

**RESOLUTION
OF
THE BOARD OF DIRECTORS
OF THE
PINE RIDGE COMMUNITY ASSOCIATION
ADOPTING A COLLECTIONS PROCEDURE**

Adopted: May 18, 2009

The following resolution has been adopted by the Association pursuant to Pennsylvania Law, at a meeting of the Board of Directors.

RECITALS

- (a) The Association is charged with certain responsibilities regarding the care, maintenance, and service of the Pine Ridge Community in Pike County, Pennsylvania.
- (b) The Association must have the financial ability to discharge its responsibilities.
- (c) The Board of Directors is required to pursue collections of dues, assessments and other charges from delinquent owners.
- (d) The Board of Directors of the Association desires to adopt a uniform and systematic procedure to collect dues, assessments and other charges of the Association.

NOW, THEREFORE, BE IT RESOLVED that the Association does hereby adopt the following procedures and policies for the collection of dues, assessments and other charges of the Association.

1. **Due Dates.** The annual dues assessment as determined by the Association and as allowed for in the Declaration, Articles of Incorporation, and the By-Laws shall be due and payable in 1 (one) installment due on the First day of May of each year or extended due dates available to all property owners which may be enacted by the PRCA Board of Directors from year to year. All other Assessments and charges are due when billed. Dues, Assessments or other charges not paid to the Association on the due date shall be past due and delinquent. Installment payments pursuant to an approved payment plan are due the First day of the month for which the installment is due. Installments not paid by the First day of the month in which it is due, shall be past due and delinquent.
2. **Invoices.** The Association may, but shall not be required to, invoice an owner as a condition to an owner's obligation to pay dues, assessments or other charges of the Association. If the Association provides an owner with an invoice for dues, assessments and charges, although an invoice is not required, the invoice should be mailed or sent to the owner between the 10th and 20th day of the month preceding the due date. Non-receipt of an invoice shall in no way relieve the owner of the obligation to pay the amount due by the due date.

3. **Late Charges and Interest Imposed on Delinquent Accounts.** Dues, assessment or charges shall be past due and delinquent if not paid by the due date. The Association shall impose a maximum of 15% (fifteen percent) one time late charge annually on the outstanding or past due balance due the Association. Simple interest at an annual rate of 15% calculated on a monthly basis from the due date, shall be added to all past due and delinquent accounts. The late charges and interest shall be a "common expense" for owners who fail to pay their annual dues, assessment, charges or installment by the First day of the month due.

The late charge and interest shall be the personal obligation of the owner(s) of the unit for which such assessment or installment is unpaid. All late charges shall be due and payable immediately, without notice, in the manner provided by the Declaration as set forth above, for payments of assessments.

4. **Acceleration of Dues/Assessment.** If an owner's default in paying an installment of any dues/assessment levied against his/her unit continues for thirty (30) days beyond the due date, the Association at its option, may accelerate the remainder of the dues/assessment installments and declare them due and payable in full.
5. **Returned Check Charges.** In addition to any and all charges imposed under the Declaration, Articles of Incorporation and By-Laws and Rules and Regulations, or this resolution, thirty-five dollar (\$35.00) fee or other amount deemed appropriate by the Board of Directors shall be assessed against the Owner in the event any check or other instrument attributable to or payable for the benefit of such Owner is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to insufficient funds. This return check charge shall be a "common expense" for the owner who tenders payment by check or other instrument that is not honored by the bank upon which it is drawn. Such return check charges shall be due and payable immediately, upon demand. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law. Return check charges shall be the obligation of the owner(s) of the unit for which payment was tendered to the Association. Return check charges shall become effective on any instrument tendered to the Association for sums due under the Declaration, Articles of Incorporation, By-Laws, Rules and Regulations or upon immediate adoption of this Resolution. If two or more of the unit owner's checks are returned unpaid by the bank within any (fiscal) year, the Association may require that all of the unit owner's future payments, for a period of two (2) years, be made by certified check or money order.
6. **Attorney's Fees on Delinquent Accounts.** As an additional expense permitted under the Declaration, Articles, and By-Laws, the Association shall be entitled to recover its reasonable attorney's fees and collection costs incurred in the collection of dues, assessments or other charges due the Association from a delinquent owner. The reasonable attorney's fees incurred by the Association shall be due and payable immediately when incurred, upon demand.

7. **Application for Payment on Delinquent Account to the Association.** Payments received from an owner will be credited in the following order of priority.
 1. All Interest accrued;
 2. All late charges;
 3. Charges for legal fees, court costs and other costs of collection;
 4. All other charges incurred by the Association as a result of any violation by an owner, his/her family, employees, agent or licensees, of the Declaration, Articles of Incorporation, By-Laws, Rules and Regulations or Resolutions;
 5. The yearly or monthly dues/assessment for a unit, including any special assessment due, as applicable; Payments shall be applied toward the oldest month(s) then owed.

8. **Collection letters.**
 - (a) After dues, assessment or other charge due the Association becomes past due (as set forth in section 13 (Collections Procedure and Time Frames), the Association may cause, but shall not be required to send, a "late notice" to be sent to the unit owner who is delinquent in payment.

 - (b) If payment in full is not received after proper notice, the Association may, but shall not be required to send, a "Notice of Intent to Refer Account to the Attorney or Collection Agency" to the unit's owner. The Association may simultaneously send a copy of the notice to the mortgagee of the unit.

9. **Use of Certified Mail/Regular Mail.** In the event the Association shall cause a collection or demand letter or notice to be sent to a delinquent owner by regular mail the Association may also cause but shall not be required to send, an additional copy of that letter or notice by certified mail.

10. **Liens.** The Association may file a Notice of Lien against the property of any delinquent owner in accordance with the terms and provisions of the Declaration, Articles of Incorporation, and By-Laws. A copy of the recorded Notice of Lien shall be mailed to the Owner and the Mortgage lender with a request that the lender send a letter to the delinquent owner advising the owner of the lender's option to accelerate the mortgage debt.

11. **Referral of Delinquent Accounts to Attorneys.** The Association may, but shall not be required to, refer delinquent accounts to its attorney for collection. Upon referral to the attorneys, the attorneys shall take all appropriate action to collect the amount referred.

12. **Referral of Delinquent Accounts to Collection Agencies.** The Association may, but shall not be required to, refer delinquent accounts to one or more collection agencies for collection. Upon referral to a collection agency, the agency shall take all appropriate action to collect the accounts referred.

13. **Collections Procedures and Time Frames.** The following time frame shall be used in the collection of Annual Dues, Assessments, installments, and other charges.

Due date (date the payment is due)	Payment is due when billed, But no later than May 1 or as extended by BOD (for annual dues)
Past due date (the date payment is late)	Day after the Due date May 2 or as extended by BOD (for annual dues)
Late charge & Interest imposed	Thirty days after the due date (June 1, for annual dues)
“Late Notice” mailed imposing late fees, interest, etc.	Approximately 30 to 45 Days after the due date
“Notice of Intent to Refer Account to Attorney or Collections Agency” mailed	Approximately sixty (60) days after due date
Account referred to attorney or Collection agency for collection 35% collection fee added	Seventy-five (75) days past due date
Attorney or collections agency sends demand letter for payment including Acceleration notice if applicable	Eighty (80) to Ninety (90) days past due date
Owner fails to respond to the Attorney or collections agency, lawsuit is considered, and if appropriate, is commenced; if suit is commenced an additional 10% fee will be added to equal a fee of 45% or a fee equal to legal fees whichever is greater	One hundred and twenty (120) days past due date

The attorney or collection agency is to consult with the Association at all times to determine if payment has been arranged or which collection procedures are appropriate.

14. **The Association may grant a waiver of any provision herein upon petition in writing by an owner showing a personal hardship.** Such relief granted an owner shall be appropriately documented in the files with the name of the person or persons representing the Association granting the relief and the conditions of the relief. In addition, the Association is hereby authorized to extend the time for filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Association shall determine appropriate under the circumstance.

15. **Processing Fee for Installment Payment.** The Association reserves the right to impose a processing fee not to exceed ten (10%) per cent of the total amount owed if installment payments are arranged. This fee shall be distributed evenly over the course of the installment plan and in addition to any late charge applicable. Unless otherwise arranged all installment payments on annual dues/assessments shall be paid in full by the 1st day of May in each year.

The Board reserves the right to waive the processing fee in cases of demonstrated hardship. Failure to pay two (2) consecutive installment payments shall accelerate the account and be payable in full immediately and referred to collections.

16. **Notification to Owners.** The Association shall cause all owners to be notified of this Resolution and the late charges, returned check charge, and attorney fees to be imposed after the effective date of those provisions of this Resolution. All other policies and procedures set forth in this Resolution shall be effective immediately.
17. **Ongoing Evaluation.** Nothing in this Resolution shall require the Association to take specific actions other than to notify homeowners of the adoption of these policies and procedures. The Association has the option and right to continue to evaluate each delinquency on a case-by-case basis.