

APPROVED- ACTION BY BOARD OF DIRECTORS, APRIL 13, 2021

Sunset Lake Association

RE: Policy on Macoupin County delinquent taxes for Sunset Lake leased property

Date: April 13, 2021

The Board of Directors (BOD) has developed and approved the following policy and procedure for addressing unpaid property taxes for Sunset Lake leased properties.

Annually Macoupin County administers the sale of liens for real estate due to nonpayment of property taxes (taxes are due to the County in September for the previous year, e.g., 2019 property taxes are due September 1, 2020).

Sunset Lake BOD will either develop a list of members who are delinquent or will pay \$100 (or the current cost) to Macoupin County to receive a Judgement Book (Circuit Court pronounces judgement which moves to County Clerk and Treasurer for sale). While the sale date changes it is done during the first two weeks of December. Note, the webpage with taxes paid/due is not updated immediately on September 1 of every year and must be checked periodically for updates.

Between the November BOD and the December BOD meeting the BOD shall send a reminder letter to delinquent members. This letter will remind the member(s) to pay owed taxes prior to the tax sale date (2020 this date is December 14).

After the sale has taken place, approximately two weeks, or around the end of the year BOD will check properties to identify those that have been sold for taxes owed. The delinquent SLA member(s) by state/county law has the right to pay the third party purchaser the taxes owed and any penalties the third party requires. The third party purchaser may begin foreclosure process after holding the taxes for two and a half years.

In January (following the first sale of property taxes) the BOD will notify the member(s) whose property rights were sold (in actuality the right to the lease was sold, the property remains SLA's) and that the BOD will begin enacting Sections 4 and 12 of the member's lease (using the 2021 lease as the template, for older leases the section numbers may be different, each individual lease will need to be looked at prior to starting this process). The Board will also notify the delinquent member(s) that they are no longer in good standing and all rights to the lake, common property and voting are revoked until the property taxes are up to date and not owed to a third party.

In February (following the first sale of property taxes) if the third party still owns the right to the lease the BOD will contact a title company for a complete title search on the property which is required to identify if a mortgage company needs to be identified (Section 12 of the 2021 lease template).

Should a mortgage be found for the property SLA will notify the mortgage company of the property tax delinquency and send the company the lease agreement that allows the Association to move forward to invalidate the lease. Forty-five days after the mortgage company has been notified of the delinquency the BOD will direct the SLA Attorney to send notice of cancellation to the delinquent member(s). Should no mortgage company be involved the member(s) will be notified as soon as the title search is complete. The delinquent member(s) will have 30 days to vacate the premises or show proof of payment to the third party (Section 12 of the 2021 lease template).

When the member(s) vacate the property the lease becomes invalid and may be sold by SLA BOD. The lease will include the rights to the property and all improvements on the property. Any fees (fines, assessments) owed on the lease will be paid by the new owner of the lease.

NOTE: SEE ACCOMPANING 2021 LEASE TEMPLATE