

**Bear Creek Master 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 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 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 Section 5310 the following are the Association's assessment practices and policies:

1. 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 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 the collection costs, including any attorney 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)).
3. Assessments not received within fifteen (15) days of the stated due date are delinquent and shall be subject to a late charge of twenty-five dollars (\$25.00) for each delinquent assessment per unit (Civil Code Section 5650(b)).
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 attorneys' fees (Civil Code Section 5655(a)).
5. A first notice of past due assessment will be prepared and mailed on assessments not received within thirty (30) days of the stated due date. A thirty-dollar (\$30.00) charge for the late letter will be made against the delinquent members' account. Additionally, an interest charge at the rate of 12% per annum will be assessed against any outstanding balance including delinquent assessments, late charges, and cost of collection, which may include attorney fees. Such interest charges shall continue to be assessed each month until the account is brought current.
6. 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 as required by Civil Code Section 5660, by certified and first class mail, to the owner's last known mailing address provided to the Association advising of the delinquent status of the account and impending collection action. If the delinquent owner has provided a written notice to the Association of a secondary address, all notices shall be also sent to that address. Otherwise, the unit address shall be deemed the correct address for all purposes (Civil Code Section 4040(b)). The owner will be charged a one-hundred fifty-dollar (\$150.00) fee for the pre-lien letter. The owner will also be charged a fifty dollar (\$50.00) fee for each title check requested and a fifty dollar (\$50.00) fee for the resolution.

The pre-lien letter will include the following language:

- a. A general description of the collection and lien enforcement procedures of the association and the method of calculation of the amount.
- b. A statement that the owner of the separate interest has the right to inspect the association records pursuant to Section 5205 of the Civil Code.
- c. The following statement in 14-point boldface type, if printed, or in capital letters, if typed:

**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 owner, including items on the statement which indicate the amount of any delinquent assessments, the fees and reasonable costs of collection, reasonable attorney's fees, any late charges, and interest, if any.

- e. A statement that the owner shall not be liable to pay the charges, interest, and costs of collection, if it is determined the assessment was paid on time to the association.
- f. The right to request a meeting with the board as provided by Section 5665.
- g. The right to dispute the assessment debt by submitting a written request for dispute resolution to the association pursuant to the association's "meet and confer" program Article 2 (commencing with Section 5900) of Chapter 10.
- h. The right to request alternative dispute resolution with a neutral third party pursuant to Article 3 (commencing with Section 5925) of Chapter 10 before the association may initiate foreclosure against the owner's separate interest, except that binding arbitration shall not be available if the association intends to initiate a judicial foreclosure.

(Civil Code Section 5660(a-f)).

- 7. If an owner fails to pay the amounts set forth in the pre-lien within forty-five (45) days from receipt 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 owner's property (Civil Code Section 5675). The owner will be charged a three-hundred-dollar (\$300.00) fee for the preparation of the lien, plus the cost of recordation.
- 8. After 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. The owner will be charged three hundred dollars (\$300.00) for preparing the matter to be sent to counsel.
- 9. 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. If the owner requests to meet with the Board to discuss a payment plan within fifteen (15) days of the date of the postmark of the pre-lien letter, then the Board shall meet with the owner within forty-five (45) days of the postmark on the owner's request, 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 member (Civil Code Section 5665). The Board will consider payment plan requests on a case-by-case basis and is under no obligation to grant payment plan requests.
- 10. 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.
- 11. 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.
- 12. The delinquent owner will be responsible for all costs of collection, including attorneys' fees, incurred by the Association to collect any delinquent sums (Civil Code Section 5650).
- 13. All charges listed herein are subject to change without notice.

#### Additional Provisions to Conform to Law

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 (Civil Code Section 5673).

The Association may not foreclose unless delinquent assessments are greater than one-thousand-eight-hundred dollars (\$1,800) or greater than twelve (12) months delinquent (Civil Code Section 5720).

Prior to commencing foreclosure, the Association will offer to engage in informal dispute resolution upon receipt of a written request within thirty (30) days of the offer of such informal dispute resolution, pursuant to the Association's meet and confer program required by Civil Code Section 5900, et seq. and will also offer to engage in formal alternative dispute resolution with a neutral third party pursuant to Civil Code Section 5925 et seq. (Civil Code Section 5705).

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 (Civil Code Section 5705(c)).

All foreclosures shall be subject to a ninety (90) day right of redemption.

The Association may sue delinquent owners personally or take a deed in lieu of foreclosure on account of delinquent assessments. (Civil Code Sections 5720(b)).

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.

#### Fee and Penalty Procedures

The following charges may be assessed in accordance with the Association's Assessment and Billing Collection Policy:

Late Charge	\$10.00
Late Letter Fee	\$30.00
Pre-Lien Letter	\$150.00
Additional Pre-Lien Letters	\$75.00 each
Title Check Fee	\$50.00 each
Resolution to Record Lien	\$50.00
Lien Fee	\$300.00 + Recordation Costs
Additional Lien Mailings	\$75.00 each
Lien Release	\$150.00 + Recordation Costs
One-Time Payment Plan Admin. fee	\$100.00
Attorney Package Preparation and Monthly Monitoring	\$300.00
Returned Check Fee	\$25.00

In addition to the fees charged by management, if a matter is sent to counsel for legal action, or to a collection service for foreclosure or other action, the owner will be responsible for any attorneys' fees and costs incurred by such action.

The mailing address for overnight payment of assessments is:

Bear Creek Master Association  
31608 Railroad Canyon Road  
Canyon Lake, CA 92587