

2009 annual meeting frequently asked questions

Please explain the current assessments and the pending collections policy.

PGHA homeowners are responsible for an annual assessment of \$109 per year per property, subject to future increase of no more than 10% per year. This annual assessment includes amounts provided for in the several different neighborhood CC&Rs and additional amounts approved by the Board under authority of the PGHA articles of incorporation. The \$109 amount is based upon two separately budgeted components: \$69 for operating, clerical, management and all other overhead fixed and variable costs, and \$40 for maintenance of the PGHA medians and entryways. This assessment was implemented after a majority-approved vote in 2008. Details can be found at http://www.peacockgaphoa.org/pages/median_improvement_vote.shtml. Our actual costs may vary from these budgeted amounts.

Most homeowners have paid our association's annual assessments in full and in a timely manner. A few have not. In order to address this inequity, in 2010 the PGHA will implement collections procedures. When the Collections Committee finalizes the updated policy, the document will be distributed to homeowners and posted on the website.

The "2009 proposed budget" has wording that includes a "voluntary" classification, what does this mean?

The proposed 2009 annual budget that was circulated at the 2008 Annual Meeting included the word "voluntary," which some chose to interpret as meaning that the amount of the increase in the \$109 assessment for January 2009 relative to the prior annual assessment of \$24 for owners of property not on the lagoon and \$48 for lagoon property owners was optional and not required to be paid.

This interpretation of the 2009 assessment is incorrect. The 2009 assessment was approved by both the PGHA Board and the PGHA membership in 2008.

The details of the 2008 voter approved assessment increase can be found on the website (see above link). It is important to note that 54% voted for the increase to the annual operations assessment and 60% voted for the additional assessment to maintain the medians. In response to concerns raised by some homeowners regarding their obligation to pay the increased assessment, the Board undertook further review of the matter and confirmed by resolution of March 2009 that the increased assessment was mandatory and binding equally on all homeowners. As a result, all assessments imposed by the PGHA are mandatory assessments, requiring full payment.

The PGHA proposed annual budget is circulated at the Annual Meeting for comment. Budget approval or modification is not a general member vote; it is the responsibility of the PGHA Board. Once the Board approves a budget the total budget amount is fixed for the year, but actual expenditures for individual line items included within the budget may vary from the budget amount.

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Will there be future assessments and / or increases?

The 2009 annual assessment was \$109.00 and the 2010 annual assessment is \$109.00. Future assessments will be set by the Board based upon the best interests of the neighborhood as a whole, principles of prudent financial management and the particular circumstances at the time, including our financial reserves if any, estimated future costs and estimated future revenues. Future assessments may be equal to, lower than, or higher than the 2009 annual assessment. Any increases will, however, be subject to the limitations in the CC&Rs and the 10% per year limit approved by vote of the membership in 2008.

Details of the 2008 vote can be found at the PGHA website at http://www.peacockgaphoa.org/pages/median_improvement_vote.shtml.

What will become of the yet unspent "maintenance" money from the 2009 annual assessment?

The PGHA Board determined that it is prudent that the 2009 carry-over remain available to cover any unforeseen expenses relating to medians maintenance.

Please explain the status of the collected assessments relative to the \$48.00 annual fees paid in previous years by the property owners surrounding the lagoon and specifically what occurred with the additional \$24.00 increment to the base \$24.00 assessment.

The Peacock Gap neighborhood consists of five different subdivisions each of which has its own separate CC&Rs. The CC&Rs contain provisions for annual fees of \$48 for homeowners with property on the lagoon and \$24 for other homeowners. The PGHA articles of incorporation authorize the Board to impose charges and assessments in addition to the annual fees specifically provided for in the CC&Rs, if the Board determines it necessary and appropriate to do so. The Board did not do so, however, until recently. Over the years and with the exception of funds recently collected for the median project, all funds collected by the PGHA, including property transfer fees, documentation fees, interest, other contributed funds and annual fees provided for in the CC&Rs have been pooled together and utilized for projects in the lagoon subdivision as well as the other PGHA subdivisions. Revenues received from payment of annual fees by lagoon homeowners were not segregated from the revenues received from other sources. Any funds not spent in the year in which they were received were carried over to the following year and used to fund such projects and expenses as the PGHA Board determined to be reasonable, prudent and in the best interest of the neighborhood.

Since a vote of the homeowners in 2008, all homeowners in each of the five subdivisions pay the same assessment and there is no longer a discrepancy between the lagoon subdivision and others. The revised CC&Rs for each subdivision, which will be posted on the website for review in 2010, envision that in the future, lagoon subdivision residents will be able to assess themselves for lagoon related expenses.

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Relative to the PGHA liability insurance coverage, if an accident occurs to an individual and involves the medians that the PGHA has contracted to be responsible for, can the liability for damages flow from the PGHA to the homeowners directly? Who indemnifies whom and what limits are there?

The PGHA Board reviews the liability insurance coverage periodically and recently increased the amount of insurance. Peacock Gap homeowners can be assured that the PGHA has adequate insurance coverage. There is a first level of liability insurance followed by a second level of umbrella insurance. The City of San Rafael owns the median areas and the PGHA indemnified the City for these areas. The PGHA liability insurance is the primary responder.

Because the PGHA is a non-profit California corporation, the corporate structure shelters homeowners who are members of the PGHA from any personal liability for PGHA activity if they are in good standing, which will include paid up status on any and all assessments. Please note: any homeowner who is not in good standing or has resigned from the association may be exposed to potential liabilities, due to being outside the corporate shell and protection of the PGHA.

Regarding the new medians maintenance program, can the plan include maintenance to the areas adjacent to sidewalks in front of properties, along with the sidewalks themselves?

The Medians Improvement plan provides for maintenance of the medians included within the scope of the plan, including the medians on Peacock Drive and Riviera Drive. The plan does not include any improvements to or maintenance for sidewalks or sidewalk planting strips. Both the City of San Rafael's Public Works Department and homeowners have responsibilities regarding the maintenance of these areas. See the PGHA website at http://www.peacockgaphoa.org/pages/median_improvement_street_maintenance.shtml for detailed information about maintenance of sidewalks and sidewalk planting strips.

Community Event Q&As

There were a number of questions at the Annual Meeting concerning the Picnic, also known as the Annual BBQ, sponsored by the PGHA. For all the answers and a brief history of PGHA community events, go to the website at <http://www.peacockgaphoa.org/pages/faqs.shtml>.