

RESOLUTION
OF THE
EXECUTIVE BOARD
OF
THE COMMON AT SINNOTT FARM, INC.
ADOPTING COLLECTION/FORECLOSURE POLICY

I. Statement of Facts

- A. To provide for the proper operation of our community, The Common at Sinnott Farm, Inc. (hereinafter “Association”), for the benefit of all the Homeowners, the Association must collect all of the Common Expense assessments in a timely manner.
- B. The Association has authority under the Connecticut Common Interest Ownership Act (hereinafter “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 in accordance with laws of the State of Connecticut for commencing foreclosures.

II. Statement of Authority

- A. Under Subsection 25.2(b) of the Declaration and Subsection 47-244(a)(2) of the Act, the Executive Board of the Association has the power to adopt and amend budgets for revenues, expenditures and reserves and to collect assessments for Common Expenses from Homeowners.
- B. Subsection 25.2(l) of the Declaration and Subsection 47-244(a)(11) of the Act gives the Executive Board the power to impose charges or interest or both for late payment of assessments.
- C. Under Subsection 19.3(f) of the Declaration and Subsection 47-258(b) of the Act, the Association is entitled to recover its costs and attorneys’ fees in enforcing its lien for Common Expenses.
- D. 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 Homeowner, 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.
- E. The Connecticut Supreme Court has held that a standard collection/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 hereby resolved that the rules of the Association are hereby amended to add the following standard collection/foreclosure policy:

- A. Common Expenses. The term “common expense” refers to any amount a Homeowner must pay to the Association. Among the charges it includes are regular annual assessments, special assessments, rules violation fines, late fees, common area repairs, and any other fees, interest, or charges imposed under this policy.
- B. Due Dates. For convenience, Homeowners may pay their annual assessment, as determined by the Association and as allowed for in the Declaration and Bylaws, in equal quarterly installments due

on the first day of January, April, July, and October. Unless otherwise stated, other Common Expenses are due on the first day of the month following notice of a Homeowner's obligation to pay. If a Homeowner does not pay in full any Common Expense by its due date, that payment shall be considered past due and delinquent.

- C. Late Charges Imposed on Delinquent Installments. If the Association does not receive payment for any Common Expense in full on or before the thirtieth (30th) day after it becomes due, the delinquent Homeowner shall pay a late charge of twenty-five dollars (\$25). These charges will be treated as Common Expenses.
- D. Returned Check Charges. Any charge incurred by the Association resulting from any check or other instrument attributable to or payable for the benefit of a Homeowner, which is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to insufficient funds, shall be assessed against such Homeowner's Property, in addition to a fee of twenty dollars (\$20). The total returned check charge shall be a "Common Expense" for each Homeowner who tenders payment by check or other instrument that is not honored by the bank upon which it is drawn. Such returned check charge shall be due and payable immediately, upon demand. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law. Returned check charges shall be the obligation of the Homeowner or Homeowners of the Property for which payment was tendered to the Association. If two or more of a Homeowner's checks are returned unpaid by the bank within any 12-month period, the Association may require that all of the Homeowner's future payments, for a period of one year, be made by certified check or money order.
- E. Attorneys' Fees on Delinquent Accounts. As an additional expense permitted under the Declaration and Bylaws, the Association shall be entitled to recover its reasonable attorneys' fees and collection/foreclosure costs incurred in the collection of assessments or other charges due the Association from a delinquent Homeowner. The attorney will be instructed to commence collection efforts which may result in the institution of a lawsuit claiming the foreclosure of the Association's common expenses, including, but not limited to, common charges, special assessments, late fees, fines, and any other charge allowable under State law. The reasonable attorneys' fees incurred by the Association shall be due and payable immediately when incurred, upon demand.
- F. Manager Fees on Delinquent Accounts. If the manager charges a turnover fee and/or other administrative fees, these fees shall be added to the charges due.
- G. Crediting Late Payments. All delinquent accounts remain delinquent until paid in full. No partial payments will waive the Association's right to pursue full payment and/or to enforce the provisions of this policy. Payments received from a Homeowner will be credited in the following order of priority:
 - 1. Charges for legal fees, court costs and other costs of collection.
 - 2. Manager turnover or administration fees, if any.
 - 3. All late charges or interest accrued, as applicable.
 - 4. All other charges incurred by the Association as a result of any violation by a Homeowner, his or her family, employees, agents or licensees, of the Declaration, Bylaws, Rules and Regulations, or Resolutions.
 - 5. The monthly assessment for a Homeowner Property, including any special assessment due, as applicable; payments shall be applied toward the oldest month(s) then owed.

- H. Referral of Delinquent Accounts to Attorneys. The Association may refer delinquent accounts to its Counsel for collection, including foreclosure, if necessary, when the amount unpaid on a Homeowner Property Account is equal to or greater than two months of the annual assessment due. If there is a balance less than two months of the annual assessment, the delinquent account may be referred to Counsel for a small claims action. Upon referral to Counsel, Counsel shall take all appropriate action to collect or foreclose the accounts referred to them without further approval from the Executive Board of the Association.
- I. Situations of Immediate Referral to Attorney for Collection. In the event of any of the following, the Association may immediately refer the account to counsel for collection/foreclosure without further notice:
 - 1. The Homeowner Property is abandoned;
 - 2. The Homeowner advises the Association that he or she does not intend to pay the assessment;
 - 3. The Homeowner files for bankruptcy;
 - 4. The holder of a security interest against the Homeowner Property files for foreclosure;
 - 5. Whenever the Association, in its sole discretion, believes that the collection of Common Expenses may be in jeopardy, and the likelihood of collection of Common Expenses would be improved by prompt legal action.
- J. Collection Payments. Once an account is referred to an attorney for collection/foreclosure, the Association requires the Homeowner to deal directly with the attorney's office until the account is paid current. All payments must be sent to the Attorney's office. Any payments received by the Association directly from the Homeowner, or mortgagee, will be forwarded to the attorney who is handling the collection/foreclosure action. Payments are deemed sent when received by the Association's attorney only.
- K. Notification to Owners. This collection/foreclosure policy was adopted with the same formalities required to adopt a Rule, following Notice and Comment to all Homeowners, and the secretary shall file these resolutions with the Association's rules and regulations and in the Association's minutes.

Adopted on _____, 2019

THE COMMON AT SINNOTT FARM, INC.

By _____

Its _____

THE COMMON AT SINNOTT FARM, INC.
CORPORATE CERTIFICATE

The undersigned is the Secretary of The Common At Sinnott Farm, Inc. (hereinafter “Association”), the association of unit owners for a common interest community known as The Common At Sinnott Farm.

The undersigned is familiar with the records and the affairs of the Association. The undersigned hereby certifies that the attached Exhibit A is a copy of the collection/foreclosure policy (hereinafter “Policy”) adopted by the board of directors of the Association on August 27, 2019. The Policy was adopted with the same formalities required to adopt a Rule; that is, the Policy was adopted after giving unit owners at least 10 days’ notice of the proposed Policy and an opportunity to comment on the Policy. A copy of the minutes of the meeting at which the board of directors approved the Policy is attached hereto as Exhibit B. The Policy has not been amended or rescinded and remains in full force and effect.

Dated, August 27, 2019

Michael Comperatore
The Common at Sinnott Farm, Inc.