

## **LVKHA Policy on Collection of Delinquent Dues/Assessments**

LVKHA dues cover administrative expenses, maintenance fees and other costs associated with running the Association. Dues are collected on a monthly basis. Special assessments, and their payment plans, cover additional projects agreed upon by the Association. Unpaid dues/assessments will be handled uniformly and systematically in order to maintain an operational budget and a solvent Association.

### **Due Dates**

Installments of the monthly assessment, as determined by the Association, are due and payable on the 1st day of each month. Assessments or other charges not paid in full to the Association by the 10<sup>th</sup> of the month are considered past due. The Association shall impose a monthly late fee, as established by the HOA, for each owner who fails to pay any assessment within 10 days of the due date.

### **Late Charges on Delinquent Installments**

The late fee will be determined at an annual HOA meeting. The property management company (PMC) sends delinquency notices via email on the 15<sup>th</sup> of each month (or the next business day if the 15<sup>th</sup> falls on a weekend). Notices are sent via email. Postal mail will be used if there is no email on record or when an owner is delinquent for multiple months and has not responded to email communication. If there is no response to the delinquency correspondence after one week, the PMC calls the homeowner.

### **Collection Process**

The PMC will maintain up-to-date delinquency accounts and communicate with the Board in a timely fashion in order to stay abreast of delinquencies. Once the 3rd month's payment is past due, the PMC will send the owner a past due balance notification and an "Intent to file Lien" notice specifying they have 30 days to respond and submit payment. The notice will state that if the balance is not paid in full a lien will be filed.

### **Repayment Plan**

Homeowners receive delinquency notices each month. After the 3<sup>rd</sup> month delinquency, a past due/intent to file lien notice is sent to homeowner. In order to be as consistent as possible, the Board will review repayment plans using the following parameters:

#### **1. Number and/or history of delinquencies.**

If a homeowner has history of delinquencies, the Board may deny repayment plan and request payment in full or a lien will be filed. (The owner can still make partial payments and the PMC can file a lien release when the past due balance is cleared. This covers HOA in case the owner sells.)

#### **2. Repayment plan limits**

The Board will allow the past due balance repayment to be split over 3 months but it must be paid in full by this time. The Board may also allow ACH repayment plans tailored to individual situations longer than three months.

### **Requests to waive any late fees**

In order to be as consistent as possible, the Board will review requests to waive late fees based on the history/number of delinquencies.

1. If the homeowner has a history of repeat delinquencies, the Board will not waive the late fees.
2. Depending on past history and number of delinquent payments/late fees, and communication with the PMC, the Board may decide to waive one late fee.

### **Service Fees**

All fees incurred in an attempt to collect the dues are the responsibility of the owner (credit card fees, lien filing, extra time spent by Property Management Company to collect the fees, etc.).

### **Additional restrictions**

Per LVKHA covenants:

- 1) Section II.B.3, any owner who is not current in their obligation to the Association (i.e., is delinquent in paying dues/assessments), shall not have a right to vote on HOA matters until the delinquency is resolved.
- 2) Section II.B.8, the HOA has the power to restrict access to the water supply if the owner is more than 60 days delinquent in payment of their assessment for water.
- 3) Section II.B.10, Any assessment placed on the property by the owners association shall constitute a lien against the property and if such lien is outstanding for longer than 120 days or the total sum of outstanding assessments is \$5000.00 or greater, the HOA may request a judgement and pursue a foreclosure in the District Court and execution against the property may be issued by the District Court, free and clear of any claims of homestead or other defenses to a foreclosure action. Prior to the commencement of a foreclosure action in District Court, the HOA shall provide a notice of a right to cure the delinquent to the property owner and the property owner shall have 30 days to cure the delinquency. The HOA shall follow all applicable law related to real estate foreclosures. The lot and lot owners responsible for any delinquent amounts shall be assessed reasonable attorney fees related to the collection of delinquent amounts, including fees related to a foreclosure action.