

**CORPORATE RESOLUTION FOR WESTLAKE VILLAGE MASTER HOMEOWNERS ASSOCIATION, INC. CONCERNING COMMON EXPENSE/ASSESSMENT ACCOUNT DELINQUENCIES**

**RECITALS**

WHEREAS, a meeting of the Board of Directors of WESTLAKE VILLAGE MASTER HOMEOWNERS ASSOCIATION ("Association") was duly called and held pursuant to the Illinois General Not-for-Profit Corporation Act, the Illinois Common Interest Community Association Act and the Association's By-Laws, 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 Restated Declaration of Covenants and Restrictions, the Association is charged with the obligation and responsibility of certain common expense/assessment payments from Association Members for the purposes of maintaining and improving certain Common Properties;

WHEREAS, Article II, Section 9(b) of 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, Article 10 of the Association's Declaration provides various remedies for the Association in the event Members/Owners fail to make timely common expense/assessment payments;

WHEREAS, the Association's Board of Directors has determined it to be in the best interests of the Association and its Members 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 its Members 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. **Invoicing.** The Association will invoice Members/Owners their assessment/common expense obligation for each year. Invoicing will take place on the first day of each quarter (January, April, July and October). Owners/Members will be provided payment vouchers that can be submitted with payments. The total amount invoiced on an annual basis will consist of the assessment obligation plus the allowance for trash collection, as determined by where the resident resides in the development and what they owe for these services.

2. **Payment Methods.** Owners/Members are strongly encouraged to submit their payments directly by mail to the new P.O. Box created expressly for this purpose. As of the adoption of this Resolution, payments may still be dropped off at the Community Center via either the outside locked mailbox or the inside locked drop box. This policy is under review and may be changed.

Tures and Associates, the Association's accounting firm, will collect and process payments received from the PO Box in a timely manner. The Office Coordinator will collect, date stamp and forward any payments received at the Association's outside locked mailbox and the inside locked drop box throughout the week and will promptly forward those payments for delivery to Tures and Associates.

3. **Internal Collection Process, Due Dates, Late Fees, etc.** Assessment/common expense payments are due on the 1<sup>st</sup> of the month of each quarterly billing cycle. They are considered late if not received by the Association by the 15<sup>th</sup> of the first month of every quarterly billing cycle. The Association will assess a \$50 late fee on accounts that are 30 days past due.

On or about the 16<sup>th</sup> day of the first month of each quarterly billing cycle, Tures and Associates will provide the Board of Directors with a delinquent accounts report, reflecting those Owners/Members that have not made their quarterly installment as required by this Resolution. Those accounts that remain delinquent as of that date will then receive a Past Due Reminder letter (along with a statement of their account) from the Association Office (see attached). The Association will keep a record of the notices sent in accordance with this paragraph. At the end of the month, if accounts are still delinquent, a \$50 late fee will be assessed to the Owner/Member's outstanding account statement.

On or about the 16<sup>th</sup> day of the second month of each quarterly billing cycle, Tures and Associates will provide the Board of Directors with an updated delinquent accounts report, reflecting those Owners/Members that have not timely made their quarterly installments. Those accounts that are still delinquent on that date will then receive a Past Due Demand Letter (along with a statement of their account) from the Association (see attached). The Association will keep a record of the notices sent in accordance with this paragraph.

At the end of the quarterly billing cycle, Tures and Associates will provide the Board of Directors with an updated delinquent accounts report, reflecting those Owners/Members that are remain delinquent as of the end of the current quarter. All accounts that appear on this list that have not yet made any payments for the prior quarter – or accounts that are past due 90 days or more from prior billing cycles will be reviewed by the Board of Directors at the next board

meeting. All review of delinquent accounts will take place during the closed, executive session portion of the board meeting.

4. **Turnover of Delinquent Accounts to Association Counsel for Further Collection.**

At the time the Board of Directors reviews the delinquent accounts described in the last paragraph of Section 3 of this Resolution, a motion will be entertained to turn these delinquent accounts over to the Association's counsel for immediate collection activity. As of turnover to Association counsel, accounts would be at approximately 110 days past due.

Upon the approval of the Board of Directors, counsel will be provided a list of delinquent accounts and updated account ledgers with instructions to proceed with further collection activity. Once a delinquent account is turned over to counsel, all communication with the Owner/Resident concerning the account shall only be conducted through counsel. The Board of Directors and all Association staff are prohibited from engaging in further discussion concerning the account. All delinquent Owner/Member inquiries from that point forward will be referred or forwarded to the Association's counsel.

Once a delinquent account is turned over to counsel for collection, no payment plans will be accepted and delinquent Owners/Members may have membership privileges, such as the right to vote and trash collection, suspended until the delinquency is resolved.

Upon receiving instructing to proceed with collection on a delinquent account, counsel will perform a tract search to verify ownership of the property. Counsel will also research bankruptcy records to verify the Owner/Member is not under the protection of an automatic stay imposed by a bankruptcy court. Upon completing the tract and bankruptcy searches, counsel will record a lien for all past due amounts due and owing. Upon recording of the lien, counsel will separately correspond with the delinquent Owner/Member, provide them with a copy of the lien and ask that the Owner/Member contact counsel's office in an effort to resolve the delinquency. If the delinquent account is not resolved within 30 days of counsel's letter, counsel will prepare, file and prosecute a lien foreclosure action in the Circuit Court of the Seventeenth Judicial Circuit, Winnebago County, Illinois. Once suit has been filed, payment of all attorney's fees and court costs incurred by the Association will be necessary in order for an Owner/Member to bring his/her account current.

Prior to taking any affirmative action to protect the Association's interests, counsel will provide individual recommendations for board consideration with respect to any bankruptcies filed by Owners/Members and mortgage foreclosure actions.

5. **Counsel Communication with the Board of Directors.**

Association counsel shall provide guidance to the Board of Directors on all delinquent accounts. In providing guidance to the Board, 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 property 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. Counsel will also communicate any settlement offers made on delinquent account and provide the Board of Directors with monthly status reports on all open collection files.

**END OF TEXT OF RESOLUTION**

Thereupon, on motion duly made and seconded, the above determinations, objectives, goals, and resolutions were adopted and acknowledged this 12 day of April, 2016, at Winnebago, Illinois, by the following roll call vote:

<u>Ayes</u>	<u>Nays</u>	<u>Abstaining</u>	<u>Votes</u>	<u>Directors Voting</u>
1			1	<u>Ben Bushman</u>
1			1	<u>Debra Mercedes</u>
1			1	<u>Jim Klinger</u>
1			1	<u>Kelly Johnson</u>
1			1	<u>Diane Robertson</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:

Ben Bushman  
Debra Mercedes  
Jim Klinger


Diane Robertson

**CERTIFICATE**

I, the undersigned, hereby certify that I am the duly elected, qualified and acting Secretary of WESTLAKE VILLAGE MASTER HOMEOWNERS 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 12 day of April, 2016.

WESTLAKE VILLAGE MASTER HOMEOWNERS  
ASSOCIATION

  
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Its Secretary