

Recently, Homestead homeowners received unsigned payment demand letters (the “Demand Letters or Demands”) from “Homestead Management”. The Demands are unsigned and reference “legal responsibilities” and “rightful responsibilities” to pay maintenance fees. The Demands also threaten liens against property for non-compliance.

Our attorneys reached out to counsel for the golf course owner 18 Paradise, LLP as whether this Demand Letter was authorized by the Declarant. It was not! 18 Paradise refuse to confirm that it authorized the Demand. Only the Declarant, 18 Paradise, LLP can exercise its legal authority to collect maintenance fees.

Given recent deposition testimony from 18 Paradise, LLP that they would be terminating their relationship with MJ Management, LLC – significant questions exist as to the providence and legitimacy of the recent Demand Letter.

Only the Declarant, and its duly authorized agents, can legally collect maintenance fees. The “legal responsibility” amount is set by Court Order at \$36. Those maintenance fees can only be used for the purposes set out in the Master Declaration of CC&Rs.

Therefore, until homeowners, or our attorneys, receive confirmation from 18 Paradise, or their attorneys, that the current collections has been authorized by the Declarant, we recommend that homeowners disregard the letter from “Homestead Management”.

Furthermore, prior to making any payment in connection to a “legal responsibility”, all homeowners are legally entitled to an honest accounting of how much they have paid over the past three years and which expenses incurred by 18 Paradise are being reimbursed by those fees.

The Court Order clearly states that the Declarant shall not take any action to collect amounts which the Demand Letter calls “rightful responsibility”. Therefore, homeowners should ignore Demands for payment of amounts classified as “rightful responsibility”. Any liens other actions taken in furtherance of collecting amount classified as “rightful responsibility” are contrary to Court Order and illegal.