

Leisure Village Association Collection Policy (Civil Code 5310(a)(7))

The following is the policy adopted by the Board of Directors of Leisure Village Association, Inc.

- (a) Assessments are due on the first of every month. Regular and special assessments become delinquent fifteen days after they are due.
- (b) There will be a cost of \$35.00 for each check or ACH payment that is returned for insufficient funds, stop payment, etc.
- (c) An annual interest rate of 12% will be imposed against delinquent assessments, late fees, and collection costs.
- (d) When the payment becomes late the Association shall send a statement to the owner requesting payment in full of the delinquent assessments.
- (e) Homeowner assessment fees are due the first of each month. A \$20 late fee shall be added if payment is received in the Association Office after the fifteenth of any month. Accounts with a balance remaining after 10 days shall be charged interest at the rate of one percent (1%) per month.
- (f) If payment is not tendered within 2 months from the date of the Association's statement a decision to lien will be made by the Board in an open Board meeting and will be documented in the Board's meeting minutes. A pre-lien initial collection letter will be sent by the Association's legal counsel.
- (g) If payment is not tendered within 30 days from the date of the pre-lien initial collection letter, a lien will be recorded against the owner's residence.
- (h) If the delinquent account is sent to the Association's attorney or collection agency, owners shall not send any assessment payments or correspondence to the Association; payments and correspondence will only be accepted by the law firm or collection agency.
- (i) Prior to recording a lien, the Association will offer internal dispute resolution (IDR) to the delinquent owner and, if accepted, the Association will participate in same.
- (j) A copy of the recorded lien will be mailed by certified letter to all owners of record within 10 days from the date of recording.
- (k) The Association will not commence foreclosure proceedings against the owner's residence unless the delinquent assessments equal or exceed \$1800 or the assessments are more than 12 months delinquent.

- (l) Prior to initiating foreclosure, the Association shall offer, and if so requested by the owner, will participate in IDR.
- (m) The decision to initiate foreclosure will be made by the Board in an Executive Session Board Meeting no less than 30 days prior to a public sale, and will be documented in the Board's meeting minutes.
- (n) The Board will provide written notice of the decision to foreclose via personal service to the occupant of the owner's residence or the owner's legal representative or by first class mail to the owner's last known address.
- (o) If an owner brings his or her account current, a release of lien will be recorded in the county recorder's office within 21 days from payment.