

Silveroaks West
Homeowners' Association
Collection of Delinquent Accounts

**NOTICE REGARDING
DISCRIMINATORY RESTRICTIONS**

(California Government Code § 12956.1)

In accordance with California Government Code § 12956.1, enacted effective January 1, 2000 by Senate Bill 1148, the Association includes with this governing document the following information:

“If this document contains any restriction based on race, color, religion, sex, familial status, marital status, disability, national origin, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.1 of the Government Code. Lawful restrictions under state and federal laws on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.”

COLLECTION OF DELINQUENT ACCOUNTS

It is the fiduciary responsibility of the Board of Directors to collect all assessments for the maintenance and replacement of common area property in a timely manner. The Association is entitled to recover reasonable cost of collecting delinquent assessments, including but not limited to Attorney's fees, late fees, collection costs, lien fees and costs and litigation guarantee, which assessments and costs shall bear interest if more than thirty (30) days overdue.

Homeowners monthly assessments are due on the first day of the month. There is a late fee of 10% of the monthly assessment that is not received by the 15th of the month, and delinquent assessments shall bear interest at the rate of 12 percent (12%) per annum from 30 days after the due date until paid.

On or about the 60th day after a payment is due, a 10-day pre-lien notice will be prepared and 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, if any.

On or about the 11th day after the pre-lien notice is sent, if all such amounts have not been paid, a Notice of Delinquent Assessment ("Lien") will be prepared and recorded. All resulting collection fees and costs will be added to the total delinquent amount as the Association reserves the right to recover costs of collection. A copy of the recorded lien will be sent, by regular and certified mail, to the address as described in the above paragraph, 10 days after recordation.

All charges assessed to the account must be paid in full as a condition to curing and releasing such lien, and the Association shall not be required to accept any partial or installment payments from the lien date to the time that all such amounts are paid in full, except by an execution of a mutually agreeable payment plan and forbearance agreement. Arrangements for such an agreement must be made with the Association's agent assigned to the collection of the account.

If all such amounts have not been paid, in full, within thirty (30) days after the recordation of such Lien, the Association may, without further advance notice, proceed to take any and all additional enforcement remedies as the Association, in its sole discretion, deems appropriate, including without limitation, non-judicial foreclosure of such Lien, judicial foreclosure, or suit for money damages, all at the expense of such owner.

Each payment from an owner shall be applied first to the principal sum owed, then in descending order, to interest, late and collection expenses unless a payment agreement and forbearance agreement is executed between the Association and the owner.

Any check returned by the bank for insufficient funds, stop payment or any other reasons will be charged back to the unit and a \$15 administrative fee plus any bank fees will be assessed to the account. If the account has been turned over to the Association's agent for collection and a check is returned, the account will be assessed whatever administrative fees as the agent provides.

Assessment collection issues are generally exempt from Civil Code Section 1354 which provides a process for resolving matters through alternative dispute resolution (ADR). However, a homeowner may lift the exception for association assessments through the following steps:

- a. Homeowner pays in full all of the assessments in dispute, late charges, interest and all fees and costs associated with preparation and filing of a lien (including mailing costs, and attorneys fees not to exceed \$425);
- b. This payment must be made along with a written statement of protest from the homeowner which is sent to the Association via certified mail, not more than 30 days after the lien is recorded;
- c. Upon receipt of such a written protest, the Association must inform the owner of the right to resolve the matter through ADR as set forth in Civil Code Section 1354, a civil action or any other procedure that the Board might establish to resolve this matter. The Association is under no obligation to agree to ADR, even if an owner properly requests ADR;
- d. A homeowner may use this exception for ADR for delinquent disputes not more than 2 times in any single year and not more than 3 times in any five calendar years;
- e. If through ADR it is determined that some of the assessments are levied in error, the homeowner is entitled to recovery of interest in a reasonable amount.

The Board of Directors of the Association may revise this policy, either generally or on a case-by-case basis, if it finds good cause to do so.