

Newcastle Manor

Homeowners Association

Policy and Procedures on Assessments, Payments, and Collections

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&Rs) and the California Civil Code to enforce the obligation of its members to pay assessments. The policies and practices outlined in this document 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&Rs and Civil Code §5310(a)(7), the following are the Association's assessment practices and policies:

1. Regular assessments (also known as "dues") 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 responsibility of the owner of record to pay each assessment in full each month regardless of the receipt of a statement.
2. All other assessments, including special assessments and reimbursement assessments, are due and payable on the date specified by the Board at the time they are adopted, which date will not be less than thirty (30) days after the date of notice of the assessment. If a date is not specified at the time of the imposition of such assessments, the assessments will be due and payable in thirty (30) days.
3. 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 §5650(a)).
4. Any payments made shall be first applied to assessments owed, and only after the assessments owed are paid in full shall any payments be applied to late charges, interest, or collection expenses (including attorneys' fees), unless the owner and the Association enter into a written agreement providing for payments to be applied in a different manner.
5. When an owner makes a payment, the owner may request a receipt, and the Association is required to provide it. The receipt must indicate the date of payment and the name of the person who received it. The Association must inform owners of a mailing address for overnight payments (Civil Code §5655).

6. 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, and by so doing, specifically reserve the right to contest the disputed charge or sum in court or otherwise.

7. An owner may dispute an assessment debt by submitting a written request for dispute resolution to the Association as set forth in Article 2 (commencing with §5900) of Chapter 10 of Part 5 of Division 4 of the Civil Code.

8. An owner is entitled to inspect the Association's accounting books and records pursuant to Civil Code §5205.

9. Assessments not received within fifteen (15) days of the stated due date are delinquent and shall be subject to a late charge of 10% for each delinquent assessment per unit.

10. Interest will accrue at the rate of twelve percent (12%) per annum and will be assessed against delinquent assessments, late charges, and cost of collection (which may include attorneys' fees). Such interest charges shall accrue thirty (30) days after the assessment becomes due and shall continue to be assessed each month until the account is brought current.

11. Any owner who is unable to pay assessments may submit 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. The Board shall meet with the owner in executive session within forty-five (45) days of the postmark of the request, if the request is mailed within fifteen (15) days of the date of the postmark of the Pre-Lien Notice, 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. The Board will consider payment plan requests, but is under no obligation to grant payment plan requests. The Association must inform owners of the standard for payment plans, if any exists (Civil Code §5665). If a payment plan is accepted, additional late fees will not be incurred so long as the owner is in compliance with the payment plan. A payment plan does not impede the right of the Association to record a lien on the owner's separate interest to secure payment of delinquent assessments, collection costs, late fees, and interest.

12. If a delinquent account has been assigned 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.

13. The collection practices of the Association may be governed by state and federal laws regarding fair debt collection. Penalties can be imposed for debt collection practices that violate these laws.

14. If an assessment is not received within sixty (60) days after the assessment becomes due, the Association, or its designee in the event the account is turned over to a collection agent, will send by Certified Mail a Pre-Lien Notice (also known as a Notice of Intent to Lien) to the owner's mailing address of record advising of the delinquent status of the account and impending collection action. The letter will include a copy of this policy and an itemized statement of the charges owed. This action will incur collection costs, charged to the owner's account, for the cost of producing the letter and a separate cost for a title search.

15. If an owner fails to pay the amounts set forth in the Pre-Lien Notice within thirty (30) days of receipt of the Pre-Lien Notice, or otherwise dispute the debt or request debt validation, the Association may authorize the managing agent or its designee to record a lien against the owner's separate interest for the amount of any delinquent assessments, late charges, interest, and/or costs of collection (to include attorneys' fees). The decision to record a lien will be made by the Board in an open meeting and will be documented in the minutes for that meeting. The owner will be charged for all costs incurred to the Association for preparing and recording the lien.

16. Prior to recording a lien, the Association will offer to engage in internal dispute resolution "IDR" pursuant to Civil Code §5900 *et seq.*, with the delinquent owner and, if requested by the owner, the Association will participate in the same.

17. A copy of any recorded lien will be mailed by certified letter to all owners of record within ten (10) days from the date of recording.

18. If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within twenty one (21) days, and to provide the Owner certain documents in this regard (Civil Code §5685).

19. After the expiration of thirty (30) days following recordation of the lien, the lien may be enforced in any manner permitted by law, including, without limitation, turning the account over to a collection agency or an attorney for legal action, including judicial or non-judicial foreclosure (Civil Code §5700(a)). The owner will be charged for all costs incurred for preparing the delinquent owner's collection file for assignment.

20. If an owner's delinquent assessments equal or exceed \$1,800.00 or the assessments are delinquent by more than twelve (12) months, the Association may foreclose. Foreclosure may occur either as a result of a court action (known as judicial foreclosure), or without court action (often referred to as nonjudicial foreclosure), subject to the conditions set forth in Article 3 (commencing with §5700) of Chapter 8 of Part 5 of Division 4 of the Civil Code.

21. An Association may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in Article 3 (commencing with §5925) of Chapter 10 of Part 5 of Division 4 of the Civil Code, if so requested by the owner. Binding arbitration shall not be available if the Association intends to initiate a judicial foreclosure.

22. The decision to foreclose will be made by the Board of Directors in executive session no less than thirty (30) days prior to any public sale, and will be announced at the next open meeting of the Board of Directors and documented in the Board's minutes for that meeting.

23. The Board will provide written notice of the Board's 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 off-site address.

24. Whether using judicial or nonjudicial foreclosure, the owner's property may be sold to satisfy the lien that will have been recorded if the amounts secured by the lien are not paid prior to the sale (Civil Code §5700 through §5720, inclusive).

25. A delinquent owner will be responsible for all assessments, late charges, interest, and costs of collection, including attorneys' fees, incurred by the Association to collect any delinquent sums (Civil Code §5650(b)). Such fees and costs must be paid in full to the Association prior to the release of any lien or dismissal of any legal action. If an owner brings his or her account current, a release of lien will be recorded in the office of the Registrar-Recorder/County Clerk for the County of Los Angeles within twenty-one (21) days from payment.

26. The service fees charged by the managing agent for collections actions referenced in this document, which will be charged to the delinquent owner, will be published annually by the managing agent and included in the Association's annual information packet, and are subject to change upon thirty (30) days' notice. Collection costs imposed by other parties, (such as attorneys fees, government filing fees, etc.), if charged directly to the Association, will also be charged to the delinquent owner in full where the amount of those costs is reasonable.

27. Payments sent by **regular mail** shall be made payable to **Newcastle Manor Homeowners Association** and sent to:

**LB Property Management, Inc.
P.O. Box 514017
Los Angeles, CA 90051**

Payments sent by **overnight delivery** shall be made payable to **Newcastle Manor Homeowners Association** and sent to:

**LB Property Management, Inc.
4730 Woodman Ave., Ste. 200
Sherman Oaks, CA 91423**

28. 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.

Adopted by the Board of Directors on May 3, 2021, and updated on June 6, 2025, to update paragraph 27.

Date: June 6, 2025

Jeff Fox
Jeffrey Fox, Secretary