

WALNUT CREEK MUTUAL TWENTY-NINE ASSESSMENT COLLECTION POLICY

This Assessment Collection Policy ("Collection Policy") for Walnut Creek Mutual Twenty-Nine ("Mutual") relates to the collection of assessments pursuant to the Mutual's Amended Declaration of Covenants, Conditions and Restrictions of Walnut Creek Mutual Twenty-Nine recorded August 6, 2003 ("Declaration"), its Amended Bylaws certified July 25, 2003 ("Bylaws"), and the California Civil Code. In the event of any conflict between any provision of this Collection Policy and any applicable statute, the terms of that statute shall prevail.

Upon adoption, this Collection Policy supersedes and replaces the prior policy adopted on June 20, 2016, and shall become part of the Mutual's Rules, as that term is defined in the Mutual's Declaration.

Neither the Mutual nor its managing agent, Rossmoor Property Management (RPM), is a collection company and all regular collection activities will be referred to the Mutual's collection company.

1. Definitions. All capitalized terms that are not otherwise defined in this Collection Policy shall have the definitions ascribed to them in the Declaration. For purposes of this Collection Policy and as provided in Section 1.5 of the Declaration, the term "Assessments" means any or all of the following: Annual Assessments, Special Assessments and Reimbursement Assessments.

2. Assessments in General. The Mutual has a duty to levy Annual Assessments and Special Assessments sufficient to perform its obligations under the Governing Documents and California law. Annual Assessments are determined at least once annually and are payable during the year in monthly installments. The Mutual also has the authority to levy Reimbursement Assessments (see Paragraph 5, below).

3. Obligation to Pay Assessments. Each Assessment, plus any costs of collection, late charges and interest owed, is an obligation of the Unit Owner at the time it is levied. Each Assessment, plus any costs of collection, late charges and interest owed, is also a lien on the Owner's Unit from and after the time the Mutual causes a Notice of Delinquent Assessment (lien) to be recorded with the Contra Costa County Recorder's Office; provided, however, unless permitted by law, the Mutual may not enforce collection of monetary fines by non-judicial foreclosure proceedings.

4. Notice of Assessments. The Mutual shall give notice to the Unit Owner, in the manner prescribed by law, not less than thirty (30) days nor more than sixty (60) days before any increase in the Annual Assessment or any Special Assessment becomes due. Thereafter, the Board of Directors may elect to provide additional periodic statements of Annual and/or Special Assessments and charges, but lack of such statements does not relieve the Owner of the obligation to pay Assessments.

5. Reimbursement Assessments. Section 6.7 of the Declaration authorizes the Mutual to, after compliance with the notice and hearing requirements in the Declaration and the Civil Code, levy a Reimbursement Assessment against any Unit and its Owner to reimburse the Mutual for the expenditure of monies to bring the Unit, its Owner, or any person or pet for whom the Owner is responsible, into compliance with the Governing Documents.

6. Designation of Agent. The Board of Directors may designate an agent or agents to collect Assessment payments and administer this Collection Policy. Such designated agent may be an officer of the Mutual, manager, banking institution, law firm, or other appropriate agent.

7. Due Date/Delinquency Date of Assessments. Unless otherwise specified in writing by the Board, the Annual Assessment is due and payable in equal monthly installments on the first (1st) day of each month during the year. Special Assessments shall be due and payable on the due date specified by the Board. As provided in the Declaration, Reimbursement Assessments shall be due and payable to the Mutual on the date specified by the Board. Any lump sum, installment, or portion of an Assessment is delinquent if not received as directed by the Board or its designated agent on or before fifteen (15) days after it becomes due. If the due date falls on a weekend or holiday, then the following business day is considered the due date.

8. Late Charges/Interest. An Assessment or any portion thereof that is delinquent shall incur a late charge of ten percent (10%) of the delinquent Assessment or ten dollars (\$10), whichever is greater. Late charges shall be imposed fifteen (15) days after the Assessment is due. There shall be only one late charge per delinquent Assessment or portion thereof. For example, a delinquent monthly installment of the Annual Assessment shall incur only one late charge, which will be imposed fifteen (15) days after the Assessment is due. Beginning thirty (30) days after the Assessment or any portion thereof becomes due, the entire unpaid balance of an Assessment account shall bear interest at the rate of twelve percent (12%) per annum. Late charges and interest will not be applied to delinquent monetary fines.

9. Collection Expenses. Any costs and fees incurred in processing and collecting delinquent Assessment amounts, including, without limitation: late and interest charges; charges for preparation of delinquency notices or referral for collection; postage and copies; filing and recording costs; delivery charges; costs for searches regarding ownership and assets; and attorneys' fees and costs ("Collection Expenses") shall become Additional Charges against the Owner and the Owner's Unit and shall be subject to collection action pursuant to this Collection Policy.

10. Application of Payments. Payments shall be applied first to Assessments owed. Only after the Assessments owed are paid in full shall payments be applied to Collection Expenses as identified in this Collection Policy.

11. Notice of Intent to Lien. If an Assessment account remains unpaid thirty (30) days after it is due, the Mutual or its designated agent shall notify the Owner by certified

mail that a lien will be recorded unless the entire balance of the account is paid off within thirty (30) days ("Notice of Intent to Lien"). The Notice of Intent to Lien shall include a general statement of the collection, fee, penalty, and lien enforcement procedures of the Mutual, an itemized statement of the charges owed as of the date of the Notice of Intent to Lien, including the costs of preparing the Notice of Intent to Lien, and other disclosures required by law (Civil Code section 5660). Payment may be required in certified funds. Notwithstanding the 30-day delinquency period specified in this Paragraph 11, a Notice of Intent to Lien may be sent to a delinquent Owner at any time during an open escrow involving the Owner's Unit.

12. Recordation of Lien. Upon the decision of the Board at an open Board meeting and as reflected in the minutes of that meeting, a "Notice of Delinquent Assessment" lien shall be recorded against the Owner's Unit, without further notice to the Unit Owner, if the Owner fails to pay the entire balance of the account within the time period specified in the Notice of Intent to Lien.

13. Acceleration of Assessments Due. Upon the recording of a lien, the Mutual may, at its option, declare due and payable the entire balance of all sums then due or to become due from the Unit Owner, including the balance of the Annual Assessment and of any Special Assessment. This total sum may be included in any foreclosure proceeding or collection action.

14. Foreclosure of Lien. After the lien is recorded and at least thirty (30) days have elapsed, foreclosure proceedings may commence when Assessment principal either exceeds the amount, or remains unpaid for the time period, specified in state law. The Board's decision to initiate foreclosure will be made in executive session and reflected in the minutes of the Board's next open meeting. The Association shall provide the Owner with all notices and disclosures required by law before commencing foreclosure proceedings and shall also comply with all legal requirements imposed by law.

**IMPORTANT NOTICE: IF YOUR SEPARATE INTEREST
IS PLACED IN FORECLOSURE BECAUSE YOU ARE
BEHIND IN YOUR ASSESSMENTS, IT MAY BE SOLD
WITHOUT COURT ACTION.**

15. Limitation on Foreclosure of Monetary Fines. Monetary fines or penalties imposed by the Board in accordance with the Governing Documents may not be enforced by non-judicial foreclosure proceedings unless permitted by law.

16. Payment Agreement. The Mutual and its agent are obligated to accept partial payments on an Assessment account. The Board, in its sole discretion, may enter into a written payment agreement with the Owner for periodic partial payments on the balance of the Assessment account, in amounts and on a payment schedule agreed to by the Board, and in accordance with the standards for payment plans, if any exist. The agreement shall include payment of accruing Assessments; however, late charges shall not accrue so long as the Unit Owner is complying with the terms of the agreement. The Mutual has no obligation to enter into such an agreement, and any agreement entered

into with the Unit Owner shall be reasonable, as determined by the Board in its sole discretion, and for the sole purpose of assuring that the best interests of the Mutual are served. The payment agreement shall be in writing and a provision shall be included that failure to meet any term of the agreement shall give the Board the right to immediately continue the collection process without further notice to the Owner. The Mutual may record a lien to secure payment of delinquent Assessments even if a payment agreement is in place. The Board shall meet with the Owner in executive session within forty-five (45) days of the postmark of a written request for a payment agreement, if the request is mailed within fifteen (15) days of the date of the postmark of the Notice of Intent to Lien, unless there is not regularly a scheduled Board meeting within that period, in which case the Board may designate a committee of one or more members to meet with the Owner.

17. Release of Lien. A Release of Lien will not be recorded until the entire balance of the Unit Owner's assessment account is paid. All charges incurred in recording the Release, including reasonable attorneys' fees, will be charged to the Owner's account. Upon satisfaction in full of the entire balance owed, the Mutual shall within twenty-one (21) days record or cause to be recorded a Release of Lien and provide the Owner with a copy of the Release of Lien.

18. Dispute of Charges. A Unit Owner may dispute the amount demanded by the Mutual by submitting to the Board a written explanation of the reasons for disputing the amount. A telephone call will not reserve any rights. State law also permits Unit Owners with Assessment disputes to request participation in the Mutual's "meet and confer" program (also known as "internal dispute resolution") or alternative dispute resolution. The Unit Owner should provide the following information regarding an Assessment dispute:

- (a) The Unit Owner's name, mailing address, and account number.
- (b) The exact dollar amount claimed to be in dispute or in error.
- (c) For each charge or payment in dispute, an explanation of the reasons the Owner believes there is an error, with sufficient detail such as dates, names and check numbers, so that the dispute may be investigated efficiently and effectively. If the Unit Owner does not know how the error was made, such statement may be made.
- (d) Copies of checks, letters, or other documents referred to or claimed should accompany the written explanation.

19. Payment Under Protest. If an Owner disputes any charge or sum levied by the Mutual, including, but not limited to an Assessment, fine, penalty, late fee, or collection cost, and the amount in dispute does not exceed the jurisdictional limits of Small Claims Court, the Owner may, in addition to pursuing internal dispute resolution (also known as "meet and confer"), pay under protest the disputed amount and all other amounts levied, including any fees and reasonable costs of collection, reasonable attorneys' fees, late charges, and interest, if any, and commence an action in Small Claims court against the Mutual. However, nothing in this Paragraph 19 shall impede the Mutual's ability to collect Assessments as provided under applicable law.

20. Internal Dispute Resolution. An Owner has the right to dispute the Assessment debt by submitting a written request for internal dispute resolution (also known as "meet and confer") pursuant to applicable law.

21. Alternative Dispute Resolution. An Owner has the right to request alternative dispute resolution (or "ADR") with a neutral third party pursuant to Civil Code section 5925 and following before the Association may initiate foreclosure proceedings against the Owner's Unit, except that binding arbitration shall not be available if the Association intends to initiate judicial foreclosure.

22. Other Remedies. The Mutual reserves the right to avail itself of any other remedy permitted by law and the Mutual's Governing Documents to collect Assessments and related costs and charges, including but not limited to bringing an action in Small Claims or Superior Court. Such remedies may be taken in addition to or in lieu of any action already taken, and commencement of one remedy shall not prevent the Mutual from electing at a later date to pursue another remedy.

23. Secondary Addresses. Owners may submit a secondary address to the Mutual for purposes of collection notices. Such information must be submitted in writing, signed by the Owner, and mailed to the Mutual in a manner that confirms receipt by the Mutual. After an Owner identifies a secondary address, the Mutual will send, in the manner prescribed by law, copies of any collection notices to the secondary address provided, in addition to the Unit Owner's primary address shown in the Mutual's records. An Owner may identify or change a secondary address at any time. If a secondary address is identified or changed during any collection process, the Mutual will only be required to send notices to the designated secondary address from the point that the Mutual receives the request.

24. Address of the Mutual and the Board of Directors. Owners should respond in writing or make payments to the address directed by the Mutual or its designated agent. If no address is given, correspondence and payments should be provided to the Mutual at the address set forth in the Mutual's annual policy statement.

25. Dishonored Checks. At any time that the Mutual or its agent receives a check dishonored by the bank for any reason, a charge of twenty-five dollars (\$25) shall be imposed. The Mutual may also seek damages in accordance with California Civil Code section 1719.

26. Void Provisions. If any provision of this Collection Policy is determined to be null and void, all other provisions of this Collection Policy shall remain in full force and effect.

The foregoing Assessment Collection Policy was adopted by the Board of Directors of Walnut Creek Mutual Twenty-Nine at an open meeting of the Board held on September 15, 2025.

WALNUT CREEK MUTUAL TWENTY-NINE

Date: Oct. 15, 2025

By:


Alice Lawrence, Secretary