

CT Condominium
Bozeman, MT 59718

DELINQUENCY RULE

Article VIII of the Bylaws of the Association, POWERS AND DUTIES OF THE BOARD OF DIRECTORS, as amended July 17, 2023 provides for enforcement of the Declaration and Bylaws of CT Condominium, and empowers the Board to promulgate and adopt rules and regulations for the use of the common elements and for the occupancy of the units so as not to interfere with the peace and quiet of all residents.

The contracted property management company, currently Saddle Peak Properties, shall act as Agent for the Board. The Board of Directors hereby establishes the following RULE, based upon the authority cited above.

The Declaration, Article V, E, and the Bylaws, Article VIII F, and the State of Montana, provide for the collection, expenditure and accounting of financial assets. Pursuant to the authority granted therein, the Board of Directors establishes the following method for payment, and collection of Base, Reserve, and Special assessments and Late Payments:

1. **Base and Reserve Assessments:** Payment is due on the 1st day of each month; however, at the option of the Unit Owner, these can be paid quarterly (January 1, April 1, July 1, and October 1), semi-annually (January 1 and July 1) or annually (January 1). The Unit Owner shall notify the Agent of selection of one of these options by January 1; absent such notice, monthly billings will be sent.
2. **Special, Limited Common, and Reimbursement Assessments:** Payment is due ten (10) days from the date of mailing such assessments, unless the mailing is not received by the Unit Owner by the due date due to no fault of the Unit Owner (in which case the due date will be the date of actual receipt of the assessment notice by the Unit Owner).
3. **Late Payments:** Assessments which are not paid within thirty (30) days from the date they are due become delinquent and are subject to interest (specified below) and penalty charges (specified in the Declaration, Article V, G. 1.)
4. **Payment Plan Requests by Unit Owner:** In the event that a Unit Owner cannot pay assessments in a lump sum, the Unit Owner may apply, in writing, to the Board of Directors for an exemption and payment plan, pursuant to the Declaration, Article V, F. Requests must be received prior to the due date. The Board of Directors shall have discretion in granting a payment plan and terms.

5. **Delinquent Fees:** If an assessment is delinquent, the Unit Owner is obligated to pay a late fee of \$25.00 each month of delinquency. In addition, the Unit Owner must pay interest at a current legal rate of 12% per annum on the amount the assessment, from the due date, together with all expenses including, but not limited to, attorney fees. Interest shall be compounded monthly. Interest may also accrue on any other charges to the Unit Owner's account as described below. The Unit Owner shall be notified of delinquent fees by mail or by hand delivery unless the Unit Owner requests notification by email.
6. **Demand Letter:** If an assessment becomes more than three (3) months delinquent, a Demand Letter will be sent to the Unit Owner via U. S. mail (certified mail, return receipt requested) at the last known address and the Unit Owner's account will be charged \$80.00. The Demand Letter will describe the details of the delinquency and amount(s) owed.
7. **Additional Delinquent Assessments:** If additional assessments become delinquent while any part of the original delinquent assessment, interest, charges, and other related costs remain outstanding, no new Demand Letter is required to enforce payment and the additional delinquent assessments plus interest will automatically become part of the amount owed by the Unit Owner.
8. **Notice of Lien:** If the assessment, additional delinquent assessments, interest, charges, and any other related costs are **not paid in full within thirty (30) days of the date of the Demand Letter**, the Association may file a Notice of Lien with the Gallatin County Clerk and Recorder. If a lien is filed, a \$150.00 charge will be applied to the Unit Owner's account. The Association has the right to inform other Unit Owners of the Unit Owner's delinquency.
9. **Continuing Lien:** If a Notice of Lien is filed, the lien shall be continuing so as to include any additional delinquent assessments, interest, charges, costs, attorney fees and any other related costs. The Association is not required to release any lien until the Unit Owner pays the entire amount owed to the Association. The Association has the right to file updated liens to ensure that third parties are apprised of the current amount owed by the Unit Owner. The Unit Owner shall incur an additional charge of \$40.00 for each updated lien filed with the Gallatin County Clerk and Recorder.
10. **Further Action:** If the amount owed is not paid in full within thirty (30) days of the Notice of Lien, the Association may:
 - a. Bring legal action against the Unit Owner personally obligated to pay, and/or
 - b. Foreclose the lien against the Unit, and/or
 - c. Any other action not prohibited by the Bylaws, Declaration, or Montana law.

If CT Condominium is required to take any of the above steps against a Unit Owner to enforce payment of assessments, interest, charges, attorney fees or other related costs, the Unit Owner shall be obligated to pay any other costs incurred to collect the amount owed, including, but not limited to, all collection costs, court costs, and reasonable attorney's fees and other related costs. Also failed to mention this, but I think this paragraph should be part of Further Action, rather than its own subsection.

11. **No Waiver:** No Unit Owner may waive or otherwise escape liability for the assessment by abandonment of his or her Unit. The Unit Owner shall remain personally liable for all assessments, interest, charges, attorney fees or other related costs owed to the Association until fully paid, unless the Unit Owner's liability is extinguished by law.
12. **Successive Owners:** All successive owners of a Unit shall be responsible for paying any assessments, interest, charges, attorney fees or other related costs on the Unit. All successive owners have the duty and responsibility to contact the Association or the Agent to learn if any assessments, interest, charges, or other related costs are owed on the Unit.

This Delinquency Rule supersedes and replaces similar subject matter included in the Delinquency Policy adopted by the CT Condominium Board of Directors on March 20, 2015, and the Violation Policy adopted by the CT Condominium Board of Directors July 26, 2016. If any provision of this Rule shall be in conflict with the Bylaws or Declaration of CT Condominium, said Bylaws and Declaration shall control, but shall not supersede any pertinent city law or ordinance. The invalidity or unenforceability of any provision of this Rule shall not affect the validity or enforceability of any other provision.

Adopted by the CT Condominium Board of Directors on August 9, 2023.

By: Mickey Smotherman
Mickey Smotherman, President, CT Condominium Board of Directors

Laura C. Nichols
Laura C. Nichols, Secretary, CT Condominium Board of Directors