

**CATHEDRAL CANYON COUNTRY CLUB CONDOMINIUM  
ASSOCIATION #1  
Adopted May 6, 2024**

**SUMMARY OF POLICIES AND PROCEDURES OF LIEN RIGHTS AND  
OTHER LEGAL REMEDIES FOR DEFAULT IN PAYMENT OF ASSESSMENTS**

1. **Regular, Special, and Individual Assessments.** Regular Assessments are due and payable, in advance, on the first day of each month. If imposed, Special Assessments and Individual Assessments shall be due and payable on the due date specified by the Board of Directors (hereinafter “Board”) of Cathedral Canyon Country Club Condominium Association #1 (hereinafter “Association”). Regular, Special, and Individual Assessments, interest, late charges, collection costs and reasonable attorney fees, if any are imposed, are the personal obligation of the person who is the Owner of the Separate Interest at the time when the assessment or other charge fell due.

2. **Late Charges.** Assessments are delinquent fifteen (15) days after they become due. A late charge of ten dollars (\$10.00) or ten percent (10%) of the assessment, whichever is greater, may be applied if payment in full of any assessment is not received fifteen (15) days after the payment is due.

3. **Interest.** Interest at the annual rate of twelve percent (12%) may be charged on all delinquent amounts that are not paid within thirty (30) days after they become due.

4. **Additional Charges, Costs and Attorney Fees.** Pursuant to California *Civil Code* section 5650(b), Association is entitled to recover reasonable collection costs, including reasonable attorney fees, incurred in connection with collection of delinquent assessments. Costs may include, but are not limited to, publication, recording, posting, service and mailing.

5. **Application of Payments on Delinquent Assessments.** Payments received on delinquent assessment accounts will be applied first to the Regular or Special Assessments owed, and then applied to Individual Assessments, collection costs, administration fees, attorney fees, late charges, interest, and any other amount due to the Association in connection with collection of delinquent assessments.

6. **Intent to Lien Letter.** Any Owner who is delinquent in the payment of his or her assessments may be referred to the Association’s management company or the Association’s attorney for collection and will receive an Intent to Lien letter, via certified mail. The letter will be sent at least thirty (30) days prior to a Notice of Delinquent Assessment Lien (“Lien”) being recorded against the delinquent Owner’s property, and will notify the Owner of record in writing of the following pursuant to California *Civil Code* section 5660(a)-(f):

- (a) A general description of the collection and lien enforcement procedures of the Association and the method of calculation of the amount;
- (b) An itemized statement of the amounts owed, including delinquent assessments, fees and reasonable costs of collection, reasonable attorney fees, late charges and interest charges, if any;

- (c) The Owner's right to inspect the Association's records to verify the debt;
- (d) The Owner's right to request a meeting with the Board, as set forth below;
- (e) That the Owner will not be liable for late charges, interest and costs of collection if it is determined that the assessment was paid on time to the Association;
- (f) The Owner's right to dispute the debt by submitting a written request for dispute resolution to the Association pursuant to the Association's meet and confer program (known as Internal Dispute Resolution or "IDR") pursuant to California *Civil Code* section 5910;
- (g) The Owner's right to request Alternative Dispute Resolution (hereinafter "ADR") with a neutral third party pursuant to California *Civil Code* section 5935 before the Association may initiate foreclosure against the Owner.

**7. Owner's Dispute of Debt/Request for Meeting with Board Prior to Lien/Commencement of Small Claims Lawsuit.** Pursuant to California *Civil Code* sections 5660 (a)-(f) and 5658, the Owner has the following rights:

- (a) Meet and Confer. Prior to recording a lien, the Association shall offer and, if so requested by the Owner, participate in dispute resolution pursuant to the Association's IDR program and California *Civil Code* section 5910.
- (b) Request to Meet with Board to Discuss Payment Plan. The Owner may submit a written request to meet with the Board to discuss a payment plan for the debt owed. The Association will provide any standards it has adopted regarding payment plans to Owners. The Board will meet with the Owner in executive session in conjunction with a regularly scheduled Board meeting, within 45 days of the postmark of the request, if such was mailed no later than 15 days after the postmark of the Intent to Lien letter. If there is no regularly scheduled Board meeting within that period, the Board may designate a committee of one or more members to meet with the Owner.
- (c) Payment Under Protest and Commencement of Small Claims Action. In addition to pursuing dispute resolution pursuant to California *Civil Code* sections 5910 and 5658, the Owner may pay under protest the disputed amount and all other amounts levied, including any fees and reasonable costs of collection, reasonable attorney fees, late charges, and interest, if any, and may thereafter commence an action in Small Claims Court provided the amount in dispute does not exceed the jurisdictional limits of that Court.

**8. Lien/Notice of Delinquent Assessment.** If the delinquent Owner does not bring the account current within thirty (30) days of the Intent to Lien letter, and unless a dispute over such debt has been resolved or a payment plan has been entered into as set forth above, a Lien will be recorded against the Owner's property upon a majority of the Board voting to approve recording the Lien in an open meeting. The Board shall record the vote in the minutes of that meeting.

Confidentiality shall be maintained by identifying the property by parcel number in those minutes. The President or other person designated by the Association, including the Association's managing agent or the Association's legal counsel, shall sign the Lien. The Lien shall include an itemized statement of the charges included in the amount of the Lien including the delinquent assessments and all other sums owed, such as late charges, costs and reasonable attorney fees, a legal description of the property, the name of the record Owner, and the name and address of the trustee authorized to enforce the Lien by sale. A copy of the itemized statement of charges shall be recorded with the Lien.

A copy of such Lien will be mailed to every person whose name is shown as an Owner of the separate interest in the Association's records within 10 days of the date the Lien is recorded. Upon receipt of a written request by an Owner (mailed in a manner indicating the Association has received the same such as by certified mail) identifying a secondary address to which the Owner wishes collection notices to be sent, the Association shall also send additional copies of any required collection notices to such secondary address. The Lien is subject to non-judicial foreclosure, and the property may ultimately be foreclosed upon and sold without court action to satisfy the debt owed. Reasonable collection costs incurred in connection with preparing and recording the Lien may be included in the amount of the Lien.

**9. Dispute of Charges After Lien.** Prior to initiating foreclosure for delinquent assessments, the Association shall offer the Owner and, if so requested by the Owner, shall participate in the Association's IDR program pursuant to California *Civil Code* section 5910 or ADR with a neutral third party pursuant to California *Civil Code* section 5935. The decision to pursue dispute resolution or a particular type of ADR shall be the choice of the Owner (binding arbitration is not available if the Association pursues judicial foreclosure.)

**10. Foreclosure.** If the delinquent Owner does not bring the account current after the Lien has been recorded, and after the foregoing offers of dispute resolution have been presented, a majority of the Board may vote to initiate foreclosure on the Lien in an executive session meeting of the Board. The Board may only authorize foreclosure on a Lien for those Regular or Special Assessments, or Individual Assessments if permitted by California law, which are of an amount equal to or exceeding one thousand eight hundred dollars (\$1,800) exclusive of late charges, fees, costs of collection, attorney fees and interest, **or** which are more than twelve (12) months delinquent. The Board shall record the vote in the minutes of the next meeting of the Board open to all members. Confidentiality shall be maintained by identifying the property by parcel number in those minutes.

The Board shall also vote to approve foreclosure on a Lien which vote shall occur at least thirty (30) days prior to any public sale of the Owner's separate interest property. The Board shall deliver notice of the decision to foreclose by personal service on the Owner or the Owner's legal representative if the Owner occupies the separate interest, or by first class mail, postage pre-paid to non-occupant Owners at the most current address shown on the association's books. These limits do not apply to timeshares or assessments owed by developers.

Non-judicial foreclosure will then be commenced by the Association's law firm pursuant to the Declaration (a/k/a CC&Rs), and California *Civil Code* sections 5700(a), 5710(a), 5735, and 5710(c)(1)-(2), and 2924, *et seq.* as follows:

- (a) "Initiate Foreclosure"-Notice of Default and Election to Sell. A Notice of Default and Election to Sell (hereinafter "NOD") will be recorded with the

County Recorder's Office which puts the property into foreclosure. The Association cannot continue with the non-judicial foreclosure on the property for ninety (90) days from the date the NOD is recorded. The delinquent Owner is responsible for all fees and costs incurred to initiate foreclosure in addition to the delinquent assessments, late charges and interest.

- (b) "Approve Foreclosure"- Notice of Sale. If the delinquency is not cured within ninety (90) days of the NOD being recorded, and upon receipt of approval and authorization of the action by the Board pursuant to a vote, the attorney will proceed by recording, publishing and posting a Notice of Sale (hereinafter "NOS"). The delinquent Owner is responsible for all fees and costs incurred to prepare, record, publish and post the NOS, in addition to the delinquent assessments, late charges and interest.

**11. Partial Payments.** Any assessment payments received from a delinquent Owner will be applied to that Owner's account. However, absent receipt of payment in full of all amounts due, the Association will proceed with any collection action initiated against the Owner's separate interest or the delinquent Owner personally pursuant to and consistent with the requirements of California statutory and case law unless the payments are remitted pursuant to a written payment plan approved by the Board.

**12. Redemption.** An Owner may redeem the property foreclosed upon by the Association by paying all amounts due and owing within ninety (90) days of the date of the foreclosure sale.

**13. Lawsuit.** The Association may, at any time, determine to file a personal lawsuit against the delinquent Owner to recover all delinquent charges pursuant to relevant law. All costs and attorney fees in connection with the lawsuit, in addition to the delinquent charges and other collection costs, will be sought from the delinquent Owner.

**14. Release of Liens Upon Payment.** Within twenty-one (21) days of payment in full of all delinquent assessments and charges, or if it is determined that a Lien previously recorded was recorded in error, the attorney will prepare a Release of Lien which will be recorded with the County Recorder's Office, and will provide Owner with a copy of such release or notice that the delinquent assessment has been satisfied.

**15. Right to Receipt.** When an Owner makes a payment, the Owner may request a receipt and the Association shall provide same which shall indicate the date of payment and person who received such payment.

**16. Overnight Payments.** Payments may be made by overnight mail to the following address:

<p><u>If Account is being handled by Management:</u></p> <p>Cathedral Canyon Country Club          Condominium Association #1          c/o WhiteStar Management, Inc.          72000 Magnesia Falls Drive, Suite 3          Rancho Mirage, California 92270          Telephone: 760-773-0123</p>	<p><u>If Account is being handled by Attorney:</u></p> <p>Cathedral Canyon Country Club          Condominium Association #1          c/o Delphi Law Group, LLP          Attn: Collections Department          5868 Owens Ave., Suite 200          Carlsbad, California 92008          Telephone: 844-433-5744          Facsimile: 760-820-2696</p>
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CATHEDRAL CANYON COUNTRY CLUB CONDOMINIUM ASSOCIATION #1

10/9/2024

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Signed by:

*Sher Landrum*

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**BOARD MEMBER**