



Ground Lease Fees Delinquency Policy

Passed by the Board October 25, 2021

It is the responsibility of the Madison Area Community Land Trust (MACLT) Board of Directors to protect the common interests of all homeowners and to protect the fiscal viability of the organization. One of the duties of the Board is to be sure that ground lease fees are paid in a timely way and to work with any MACLT homeowner who becomes delinquent to bring them current.

Ground lease fees fund staff and administrative functions of the land trust, and are a key source of financial stability for the smooth functioning of the organization. The fees allow us to continue to offer below-market homes to families in perpetuity.

It is the intention of this policy to encourage forthright and timely communication between MACLT homeowners and the MACLT Board of Directors in the interest of balancing the particular needs/circumstances of the homeowners with the common good of all the members of MACLT.

- 1) Ground lease fees are due on the first day of each month. They will be considered delinquent if not received within 90 days of the day they are due. Each homeowner is expected to be current in the payment of their lease fees.
- 2) Under appropriate circumstances in the discretion of the Board of Directors, MACLT may take enforcement action including filing a lien against any home which is delinquent in payment of its ground lease fees, or defaulting on the ground lease agreement, as explained in the ground lease (for scatter-site homeowners, the Default clause is found in Article XII of the ground lease).
- 3) MACLT shall send a letter to the owners of any MACLT home that is delinquent stating the amount of the delinquency.
- 4) If a homeowner is delinquent in the payment of ground lease fees and wishes to make an arrangement to cure the delinquency, or if a homeowner anticipates that conditions will arise which makes staying current on ground lease fees problematic, the owner should contact MACLT staff to negotiate a plan for the payment of the ground lease fees currently delinquent or expected to be delinquent. Failure of the homeowner to comply with any plan accepted by MACLT shall constitute a default and shall be subject to MACLT enforcement action. A plan shall include timely payment of dues for the current month and regular payments of the amount stipulated in the plan to repay the existing or anticipated delinquency.
- 5) If a homeowner is delinquent in excess of \$450 in ground lease fees and has been behind on dues for **90 days** or more and is not actively making payments in compliance a payment plan, the MACLT Board may direct the staff to take enforcement action including filing a lien against that home to secure MACLT's ability to collect the delinquent amount.
- 6) The MACLT homeowners can expect the staff and Board to keep the confidentiality of any overdue fees entirely within the board and staff of MACLT.