

**CORPORATE RESOLUTION FOR PRESTBURY CITIZENS ASSOCIATION
CONCERNING COMMON EXPENSE/ASSESSMENT ACCOUNT DELINQUENCIES**

RECITALS

WHEREAS, a meeting of the Board of Directors of PRESTBURY CITIZENS ASSOCIATION ("Association") was duly called and held pursuant to the Illinois Common Interest Community Association Act, the General Not For Profit Corporation Act of 1986, and the Amended and Restated Declaration of Covenants, Conditions, Restrictions, Easements and By-Laws for the Prestbury Citizens Association, the Association, and proper notice was duly provided to the members of the Association, a quorum of the directors being present at the meeting as identified below, and the meeting being properly convened and proceeding with Association business including resolutions and specifically the resolutions set forth herein; and

WHEREAS, pursuant to its Amended and Restated Declaration of Covenants, Conditions, Restrictions, Easements and By-Laws for the Prestbury Citizens Association, the Association is charged with the obligation and responsibility of collecting certain common expense/assessment payments from Unit Owners for the purposes of maintaining and improving certain Common Elements and the Property;

WHEREAS, the Association's By-Laws authorizes the Board of Directors to formulate policies and procedures it deems appropriate to assist in the efficient operation and management of the Property, including the collection of delinquent common expense/assessment payments from the Members;

WHEREAS, the Association's Board of Directors has determined it to be in the best interests of the Association and the Unit Owners to adopt this Resolution establishing certain procedures and protocols for all common expense/assessment account delinquencies;

WHEREAS, the Association's Board of Directors has determined it to be in the best interests of the Association and the Unit Owners to adopt this Resolution thereby establishing a consistent policy concerning common expense/assessment account delinquencies;

NOW, THEREFORE, in furtherance of the above stated determinations, objectives and goals, the Board, by Resolution, does hereby adopt the following:

RESOLUTION

BE IT RESOLVED that the following shall be the procedures employed by the Association, its managing agent, its accounting personnel and the Association's counsel concerning the collection of delinquent common expense/assessment payments:

1. **Assessments.** Delinquent Accounts. Assessments shall become due on the first (1st) day of each month. Accounts which are not paid in full by the fifteenth (15th) of each month will be assessed a \$25.00 late fee.

2. **Delinquent Accounts.** Upon any account becoming sixty (60) days delinquent, the Association's managing agent shall cause a delinquency notification letter to be sent to the delinquent unit owner at a cost not to exceed \$35.00, with said cost being charged to said account. Should an account become ninety (90) days delinquent, the Association's managing agent shall cause a second delinquency notification letter to be sent to the delinquent unit owner at a cost not to exceed \$50.00, with said cost being charged to said account.

3. **Turnover of Delinquent Accounts to Association Counsel.** Accounts that are at least 120 days delinquent will be turned over to Association counsel for further collection activity.

4. **Payment Plans Upon Accounts Being Turned Over to Association Counsel.** Upon turnover of an account to Association counsel, Unit Owners will be provided an opportunity to enter into a payment plan that requires the payment of all outstanding amounts within six (6) months. In addition, as part of any payment plan, Unit Owners will be required to remain current on all accruing assessments. In the event Unit Owners default on any installments required under a payment plan, Association counsel may provide a single reminder letter, and if the payment plan is not made current, proceed immediately with further collection activity.

5. **Negotiation of Amounts Due.** No charges may be negotiated or removed from delinquent accounts without the specific recommendation of Association counsel or as required by court order.

6. **Collection Process to be Followed by Association Counsel.** Upon receiving a delinquent account from the Association/management, Association counsel will conduct a tract search of the Unit to verify current ownership. Counsel will also review bankruptcy records to verify that the Unit Owner is not currently under the protection of an automatic stay imposed by a bankruptcy court. Upon completing these searches and determining that further collection is appropriate, counsel will proceed with preparation of a 30-day demand notice in accordance with Section 9-104.1(b) of the Illinois Eviction Act. Should the delinquent account not be brought current in accordance with the demand and the time provided by Section 9-104.1(b), counsel will proceed to filing an action for possession as provided by the Eviction Act. Any such action filed will seek possession of the Unit and a money judgment for all unpaid common expenses, attorney's fees and court costs.

If suit is filed and the court ultimately awards the Association possession of the unit, counsel is to commence eviction proceedings upon expiration of the stay on eviction as set forth in the judgment and order for possession. However, should there be a pending mortgage foreclosure action affecting the Unit, counsel will make a specific recommendation to the Board of Directors for its review, consideration and decision before proceeding with eviction.

7. **Mortgage Foreclosure.** Upon becoming aware that a Unit is involved in a mortgage foreclosure proceeding, Association counsel shall monitor the proceeding's progress and include updates within its monthly status report, as warranted. If the Unit that is involved in a

mortgage foreclosure action is not at counsel's office for collection at the time notice of the foreclosure action was received, should the account be delinquent or become delinquent during the pendency of a mortgage foreclosure action, counsel shall prepare and serve a demand notice in accordance with Section 9-104.1(b) of the Eviction Act, in an effort to maximize and secure the Association's rights to receive certain unpaid amounts as provided by applicable law. No further collection activity shall be undertaken without the approval of the Board of Directors.

8. **Bankruptcy.** Association counsel is to take all steps necessary in order to protect the Association's lien rights for unpaid assessments. Specifically, with respect to Chapter 13 (reorganization) bankruptcy petitions filed by delinquent Unit Owners, Association counsel shall file a proof of claim setting forth the full amount of the pre-petition delinquency. Counsel is instructed to proceed to the extent necessary in order to assure that the Unit Owner's plan for repayment of his/her debts includes the Association in the full amount of its pre-petition claim.

Should a Unit Owner who is involved in a bankruptcy action fail to remain current on post-petition common expense payments, Association counsel shall file a petition for relief from the automatic stay seeking the ability to pursue the post-petition default. Relief stay petitions will be filed once an owner is at least 60 days behind on post-petition assessments. The Board of Directors may deviate from this policy upon review and consideration of the recommendations of counsel.

9. **Garnishment.** In the event the Association obtains a personal judgment against a Unit Owner and should the Association be unable or unwilling to take possession of the Owner's Unit in an effort to satisfy the delinquency, upon the recommendation of counsel, the Association may pursue more traditional post-judgment collection remedies such as wage and non-wage garnishment.

10. **Guidance from Counsel.** Association counsel shall provide guidance to the Board of Directors on all delinquent accounts and to that end, should counsel make specific recommendations to the Board that may not be consistent with the policies set forth herein, the Board may deviate from these policies. In providing guidance to the Board on pursuing delinquent accounts, counsel will take into consideration factors such as: i. the amount of the delinquency; ii. whether there are any pending mortgage foreclosure actions that may impact the Association's rights; iii. whether the property taxes for Unit in question have been paid; iv. the likelihood of successful collection of the unpaid amounts; and v. other factors based upon counsel's knowledge and experience in prosecuting similar collection actions.

END OF TEXT OF RESOLUTION

Thereupon, on motion duly made and seconded, the above determinations, objectives, goals, and resolutions were adopted and acknowledged this 13 day of March, 2018, at Sugar Grove, Illinois, by the following roll call vote:

<u>Ayes</u>	<u>Nays</u>	<u>Abstaining</u>	<u>Votes</u>	<u>Directors Voting</u>
X			1	<u>Doug Raskosky</u>
X			1	<u>Barb Atwell</u>
X			1	<u>Megan Jones</u>
X			1	<u>Kathy Buzacky</u>
X			1	<u>Bill Gain</u>
X			1	<u>Tim Kanive</u>

In support of the above-identified vote, and as confirmation thereof, the Directors of the Association identified above, having voted as identified above, sign this resolution as follows:

William Gain
Bill Gain
Doug Raskosky

Barb Atwell
Megan Jones
Kathie Buz

CERTIFICATE

I, the undersigned, hereby certify that I am the duly elected, qualified and acting Secretary of PRESTBURY CITIZENS ASSOCIATION ("Association"), an Illinois not-for-profit corporation; that I am the custodian of the records and seal of the corporation, if any, and that the attached is a true, correct, and accurate copy of the Resolution of the Board of Directors.

IN WITNESS WHEREOF, I have hereunto set my hand and affix this corporate seal, if any, this 13 day of March, 2018.

PRESTBURY CITIZENS ASSOCIATION



Its Secretary