



May 21, 2018

Re: Updated Delinquency Policy

Dear Quadna Mountain Townhouse Owner:

At their recent meeting, your Board of Directors approved the enclosed Delinquency Policy in an effort to reduce the amount of bad debts that ultimately come at the expense of the other owners. The large majority of the owners at Quadna Mountain pay their accounts in full each month and aggressive action, including foreclosure, is taken when problems do arise. However, there have still been costly bad debt losses and both your Board and we feel that even tighter controls are needed.

The main change in the Policy is to increase the amount of communication that happens with an owner before an account is turned over to an attorney for further collection action. Please note that Boards never like to take collection action against their neighbors and the current and past Boards at Quadna Mountain have always been willing to work with owners to help them through a temporary situation. However, your Board also has an obligation to protect the interests of the other owners by not allowing delinquent accounts to get out of control, so they need to hear from a delinquent owner when a problem first arises, not when the amount owed is in the thousands.

Therefore the most important thing an owner can do when faced with a delinquency is to contact our Controller, Karen Majzner at service@omega-mgt.com or 763.512.4323.

Very truly yours,

A handwritten signature in black ink, appearing to read "David C. Stendal", written in a cursive style.

David C. Stendal
Association Manager

DCS/tlw

cc: Board of Directors

QUADNA MOUNTAIN TOWNHOUSE ASSOCIATION

**Board Resolution Adopting
Delinquency Policy**

WHEREAS, the **Declaration of the Association, Section 14.2.2** provides that the Association may, impose reasonable late charges for any late payment of an assessment or installment thereof and impose interest on all such unpaid amounts; and

WHEREAS, the **Declaration of the Association, Section 14.2.3** provides that in the event of default of more than thirty days in the payment of any assessment or installment thereof, the Association may accelerate all remaining installments of assessments assessed against the Unit; and

WHEREAS, the **Declaration of the Association, Section 14.5** provides that with respect to any collection measures, the Association may assess any expenses incurred in connections with such enforcement reasonable attorney's fees or any collection or contingency fees or costs charged to the Association; and

WHEREAS, the Association wishes to reduce delinquencies and bad debts, the costs of which must ultimately be recovered from all Owners.

NOW, THEREFORE, BE IT RESOLVED, that, the Annual Assessment for each unit is payable in 12 monthly installments, due on the 1st day of each calendar month; and, be it further

RESOLVED, A statement shall be delivered to each Owner on or about the 26th of the month. In addition to other relevant information, the statement will disclose the previous account balance, all new charges, payments received since the last billing, and the total amount which will be owed for the first of the next immediate month. Failure to receive a statement does not relieve the Owner of the obligation to make timely payment; and, be it further

RESOLVED, An account shall be considered delinquent when an account balance is equal to or greater than the monthly installment and has been outstanding for 15 days or longer; and, be it further

RESOLVED, A late fee of \$25.00 will be assessed against any Owner account which is in a delinquent status at the close of business on the 15th of each month, and interest shall accrue at the rate of 8% per annum. The date received will be the date upon which payments will be credited to the respective Owner accounts; and, be it further

RESOLVED, Payments received will be applied to the oldest outstanding amounts first; and, be it further

RESOLVED, Any account which becomes delinquent by 45 days or more will be sent its next statement via Certified Mail (a "Late Statement Notice") and, if presently receiving emailed statements, all future statements will be sent via US Mail until the delinquency is resolved; and, be it further

RESOLVED, Any account which becomes delinquent by 75 days or more, the Association will send a delinquency notice requesting immediate payment and provide notice of acceleration of all remaining installments within ten days; and, be it further

RESOLVED, Any account which becomes delinquent by 105 days or more will be referred to the Association's attorney to send a 30-day demand letter and to prepare an Owners and Encumbrances report; and, be it further

RESOLVED, All expenses relating to the collection of an account will be charged to the delinquent Owner; and, be it further

RESOLVED, In addition to late fees there will be a \$30.00 charge (or maximum allowed by statute, whichever is greater) for any NSF check received in payment of fees, fines or assessments; and, be it further

RESOLVED, that this Resolution shall be effective as of May 1, 2018 as to all delinquencies as of that date and thereafter.

STATEMENT OF SECRETARY

This Resolution was approved at a Meeting of the Board of Directors of the Quadna Mountain Townhouse Association on April 28, 2018 in accordance with the Bylaws and Minnesota law.

Dated: 4/28/2018

Mark Antonich
Secretary

Quadna Mountain Townhouse Association Payment and Delinquency Policy

The Annual Assessment for each unit is payable in 12 monthly installments, due on the 1st day of each calendar month.

A statement shall be mailed to each Owner on or about the 26th of the month. In addition to other relevant information, the statement will disclose the previous account balance, all new charges, payments received since the last billing, and the total amount which will be owed for the first of the next immediate month. Failure to receive a statement does not relieve the Owner of the obligation to make timely payment.

A late fee of \$25.00 will be assessed against all homeowner accounts which were in a delinquent status at the close of business on the 15th of each month. The date received will be the date upon which payments will be credited to the respective Owner accounts.

Payments received will be applied to the oldest outstanding amounts first.

Any account which becomes delinquent by 75 days or more will be referred for collection, either by personal judgment or foreclosure. All expenses relating to the collection of an account will be charged to the delinquent Owner.

There will be a \$30.00 charge (or maximum allowed by statute) for any NSF check received in payment of fees, fines or assessments.

Adopted on January 14, 2012, to be effective on February 1, 2012.

Old Policy