

# Tottenham Condominium Association

## Restrictions Enforcement Policy

The violation by any Co-owner, occupant, or guest of the Association Documents, including any Rules and Regulations, is grounds for assessment by the Association, acting through its Board, of monetary fines against the involved home and Co-owner. Such Co-owner is deemed responsible for such violations, whether they occur as a result of their personal actions or the actions of their family, guests, tenants, or any other Person admitted through such Co-owner to the Subdivision.

Note: Any restriction listed in the bylaws that is also covered by a Canton Township ordinance will be enforced by Canton Township.

Upon any such violation being alleged by the Board, the following procedures will be followed:

1. **Notice:** Notice of the violation, including the provision(s) violated, together with a description of the factual nature of the alleged offense set forth with such reasonable specificity as will place the Co-owner on notice as to the violation, must be sent by first class mail, postage prepaid, certified mail or personally delivered to the representative of said Co-owner at the home address or by Electronic Transmission if authorized by the Co-owner.
2. **Hearing:** The offending Co-owner must be provided a scheduled hearing before the Board at which the Co-owner may offer evidence in defense of the alleged violation. The hearing before the Board will be at its next scheduled meeting, or as otherwise scheduled by the Board, but in no event may the Co-owner be required to appear less than ten (10) days from the date of the notice.
3. **Default:** Failure to respond to the Notice of Violation constitutes a default
4. **Hearing and Decision:** Upon appearance by the Co-owner before the Board and presentation of evidence or a defense or in the event the Co-owner fails to appear at the scheduled hearing, the Board may, by majority vote of a quorum of the Board, decide whether a violation has occurred. The Board's decision is final.
5. **Fines:** Upon violation of the Association Condominium Documents and the decision of the Board as described in Section 2 above, the following fines may be levied:

First Violation	No fine shall be levied
Second Violation	Fifty Dollars (\$50.00)
Third Violation	One Hundred Dollars (\$100.00)
Fourth and All Subsequent Violations	Two Hundred Fifty Dollars (\$250.00)

The violation number (i.e., First, Second, etc.) is determined with respect to the number of times that a Co-owner violates the same provision of the Association Documents as long as

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that Co-owner is an owner of a home or occupant of the home and is not based upon time or violations of different provisions.

For continuing violations, a new violation is deemed to occur for each successive period (as determined by the Board Decision) during which a violation continues. No further hearings other than the first hearing are required for successive violations once a violation has been found to exist.

6. **Collection:** The fines levied pursuant to Item 5 above will be assessed against the home and Co-owner and will be immediately due and payable.

7. **Failure to pay:** Non-payment of the fines will subject the Co-owner to all liabilities set forth in the collection process in Item 8, which is consistent with the Assessment Collection Policy.

8. **Collection Process:**

8.1 If payment is not received by the required due date **Collection Letter** will be sent informing the unit owner that full payment must be received by 10 days of the date of the letter or incur further collection action. A **Collection Letter** fee of \$10 may be assessed to the homeowner's account.

8.2 Once an account is 60 days past due, the BOD will send a **Notice to Lien** letter to the homeowner via certified and first-class mail indicating that payment must be received by 10 days of the date of the letter, or the account will be sent to the HOA's Attorney for collection. A Notice to Lien Letter collection fee of \$85 may be assessed to the homeowner's account.

8.3 If the account is sent to the HOA's attorney, the homeowner is responsible for all legal fees and collection costs incurred. Monthly simple interest of 7% will be assessed until paid in full.

8.4 The HOA is obligated to pay the HOA's attorney for all legal fees and collection costs, which will be recovered when collected from the homeowner.

8.5 The HOA's legal counsel will send an initial **Demand for Payment Letter** as required by Federal law. The homeowner will be required to pay the entire amount of the delinquency, including all costs of collection and/or legal fees, within thirty (30) days. If full payment is not made within thirty (30) days, the attorney will send a **Notice of Intent to Lien**. If full payment is not made after sending a **Notice of Intent to Lien**, a **Claim of Lien** for the unpaid delinquency will be filed on behalf of the HOA.

8.6 Should the BOD choose to use a legal process to file the **Claim of Lien**, all costs incurred, including attorney's fees, shall be the responsibility of the homeowner. **Claim of Lien** costs

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include, without limitation: title search fees, service of process fees, recording fees, appraisal fees, photocopying fees, postage fees, service of process fees, and court filing fees.

8.7 All returned checks and bank charges, incurred in connection with efforts to collect any delinquency owed to the HOA, whether or not litigation commences, shall be treated as common expense assessments against the homeowner and shall be the homeowner's responsibility. The homeowner will be assessed a \$35 charge for returned checks, plus any bank charge to the HOA.

8.8 Payment proceeds received for a delinquent homeowner owner will be applied to the delinquent account in accordance with the HOA Documents and Applicable Law.

8.9 When a homeowner's account has been referred to legal counsel for collection:

8.9.1 All communications with, and payments by, the homeowner regarding the delinquency shall be made only to legal counsel.

8.9.2 The homeowner will not receive further communications from the HOA until the account is no longer with legal counsel. All balance requests must be directed to legal counsel.

8.9.3 If the HOA opts to use legal counsel, payments shall be made payable to legal counsel as Trustee.

8.9.4 A diligent effort will be made to forward any payment made directly to the HOA to legal counsel without being deposited by the HOA. In no way does acceptance of a partial payment on an account in collections suspend the collection process.

8.9.5 Checks with restrictive endorsements (accord and satisfaction) will be returned to the payer and not accepted.

8.9.6 All requests for a payment plan shall be submitted to legal counsel in writing. The BOD will NOT consider any verbal payment plan requests.

8.9.7 If the BOD approves a payment plan, all fees and costs incurred during the life of the plan remain the responsibility of the homeowner.

8.9.8 Partial payments will not suspend collection activity. All payment plans must be in writing and signed by the delinquent homeowner.

8.9.9 No Resale Certificate shall be issued when a homeowner is in collection until the balance of the delinquency, including outstanding costs and fees are paid in full and have been verified.

8.10 This policy is an addendum, and in addition to, all rights the HOA has under the laws of the State of Michigan, the Declaration, By-Laws, and Rules and Regulations, as amended.