

PO BOX 2908
Palos Verdes Peninsula
CA 90274

ANNUAL POLICY STATEMENT 2023

In accordance with California Civil Code § 5310, the Articles of Incorporation, as amended, the Declarations of Protective Restrictions, as amended, (hereinafter "CC&Rs") and the By Laws of Portuguese Bend Community Association, Inc., a California Non-Profit Mutual Benefit Corporation (hereinafter "Association"), the Association makes the following Annual Statement about the Association Policies and Procedures.

1. Association Designee. The name and address of the person designated to receive official communications to the Association pursuant to Civil Code § 4035 is Claudia Gutierrez, Treasurer, PO Box 2908, Palos Verdes Peninsula, California 90274, claudia.pbca@gmail.com.
2. Member Notice. A member may submit a request to have Association notices sent to up to two different specified addresses pursuant to Civil Code § 4040(b). Any such requests should be sent to Claudia Gutierrez, Treasurer, PO Box 2908, Palos Verdes Peninsula, California 90274, claudia.pbca@gmail.com. A member may also opt to receive any general notices by individual delivery pursuant to Civil Code § 4045(b).
3. General Notice. The Association will post all general notices applicable to members at the Peppertree Gate Bulletin Board and the Narcissa Gate Bulletin Board, each a bulletin board located next to a gated entrance to the Association.
4. Meeting Minutes. A member has the right to receive a copy of the minutes of any Board meeting, other than an executive session, which are available to members within thirty days of any such meeting. The Association will distribute a copy of such minutes to any member upon request and upon reimbursement of the Association's costs for making that distribution. To request copies of any such meeting minutes, please contact Claire Leon, Secretary, PO Box 2908, Palos Verdes Peninsula, California 90274, claire.pbca@gmail.com.
5. Assessments.
 - a. Regular annual assessments are due and payable on the first Monday in

November and are delinquent if not received by that date. Assessments may be delivered via overnight mail to the Association's attorney at Spierer, Woodward, Corbalis & Goldberg, APC, Attn: Michelle R. DeMason, 707 Torrance Blvd., Suite 200, Redondo Beach, CA 90277.

- b. Special assessments are due on such date as specified in the Notice of Special Assessment given by the Board pursuant to the provisions of the CC&Rs. Any special assessment is delinquent if payment has not been received within fifteen (15) days of its due date (as stated in the Notice of Special Assessment).
- c. Late charges will be imposed on each delinquent assessment in an amount equal to six percent (6%) of the installment due and a \$15.00 late charge or ten dollars (\$10) total, whichever is greater.
- d. Interest at the rate of twelve percent (12%) per annum will accrue from the date which is thirty (30) days after the assessment due date. Interest will accrue on and is payable on the following: delinquent assessments, fees and costs of collection, and attorney's fees.
- e. Disputes concerning assessments, interest, or late charges may be raised via the dispute resolution procedures described in Section 9 below, as well as the payment plan procedure set forth in Civil Code § 5665, which will be considered by the Board in its discretion.

6. Statement of Assessment Collection Procedures: Civil Code § 5730.

NOTICE ASSESSMENTS AND FORECLOSURE

This notice outlines some of the rights and responsibilities of owners of property in common interest developments and the associations that manage them. Please refer to the sections of the Civil Code indicated for further information. A portion of the information in this notice applies only to liens recorded on or after January 1, 2003. You may wish to consult a lawyer if you dispute an assessment.

ASSESSMENTS AND FORECLOSURE

Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay association assessments may result in the loss of an owner's property through foreclosure. 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. For liens recorded on and after January 1, 2006, an association may not use judicial or nonjudicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars (\$1,800). For delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1,800) or more than 12 months delinquent, an association may use judicial or nonjudicial foreclosure subject to the conditions set forth in Article 3 (commencing with Section 5700) of Chapter 8 of Part 5 of Division 4 of the Civil Code. When using judicial or nonjudicial foreclosure, the

association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid. (Sections 5700 through 5720 of the Civil Code, inclusive)

In a judicial or nonjudicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use nonjudicial foreclosure to collect fines or penalties, except for costs to repair common area damaged by a member or a member's guests, if the governing documents provide for this. (Section 5725 of the Civil Code)

The association must comply with the requirements of Article 2 (commencing with Section 5650) of Chapter 8 of Part 5 of Division 4 of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association. (Section 5675 of the Civil Code)

At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail, including a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt. (Section 5660 of the Civil Code)

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 21 days, and to provide an owner certain documents in this regard. (Section 5685 of the Civil Code)

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.

PAYMENTS

When an owner makes a payment, the owner may request a receipt, and the association is required to provide it. On the receipt, the association must indicate the date of payment and the person who received it. The association must inform owners of a mailing address for overnight payments. (Section 5655 of the Civil Code)

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.

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 Section 5900) of Chapter 10 of Part 5 of Division 4 of the Civil Code. In addition, 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 Section 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.

An owner is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time. (Section 5685 of the Civil Code)

MEETINGS AND PAYMENT PLANS

An owner of a separate interest that is not a time-share interest may request the association to consider a payment plan to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exists. (Section 5665 of the Civil Code)

The Board must meet with an owner who makes a proper written request for a meeting to discuss a payment plan when the owner has received a notice of a delinquent assessment. These payment plans must conform with the payment plan standards of the association, if they exist. (Section 5665 of the Civil Code)

7. Lien Rights and Default Remedies. The Association may record liens for delinquent assessments on or after June 1st of each year for delinquencies then remaining unpaid. A lien fee of \$22.50 will then be assessed and charged in addition to fees and costs of collection, including but not limited to attorney's fees and costs, title company charges, and recording fees. In order to obtain a lien release, all delinquent and outstanding assessments, fees, and costs must be paid as well as a lien release processing fee of \$22.50.
8. Non-judicial foreclosure. The Board of Directors may initiate non-judicial foreclosure on any recorded liens as provided in California Civil Code, including but not limited to Civil Code §§ 5705 and 5710. Additional costs may be incurred and chargeable to the member upon commencement of foreclosure proceedings, including but not limited to trustee's fees, additional recording fees, costs of a title company trustee's sale guaranty policy, cost of mailing, costs of publication, and cost of posting notices.
9. Dispute Resolution. The Association utilizes the meet and confer procedure set forth in Civil Code § 5915, which generally provides as follows:
 - (b) Either party to a dispute within the scope of this article may invoke the following procedure:
 - (1) The party may request the other party to meet and confer in an effort to resolve the dispute. The request shall be in writing.
 - (2) A member of an association may refuse a request to meet and confer. The association shall not refuse a request to meet and confer.
 - (3) The Board shall designate a director to meet and confer.
 - (4) The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort

to resolve the dispute. The parties may be assisted by an attorney or another person at their own cost when conferring.

(5) A resolution of the dispute agreed to by the parties shall be memorialized in writing and signed by the parties, including the Board designee on behalf of the association.

(c) A written agreement reached under this section binds the parties and is judicially enforceable if it is signed by both parties and both of the following conditions are satisfied:

(1) The agreement is not in conflict with law or the governing documents of the common interest development or association.

(2) The agreement is either consistent with the authority granted by the Board to its designee or the agreement is ratified by the Board.

(d) A member shall not be charged a fee to participate in the process.

If the Association and member fail to resolve a dispute utilizing the meet and confer procedure set forth herein, the Association or member may not file an enforcement action in the superior court unless the parties have submitted the dispute to alternative dispute resolution ("ADR") pursuant to Civil Code § 5925 *et seq.* The ADR provisions of Civil Code § 5925 *et seq.* apply only to an enforcement action solely for declaratory, injunctive, or writ relief, or for that relief in conjunction with a claim for monetary damages that does not exceed the jurisdictional limits of a small claims action. The statute of limitations may be tolled during this process pursuant to Civil Code § 5945.

Any party may initiate the ADR process by serving on all other parties to the dispute a Request for Resolution, as set forth in Civil Code § 5935. If the Request is accepted, ADR must generally be completed within 90 days. See Civil Code § 5940.

Failure of a member of the Association to comply with the alternative dispute resolution requirements of Section 5930 of the Civil Code may result in the loss of the member's right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law.

10. Penalties. Pursuant to the Association's Building Regulations and Architectural Standards, monetary penalties may be assessed for violations of those Regulations and Standards. Members of the Association are given a 3 violation grace period before the Association assesses any monetary penalties. Following the grace period, the penalty schedule for violations is as follows:

- i. First Complaint: \$520
- ii. Second Complaint: \$1040
- iii. Third Complaint: \$2600
- iv. Fourth Complaint: \$3120
- v. Fifth Complaint: \$3120

The Board may assess a penalty by majority vote. All fees and penalties are subject to a 4% escalation to be calculated on January 1st of each year.


The Association also may lien properties which fail to correct violations in a timely manner in the amount of the expense the Association incurs to correct any such violations.

11. Association Approval for Physical Change to Property. No building or structure may be constructed, altered, or repaired on any Lot or property under the jurisdiction and control of the Association unless the plans and specifications have been submitted and approved by the Architectural Committee. The approval process begins with the applicant submitting plans to the Architectural Committee. The Architectural Committee, after review of the submitted plans, will give its recommendation to the Board of Directors of the Association, who will approve or deny the plans submitted. The current Association Building Regulations and Architectural Standards can be found on the official website www.portuguesebandcommunityassociation.com.

Nothing herein contained shall abridge the right of the Association pursuant to the Articles, CC&Rs, and Bylaws of the Association, and should any conflict arise between said documents and these resolutions, the former shall control; the policies herein stated are intended to outline the Association's procedures for enforcement of assessments and are intended to be considered together with the governing documents and shall not be construed, in any way, as subrogating, diminishing, or defeating the provisions of said documents for the benefit of either the Association or its members.

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IN WITNESS WHEREOF, this Policy Resolution is hereby adopted and ratified in all respects effective June 6, 2023 at Rancho Palos Verdes, California, by action of the Board of Directors of Portuguese Bend Community Association, a California Non-profit Mutual Benefit Corporation, taken by unanimous written consent, in accordance with its Articles of Incorporation, Declaration of Covenants, Conditions and Restrictions, and Bylaws and applicable provisions of the California Corporations Code.



Kent Attridge, Portuguese Bend Community Association Director 8/1/2023
Dated



Claudia Gutierrez, Portuguese Bend Community Association Director 8/1/2023
Dated

Claire Leon, Portuguese Bend Community Association Director Dated



Ben Zask, Portuguese Bend Community Association Director 8/19/2023
Dated



Dave Zelhart, Portuguese Bend Community Association Director 8.1.2023
Dated