

Walden Woods Conservancy

Windsor, CT 06095

September 1, 2016

Walden Woods Conservancy
Windsor, CT 06095

Re: Foreclosure & Collection Policy
Walden Woods Conservancy

Dear Unit Owner:

Enclosed are the adopted foreclosure and collection policies for Walden Woods Conservancy. Please keep this information with your Bylaws & Rules and Regulations for the Association.

If you have any questions, please feel free to call the management office at (860) 430-6640.

Board of Directors
Walden Woods Conservancy

Walden Woods Conservancy
c/o Elite Property Management
39 New London Turnpike, Suite 330
Glastonbury, CT 06033

Collection Policy
for

Walden Woods Conservancy

Due Date and Application of Payments:

Common Expenses shall be due on the first day of the month.

Payments received after the 10th of the month will cause the Unit Owner assessed late fees, collection costs, attorney's fees and interest as follows:

\$25.00 per month as a late fee per unit for each month Common Expenses are outstanding until paid in full;

Any attorney's fees and collection costs incurred to collect or in attempting to collect outstanding Common Expenses.

Payment Received shall be applied:

First, to the oldest month common expense balance due;

Second, to late fees;

Third, to outstanding fines, if any;

Fourth, to any special assessments;

Fifth, to common expenses assessed in accordance with the Association's governing documents;

Sixth, to collection costs, attorney's fees and expenses incurred in the collection of any common expenses

We hereby authorize Association counsel to commence foreclosures when the equivalent of at least two (2) months* of common expenses are due and owing from a Unit Owner and otherwise bring a small claims action when there is an arrearage of any lesser amount which is past due.

Payments that are returned by a unit owner's financial institution due to insufficient funds are subject to a charge of up to \$35.

It will be at the Board of Directors' discretion to waive late fees or to approve repayment plans.

Effective June 29, 2016

Andrew Lattimer

President

*You may specify a longer period of time.

**RESOLUTION
OF THE
BOARD
OF
WALDEN WOODS CONSERVANCY
ADOPTING A STANDARD FORECLOSURE POLICY**

I. Statement of Facts

- A. For the proper operation of the community, the association must collect all sums due from the unit owners in a timely manner.
- B. The association has authority under the Connecticut Common Interest Ownership Act (“Act”) to collect the sums owed to it and, if necessary, to foreclose its statutory lien on delinquent units.
- C. The association wishes to adopt a standard for commencing foreclosures.

II. Statement of Authority

- A. The documents of the association and Subsection 47-244(a) of the Act give the board the power to collect sums owed from unit owners.
- B. Section 47-258 of the Act permits the association to bring foreclosure actions against units to collect unpaid common charges, together with the association’s attorneys’ fees and costs.
- C. Subsection 47-258(m) of the Act provides that an association may not commence an action to foreclose its statutory lien on a unit unless: (1) the unit owner, at the time the action is commenced, owes a sum equal to at least two months of common charges; (2) the association has made a demand for payment in a record; and (3) 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.
- D. Additionally, Subsection 47-258(m) of the Act requires an association to provide a written notice by first class mail to the holders of first and second mortgages on the unit not less than sixty days before beginning an action to foreclose its statutory lien on the unit. The notice must include:
 - 1. The amount of unpaid common expense assessments owed to the association as of the date of the notice;

2. 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;
 3. A statement of the association's intention to foreclose its lien if the amounts of delinquent common expense assessments, attorney's fees, and costs are not paid to the association not later than sixty days after the date on which the notice is provided;
 4. The association's contact information, including, without limitation, the name of the individual acting on behalf of the association with respect to the collection and the association's mailing address, telephone number, and electronic mail address, if any; and
 5. Instructions concerning the acceptable means of making payment on the amounts owing to the association as included in the notice.
- E. The Connecticut Supreme Court has held that a standard foreclosure policy is a rule, and can be adopted only after giving all owners notice of and an opportunity to comment on the proposed policy pursuant to Subsections 47-261b(a) and (b) of the Act.

III. Resolution

NOW THEREFORE IT IS RESOLVED that the rules of the Association are hereby amended to add the following standard foreclosure policy:

- A. Before sending a delinquent account to its attorneys, the association shall send the unit owner at least one written demand for the amounts owed. The final demand shall include the following paragraphs:

Connecticut law now requires associations to send notice to the holders of any first or second mortgages on a unit at the same time they send the final demand to the unit owner. This final demand is sent by our attorneys, who now must order and review a title search and if the title search indicates that there are mortgages on the unit, to prepare a notice to the mortgage holder or holders at the same time they send a demand letter to the unit owner.

As of the date of this notice, the cost of a title search and obtaining copies of recorded documents is typically about \$225, and the attorney's fees for reviewing the title and preparing the demand letter and notices is typically about \$550, for a total of approximately \$775. The actual amount may be higher. The Association is entitled to collect these fees and costs in addition to the common charges and other fees you owe.

Additionally, the association's manager may charge the association a legal turnover charge, which the association will include as an additional late charge that will increase your balance.

If you do not make arrangements to bring your account current now, these fees and cost will be included in the demand letter you receive from our attorneys.

The attorney's fees and costs in the proceeding paragraphs shall be adjusted from time to time to reflect the fees and costs currently being charged to the association.

- B. At the time that the association sends a delinquent account to its attorneys for collection, the association shall block the application of any payments by the unit owner or others on the account by any means, including, by way of example, cash, checks, wires, EFTs, and payments mailed to a lockbox, and the association shall forward any payments to its attorneys or, in the alternative, consult with its attorneys before applying any payments to the account.
- C. Once the association sends the account to its attorneys, the attorneys are instructed to obtain information concerning first and second mortgages on the unit from the land records of the towns in which the common interest community is located or from the complaint in a pending mortgage foreclosure action.
- D. The attorneys are further instructed simultaneously to make a written demand for payment on the unit owner and to give notice to the holders of first and second mortgages on the unit of the association's intention, or their attorneys if an action to foreclose their mortgages is pending, to foreclose the association's statutory lien on the unit.
- E. The attorneys are authorized to commence a foreclosure against the unit owner, mortgage holders, and lien holders with no further action by the executive board if:
 - 1. At least 30 days have passed since the attorneys made written demand on the unit owner, or if the unit is subject to any mortgages, at least 60 days have passed since the attorneys made written demand on the unit owner and gave notice to the first and second mortgage holders; and
 - 2. The unit owner continues to owe the association a sum equal to or greater than two months' common charges, the oldest part of which sum is at least 60 days past due; and

3. The unit owner has not agreed to and is following a repayment plan that will bring his or her account, including applicable attorney's fees and costs, entirely current in six or fewer monthly payments.

Adopted on July 29, 2016

Signed: Andrew Lattimer