

FREQUENTLY ASKED QUESTIONS

WHY DO WE HAVE A HOMEOWNER ASSOCIATION?

The U.S. Clean Water Act of 1977 requires all new real estate developments to detain storm water so that flow to adjoining properties is no greater than the pre-development runoff. This law requires nearly all residential developments to construct detention or retention areas to hold and/or re-route excess storm water until it can be released at the pre-development flow level.

Since these detention areas serve multiple residences, they are almost always designated as "common" areas. A homeowner association is then created to spread the cost of maintaining these common areas equally amongst all residents in the community.

Although these areas could be placed on an individual homeowner's lot -- eliminating the need for an association -- **nearly all U.S. municipalities now require these areas to be part of a common area** to ensure that an entity (rather than an individual or the city/municipality itself) has maintenance responsibility.

Real estate developers, therefore, have established homeowner associations to maintain these federally mandated common areas.

The Tome Vista community has five (5) of these common-area detention "ponds" that need to be routinely cleaned and maintained, in addition to other expenses (see "Where Does the Money Go?" below).

HOW DOES A HOMEOWNER ASSOCIATION BENEFIT RESIDENTS?

The #1 benefit of having a homeowner association is that it helps **to ensure that your property value remains high** so that you can get top dollar for your home when it's time for you to sell.

Without a homeowner association, you would have no legal recourse if:

- Your neighbor across the street decided to paint her house bright pink, fluorescent green, or even black.
- Your neighbor decided to turn his backyard into a chicken coup, a pig pen, or even a puppy mill.
- Your neighbors on the corner decided to "mend" the holes in their fence by stacking old rubber tires up against it.

Obviously, any of the above scenarios (and many others that are specifically prevented by the Protective Covenants) **would negatively impact your home's resale value down the road.**

WHERE DOES THE MONEY GO?

The homeowner association collects annual or bi-annual fees ("dues" or "regular assessments") based on the amount of operating funds that the management company and the Board of Directors believe will be needed over the course of the year.

Your HOA fees help to fund:

- **Landscape maintenance** of the common areas (i.e., the detention ponds mentioned above, as well as the sewage drains and the greenspace at the front entrance near the Tome Vista sign).
- **Liability insurance** to protect ALL HOMEOWNERS from lawsuits should someone be injured while on one of the common areas.
- **Signage maintenance** (repair of Tome Vista entrance sign, if needed).
- **Filing of annual tax returns** and government-required reports. The Tome Vista Property Owners' Association is a legal entity and MUST therefore file a tax return each year.
- **Fees for collections** and covenant enforcement. This includes hiring a collections agency or attorney for unpaid assessments, as well as sending out violation letters to residents who have violated one of the Protective Covenants.
- **Bookkeeping.** We use a professional CPA or accounting firm to manage our financial records.
- **Administrative expenses** (postage, photocopies, etc.).
- **Invoicing expenses** (the cost of preparing annual or bi-annual invoices and mailing them out).
- **Other expenses** as deemed necessary (such as conducting our Annual Meeting & Election).

WHAT HAPPENS IF YOU DON'T PAY?

Residents need to realize that membership in the Tome Vista homeowner association is automatic and mandatory for all home owners. When you purchased your home, you signed a Bill of Sale (a legally enforceable contract) agreeing to pay the HOA fees and abide by all of the Protective Covenants governing this community.

Non-payment of your homeowner association fees can result in:

- **Late fees and interest charges**
- **A negative credit rating**
A report of non-payment will be filed with credit bureaus.
- **A reduced ability to sell your home**
A Lien will be filed on your property, increasing the overall purchase price to satisfy the debt owed.
- **A costly court visit**
A case may be filed with the local Small Claims Court, at which time a judge will order you to pay not only the HOA fee but also court costs.

WHO CAN YOU TALK TO IF YOU'VE FALLEN BEHIND IN YOUR PAYMENTS?

Contact Community Manager, Frank Vigil, by phone at **505-865-6102** or by email at **frank@hoamco.com**.