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KEVIN KORESKEY • ALBERT SPALDING, JR.

July 19, 2011

Board of Directors
Mill Creek of Shelby Association
c/o Metropolitan Property Management
43165 Schoenherr
Sterling Heights, MI 48313

Re: Mill Creek of Shelby v. Badia

Dear Members of the Board:

My Associate, John Finkelmann, has been handling this case and attended our Motion for Summary Disposition at the 41-A District Court in Shelby Township on July 8, 2011. At that hearing, Judge Shepherd denied our Motion for Summary Disposition and instead he set aside the Association's foreclosure sale. Although Badia's argument had long been that the Association had not complied with certain notification requirements under recent Michigan law, the Judge held that the Association failed to properly notify Ms. Badia that she had the right to file a lawsuit against the Association with respect to the foreclosure that occurred in 2010.

This argument had not been raised by the Defendant until their response to our Motion, which we received approximately three days before the hearing. The Judge relied on the last line of Article II, Section 6(c) of the Bylaws which states that "in the event the Association elects to foreclose the lien by advertisement, the Association shall notify the delinquent co-owner and shall inform him that he may request a judicial hearing by bringing suit against the Association." This specific language is not a statutory requirement and does not appear in the Michigan Condominium Act. However, this unusual language is in your documents and based upon that, the Judge set aside the foreclosure sale.

While the Judge was making his decision, he mentioned that he initially felt this entire action by the Association was "abhorrent" and that he could not believe we were trying to evict an elderly woman for failure to pay her assessments. Although John cited to a case where the Court did not set aside a foreclosure based on the failure to provide notice as set forth in a contract, the Judge was not swayed. The single positive outcome from the hearing was that the Judge also dismissed the Defendant's Counter Complaint against the Association.

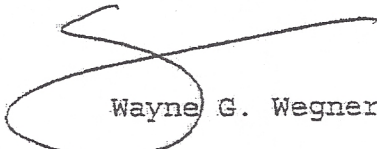
Even in view of the Judge's decision, we believe that Badia should pay all of the late charges and the attorney fees up to the point of the publication notice for the foreclosure action. But, she is refusing to do so, and is willing only to pay her outstanding monthly dues to date.

We have the option to appeal Judge Shepherd's decision to the Macomb County Circuit Court. That appeal would, in part, be based upon existing case law which states that despite a possible failure of a foreclosing entity to meet all of its contractual notification requirements in a foreclosure, as long as it meets the statutory requirements, the foreclosure sale should not be set aside. Our office followed all of the statutory requirements. As with any appeal, however, there is no guarantee of success. It is possible for the Circuit Court to reverse Judge Shepherd, but send the matter back to him at which time he could find another reason to set aside the sale. Throughout this process, it is clear that Judge Shepherd was going to find a way to keep Ms. Badia from losing her unit.

After carefully considering the various options, we recommend that we settle the matter with Badia by waiving all late charges and attorneys fees. Although we believe that we properly complied with the law, we did not provide her with the notice required by the Condominium Bylaws. Accordingly, we would be willing to reimburse the Association for all of the attorneys fees and Court costs previously paid to us. *

Please review this matter and let us know if you agree with our recommendation. I would certainly be happy to discuss this with you further.

Sincerely,



Wayne G. Wegner

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