

HMRNA Budgeting and Dues Policy

Revised October 20, 2020

Budgeting

Annually during the 4th quarter of the year, the HMRNA board, or its designated subcommittee, will evaluate association past expenses and forecast next year's expenses to develop a budget for the following year. As part of the budget process, each vendor providing services will be evaluated for performance and value, and replacement vendors will be evaluated for those found to be unsatisfactory. For any service category exceeding \$1,000 a year in expenses, the HMRNA board will, at least once every 3 years, evaluate 2 or more alternative providers to check for better vendor choices.

Invoicing

HMRNA invoices owners for dues bi-annually with target mailing dates of January 1st and July 1st. Each invoice is for ½ of the annual dues determined through the HMRNA budget process. Invoices are due 30 days from the date of mailing, as displayed on the invoice.

The HMRNA Declaration of Easements, Covenants, and Restrictions section 10.6 Capital Contribution; Transfer Fee, part (b) Subsequent Closings requires that at each closing and transfer of title, the new Owner must pay ~~two hundred fifty dollars (\$250)~~ five hundred dollars (\$500) to the HMRNA as a transfer fee. If the transfer fee is not paid at the time of closing, it will be invoiced as soon as HMRNA becomes aware of the title transfer. *NOTE: The transfer fee amount was increased at the annual meeting on March 21, 2023.*

Dues Collection Process

Whereas the HMRNA is a non-profit organization with a volunteer board, and whereas the HMRNA is committed to not passing on the financial burden of unpaid dues or transfer fees to other owners, the following policy shall be followed for overdue accounts.

1 Month After Invoice Date - Reminder

For any accounts that haven't paid in full by the invoice date, a reminder invoice will be mailed to remind the owner of their obligation.

2 Months After Invoice Date - Reminder/Letter/Fees

For any accounts that haven't paid in full by 2 months after the invoice date, a reminder invoice will be mailed by certified mail to remind the owner of their obligation. In addition, an additional document will be enclosed that outlines the Dues collection process as outlined in this policy.

FEES: Any accounts not paid in full by 2 months after the invoice date, will begin accruing a fee of \$5 per month, posted monthly to their account beginning 1 month

after the invoice due date. This fee is intended to partially cover the administrative costs expected in trying to manage and recover overdue accounts.

PAYMENT OVER TIME: Homeowners may be granted permission to spread their payment out over several months in some cases. If a homeowner wishes to make payments over time, the homeowner must contact the Board Treasurer to make arrangements, which must be approved by the Board. Permission for payment over time will generally only be granted to financially stressed resident homeowners. Failure to make payments as arranged will result in resumption of the normal dues collection process.

4 Months After Invoice Date - Lien Notice and Interest Accrual

For any accounts that haven't paid in full by 4 months after the invoice date, a letter will be mailed to them informing them that a lien for the amount of the account balance will be recorded with the Missoula County Clerk of Court against the property for which the dues were assessed. In addition, HMRNA will begin to assess interest monthly on the outstanding account balance at the beginning of the month (prior to assessment of current month fees) at the annual rate determined each fiscal year by the Wall Street Journal Prime Rate on January 1 plus 2% (with a floor of 5% and a ceiling of 8%).

12 Months After Invoice Date- Lien Filed

If full payment of dues or transfer fees, late fees, and accrued interest is not received within 12 months from the invoice date, a lien will be filed for the full balance due on their account at the time of the filing. A \$15 fee to cover the cost of this filing will be added to the owner's account prior to filing. Liens will be filed in July each year for all accounts meeting this criterion. All outstanding accounts with existing liens will be revised to include interest that has accrued since the last lien filing.

It is the preference of the HMRNA to file a lien on the property of homeowner accounts in arrears as a means of collection. HMRNA reserves the right to use small claims court and a collection agency to recover past due balances. The board of directors has the discretion to use other avenues for collection as necessary.