

BELCOURT MASTER ASSOCIATION DELINQUENT ASSESSMENT 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 Association's Governing Documents, including, without limitation, the Declaration of Covenants, Conditions and Restrictions (CC&Rs) and the California Civil Code (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 Association's Board of Directors. Therefore, pursuant to the Association's Governing Documents and California Civil Code, the following are the Association's assessment practices and policies:

1. Assessments, late charges, interest and collection costs, including any attorneys' 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. Regular monthly assessments are due and payable on the first (1st) day of each month. **It is the owner of record's responsibility to pay each assessment in full each month regardless of whether a courtesy statement or courtesy late letter is received.**
3. 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 Assessment.
4. An owner may, but is not obligated to, pay under protest any disputed charge or sum levied by the Association, including, but not limited to, an assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as a disciplinary measure provided the amount in dispute does not exceed the California jurisdictional limits of the small claims court. By doing so, the owner may in addition to pursuing dispute resolution pursuant to Civil Code sections 5925-5965, commence an action in small claims court.
5. Until all assessments are paid in full, any payments made by an owner will first be applied to assessments owed. Only after all assessments are paid in full will payments be applied to collection fees and costs, attorney's fees, late charges or interest. (Civil Code Section 5655(a)) The Association may, in its discretion, enter into an agreement with an owner providing for payments to be applied in a different manner.
6. Assessments are delinquent thirty (30) days after they come due.
7. All other assessments, including special assessments, are delinquent thirty (30) days after they come due.
8. Delinquent assessments are subject to a late charge in the amount of ten percent (10%).

9. Interest on all sums imposed, including delinquent assessments, collection fees and costs, and attorney's fees shall be at an annual rate of twelve percent (12%).
10. If a special assessment is payable in installments and an installment payment for 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 late fees and interest as provided herein.
11. The Association or the Association's managing agent may send to the owner a late letter once an assessment becomes delinquent. A charge for the late letter (if any) will be added to owner's delinquent account.
12. If an assessment is not received within thirty (30) days after the assessment becomes delinquent, the Association or its designee, Association Lien Services (ALS), in the event the account is turned over to a collection agent, 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, impending collection action and the owner's right to request that the Association participate in some form of internal dispute resolution process ("IDR"). The owner will be charged collection fees and costs for the pre-lien letter. Notwithstanding the provisions of this paragraph, the Association may (i) send a pre-lien letter to a delinquent owner at any time when there is an open escrow involving the owner's Unit/Lot, and/or (ii) issue a pre-lien letter immediately if any special assessment becomes delinquent even if the owner is current in paying their regular assessments.
13. If an owner fails to pay the amounts set forth in the pre-lien letter and fails to request IDR within thirty (30) days of the date of the pre-lien letter, the Board, by majority vote in an open meeting, shall authorize the recordation of a lien for the amount of any delinquent assessments, late charges, interest and/or collection fees and costs, including attorneys' fees, against the owner's property. The owner will be charged collection fees and costs for preparation and recordation of the lien. The lien may be enforced in any manner permitted by law, including, judicial or non-judicial foreclosure. (Civil Code Sections 5700-5720)
14. The lien may be enforced by non-judicial foreclosure sale when either (a) the delinquent assessment amount totals One Thousand, Eight Hundred Dollars (\$1,800) or more, excluding accelerated assessments and specified late charges and fees or (b) the assessments are delinquent for more than twelve (12) months. A delinquent owner could lose ownership of the property if a foreclosure action is completed. The delinquent owner will be responsible for significant additional collection fees and costs for enforcement of the lien against the property.
15. The decision to foreclose against a lien must be made by a majority of the Board of Directors in an Executive Session meeting and the Board of Directors must record their votes in the minutes of the next open meeting of the Board. The Board must maintain the confidentiality of the delinquent owner(s) by identifying the matter in the minutes by the parcel number of the owner's property, rather than the name of the owner(s). Prior to initiating the foreclosure

sale against a recorded lien, the Association shall offer delinquent homeowners the option of participating in IDR or Alternative Dispute Resolution (“ADR”).

16. Upon an Owner’s written demand, the Association shall make specified Association records available for inspection and copying pursuant to Civil Code Sections 5200-5240.
17. 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.
18. The owner has the right to request a meeting with the Board of Directors as provided by Civil Code Section 5665.
19. An owner has the right to dispute the debt by submitting a written request for dispute resolution pursuant to the Association’s “meet and confer” program pursuant to Civil Code Sections 5900-5920.
20. An owner has the right to request alternative dispute resolution with a neutral third party pursuant to Civil Code Sections 5925-5965, 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.
21. An owner may submit a written request to discuss a payment plan for the debt. The Board is not required to meet with an owner unless the request is mailed within fifteen (15) days of the date of the postmark of the pre-lien letter, in which the Board shall meet with the owner in Executive Session within 45 days of the postmark of the 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 directors to meet with the owner.
22. The Association shall provide the owner the standards for payment plans, if any exists. The Board will consider payment plan requests on a case-by-case basis and is under no obligation to grant payment plans. Payment plans shall not interfere with the Association’s ability to record a lien against an owner’s separate interest to secure payment for the owner’s delinquent assessments. If the Board authorizes a payment plan, it may incorporate payment of ongoing assessments that accrue during the payment plan period. If a payment plan is approved, additional late fees from the homeowner will not accrue while the owner remains current under the terms of the payment plan. If the owner breaches an approved payment plan, the Association may resume its collection action from the time prior to entering into the payment plan.
23. 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.
24. Subject to Paragraph 17 above, prior to the release of any lien, or dismissal of any legal action, all assessments, late charges, interest, and collection fees and costs, including attorneys’ fees, must be paid in full to the Association.

25. There is no right of offset. An owner may not withhold assessments owed to the Association on the alleged grounds that the owner is entitled to recover money or damages from the Association for some other obligation.
26. The Association shall charge the owner a Thirty Dollar (\$30.00) fee for the first check tendered to the Association that is returned unpaid by the owner's bank and Thirty-Five Dollars (\$35.00) for each subsequent check passed on insufficient funds. If the check cannot be negotiated, the Association may also seek to recover damages of at least One Hundred Dollars (\$100.00), or, if higher, three (3) times the amount of the check up to One Thousand, Five Hundred Dollars (\$1,500.00) pursuant to Civil Code Section 1719.
27. Owners have the right to provide a secondary address for mailing for purposes of collection to the Association. The owner's request shall be in writing and shall be mailed to the Association in a way that shall indicate that the Association has received it. An owner may identify or change a secondary address at any time, provided that, if a secondary address is identified or changed during the collection process, the Association shall only be required to send notices to the indicated secondary address from the point the Association receives the request.
28. All charges listed herein are subject to change upon thirty (30) days prior written notice.
29. Until the owner has paid all amounts due, including delinquent assessments, late charges, interest and fees and costs of collection, including attorneys' fees, the Board of Directors may suspend the owner's right to vote, and suspend the owner's right to use the Association's recreational facilities after providing the owner with notice of a duly noticed hearing before the Board. No suspension imposed may prevent the delinquent owner from the use, benefit and pleasure of the owner's separate interest.
30. **The mailing address for overnight payment of assessments is:**

Belcourt Master Association
c/o Keystone Pacific Property Management, LLC
16775 Von Karman Ave, Ste 100
Irvine, CA 92606