

**Mill Creek Summer Home Owners Association  
Procedure for lien establishment and collection**

**\*NOTE: PRIOR TO RECORDING A LIEN ON AN OWNER'S PROPERTY, THE ASSOCIATION MUST OFFER THE OWNER TO PARTICIPATE IN DISPUTE RESOLUTION PURSUANT TO SECTION 14.17 OF THE DECLARATION.**

**COLLECTING ASSESSMENTS UNDER \$1,800: TWO OPTIONS**

Option One: File a small claims action against the Owner of the property at the Tehama County Superior Court.

Option Two: Record a lien on the Owner's property (see below). The Association may not foreclose on the lien until either the debt, exclusive of late fees, interest, costs or attorney's fees, meets or exceeds \$1,800, or the assessments secured by the lien are more than 12 months delinquent.

**COLLECTING ASSESSMENTS \$1,800 OR MORE**

The Association can file a small claims action against the Owner of the property, or it can record a lien which it can then immediately foreclose using either judicial or non-judicial foreclosure.

**LIEN RECORDATION**

A regular or special assessment and any late charges, reasonable fees and costs of collection, reasonable attorney's fees, and interest may be included in the amount of the lien.

**Step One:** At least thirty (30) days prior to recording lien at County recorder's office, send letter to Owner by certified mail notifying Owner of delinquent assessment and Association's intent to record a lien on the Owner's property. (See Attachment: FORM First Notice to Owner.)

**Step Two:** Upon the expiration of 30 days, record Notice of Delinquent Assessment with Tehama County recorder's office. (See Attachment: FORM Notice of Delinquent Assessment.) Use a cover sheet when submitting to the recorder's office (See Attachment: FORM Recording Cover Sheet.)

The Notice of Delinquent Assessment shall be signed by an authorized representative of the Association and shall be sent by registered or certified mail to the Owner of the property no later than ten (10) days after recording the Notice.

If the Owner elects to meet and confer with the Association, follow general outline from Section 14.17 (see **MEET AND CONFER** below).

Upon the expiration of thirty (30) days from filing the Notice of Delinquent Assessment, and upon majority approval of the Board in executive session, the Association may enforce any lien by proceeding with either judicial or non-judicial foreclosure.

The Board is required to meet in executive session to approve an action to foreclose on a lien. The Board must maintain confidentiality of the owners' names by referring to the parcel number of the separate

interest in the agenda item. The Board shall then record the vote in the minutes of the next meeting in open session.

Any owner of the subject property who resides at the property shall be served by personal service of the Board's meeting notice. If the owner(s) of the separate interest do not occupy the property, notice may be sent by first class mail to the owner's last known address.

A Board vote to approve foreclosure of a lien on a separate interest shall take place at least thirty (30) days prior to any public sale.

### **MEET AND CONFER**

The Association is required to offer to meet and confer with an Owner prior to recording a lien on the Owner's separate interest. The FORM: First Notice to Owner includes this request. The Owner does not have to agree to meet and confer; however, if an Owner requests to meet and confer, the Association may not deny this request.

The Board should designate one person to meet with the Owner on its behalf.

The parties shall meet promptly at a mutually convenient date and time to explain their positions and attempt to informally resolve the dispute. If the parties come to a resolution, the agreement shall be memorialized in writing and signed by the parties, including the Board's designee. The Association may not charge an Owner a fee to participate in meet and confer.

In addition to the "meet and confer" process, there is a more complicated, lengthy process whereby the parties submit their dispute to a neutral person via Alternative Dispute Resolution. This process is detailed at Section 14.17B of the Declaration.