

## Windstone Community Association II, Inc. COLLECTIONS POLICY

The Association is governed by its Declaration of Covenants, Conditions and Restrictions (CC&R's) dated September 19, 2017 and filed with the Kane County Recorder on October 8, 2017 as Document # 2017K058599, including any and all amendments to said Declarations. Article IX of the CC&R's empowers the Board of Directors to establish and collect assessments to maintain the common property of the Association. The cost of services for maintenance of common property, management of the corporation and reserve fund contributions are levied equally amongst the unit owners.

"Each Owner, by acceptance of a deed to his or her Unit, acknowledges that all Base Assessments levied hereunder are annual assessments due and payable in advance on the first day of the fiscal year; provided, the Board may permit any assessment to be paid in installments."

"All assessments, together with reasonable late charges, interest at a rate not to exceed the highest rate allowed by Illinois law as computed from the date the delinquency first occurs, costs and reasonable attorney's fees, shall be a lien on the land and shall be a continuing lien upon the Unit against which each assessment is made until paid. Each such assessment, together with such interest, costs and reasonable attorney's fees shall also be the personal obligation of the person who is the Owner of such Unit at the time the assessment arose, and if title to such Unit is held in trust, then each beneficiary thereof shall also be jointly and severally liable therefor....."<sup>1</sup>

To assist in its collection efforts and to provide a control function over the receipt and deposit of assessments and fees, the Association maintains a membership database. It is the responsibility of the unit owner to inform the Association of 1) mailing address changes and 2) change of ownership, and 3) leasing of a unit. It is the responsibility of the unit owner to inform the Association when he/she enters into an agreement for the sale/lease of the unit.<sup>2</sup>

The Association's fiscal year is January-December and the annual assessment becomes due on January 1st each year. Notice of assessments for any given year including the amount and setting of the late fee will be published in the November/December issue of the Association newsletter, announced at the annual budget meeting held in December of each year and published on the Association website at [www.windstonehoa.com](http://www.windstonehoa.com).

An Assessment invoice will be mailed to each member no later than the first of February for payment of the annual assessment. However, it is the practice of the Association to allow members a 28-day grace period in which to pay their assessment. Payments postmarked on the due date shall not be considered late and will not be assessed a late fee as established by the Board in its sole discretion. Those payments post marked after the due date shall be assessed a late fee established by the Board in its sole discretion. Interest equal to 1.5% per month or 18% per annum shall be assessed on all late assessment payments. Interest is not charged on late fees and/or fines.

The first day following the end of the 28-day grace period will be considered late and will be assessed a late fee as determined by the Board in its sole discretion. Non-sufficient funds (NSF) checks returned by the payer's bank will be assessed an insufficient funds fee not to exceed \$50 and may also be subject to applicable late fees.

Any member may request in writing prior to the end of the grace period, a payment plan to pay his/her assessment without incurring late charges or penalties subject to certain mutually agreed upon terms. The Board will reply to the member within five (5) days after receipt of the request with an individual extension/payment plan for the member's approval and signature. Requests may be submitted to the Board via the website at [www.windstonehoa.com](http://www.windstonehoa.com), by email at [manager@windstonehoa.com](mailto:manager@windstonehoa.com), by certified mail at the Association's current mailing address, or by fax at the Association's fax number. Failure to pay assessment payments according to the agreed upon payment plan may subject the member to additional late charges, collections costs and attorney fees including interest on the unpaid balance as allowed by Illinois law and the CC&R's.

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<sup>1</sup> Article IX, Assessments: Section 1 (CC&R's)

<sup>2</sup> Article XIII, Section 13: "Notice of Sales. Any Owner who intends to sell his or her Unit shall provide written notice to the Board of Directors within ten (10) days of entering into an agreement for the sale. Such notice shall include the names of the purchaser, the purchaser's mailing address, if other than the Unit address, as well as any other information which may reasonably be required by the Board. This section shall not be deemed to give the Association or any person a right of first refusal or any other such right with respect to any Unit." (CC&R's)

## **Step-by-Step Procedure for Collecting Unpaid Assessments, Fines and Other Charges**

In the event an Owner of a Unit in the Windstone Community Association II, Inc. ("WCAII") fails to pay when due any Base Assessment or Special Assessment pursuant to the WCAII CC&R's the Association shall:

1. Send a letter to the Owner requesting payment of the amount past due, together with late charges of not less than \$35.00 plus interest calculated at a rate not less than 1.5% from the date the delinquency first occurred, with a copy to the Owner's lender if the lender has requested the Association notify them of any delinquency in the payment of assessments that has continued for sixty (60) days or more.
2. If such payment remains delinquent for more than thirty (30) additional days, the Board may revoke the Owner's privilege of paying the subject Assessment(s) in installments under Article IX, Section 1 of the WCAII CCRs. If the Board so elects, the Owner will be notified in writing that he/she will be required to pay the subject assessments (or, all annual assessments) in full immediately, together with the applicable late charges and interest that has accrued on the unpaid amounts.
3. The Association shall mail (by first class and certified mail with return receipt requested) and/or hand deliver to the Owner a "Notice of Intent to File Lien" enclosing a copy of the proposed lien against the Unit, informing the Owner that the lien will be filed with the County Recorder's office if the Association does not receive payment of all amounts due - including unpaid assessments, late charges, interest, and reasonable attorney's fees expended in collection efforts - within thirty (30) days. The Association shall copy the Owner's lender if the lender has requested the Association in writing to be notified of any default by Owner in performance of its obligations under the WCAII CCRs.
4. If the Owner still fails to pay, the Association shall complete, sign and notarize the lien and file it at the county recorder's office. The Association shall send a letter to the Owner with a copy of the recorded lien enclosed, demanding payment of all amounts due including the unpaid assessments, late charges, accrued interest, court fees and costs, any reasonable attorney's fees expended in collection efforts. The Association shall inform the Owner that the lien will constitute an encroachment on the title to his/her Unit and that interest, late charges and costs incurred by the Association will continue to accrue for so long as the amounts due remain unpaid.
5. If the delinquent amounts remain unpaid, the Association may consider filing a lawsuit against the owner for failing to pay the lien (and all associated costs). The Association shall seek a judgment against the Owner, obtain the judgment, and take action to collect on it including but not limited to foreclosure on the property.
6. Upon receipt of the Owner's payment, the Association shall sign a Release of Lien that will be filed with the county recorder's office within thirty (30) days. The Association shall send a copy of the Release to the Owner.

Liens: The Association reserves the right to send an account for collection at any time however, the Association shall file a lien against the delinquent owner's property for delinquent amounts equal to or in excess of **\$494.00**. Delinquent accounts will be assessed and the owner shall be responsible for attorney's fees, collection fees including court costs and fees, interest incurred by the Association in its efforts to collect the delinquent account in accordance with Illinois Law and the CC&R's.

Foreclosures: The Board, in its sole discretion, may elect to enforce by suit, judgment and/or foreclosure on properties for which a lien has been filed pursuant to the CC&R's and in accordance with Illinois Law.<sup>3</sup>

Disputes: Members have the right to dispute unpaid balances prior to the Association submitting the account to collections. Disputes shall be submitted in writing to the Board and must include all pertinent information in support of the member's dispute, e.g., cancelled checks. The Board shall be required to provide to the member its proof of the member's debt. The Board shall review the dispute and accompanying information and shall meet with the member, if necessary, to determine a proper and fair solution to the member's dispute. The Board shall be required to respond to the member within 10 days of receipt of the written request. Members' shall fully cooperate with the Board in an effort to resolve the dispute. The Board shall render its decision in writing to the member within 10 business days of resolution. If the member sufficiently proves his/her case, the Board shall make all proper adjustments to the member's account within 10 business days. If the member fails to prove his/her case, the member shall pay his/her account in full within 15 business days or make arrangements for a payment plan with the Board within 15 business days of the Board's decision.

The procedure outlined in this Collections Policy shall also be used in the collection of unpaid fines.

Adopted by the Board of Directors  
Windstone Community Association II, Inc.  
on the 14th day of June, 2022.

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<sup>3</sup> Article IX, Assessments: Section 6: "...Such lien may be enforced by suit, judgment and foreclosure."