

Master Property Management Association

Delinquent Dues Policy



Homeowners in the Villages of Garrison Creek agree to pay all dues when they purchase property in the Villages. Homeowners who do not pay their dues in a timely manner are in violation of our Bylaws. Those homeowners have the responsibility to pay their dues or notify their treasurer or the Board when the dues will be paid. If dues are late or delinquent, the Board has the authority to add late fees and charge interest until the dues are paid. In addition, the Board may: 1. File a lien against the property, 2. In addition to the lien, turn the matter over to a collection agency.

The Master Property Management Association (MPMA) and its members wish to be considerate of any homeowner who may be having temporary financial problems. In those phases where the treasurer collects the MPMA dues, the treasurer shall make every effort to contact the homeowner when a payment is not made by the 15th of the month. If the payment is still not made, the treasurer shall notify the MPMA President or Treasurer that a payment is past due. In those phases where our financial consultant acts as an appointed treasurer by the Board, he/she shall notify the MPMA President or Treasurer that a payment is past due.

The MPMA President will send the initial letter of notification to the homeowner as soon as they are notified that the payment is past due. A homeowner may then contact the MPMA president if they cannot meet their dues payment and propose a payment schedule. The matter may then be turned over to a sub-committee of the Finance Committee for review. No response and continued non-payment will result in further actions being taken by the MPMA President.

The Finance sub-committee consists of three (3) people: One (1) MPMA Board Member, and two (2) MPMA member homeowners appointed by the Board President. The Phase President and/or Treasurer in the Phase where the delinquency occurs may be consulted in the matter. The sub-committee has the authority to work out a reasonable schedule of payment with the homeowner who is delinquent. Cooperation between the homeowner and the sub-committee may delay or eliminate the additional steps of dues collection as outlined below. If at any time the homeowner stops communicating with the sub-committee and does not follow the agreed payment schedule, the matter will be given back to the MPMA President for immediate action.

- All dues for the MPMA are payable prior to the 15th of each month.
- Dues not paid by the 15th of the month shall be considered late. The homeowner will then owe the month's dues and the late fee.
- Late dues shall be assessed a late fee of \$15.00. Each successive month dues are not paid will be assessed an additional late fee.
- Dues not paid by the 25th of the month shall be considered delinquent.
- Delinquent dues shall be assessed an 1% cumulative (12% per annum) on the 25th of each month as long as the dues are delinquent.
- Delinquent payers will be notified by letter from the MPMA President each month for 3 months the amount owed.
- When dues remain delinquent 10 days following the delivery of the 3rd notice by registered mail the MPMA may file a lien against the property and seek other legal remedies for payment.
- When dues are delinquent, 10 days following the delivery of the 3rd notice by registered mail, the matter may be turned over to a collection agency. The collection agency may garnishee wages, file a lawsuit, or use other means to enforce collection.
- Once the matter is turned over to an attorney for action and/or a collection agency, the homeowner will be responsible for any legal fees and court costs incurred in this matter.

The following letters may be used as is or edited to suit a particular circumstance. The letter shall be printed on The Villages of Garrison Creek letterhead and signed by the association president. To protect the association in the event of legal action, notes of all conversations will be kept, all emails will be saved, and all written correspondence will be sent certified mail – return receipt with copies kept for the file.

Initial letter draft

Dear (Homeowner):

You have been contacted (or a contact was attempted) by the Phase ____ Treasurer who has requested that more formal step be taken.

This is a reminder that your HOA dues account with the Villages of Garrison Creek is past due. Dues are due by the 15th of each month. Since you did not remit your dues prior to that time, a late fee of \$15 has been added. Our records indicate you now have an overdue amount of _____.

If you have any questions about the amount you owe, or problems bringing your account current, please give me a call and I'll be happy to discuss it. If you've already sent your payment, please disregard this reminder.

Thank you.

Sincerely,

Letter #2 draft

Dear (Homeowners)

Although we have contacted you about the outstanding balance on your HOA dues, we still have not heard from you. You have an outstanding balance of _____, which contains additional late charges or fees. A copy of the MPMA Policy is enclosed with this letter.

If you have already sent payment in full, we ask that you call and let me know. Otherwise, please call us to discuss what you plan to do to settle your account.

If we do not hear from you, we will have no choice but to file a lien against your property, which may be followed by turning this matter over to a collection agency who may begin the collection process including but not limited to: Filing of a judgment against you personally, and or notification of your employer, resulting in the garnisheeing of your wages.

If you would like to discuss payment arrangements or an installment plan, please contact me either by phone or by mail. This matter has been turned over to our Financial Sub-Committee for monitoring. We will be happy to work with you.

Thank you for your prompt attention to this matter.

Sincerely,

3rd letter draft

Dear (Homeowners):

According to our records, your account is now ____ months or more past due for payment of assessments owed to the Villages of Garrison Creek Homeowners Association.

The Total amount due as of _____ is _____. This amount includes all assessments, fines and fees currently due on this account.

Two reminder notices have previously been sent informing you of the balance due on the account. We must now request that you take immediate action to bring your account current. If you are experiencing some financial hardship, please contact me to discuss this matter.

The recorded legal documents governing the Villages of Garrison Creek require prompt payment of assessments in order that the Association may meet its obligations for common property maintenance and administration of community affairs.

If you do not make immediate payment or contact our office to setup a payment plan, the Association will, in order to recover delinquent balances, be left with no option but to pursue alternative collection methods, including, but not limited to: 1). Filing a lien against your property with the possibility of foreclosure, or 2). Turning this matter over to a collection agency, which may include the filing of a judgment against you personally.

Sincerely,
MPMA President

Final Notice draft

Dear (Homeowners)

YOUR ASSOCIATION ACCOUNT IS IN ARREARS since _____. You have been sent THREE WARNING LETTERS detailing the amount you owe which now includes late fees and accumulated interest. THE MATTER HAS BEEN REFERRED TO THE MASTER BOARD OF DIRECTORS FOR FURTHER ACTION.

PLEASE TAKE NOTICE: The Association is entitled to recover reasonable attorney's fees incurred in connection with any action taken to collect the delinquent balance and to perfect its lien against your real property.

The balance as of (this date) is (amount due). If payment is not received in full, within 15 days of this notice, any future amounts due for this year will be accelerated, becoming due and payable immediately, and a lien will be placed on the property.

If a Lien for Delinquent Assessment is recorded against your property for non-payment, you will incur an additional legal cost. This could have a detrimental effect on your credit rating.

Please call me as soon as possible to make payment arrangements or send your check, payable to above named association and address.

You will receive NO further notices before the institution of formal action to collect the outstanding balance, including attorney's fees. In the event your account is turned over to a collection agency and/or the association's attorney and if payment is not received within 15 days of the date of this letter; then from that time forward, all communications will be between you and the collection agency or association attorney, not the Master Board of Directors.

We hope this will not be necessary.

Sincerely,

Applicable Sections of the Bylaws of The Villages of Garrison Creek Master Property Management Association

(the complete bylaws are available on the website <http://villagesofgarrisoncreek.com/wp-content/uploads/2016/12/VGCBylawsAmended2012tochangeannualmtgtime.pdf>)

ARTICLE VII.

Assessment and Liens

A. Property Subject to Liens: Each owner and Contract Purchaser, his or her heirs. Successors and assigns, agrees to pay to the Association the dues, assessments and charges levied by the Association for purposes of management, upkeep, maintenance, capital improvements, and other expenses necessary for the common good. The Board of Directors shall have the authority to make assessments for the purpose of maintaining and improving all roadways, private park areas, common walkways, and all common areas dedicated to the ownership of the Master Property Management Association for the benefit of The Villages. The amount of any assessment plus interest, costs and attorney fees, shall be a lien upon each lot in the event of failure of the Owner to pay the same, and it may be foreclosed as hereafter provided.

E. Payment of Assessments: Each Owner shall pay, or cause to be paid, to the Secretary/Treasurer of the Association the assessment against each lot on a timely basis according to the payment schedules established by the Board. Any assessment not paid in a timely manner shall be subject to late charges, interest charges, and collection procedures as established by the Declaration.

I. Assessment Are a Lien: Priority: All unpaid sums assessed by the Association for the share of the expenses chargeable to any lot and any sums specially assessed to any lot under the authority of the Declaration or the Bylaws (together with interest, fines, late charges, costs, and attorneys' fees in the event of delinquency) shall constitute continuing lien on the lot and all its appurtenances from the time the assessment is due. The lien of the dues and assessments established in this sections shall be superior to any mortgage or other lien, except first mortgage interests. No mortgagee shall be responsible for collecting assessments. Nevertheless mortgages shall be responsible for payment of all assessments which become due as of the date of acquisition of ownership by such mortgagee by the sheriff's sale in an action of judicial foreclosure, the date of the trustee's sale in a non-judicial foreclosure, or the date of recording of a Declaration of forfeiture and proceeding by the vendor under a real estate contract. Furthermore, unless specifically prohibited by the rules of the lender. Such mortgagee shall be responsible for any liens as a result of assessment for common expenses (excluding any amounts for capital improvements) based upon a periodic budget adopted by the Association, which lien represents assessments which had become due within the six (6) months immediately prior to the date on which the mortgage holder acquired ownership. The lot's past due share of expenses or assessments shall become new expenses chargeable to all of the Owners. including the Mortgagee or foreclosure sale purchaser, and their successors and assigns equally. However, the defaulting Owner shall continue to be personally liable for such past accrued assessments. For the purpose of the section, the terms "Mortgage" and "Mortgagee" shall mean any real estate contract vendor or designee or assignee of a vendor under a real estate contract.

L. Late Charges and Interest on Delinquent Assessments: The Board may from time to time establish late charges and a rate of interest to be charged on assessments that may thereafter become delinquent. In the absence of another established non-usurious rate, delinquent assessments shall bear interest at the rate of twelve (12%) percent per annum.

M. Recovery of Attorney's Fees and Costs: In any action to collect delinquent Assessments, including appeal thereof and enforcement of a judgment, the prevailing party shall be entitled to recover as a part of its judgment a reasonable sum for attorney's fees and expenses reasonably incurred in connection with the action, in addition to taxable costs permitted by law.

N. Remedies Cumulative: The remedies provided herein are cumulative, and the Board may pursue them, together with any other remedies which may be available under the law although not expressed herein, either concurrently or in any order.