

Bay Street One Condominium Association
C/O Neighborhood Association Management, Inc.
PO Box 10968
Pleasanton, CA 94588

Delinquent Assessment Collection Policy Statement

1. Regular assessments are due, in advance, on the first (1st) day of each assessment period and delinquent if not received, in full, by the Association within fifteen (15) days after the due date thereof. Special and Special Individual Assessments are due on the date(s) specified upon imposition and each installment thereof shall be delinquent if not received by the Association within twenty (20) days after it is due. Any assessment not paid within (15) days after the due date shall incur a late payment penalty in an amount to be set by the Board from time to time, not to exceed the maximum permitted by applicable law. The BSO Board has elected to charge a late payment penalty of ten percent (10%) of the delinquent assessment amount.
2. Any assessment not paid within (15) days after the due date shall be delinquent, and shall bear interest at the rate of twelve percent (12%) per annum commencing thirty (30) days after the due date until paid.
3. If any portion of any such assessment, late charge, interest, or cost of collection remains unpaid sixty (60) days after the original due date thereof, a "Letter of Intent" to file a Notice of Delinquent Assessment ("Lien") will be prepared and sent to the record owner(s). Please be advised that the Association has the right to collect all reasonable costs of collection.
4. If all such amounts, and all other assessments and related charges thereafter due to the Association until all such amounts are paid, must be paid in full and the Association shall not be required to accept any partial or installment payments from the date of the institution of an action to enforce the payment of delinquent amounts to the time that all such amounts are paid in full.
5. If all such amounts have not been received ninety (90) after the original due date thereof, a Lien will be prepared and recorded as to the delinquent property and the owner(s) thereof, and all resulting collection fees and costs will be added to the total delinquent amount.
6. 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 non-judicial foreclosure
7. For liens recorded on or 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).
8. For delinquent assessments of dues in excess of one thousand eight hundred dollars (\$1,800) or more than 12 months delinquent, an Association may use judicial or non-judicial foreclosure subject to the conditions set forth in Section 1367.4 of the Civil Code.
9. When using judicial or non-judicial 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. (Section 1366, 1367.1 and 1367.4 of the Civil Code)
10. In a judicial or non-judicial foreclosure, the Association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The Association may not use non-judicial foreclosure to collect fines or penalties, except for costs to repair common areas

damages by a member or a member's guests, if the governing documents provide for this. (Section 1366 and 1367.1 of the Civil Code)

11. The Association must comply with the requirements of Section 1367.1 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 1367.1 of the Civil Code)
12. 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 charges owned by the owner. An owner has a right to review the Association's records to verify the debt. (Section 1367.1 of the Civil Code)
13. The decision to record a lien must be made by the Board of Directors in open session by majority vote and recorded in the meeting minutes. The Association must offer and, if accepted, participate in a form of alternative dispute resolution.
14. The decision to initiate foreclosure of a lien for delinquent assessments shall be made only by the Board of Directors. The Board shall approve the decision by a majority vote of the Board Members in an executive session. The Board shall record the vote in the minutes of the next board meeting of the board open to all members. The board shall maintain the confidentiality of the owner(s) by identifying the matter in the minutes by the parcel number of the property, rather than by the name of the owner(s). A board vote to approve foreclosure of a lien shall take place at least 30 days prior to any public sale. The Association must offer and, if accepted, participate in a form of alternative dispute resolution.
15. A non-judicial foreclosure shall be subject to a right of redemption. The redemption period shall end 90 days after the sale.
16. 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 1367.1 of the Civil Code)
17. 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.
18. All payments received by the Association, regardless of the amount paid, will be directed to the oldest assessment balances first, until which time all assessment balances are paid, and then to late charges, interest and costs of collection unless otherwise specified by written agreement.
19. The Association shall charge a "returned check charge" of twenty-five dollars (\$25.00) for all checks returned as "non-negotiable", "insufficient funds", or any other reason.
20. All above-referenced notices will be mailed to the record owner(s) at the last mailing address provided in writing to the Association by such owner(s).
21. A member may provide written notice to the Association of a secondary address. If a secondary address is provided, the Association shall send all correspondence and legal notices to both the primary and secondary addresses.
22. The mailing address for overnight payment of assessments is 61 B Rickenbacker Circle, Livermore, CA 94551.
23. The Board of Directors of the Association may revise this policy, either generally or on a case-by-case basis, if it finds good cause to do so.

PAYMENTS

1. When an owner makes a payment, he or she 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.
2. An owner may dispute an assessment debt by submitting a written request for dispute resolution to the Association as set forth in Article 5 (commencing with Section 1368.810) of Chapter 4 of Title 6 of Division 2 of the Civil Code. Prior to initiating foreclosure, the Association shall offer the owner and, if requested by the owner, participate in dispute resolution (or "meet and confer") of ADR. The decision to pursue either dispute resolution or ADR shall be with the owner, except binding arbitration shall not be available if the Association intends to initiate a judicial foreclosure.
3. 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 1367.1 of the Civil Code)

MEETINGS AND PAYMENT PLAN

1. An owner of a separate interest that is not a timeshare may request the Association to consider a payment plan to satisfy a delinquent assessment.
2. The Association must inform owners of the standards for payment plans, if any exist. (Section 1367.1 Civil Code)
3. The Board of Directors 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 to the payment plan standards of the Association, if they exist. (Section 13.67.1 of the Civil Code)
4. The Board may approve a resolution for owners to pay a special assessment over time (payment plan) to avoid a delinquency status. This payment plan shall consist of equal principal installments each due on the first (1st) day of each assessment period and delinquent if not received, in full, by the Association within fifteen (15) days after the due date thereof, unless the governing documents provide for a longer period of time. The unpaid balance of the special assessment may bear interest per annum at the percent determined by the resolution of the Board. If an owner becomes delinquent in a payment plan (defaults), this collection policy will be followed in order to collect the past due amount and any costs.