

Ashford Place Condominium Association

Ann Arbor, MI 48105

ASSOCIATION COLLECTION POLICY

ASSESSMENT DUE DATES AND PENALTIES:

According to the Association By-Laws, Article II Assessments, and Section 3. Apportionment of Assessments and Penalty for Default, payments are in default if any installment is not paid to the Association in full on or before the due date for such installment. The due date for monthly assessments is the first (1st) day of each calendar month. A late charge not to exceed \$25.00 per installment per month may be assessed automatically by the Association upon each installment in default for ten or more days until paid in full (not received in the office of the Management Company by the 10th of each calendar month – the "late date"). Due dates for Additional or Special Assessments, and any default penalties, shall be established by the Board of Directors when such assessments are levied.

ASSESSMENT COLLECTION PROCEDURES:

The Management Company will send a first reminder notice via regular mail after the tenth of the month if a payment has not been received by the late date. If payment in full is not received by the late date of the second month, another notice will be sent by the Management Company on behalf of the association. If payment in full still has not been received by the Management Company as of the end of the second month, a third, and final, notice shall be sent by the Management Company asking for immediate payment, with the stipulation that if payment is not received within ten days, the matter will be forwarded to the association's attorney for collection via the attorney.

Once an account has been referred to the attorney, no further notices or communications will be handled by the Board or the Management Company. All communications with the Co-owner and payoff amounts will be handled strictly by the attorney's office, and no Co-owner may rely upon a payoff inadvertently given by the Management Company. The association's attorney will then send a letter to the co-owner, and give the co-owner 30 days to dispute the debt (upon which verification by way of a copy of the Co-owner's ledger will be sent to the Co-owner), pay all amounts owed, including all late fees, fines, interest and all attorneys' fees, or make payment arrangements for satisfaction of the arrearage. **UNDER NO CIRCUMSTANCES WILL ANYTHING LESS THAN FULL PAYMENT BE ACCEPTED BY THE ATTORNEY'S OFFICE UNLESS A SIGNED AND APPROVED PAYMENT ARRANGEMENT HAS BEEN REACHED** (see below as to payment arrangements). If the attorney does not receive payment or an approved arrangement is not in place by the end of the 30 day period, a lien shall be filed against the Unit on behalf of the Association, and a copy sent to the Co-owner, with all costs charged to the Co-owner's account.

If the Co-owner does not pay all amounts owed, including all late fees, fines, interest and all attorneys' fees, or make payment arrangements for satisfaction of the arrearage, within ten (10)



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days of being sent a copy of their lien, the Association's attorney will request permission from the Board of Directors to institute foreclosure proceedings in Circuit Court. Again, all charges incurred will be charged to the account of the Co-owner in default.

APPLICATION OF PAYMENTS AND OTHER REMEDIES:

Payments are applied according to the schedule provided in Article II, Section 3 which states *“first, to costs of collection and enforcement of payment, including reasonable attorney's fees; second, to any interest charges and fines for late payment on such installments; and third, to installments in default in order of their due date.”* Accordingly, in the event payments are made that do not pay the balance in full (unless paid pursuant to an approved and signed payment arrangement), a delinquency in the current month of payment will always exist, and will incur late fees.

If an association member is considered to have a chronic delinquency problem, the board may upon review either impose acceleration of payment, bringing a full year assessment due immediately, or demand that the member institute electronic payment through the association's management agent. The Association may also require payment by certified funds if the Co-owner has ever submitted payment that has been returned for insufficient funds, closed account, or stopped payment.

PAYMENT ARRANGEMENTS:

In the event a Co-owner requests a payment arrangement for any delinquent balance, such request must be placed in writing and submitted to the Management Company, or if the account has been turned over to the attorney, to the attorney's office. Requests for payment arrangements shall be reviewed by the Board in cases where the delinquency problem is not chronic, and reasons exist for extending payments over time. Any Co-owner requesting a payment arrangement shall state in their request for an arrangement the reason for requesting same (why payment in full cannot be made now), and attach evidence showing that their mortgage and taxes are paid up to date. Due to the fact that Association assessments have a lower priority than a first mortgage or taxes, the Association will not approve a payment arrangement if the first mortgage and taxes are not current. In order to be approved, any request for a payment arrangement (except in extremely extenuating circumstances) must, at a minimum propose equal payments over a period not to exceed six (6) months, sufficient to pay the entire balance in full. During the term of any payment arrangement late fees will not be charged as long as the arrangement is being kept. Upon default in any payment arrangement, any waived late fees shall be added to the account, and the attorney's office shall proceed with foreclosure, without the possibility of any further arrangement being approved. **IT IS THE CO-OWNER'S SOLE RESPONSIBILITY TO CONTACT THE ATTORNEY'S OFFICE PRIOR TO DEFAULT IN AN ARRANGEMENT IF A CO-OWNER WILL BE UNABLE TO PAY AS AGREED.**

