

## RESOLUTION ON DELINQUENT ASSESSMENT COLLECTION PROCEDURE

Policy Resolution Number **002-2012** of **Harbor Oaks Condominium Association**, located in Waterford, Michigan, pertains to the procedure for the collection of delinquent assessments.

*WHEREAS* the Condominium Association, through its duly elected Board of Directors, has a responsibility for collection of co-owner assessments.

*WHEREAS* the following collection procedure is established by the Board of Directors.

1. The annual assessment for each unit is payable in twelve monthly installments. These installments are **due on the first** of each month and shall be delinquent if such installment is not paid in full on or before the due date.
2. A late charge in the amount of **\$50.00**, or any other such amount as may be determined by the board of Directors, will be automatically levied for any installment of the annual assessment in default which is paid more than ten (10) days after its due date.
3. Management will issue a written notice to each co-owner with a delinquent balance each month or until the delinquency is referred to the Association's legal counsel.
4. Co-owners who have a balance for more than 60 days or who are delinquent in the payment of two (2) or more installments of the annual assessment may be referred to the Association's legal counsel, who is authorized to issue a notice of intent to record a lien demanding full payment within thirty days from the date the notice is sent. In the case of units occupied by renters, the Association's legal counsel may serve notice of the co-owner's default in payment upon the renter to tender rent payments directly to the Association until arrearage in assessments is paid in full.
5. After the initial notice of intent to record a lien has been sent and the notice period has expired without payment in full, the Association's legal counsel is authorized to proceed to record a lien against the unit and issue a notice thereof to the co-owner in default. The notice may advise the co-owner that the remaining monthly installments of the annual assessment have been accelerated and are due and payable within ten (10) days from the date the notice is sent, along with all other outstanding amounts owed to the Association. In those instances where a renter has been served with notice of the co-owner's default in payment, and the renter has not tendered to the Association payment of rents otherwise due to the co-owner in default, then Association legal counsel is authorized to commence eviction proceedings against the renter for non-payment.
6. The Association's legal counsel is authorized to perform a title search and send a final notice prior to initiation of judicial foreclosure proceedings to co-owners who have been sent the notice described in No. 5 above and who have failed to either pay the balance in full within the allotted time or tender a signed written payment plan proposal for consideration by the Board of Directors. Co-owners who timely submit a proposed payment plan request will be notified in writing of Board's acceptance or rejection of the payment plan proposal. The Board of Directors is not obliged to accept any proposed payment plan. The final notice prior to foreclosure shall state the amount that must be paid within ten (10) days from the mailing of the notice in order to avoid initiation of judicial foreclosure proceedings.
7. The Association's legal counsel is authorized to proceed to commence judicial foreclosure proceedings against any co-owner who failed to pay the full amount stated in the final notice prior to foreclosure within ten (10) days as allotted in the notice unless the Board has accepted a proposed payment plan.
8. The Association's legal counsel will pursue recovery of all unpaid assessments, late charges, court costs and attorney fees as provided in the Condominium Bylaws and under Michigan law, including but not limited to the Michigan Condominium Act. All mortgage holders of record will be served with notice of the commencement of foreclosure proceedings.

*THEREFORE*, be it declared that this resolution was approved by Harbor Oaks Condominium Association on February 25, 2014 and will become effective April 1, 2014.

Signed:   
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President of the Association

# MEMORANDUM

TO: HARBOR OAKS OWNERS

FROM: BOARD OF DIRECTORS

RE: DELINQUENCY POLICY RESOLUTION

DATE: FEBRUARY 26, 2014

Enclosed you will find a policy resolution regarding delinquencies for Harbor Oaks Condominium Association. This resolution replaces the verbiage contained in your bylaws in Article II, Section IV and will become effective April 1, 2014.

Receiving this does not mean that you are delinquent. Any time that the Board of Directors creates a resolution, we are required to send each owner a copy for their records. Please file this with your copy of your master deed/bylaws.

Thank you for your attention in this regard.