowner's Association  
Collection Policy  
Effective January 1, 2016**

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 member's obligation to pay assessments. The policies and practices outlined 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 Civil Code, the following are the Association's assessment practices and policies:

1. Assessments, late charges, interest and collection costs, including any 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 Section 5650(a)].
2. The association shall provide notice by first-class mail to the owners of the separate interests of any increase in the regular or special assessments of the association, not less than thirty (30) nor more than sixty (60) days prior to the increased assessment becoming due. Regular monthly assessments are due and payable on the first day of each month. A courtesy billing statement is sent each month to the billing address on record with the Association. **However, it is the owner's responsibility to pay each assessment in full each month regardless of whether a statement is received.** All other assessments, including special assessments, are due and payable on the date specified on the Notice of Assessment.
3. 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 costs, including attorney's fees, unless the owner and the Association enter into a written agreement providing for payments to be applied in a different manner [Civil Code 5655(a)].
4. **Regular and special assessments levied pursuant to the governing documents are delinquent thirty (30) days after they become due. The association will levy late charges at thirty (30) days past due.** If an assessment is delinquent the association may recover all of the following:
  - (a) Reasonable costs incurred in collecting the delinquent assessment, including reasonable attorney's fees.
  - (b) A late charge not exceeding ten (10%) percent of the delinquent assessment or ten dollars (\$10), whichever is greater, unless the declaration specifies a late charge in a smaller amount, in which case any late charge imposed shall not exceed the amount specified in the declaration.
  - (c) Interest on all sums imposed in accordance with this section, including the delinquent assessments, reasonable fees and costs of collection, and reasonable attorney's fees, at an annual interest rate not to exceed ten (10%) percent, commencing thirty (30) days after the assessment becomes due, unless the declaration specifies the recovery of interest at a rate of a lesser amount, in which case the lesser rate of interest shall apply and shall continue to be assessed each month until the account is brought current.
5. If a special assessment is payable in installments and an installment payment of that special assessment is delinquent for more than thirty (30) days, all installments will be accelerated and the entire unpaid balance of the special assessment shall become immediately due and payable. The remaining balance shall be subject to a late charge and interest as provided above.
6. If an assessment is not received within forty-five (45) days after the assessment becomes due and at least thirty (30) days prior to recording a lien, the Association or its designee will send a pre-lien letter to the owner as required by Civil Code Section 5660 by certified and first class mail, to the owner's mailing address of record advising of the delinquent status of the account and impending collection action. The owner will be charged a fee for the 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 by the owner within fifteen (15) days of the pre-lien letter. The Board shall meet with the owner in executive session within forty five (45) days of receipt of the owner's written request pursuant to the association's "meet and confer" program required by Civil Code Section 5900, unless there is no regularly scheduled board meeting within that period, in which case the Board may designate a committee of one or more members to meet with the owner.

7. **If an owner fails to pay the amounts set forth in the pre-lien letter within thirty (30) days of the date of that letter, the Association will authorize a lien be recorded for the amount of any delinquent assessments, late charges, interest and/or costs of collection, including attorneys' fees against the owner's property.** The owner will be charged for the fees and costs of preparing and recording the lien. 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 [Civil Code Sections 5700-5720].
8. 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. Prior to recording of a lien for delinquent assessment, the Association shall offer the owner and, if so requested by the owner, participate in dispute resolution [Civil Code Sections 5705 -5720].
9. An owner is entitled to inspect the Association's accounting books and records to verify the amounts owed pursuant to Civil Code Sections 5200-5240 and Corporation Code Section 8333.
10. In the event it is determined that the owner has paid the assessments on time, the owner will not be liable to pay the charges, interests, and costs of collection associated with collection of those assessments.
11. Any owner who is unable to pay assessments will be entitled to make a written request for a payment plan to be considered by the Board of Directors. An owner may also request to meet with the Board in executive session to discuss a payment plan. Payment plans may incorporate any assessments that accrue during the payment plan period. Payment plans shall not impede an association's ability to record a lien on the owner's separate interest to secure payment of delinquent assessments. Additional late fees shall not accrue during the payment plan period if the owner is in compliance with the terms of the payment plan. In the event of a default on any payment plan, the association may resume its efforts to collect the delinquent assessments from the time prior to entering into the 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.
12. 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.
13. Prior to the release of any lien, or dismissal of any legal action, all assessments, late charges, interest, and cost of collection, including attorney's fees, must be paid in full to the Association.
14. All charges listed herein are subject to change upon thirty (30) days prior written notice.
15. **The mailing address for overnight payment of assessments is:**

**The Mabury Ranch Homeowner's Association  
c/o Accell Property Management, Inc.  
23046 Avenida de la Carlota, Suite 700  
Laguna Hills, CA 92653  
(949) 581-4988**

16. The Association may not foreclose unless delinquent assessments are greater than \$1,800 or greater than twelve (12) months delinquent.
17. Prior to initiating a foreclosure for delinquent assessments, the association shall offer the owner and, if so requested by the owner, shall participate in dispute resolution pursuant to the association's "meet and confer" program or alternative dispute resolution with a neutral third party pursuant to Civil Code Sections 5900-5920.
18. 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.
19. A nonjudicial foreclosure by the Association to collect upon a debt for delinquent assessments shall be subject to a right of redemption. The redemption period within which the separate interest may be redeemed from a foreclosure sale under this paragraph ends ninety (90) days after the sale.
20. Owners have the right to request that all collection correspondence and legal notices be mailed to both a primary and secondary address. Upon receipt of a written request by an owner sent by United States Mail or facsimile transmission, identifying a secondary address for purposes of receiving collection notices, the Association shall send additional copies of all collection correspondence and legal notices to both the primary and secondary address provided in the written request.