

**RESOLUTION OF THE BOARD OF DIRECTORS
OF
NORTHBROOK CONDOMINIUM ASSOCIATION, INC.**

ADOPTING A STANDARD FORECLOSURE POLICY

Adopted December 4, 2013.

I. Statement of Facts

- A. The association must collect all sums due from the unit owners in a timely manner in order to provide for the proper operation of the community.
- B. The association has authority under the Connecticut Common Interest Ownership Act to collect the sums owed to it and, if necessary, to foreclose on delinquent units.
- C. The association wishes to adopt a standard policy for collecting sums due the association and providing for foreclosure of liens pursuant to Connecticut General Statutes § 47-258.

II. Statement of Authority

- A. The governing documents of the association and Connecticut General Statutes §§ 47-244(a) and 47-258(m) give the executive board the power to collect sums owed from unit owners and to adopt a standard policy to foreclose liens on delinquent units.
- B. Connecticut General Statutes § 47-258 permits the association to foreclose liens on units for unpaid common expense assessments and other sums.
- C. Connecticut General Statutes § 47-258(m) provides that an association may not commence an action to foreclose a lien on a unit unless: (A) The unit owner, at the time the action is commenced, owes a sum equal to at least two months of common expense assessments based on the periodic budget last adopted by the association pursuant to subsection (a) of Connecticut General Statutes § 47-257; (B) the association has made a demand for payment in a record and has simultaneously provided a copy of such record to the holder of a security interest described in Connecticut General Statutes § 47-258(b)(2); and (C) the executive board has either voted to commence a foreclosure action specifically against that unit or has adopted a standard policy that provides for foreclosure against that unit.

III. Resolution

THEREFORE, it is hereby resolved:

1. It is the decision of the executive board to adopt this resolution approving a standard policy providing for foreclosure of units in the common interest community pursuant to Connecticut General Statutes § 47-258(m), as amended by Public Act 13-156, as set forth in the subsequent paragraphs (the "Collection Policy").
2. Monthly common expense assessments based on the periodic budget are due on the first (1st) day of each month. Special assessments shall be due on the date(s) as set by the executive board.
3. If a unit account is not fully current by the 15th day of each month, the unit owner will be assessed late fees, collection costs and attorney's fees and costs as follows: (A) A late fee of \$25.00 each month per unit until the account is paid in full; and (B) Attorney's fees and costs incurred in attempting to collect the outstanding amounts due to the association.
4. If payment is made upon a unit owner's account and the payment is insufficient to bring the account current, the sums will be applied in the following order of priority: (1) fines; (2) late fees; (3) special assessments; (4) attorney's fees and costs; (5) monthly common expense assessments; and (6) all other remaining charges. As sums are received, monies will be applied to oldest balance due in each category in order of priority.
5. Prior to sending a delinquent account to its attorneys, the association, or its duly authorized representative, shall send the unit owner a written demand for payment.
6. Once the association sends the account to its attorneys, the attorneys are instructed to make a written demand for payment directly upon the unit owner, providing the unit owner 30 days to cure the arrearage.
7. If the unit owner does not satisfy the debt, or enter into a payment plan approved by the association, the association's attorney is then authorized to perform a title search without further action by the executive board. Pursuant to the requirements of Connecticut General Statutes § 47-258(m), as amended by Public Act 13-156, the attorney will make a demand for payment in a record upon the unit owner and simultaneously provide a copy of such record to all holders of security interests described in Connecticut General Statutes § 47-258(b)(2). The written notice to such holders of security interests shall set forth: (A) The amount of unpaid common expense assessments owed to the association as of the date of the notice; (B) the amount of any attorney's fees and costs incurred by the association in the enforcement of its lien as of the date of the notice; (C) a statement of the association's intention to foreclose its lien if the amounts set forth in subparagraphs (A) and (B) are not paid to the association within sixty days after the date on which the notice is provided; (D) the association's contact information, including, but not limited to, (i) the name of the individual acting on behalf of the association with respect to the matter, and (ii) the association's mailing address, telephone number and electronic mail address, if any; and (E) instructions concerning the acceptable means of making payment on the amounts owing to the

association as set forth in subparagraphs (A) and (B). Any notice required to be given by the attorney under this subsection shall be effective when sent.

8. Thereafter, if (A) the unit owner's account, including applicable attorneys' fees and costs, is not made current, or the unit owner does not agree to and follow a payment plan that will bring his or her account current within a period of time that is acceptable to the executive board; and (B) the unit owner owes a sum equal to or greater than two months common charges, the attorney is authorized to commence a foreclosure with no further action by the executive board.
9. To the extent that there is a conflict between this Collection Policy and the terms of any standard policy providing for foreclosure against unit owners previously enacted by the executive board, the terms of this Collection Policy shall govern.
10. Nothing in this Collection Policy shall be construed to modify the collection policy of the Northbrook Tax District.