

BROOKSIDE OF SUPERIOR TOWNSHIP ASSOCIATION

COLLECTION POLICY

WHEREAS, in accordance with Article II, Section 5 of the Bylaws, the Board has the authority to use any remedy available for collection of Association fees.

WHEREAS, the timely collection of amounts owed to the Association from the co-owners is essential to the proper administration of the Association and is required in fairness to all co-owners, the following is hereby adopted as an official policy of this Association effective thirty (30) days after distribution to the co-owners of record.

- 1) The annual assessment is due in full by February 1st or in equal installments on February 1st and July 1st. A \$25.00 late fee will be accessed on any payments that are received after the 10th of the month it is due. Amounts due but unpaid and not posted by the tenth day of each month are delinquent.
- 2) If your account is delinquent, legal and late fees are paid first, and then the rest of the payment is applied to the monthly fee. **You will be delinquent if all legal and late fees are not paid even though you have sent in your monthly payment.** You must pay off the late and legal fees to prevent any further late fees.
- 3) A late charge of \$25.00 shall be applied to each installment of the annual assessment not received and posted by the Association by the tenth day of the month due.
- 4) The Association's management company will issue a first written notice to each co-owner with a delinquent balance after thirty (30) days. A second written notice will be sent to each co-owner with a continuing delinquent balance after sixty (60) days.
- 5) Co-owners who are delinquent in payment of the annual assessment will be referred to the Association's legal counsel or other collection agency are hereby authorized to issue a notice of intent to record a lien demanding full payment within thirty (30) days from the date the notice is sent. Management shall provide legal counsel with ledger cards detailing amounts owed by delinquent co-owners by the 15th day of each month.

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- 6) The Association's legal counsel or other collection agency is authorized to proceed to record a lien and issue a notice thereof to each co-owner who is delinquent in the payment of two installments of the annual assessment. The notice may advise the co-owner that the remaining installments of the annual assessment have been accelerated and are due and payable within seven (7) days from the date the notice is sent along with all other outstanding amounts owed to the Association.
- 7) The Association's legal counsel or collection agency is authorized to perform a title search and send a final notice prior to initiation of foreclosure by judgment or advertisement 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 tendered a signed written payment plan proposal for consideration by the Board of Directors in its reasonable discretion.
- 8) Co-owners who timely submit a proposed payment plan will be notified in writing as to the Board's acceptance or rejection of the payment plan proposal. The Board of Directors is not obligated to accept any proposed payment plan. The final notice prior to foreclosure shall state the amount that must be paid and a deadline for payment.
- 9) The Association's legal counsel or collection agency is authorized to proceed to commence foreclosure proceedings against any co-owner who failed to pay the full amount stated in the final notice prior to foreclosure within the time allotted in the notice unless the Board has accepted a proposed payment plan or unless counsel determines other action to be in the Association's interest.
- 10) The Association's legal counsel or collection agency is hereby authorized to pursue recovery of all 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.
- 11) Legal counsel or the collection agency shall provide the board and management with a written status report concerning actions being taken to collect delinquent amounts owed to the Association within seven working days after receipt of the unit ledgers each month, provided that there are three or more delinquent co-owners or as determined to be in the Association's interest.