



Peacock Gap Homeowners Association

Policy on Interest Accruals for Delinquent Accounts, Notice of Delinquent Account Fees, and Consequences of Delinquent Accounts Amended September 7, 2011

The Board of Directors of Peacock Gap Homeowners Association has an obligation to ensure that all Association charges and assessments are paid in a timely manner. The Board's authority to collect the charges and assessments is found in Article XVII, Provision for Upkeep, in the applicable Declaration of Conditions, Covenants, Restrictions, Agreements and Charges Affecting Real Property¹ for the Peacock Gap Homeowners, as further interpreted in the Resolution of the Board of Directors of the Peacock Gap Homeowners Association regarding Landscape Charge and Increased Operating Budget, dated March 29, 2009.

Consistent with this authority, the Board has adopted the following policy for delinquent accounts:

1. **Obligation to Pay.** All homeowners of record for property within the jurisdiction of the Peacock Gap Homeowners Association are responsible for timely payment of all charges and assessments. The Association shall provide an annual invoice to each homeowner of record by first class U.S. postal mail no later than January 1 of the year for which the charge and assessment is due; however, failure to receive such a statement shall not excuse payment. Payment shall be due and payable immediately and will be considered delinquent on February 1, as provided in Article XVII of the applicable Declaration of Conditions, Covenants, Restrictions, Agreements and Charges Affecting Real Property for the Peacock Gap homeowners.
2. **Notice Fee and Interest Accruals on Delinquent Charges and Assessments.** As provided in Article XVII, the costs of delinquent assessments shall be added to the account of each homeowner with a delinquent account. A Notice of Delinquent Charge or Assessment shall be mailed to each homeowner of record whose account shows a delinquent charge or assessment at no less than 90 day intervals while the delinquency persists. The costs of the Notice of Delinquent Charge shall be added to the delinquent account. The cost is estimated to be \$5.00 per notice. A sample Notice of Delinquent Charge or Assessment is attached to this policy. In addition, also as provided in Article XVII, any delinquent charge or assessment shall be subject to annual interest charges of 10% from the date of delinquency.
3. **Meet and Confer.** Homeowners with delinquent charges and assessments may request an opportunity to meet and confer with Board representatives regarding the delinquent charges or assessments. Such a request does not suspend or stay the charge or assessment or accrual of fees or interest. The Board president shall respond to any request for a meet and confer within 10 days of receipt of such a request.
4. **Payment Plan Requests.** An owner may submit a written request to meet with Board representatives to discuss a payment plan for any charge or assessment. The Association is not obligated to provide a payment plan to any owner, but will endeavor to offer reasonable payment terms to any owner experiencing financial difficulties.
5. **Consequences of Delinquent Accounts.** Homeowners with delinquent accounts shall be ineligible to: (1) obtain any services from Association service providers, except as necessary to pay any delinquency, (2) request assistance from the Board on any

Association matter, and any other consequence as specified in the By Laws of the Homeowners Association.

6. **Ineligibility for Liability Insurance Coverage.** The Association purchases \$3 million of general liability insurance which, under certain circumstances, may be applicable to individual homeowners. Any homeowner with a delinquent charge or assessment is ineligible to request or receive any coverage pursuant to the Association's liability insurance coverage.
7. **Real Estate Transfer Documents.** Any delinquent balance will be included in fees assessed for real estate transfer documents at the point of sale.
8. **Initiation of this Policy.** This policy shall become effective immediately upon approval by the Association Board of Directors. No less than 30 days after that effective date, the Board shall cause a copy of this policy to be mailed by first class mail to the owner of record for all delinquent accounts with a notice indicating that interest and fees shall begin accruing 10 days after the date of the notice. Accounts where payments are received by that date will not incur fees or interest.
9. If the owner(s) fails to pay the amounts set forth in the letter, and fails to request to meet and confer within thirty (30) days of the date of the delinquency letter, the Board shall refer the matter to an Executive Session of the Board of Directors.
10. The decision to pursue formal action such as suing delinquent owner(s) personally in an action shall be made by a majority of the Board of Directors in an Executive Session meeting, and the Board of Directors must record the action in the next regular meeting of the Board. The Board must maintain the confidentiality of the delinquent owner(s) by identifying the matter in the minutes by only the parcel number of the owner(s) property. Prior to initiating any action the Board shall give the owner(s) a twenty (20) day notice that an action will be filed in court.
11. The decision to pursue the matter in court shall be in the sole discretion of the Board of Directors. Selective enforcement shall be avoided by first pursuing those with the largest delinquencies.
12. The Board shall select an agent or representative to appear and participate in the action on the Board's behalf. The agent or representative may be a member of the Board of Directors but is not required to be a member of the Board. The Association is further authorized to collect the Judgment of the court by any method authorized by the State of California, including but not limited to a lien on the subject property.
13. A copy of this policy shall be provided to owners at the time and in the same manner as the notice of the annual meeting.

ⁱ There are multiple Declarations of Covenants, Conditions and Restrictions ("Declaration or Declarations") encumbering the property described in those Declarations, all of which property is part of the Peacock Gap Homeowners Association. Pursuant to an Assignment of Rights of the Declarant, recorded on September 12, 1967 in the Official Records of Marin County, the Peacock Gap Homeowners Association was assigned all rights of the Declarant under the following Declarations of Covenants, Conditions and Restrictions:

- That certain Declaration recorded October 14, 1960, in Book 1406 at page 526 of the Official Records of Marin County, commonly referred to as "Marin Bay, Unit Number One"; and a re-subdivision with a certain Declaration recorded October 24, 1985 in the Office of the Marin County Recorder commonly referred to as "Peacock Manor";
- That certain Declaration recorded October 5, 1962, in Book 1618 at page 176 of the Official Records of Marin County, as amended by those recorded July 24, 1964, in Book 1839 at page 604, commonly referred to as "Marin Bay, Unit 2-A";
- That certain Declaration recorded October 5, 1962, in Book 1618 at page 200 of the Official Records of Marin County, commonly referred to as "Lagoon, Unit Number One"; and,
- That certain Declaration recorded February 7, 1964, in Book 1777 at page 329 of the Official Records of Marin County, commonly referred to as "Marin Bay, Unit Number Two".