

## WESTLAKE LAKE MAINTENANCE ASSOCIATION

### **Delinquent Assessment Collection Policy (Adopted November 19, 2024)**

Prompt payment of Assessments by all members is critical to the financial health of Westlake Lake Maintenance Association (“WLMA”) and to the enhancement of our property values. Your Board of Directors (“Board”) takes its obligations very seriously under the WLMA’s governing documents, including, without limitation, the Declaration of Covenants, Conditions and Restrictions (“CC&Rs”) to enforce the members’ obligation to pay Assessments. Pursuant to the WLMA’s CC&Rs, the following Assessment practices and policies outlined below have been adopted by the Board and shall remain in effect until such time as they may be changed, modified, or amended by a duly adopted resolution of the Board. The Board has also delegated all its authority under this policy to the Executive Committee (“EC”). Therefore, where this policy references Board authority, such authority also extends to the EC. All provisions in this policy may be enforced either by the Board of Directors or the EC at any time.

1. Assessments, late charges, interest and collection costs, including any attorneys’ fees, are the personal obligation of the member of the property at the time the Assessment or other sums are levied.
2. Regular Annual Assessments are due and payable on January 1<sup>st</sup> of every year. **It is the member’s responsibility to pay each Assessment in full each year regardless of whether a courtesy statement or courtesy late letter is received.**
3. Lakeshore, Northshore, Westshore and Westlake Bay. As a courtesy to members in these Districts, WLMA shall send notice of the District Assessment to each respective homeowner’s association. Each homeowner’s association shall collect funds from individual members and pay the District Assessment to WLMA. However, the individual WLMA member shall remain liable to WLMA for that member’s portion in the event their District becomes delinquent. WLMA shall have the right to pursue the individual members for any delinquency, as well as against the District homeowner’s association as agent.
4. Westlake Island, Southshore and Windward Shores. The District Assessments shall be billed individually to members of these associations. Individual members in these Districts shall remain liable to WLMA for paying their individual Assessment.
5. All Assessments shall be levied in accordance with Exhibit “D” to WLMA’s CC&Rs, a copy of which attached hereto as Exhibit 1 and incorporated herein by this reference.
6. 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.

7. A member may, but is not obligated to, pay under protest any disputed charge or sum levied by WLMA, 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 member may in addition to pursuing dispute resolution commence an action in small claims court.
8. Until all Assessments are paid in full, any payments made by a member 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. WLMA may, in its discretion, enter into an agreement with a member providing for payments to be applied in a different manner; such agreement shall be controlling.
9. Assessments are delinquent thirty (30) days after they come due, i.e., January 31<sup>st</sup> of every year. The Board will provide members an additional 15 days after an Assessment becomes delinquent before levying interest and late fees. Interest and late fees will begin accruing on February 16<sup>th</sup> if the assessment remains unpaid as set forth in sections 11 and 12 herein.
10. All other Assessments, including, but not limited to, Special Assessments, are delinquent thirty (30) days after they come due.
11. Delinquent Assessments are subject to a late charge in the amount of ten dollars (\$10.00) or ten percent (10%) whichever is greater. Late fees will begin accruing on February 16<sup>th</sup> if assessments remain unpaid.
12. 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%). Late fees will begin accruing on February 16<sup>th</sup> if assessments remain unpaid.
13. 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.
14. WLMA or the WLMA's managing agent may, but is not obligated to, send to the member a late letter once an Assessment becomes delinquent. A charge (if any) for the late letter will be added to the member's delinquent account.
15. If an Assessment is delinquent, WLMA or its designee, in the event the account is turned over to a collection agent, will send a pre-lien letter to the delinquent member by certified and first class mail, to the member's mailing address of record advising of the delinquent status of the account, impending collection action and the member's right to request that WLMA participate in some form of internal dispute resolution process ("IDR").

The member will be charged collection fees and costs for the pre-lien letter. Notwithstanding the provisions of this paragraph, WLMA may (i) send a pre-lien letter to a delinquent member at any time when there is an open escrow involving the member's separate interest, and/or (ii) issue a pre-lien letter immediately if any Special Assessment becomes delinquent even if the member is current in paying their Regular Assessments.

16. If a member 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, or the member has failed to request debt validation or fails to dispute the debt, 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 member's property. The member 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. A copy of the lien will be sent to the member, via certified mail, within ten (10) calendar days of recordation of the lien. Any lien recorded by WLMA will remain as an encumbrance against the property until the debt secured thereby is satisfied.
17. 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 member could lose ownership of the property if a foreclosure action is completed. The delinquent member will be responsible for significant additional collection fees and costs for enforcement of the lien against the property.
18. 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 member(s) by identifying the matter in the minutes by the parcel number of the member's property, rather than the name of the member(s). Prior to initiating the foreclosure sale against a recorded lien, WLMA shall offer delinquent members the option of participating in Internal Dispute Resolution ("IDR") or Alternative Dispute Resolution ("ADR").
19. Upon a member's written demand, WLMA shall make specified relevant WLMA records related to the debt owed available for inspection and copying.
20. In the event it is determined that the member has paid the Assessments on time, the member will not be liable to pay the charges, interests, and costs of collection.
21. The member has the right to request a meeting with the Board of Directors.
22. A member has the right to dispute the debt by submitting a written request for IDR pursuant to WLMA's "meet and confer" program.

23. A member has the right to request ADR with a neutral third party, before WLMA may initiate foreclosure against the member's separate interest, except that binding arbitration shall not be available if the WLMA intends to initiate a judicial foreclosure.
24. A member may submit a written request to discuss a payment plan for the debt with the WLMA's Board. The Board is not required to meet with a member 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 member.
25. The Association shall provide the member 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 WLMA's ability to record a lien against a member's separate interest to secure payment for the member's delinquent Assessments. If the Board authorizes a payment plan, it will incorporate payment of ongoing Assessments that accrue during the payment plan period. If a payment plan is approved, additional late fees from the member will not accrue while the member remains current under the terms of the payment plan. If the member breaches an approved payment plan, WLMA may resume its collection action from the time prior to entering into the payment plan. Payment plans must provide for full payment of the delinquent amounts, in addition to the amounts, which will accrue during the repayment period, including any Regular and/or Special Assessments, and any fees and/or costs related to the administration of the payment plan and/or for the recording and/or release of any lien.
26. Nothing herein limits or otherwise affects WLMA's right to proceed in any lawful manner to collect any delinquent sums owed to WLMA.
27. 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 WLMA.
28. There is no right of offset. A member may not withhold Assessments owed to WLMA on the alleged grounds that the member is entitled to recover money or damages from WLMA for some other obligation.
29. Members have the right to provide a secondary address for mailing for purposes of collection to WLMA. The member's request shall be in writing and shall be mailed/emailed to WLMA in a way that shall indicate that the Association has received it. A member may identify or change a secondary address at any time, provided that, if a secondary address is identified or changed during the collection process, WLMA shall only be required to send notices to the indicated secondary address from the point WLMA receives the request.

30. All charges listed herein are subject to change upon thirty (30) days prior written notice.
31. Until the member 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 member's right, as well as the rights of the member's family, tenants, guests, employees and invitees, to use and enjoy the Lake. WLMA may suspend these rights after providing the member with notice of a duly noticed hearing before the Board.
32. **The mailing address for overnight payment of assessments is:**
- Westlake Lake Maintenance Association  
C/O Property Management Professionals  
515 Marin Street, Suite 404  
Thousand Oaks, CA 91360**
33. The obligation to pay Assessments shall not be relieved or modified by the closure and/or modified availability of the Lake and amenities, absent a moratorium or mandate from state officials, or as otherwise determined at the discretion of the Board.