

**SECTION J, FORECLOSURE POLICY**  
**OLD FIELD ASSOCIATION. COLLECTION POLICY**

1. It is the responsibility of each Unit Owner to pay all common expense assessments, special assessments, fines and other charges imposed upon the Unit when such expenses and charges are due. The Association does not operate for profit and when one or more Unit Owners do not pay charges when they are due, the burden must be assumed by the other Unit Owners. For this reason, the Association will aggressively pursue collection activities when there is a delinquent Unit Owner account. The law does not require the Association to send monthly statements or any other notice when charges are due, except in situations where there is a change in the amount of the monthly charges. Association mailings of statements, overdue statements or management company collection letters are a matter of convenience only. There is no legal requirement to send such notices and the failure of the Association to send such notices and/or the non-receipt of such notices by a Unit Owner does not constitute a legal defense to paying such charges when charges are due. It is the responsibility of each Unit Owner to contact the Association with any questions as to amounts owed on a Unit account.

2. Unless otherwise notified in writing by the Association, all common expense assessments and special assessments shall be due by the first of each month.

3. If a Unit account is not fully current by the 10<sup>th</sup> day of each month, the Unit account will be considered delinquent. The Unit Owner will be assessed late fees, collection costs, and attorney's fees and costs as follows: (A) a late payment penalty of \$20.00 per month for each month that the Unit account remains delinquent; and (B) attorney's fees and costs incurred in attempting to collect the outstanding amounts due to the Association. The late charge will be imposed after the 15<sup>th</sup> day of the month each month that there is any amount unpaid on a Unit account.

4. If a payment is made which fails to bring the Unit Owner's delinquent account current and if such payment is thereafter accepted, unless the Unit Owner and the Association enter into an agreement providing for the payment to be applied in a different manner, the sums will be applied in the following order of priority: All amounts received from a unit owner shall be applied first to the oldest open charge on the respective unit owner ledger. This section shall not be construed to require the Association to accept payments of less than the amount required to bring the account current.

5. The Association or its property manager, on behalf of the association may, but shall not be required to, send statements for the Unit Owner's account to the Unit Owner and/or collection letter(s) to the Unit Owner when charges become delinquent.

6. The Association or its property manager, on behalf of the association is authorized to turn over a delinquent Unit Owner's account to the Association's attorney for legal collection proceedings when the amount unpaid on the Unit Owner account is greater than two (2) months of common expense assessments based on the periodic budget last adopted by the Association.

7. Pursuant to the requirements of Connecticut and federal law, the Association's attorney shall make a written demand for payment of the delinquent Unit Owner account to the delinquent Unit Owner. The written demand shall provide for not less than thirty (30) or not less than sixty (60) days' notice prior to the commencement of collection or foreclosure proceedings. The Association's attorney will have the discretion to determine whether a written demand providing for not less than thirty (30) days' notice and/or a written demand providing for not less than sixty (60) days' notice is required, taking into account various factors, including, but not limited to: the amount of the delinquency existing on the Unit Owner's account; the existence of one or more holders of security interests against the Unit, the history of delinquency on the Unit Owner's account, including repeated payoffs by holders of a security interest against the Unit; abandonment of the Unit by the Unit Owner; or the filing of a Bankruptcy petition which effectively stays collection efforts and causes undue delay.

8. For purposes of the written demand providing for not less than sixty (60) days notice, the Association's attorney is authorized to perform a title search in furtherance of satisfying the requirements of Connecticut General Statutes Section 47-258(m). Pursuant to the requirements of Connecticut General Statutes § 47-258(m), as amended by Public Act 13-156, the Association's 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), if any exist. 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 Association's attorney under this subsection shall be effective when sent.

9. If, following written demand from the Association's attorney, the Unit Owner's account has not been paid in full or a partial payment has been accepted and applied but there remains outstanding a sum equal to at least two (2) months of common expense assessments based on the periodic budget last adopted by the Association, the Association's attorney is authorized to commence collection or foreclosure proceedings against the Unit.

10. Notwithstanding any language contained within this Collection Policy to the contrary, a foreclosure of the statutory lien against a Unit shall be authorized by the Association's attorney as long as the statutory requirements of Connecticut General Statutes Section 47-258 have been met.

11. A Unit Owner with a delinquent account may propose a payment plan in writing to the Executive Board. Any such payment plan will be subject to approval by the Executive

Board. There is no standard payment plan and there is no guaranty that any payment plan will be accepted by the Executive Board.

12. Under Connecticut law, the Association is given a limited super priority lien against a Unit for collection of unpaid charges. For this reason, it is the policy of the Association to aggressively pursue foreclosure and/or collection proceedings and to complete those proceedings as quickly as possible.

13. In some situations, a lienholder with an encumbrance on a Unit, other than the Association, may commence foreclosure proceedings against the Unit. In these cases, the Association's attorney must file an appearance in the action and monitor the action in order to protect the rights of the Association and the Association's lien. The Association, through its attorney, is required to appear in these actions even in instances where there is no delinquent Unit Owner account balance. These actions bring with them the possibility of a transfer of title of the Unit and the Association must appear in the action to monitor at all times who the rightful title owner of the Unit is.

14. All charges, including, but not limited to, attorney's fees, management fees, court costs, title search charges, appraisal fees, marshal fees, court entry fees and any other charges and expenses associated with collection and/or foreclosure proceedings, including any fees and costs incurred in the defense of a lienholder's foreclosure action, shall be chargeable to the delinquent Unit Owner's account.

15. Where one written demand letter has already been sent out by the Association's attorney, the attorney may, but shall not be required to, send a follow-up demand letter reciting a deadline date for payment which is less than thirty (30) days.

16. To the extent that there is a conflict between this Collection Policy and the terms of any standard policy or procedure providing for collection or foreclosure against Unit Owners enacted or implemented by the Board of Directors, the property manager, or any other entity, the terms of this Collection Policy shall govern.