WELLINGTON PARK OF PALATINE HOMEOWNERS ASSOCIATION

ASSESSMENT COLLECTION POLICY

Adopted by the Board of Directors: November 10, 2026 | Effective: January 1, 2027

1. Purpose and Authority

1.1 Purpose. This Policy tells every Owner when assessments are due, what happens if a payment is late, and what steps the Association will take before it uses any legal remedy. It is adopted to comply with the Common Interest Community Association Act, 765 ILCS 160/1-45(j), as amended by Public Act 104-0734.

1.2 Authority. The Board adopts this Policy under the Declaration of Covenants, Conditions and Restrictions (the "Declaration"), Article Five, Section 9 and Article Six, Section 1; the By-Laws, Sections 6.01, 7.01(d), 7.01(h), and 10.07; and 765 ILCS 160/1-45(j).

1.3 What this Policy replaces. This Policy replaces in full the Assessment Collection Policy adopted February 27, 1996, and Exhibit C to the Rules and Regulations, revised May 31, 2025 (Assessment Collection Policy, amended March 15, 2006). It is attached to the Rules and Regulations as the new Exhibit C.

1.4 Order of authority. If this Policy conflicts with any other Rule, this Policy controls. If this Policy conflicts with the Declaration, the By-Laws, or Illinois law, those documents control.

2. When Assessments Are Due and When They Are Delinquent

2.1 Monthly assessments. The annual assessment is payable in twelve equal monthly installments. Each installment is due on the first (1st) day of each month (By-Laws § 10.01).

2.2 Other charges. Special assessments, charges assessed to an Owner's account, and fines are due on the date stated in the notice or invoice. If no date is stated, they are due thirty (30) days after the notice or invoice is sent.

2.3 Delinquency. Any assessment that is not paid when due is delinquent (Declaration Art. Six § 1).

2.4 When a payment counts as received. A payment is made on the date the management company receives it by a payment method the management company has specified.

3. Late Fees and Interest

3.1 Grace period. No late fee is charged if the monthly installment is paid in full on or before the fifteenth (15th) day of the month.

3.2 Late fee. A late fee of $15.00 is charged on the sixteenth (16th) day of the month for each monthly installment, or other assessment, not paid in full within fifteen (15) days after its due date (Declaration Art. Six § 1).

3.3 Interest. The Declaration entitles the Association to charge interest on any assessment not paid within thirty (30) days after its due date (Declaration Art. Six § 1). The Board has elected not to charge interest. Interest will be charged only if the Board amends this Policy to impose it (By-Laws § 10.07).

3.4 Fines and charges. Fines and other charges added to an Owner's account are collected in the same manner as delinquent assessments (Rules and Regulations, Fines).

4. Returned Payments

4.1 Returned-payment fee. A returned-payment fee of $35.00 is charged for any check or electronic payment returned unpaid for any reason (By-Laws § 7.01(h); Declaration Art. Seventeen § 1).

4.2 Effect. A returned payment is treated as if it had never been made. Late fees apply as though no payment was received.

5. Payment Plans

5.1 Monthly assessments. No payment plans are available for monthly assessments, late fees, or returned-payment fees.

5.2 Owner-specific charges. An Owner who is charged for repairs or other expenses outside the regular monthly assessment (for example, deck repairs charged to the Owner's account) may apply in writing to the Board for a payment plan. The Board decides each application in its sole discretion, applying the same standards to every application.

5.3 Minimum terms. Every payment plan approved under Section 5.2 must:

(a) be in writing and signed by the Owner;

(b) require the full charge to be paid within no more than thirty (30) days; and

(c) require the Owner to pay each monthly assessment on time while the plan is in effect.

5.4 Default. If any plan payment or monthly assessment is not paid when due, the plan ends without further notice, the full balance becomes due, and collection proceeds under Section 6.

5.5 No waiver. A payment plan does not waive any amount owed, the Association's lien, or any remedy under Section 8.

6. Collection Steps and Referral to the Attorney

6.1 Steps. The Association will take the following steps on every delinquent account:

When	Step
1st of the month	Assessment due.
16th of the month	Late fee charged (Section 3.2). Late notice and statement sent to the Owner.
30 days after due date	Second written notice. States the balance and the date the account will be referred to the attorney.
60 days after due date	If any assessment remains unpaid, the account is referred to the Association's attorney, unless the unpaid amount is covered by a current payment plan under Section 5.2.
After referral	The attorney sends a written demand giving the Owner at least thirty (30) days to pay, as required by 735 ILCS 5/9-104.1, and any notice required by federal or state debt collection law. The attorney may record a notice of the Association's lien.
After the demand period ends	If the balance is not paid, the Association may pursue any remedy in Section 8.

6.2 Consistent application. These steps are followed on every delinquent account, so that every Owner is treated the same way.

6.3 Notices. Notices are sent to the Owner's address on the Association's records, and by e-mail or another electronic method if the Owner has agreed to receive notices that way. Owners must keep

their contact information current with the management company (Rules and Regulations, Owners Emergency Information).

6.4 Statement of account. An Owner may ask the management company at any time for a statement of the Owner's account.

7. How Payments Are Applied

Each payment is applied in the following order, regardless of any note or instruction on the payment:

(1) first, to the current month's assessment; and

(2) then, to the Owner's arrearage balance, meaning all past-due amounts on the account, including unpaid assessments, late fees, returned-payment fees, and attorney's fees and costs.

8. Legal Remedies

8.1 Remedies available. After the steps in Section 6 have been followed, the Association may use any of the following remedies, alone or together:

(a) Lawsuit. A lawsuit against the Owner personally for the unpaid balance (Declaration Art. Five § 1; Art. Six § 1).

(b) Lien and foreclosure. Assessments, together with late charges, attorney's fees, and costs of collection, are a continuing lien on the Owner's Lot. The Association may foreclose the lien (Declaration Art. Five § 1; Art. Six § 1; By-Laws § 10.07). The lien is subordinate to a first mortgage or trust deed (Declaration Art. Six § 2).

(c) Eviction (possession) action. An action for possession of the Owner's Townhome under Article IX of the Illinois Code of Civil Procedure, 735 ILCS 5/9-102(a)(8), after service of the thirty (30) day demand (By-Laws § 10.07).

(d) Suspension of voting rights. An Owner's voting rights may be suspended while any assessment remains unpaid and delinquent (Declaration Art. Four § 1(B)).

(e) Fees and costs. Recovery of late fees, reasonable attorney's fees, and court and other costs of collection (Declaration Art. Five § 1; Art. Six § 1; Art. Seventeen § 1; By-Laws § 10.07). Management company fees for collection are not added to an Owner's account, because the Declaration and By-Laws do not specifically authorize adding management company fees to an Owner's account (765 ILCS 160/1-30(h)).

(f) Other remedies. Any other remedy allowed by the Declaration, the By-Laws, or Illinois law.

8.2 No escape by non-use. An Owner cannot avoid paying assessments by not using the Common Area or by abandoning the Townhome (By-Laws § 10.08).

9. Holders and Assignees

This Policy also binds any holder or assignee of the Association's debt, as required by 765 ILCS 160/1-45(j).

10. Resale Disclosure

A copy of this Policy will be made available to any prospective purchaser of a Lot as part of the resale disclosure documents (765 ILCS 160/1-35(d)(8)).

11. Amendment

The Board may amend this Policy by resolution, consistent with the Declaration, the By-Laws (including the owner notice in § 7.01(h)), and Illinois law.

12. Effective Date

This Policy takes effect on January 1, 2027 and applies to all assessments and charges unpaid on or after that date.

SECRETARY'S CERTIFICATE

I certify that this Assessment Collection Policy was adopted by the Board of Directors of Wellington Park of Palatine Homeowners Association at a duly noticed open meeting held on November 10, 2026, at which a quorum was present.

Kelli Maloney Date: **11.10.26**

Kelli Maloney, Secretary

b. Rules and Regulations Change Regarding Assessments to Comply with Illinois Senate Bill 3527 (K. Maloney to be Signatory)

A Motion was made by M. Kouros. and seconded by C. Gembala to adopt the Rules and Regulations change concerning assessment collections and delinquencies. All board members were in favor. Motion passes.