

STONEGATE CONDO ASSOCIATION
PAYMENT & LATE FEE POLICY
(Issued January 2015; updated February 2021)

Prompt payment of assessments by all owners is critical to the financial health of the Stonegate Association and to the enhancement of the property values of our homes. Under the Stonegate Condominium Trust documents and the General Laws of Massachusetts, the Board of Trustees (BOT) is obligated to enforce the members' obligation to pay assessments.

The policies and practices outlined herein have been adopted by the BOT to ensure a prompt and fair collection of delinquent assessments. These policies and procedures shall remain in effect until such time as they may be modified or amended by a duly adopted resolution of the BOT.

Therefore, pursuant to the Stonegate Condominium Trust and Section 6 of Chapter 183A of the General Laws of Massachusetts, the Stonegate Association payment and late fee policy is as follows:

1. Owner's Obligation to Pay Assessments

Assessments, late charges, interest, and collection costs, including any attorneys' fees, are the personal obligation of the owner of the property at the time the assessment or other sums are imposed. All such amounts shall also constitute a lien on the owner's unit in accordance with Section 6 of Chapter 183A of the General Laws of Massachusetts.

2. Monthly Condo Fees

Whether paying for one month or multiple months, the condo fee payment(s) are all due on the 1st of the month. It is the homeowner's responsibility to make payment in full, and to mail the payment early enough to arrive on time.

Homeowners should not expect to receive a reminder from the BOT to pay their monthly fees. Instead, payment coupons can be downloaded from the Association's website at www.stonegateroad.com. The Association would prefer that homeowners use this method to identify the fee that is being paid.

Homeowners may also include a note on their check (or a letter with the check) explaining the purpose of their payment. However, the Association has a policy of clearing past-due amounts from the oldest month first (see Section 11). So, homeowners should be aware that if the note and/or accompanying letter contradicts that policy, the payment could be rejected; and if a corrected check subsequently arrives late, a late fee will still be assessed, even if the previous check arrived before the due date.

Homeowners should not drop their payment off with a board member. Board members are not authorized to receive monthly payments, and placing a payment in their hands does not constitute on-time delivery. Instead, payments should be mailed to 63 Stonegate Road.

Fines for late payments will be assessed monthly in accordance with Section 4.

3. Other Assessments

All other assessments, including special assessments, are due and payable on the date specified by the BOT on the Notice of Assessment, which date will not be less than sixty (60) days after the date of notice of the special assessment.

A special assessment that is payable in installments shall be deemed delinquent if it remains unpaid after fifteen (15) days from the stated installment due date. Any remaining installments will be accelerated and the entire unpaid balance shall become immediately due and payable, and interest shall be assessed monthly in accordance with Section 5.

4. Late Fees

This section only applies to delinquent monthly condo fees.

Monthly condo fees are due the 1st day of the month. Therefore, checks for condo fees that arrive on or after the 2nd day of the month are considered late.

As a courtesy to residents, the BOT doesn't start fining residents until after the 15th of the first month only. Payments received after that point shall be subject to a twenty-five dollar (\$25.00) late charge.

Explanation of Fines:

- 1st month that condo fee is late:
 - A \$25 fine will be assessed on the 16th of the month
 - Homeowner now owes \$125 condo fee plus \$25 fine = \$150 due
- 2nd month that condo fee is late:
 - Since the homeowner now has two payments that are late, they will be assessed $\$25 \times 2 = \50 in new fines on the 2nd day of the 2nd month.
 - The new \$50 fine accrues to the prior \$25 fine to total \$75 in fines.
 - Homeowner now owes $\$125 \times 2 = \250 in condo fees plus \$75 in fines = \$325 due
- 3rd month that condo fee is late:
 - Since the homeowner now has three payments that are late, they will be assessed $\$25 \times 3 = \75 in new fines on the 2nd day of the 3rd month.
 - The new \$75 fine accrues to the prior \$75 fine to total \$150 in fines.
 - Homeowner now owes $\$125 \times 3 = \375 in condo fees plus \$150 in fines = \$525 due
- 4th and subsequent months will continue to accrue fines in the same way.

Please note that all fines and late fees are added (accrued) to the previous months total until the outstanding balance is paid in full. Any partial payments are applied against the oldest assessments due, whether they are condo fees or fines. However, the more recent months will still accrue fines if they remain unpaid.

Once a homeowner has fees that are more than 60 days late, they will also begin to accrue collection and attorney's fees (Sections 6, 7 & 8).

Please be aware that a "clean" 6D certificate cannot be issued for refinancing or sale of the property if there are any outstanding payments or fines due. Also, as described in the Stonegate Condominium Trust, the right of a delinquent homeowner to vote or to serve on the Board of Trustees or any committees established by the BOT shall be suspended until such delinquent assessments have been paid or unless relief is granted by special resolution of the BOT.

5. Interest

This section applies to all delinquent assessments except monthly condo fees.

Interest, at the rate of one and one-half percent (1.5 %) per month, will be assessed against all delinquent assessments except monthly condo fees from the date they become due. This includes special assessments, cost of collection and attorneys' fees.

Monthly interest charges shall be assessed on the sixteenth (16th) day after any special assessment or collection cost becomes due and shall continue to be assessed at the beginning of each subsequent month until the past-due balance is paid.

6. Delinquency & Legal Notices

Past-Due Notice:

When a homeowner has payments that are more than 45 days past due, the Stonegate Condo Association will send a Past-Due Notice via certified mail. This will include a statement of account showing the total amount outstanding. This is an urgent situation that requires immediate attention. The homeowner will have 10 days to respond.

Pre-Lien Notice:

If the BOT receives no response to the Past-Due Notice, and the homeowner's account is more than 60 days past due, the account will be referred to our legal team at Perkins & Anctil PC, who will handle all communication & payments from that point forward (until all past-due payments are received). Their first step will include sending initial 30-day demand letter, known as a pre-lien notice (Notice of Lien). All costs and expenses associated with the services provided by Perkins & Anctil PC will be assessed to the homeowner's account. The fee for the initial Notice of Lien starts at approximately \$200, however this is only an estimate. The homeowner will be responsible for any and all legal charges, without limit. Additional fees can be expected to add up quickly due the amount of legal work involved.

7. Recording and Enforcing the Lien

If an owner fails to pay the amounts set forth in the Notice of Lien, the owner will be charged for the fees and costs of preparing, recording and enforcing the lien. The lien may be enforced in any manner permitted by law, including, without limitation, judicial or non-judicial foreclosure (Section 6 of Chapter 183A of the General Laws of Massachusetts).

8. Release of Lien

Prior to the release of any lien, or dismissal of any legal action, all assessments, late charges, interest, and costs of collection, including attorneys' fees, must be paid in full.

9. Homeowner's Right to Inspect Accounting

Any homeowner is entitled to inspect the Association's accounting books and records to verify the amounts owed in compliance with Massachusetts General Laws Chapter 183A, Section 10(c).

In the event it is determined that the homeowner has paid certain assessments on time, the homeowner will not be liable to pay the charges, interests, and costs of collection associated with collection of those specific assessments.

10. Request for a Payment Plan

Any homeowner who is unable to pay assessments will be entitled to make a written request for a payment plan for consideration by the BOT. However, if this request is made after the Notice of Lien has been received, all communication must be made through Perkins & Anctil PC using the contact information contained in their letter.

The BOT will consider payment plan requests on a case-by-case basis and is under no obligation to grant payment plan requests. Payment plans shall not interfere with the Association's ability to record a lien on a homeowner's separate interest to secure payment for the owner's delinquent assessments.

If the BOT, in its absolute discretion, authorizes a payment plan, it may incorporate payment of ongoing assessments that accrue during the payment plan period.

If a payment plan is approved, additional late fees from the homeowner will not accrue while the owner remains current under the terms of the payment plan. If the owner breaches an approved payment plan, the Association may resume its collection action from the time the payment plan was approved.

Nothing herein limits or otherwise affects the Association's right to proceed in any lawful manner to collect any delinquent sums owed.

11. How Payments Are Applied

Any payments made shall be applied against condo fees, assessments, late fees and interest from the oldest month first. Once all such fees are paid for the oldest month, remaining funds will be applied to the next oldest month, and so on. Only after all condo fees, assessments, late fees and interest are paid in full, shall funds be applied to collection expenses and attorneys' fees, unless the BOT agrees in writing to apply payments in a different manner.

12. No Offset

There is no right of offset. A homeowner may not withhold assessments owed to the Association on the alleged grounds that the owner is entitled to recover money or damages for some other obligation.

13. Returned Check Fees

A homeowner will be charged a twenty-five dollar (\$25.00) fee for any returned check unpaid by the homeowner's bank.

14. All charges referenced herein are subject to change upon thirty (30) days' prior written notice.

Stonegate Condo Association
Board of Trustees