ELM CORNERS CONDOMINIUM ASSOCIATION

COLLECTION & FORECLOSURE POLICY

The Board of Directors of the Elm Corners Condominium Association has adopted the collection & foreclosure policies in accordance with the by-laws to protect the community's integrity and harmony, promote the safety and well-being of residents, and maintain an acceptable quality of life.

Prepared By: Board of Directors
Last Updated Date: November 04, 2025

Table of Contents

Section 1 - Introduction

WHEREAS, The Connecticut Common Interest Ownership Act ("The Act"), codified at C.G.S. Section 47-258 provides for a Statutory Limited Lien for unpaid common expenses. The lien is prior in right to a first mortgage and a second mortgage for only nine (9) months of common expense assessments. The lien is not prior to real estate taxes and most other municipal liens. In all other respects, the lien is a priority lien against all other liens or monetary encumbrances against a unit. The priority lien also includes collection costs, court costs, title search costs, and attorney's fees.

THEREFORE, the Association hereby adopts the following Collection/Foreclosure Policy in accordance with C.G.S. §47-258:

Section 2 - Collection & Foreclosure Process

Section 2.1 - Standard Procedures

1. It is the responsibility of each unit owner to pay all common charges, assessments, fines, and other charges imposed on the Unit Account when such payments are due.

2. There is no legal requirement that the Condominium Association or Property Management Company send a monthly statement or any other notice when charges are due, except in situations where there is a change in the amount of the monthly common charges or as required by Statute. The Condominium Association mailings of statements, overdue statements, or final warning letters are a matter of convenience only.

3. There is no legal requirement to send such notices, and the failure of the Condominium Association to send such notices and/or the non-receipt of such notices by a unit owner does not constitute a legal excuse not to pay such charges when due.

4. It is the responsibility of each unit owner to contact the Condominium Association or Property Manager with any questions as to the amounts owed on a Unit Account.

Section 2.2 - Amount Received from Unit Owners

1. All amounts received from a unit owner may, in the discretion of the Attorney, be applied to any portion of the lien, including applying it to the oldest unpaid amount as shown on the Unit Account Statement, legal fees, and/or costs, regardless of any restrictive memo.

2. The Board of Directors authorizes its Attorney to collect payments and endorse and deposit checks made payable to the Association. The Attorney is also authorized to disburse the funds in his or her sole discretion unless the Board of Directors directs otherwise.

3. There shall be a late charge in the amount of $35.00 per month. The late charge will be imposed on the fifteenth (15th) calendar day of each month if there is any amount unpaid on the Unit Account as of the fifteenth (15) day of each calendar month, provided, however, no late charge shall be imposed for any month in which the unit owner makes a payment of not less than the amount due for said month and said payment is received on or before the fifteenth (15^{th}) calendar day of the month.

4. The Association or its Agent shall refer a Unit Account to the Condominium Association's attorney for legal collection/foreclosure proceedings when the amount unpaid on a Unit Account is equal to or greater than two (2) months of monthly common charges.

Section 2.2 - Association Attorney's Procedures

1. The Association's Attorney may, but need not, send an initial "**Pre-foreclosure**" letter to the Unit Owner. If so, this Pre-foreclosure shall not commence a foreclosure action. Instead, it shall be a Pre-foreclosure letter containing a thirty-two (32) day notice.

2. If the Unit Owner contacts the attorney and requests verification of the amount of unpaid assessments against the Unit, the Attorney will verify the debt, to the extent required by law, without additional charge to the Unit Owner.

3. Once the debt is verified, the Unit Owner is provided an opportunity to present a payment plan if the Unit Owner is not able to pay that account in full at one time.

Section 2.3 - Payment Plan Procedures

While the Association is **not obligated to accept any payment plan**, it will only consider plans that meet the following criteria:

1. **Written Submission:** The Unit Owner must propose the entire payment plan in writing.

2. **Current Payments:** The plan must require the Unit Owner to maintain full, timely payment of all **current monthly common expenses and assessments**.

3. **Arrearage Clearance:** The outstanding balance (arrearage) must be cleared in **no more than six (6) equal monthly payments**. These payments must be sufficient to bring the unit account current within the six-month period.

    - ***Modification:*** Any change to the plan must be agreed upon **in writing**, and there must be no dispute regarding the amount owed.

4. **Cost Responsibility:** The Unit Owner is responsible for all associated costs, including common charges, late charges, assessments, attorney's fees, and collection costs.
5. **Processing Fee:** An administrative fee of up to **$50.00** will be charged for **each payment** processed by the Attorney.

Section 2.4 - Pre-Foreclosure Letter

1. If the Unit Owner does not engage with the Association, or if an agreeable payment plan cannot be finalized, the attorney will escalate the matter. They will order a title search and commence foreclosure proceedings by issuing a thirty-two (32) day letter. Importantly, the Unit Owner retains the same options for debt verification and payment plan submission that were provided in the initial pre-foreclosure letter.

2. The thirty-two (32) day letter mentioned in the paragraph above will also be sent to any first and second mortgagees with a perfected security interest on the Unit.

3. Additionally, no less than sixty-two (62) days prior to initiating a foreclosure action, the Attorney will send a separate sixty-two (62) day letter to the same mortgagees, as required by Public Act No. 13-156. This letter, sent via first-class mail, must include:
    a. The amount of unpaid common expense assessments owed.
    b. The amount of attorney's fees and costs incurred to date.
    c. A statement of the Association's intention to foreclose the lien if the total amount is not paid within sixty-two (62) days of the notice date.
    d. The Association's contact information (name of the representative, mailing address, phone number, and email).
    e. Instructions on acceptable methods for making the required payment.
    f. Any notice required under this policy is **effective on the date it is sent**.

Section 2.5 - Collection Process

Once an account is referred to an attorney for collection, the Unit Owner must **deal directly with the attorney's office** until the account is paid in full. **All payments must be sent to the Attorney's office.** Any checks or payments received directly by the

Condominium Association or its Manager will simply be forwarded to the Attorney. Payments are officially considered **received only upon receipt by the Association's Attorney**.

This Collection/Foreclosure Policy shall be a standard policy, and the Condominium Association hereby authorizes the commencement of foreclosures against units, provided that the provisions of this Collection/Foreclosure Policy have been substantially followed before commencement of a foreclosure.

This Collection/Foreclosure Policy was adopted with the same formalities required to adopt a Rule, following Notice and Comment to the Unit Owners, on this 4th Day of November, 2025.

ELM CORNERS
CONDOMINIUM ASSOCIATION, INC.

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By: Asif Vavanan

Its President