

Resolution 2013 - 01
Of
The Board of Directors
Of
Beech Mountain Lakes Association
Amending the Collections Policy and Procedure of November 18, 2002
Adopted August 28, 2013
Amended October 28, 2015

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 certain portions of the Beech Mountain Lakes Community in Drums, Pennsylvania.
- (b) The Association must have the financial ability to discharge its responsibilities.
- (c) The Board of Directors is required to pursue collections of 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 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 assessments and other charges of the Association.

1. **Due Dates.** The annual assessment as determined by the Association and as allowed for in the Declaration, Articles of Incorporation, and the Bylaws shall be due and payable in 1 (one) installment due on the last day of January of each year. Assessments or other charges not paid to the Association by the first day of February each year shall be past due and delinquent. Installment payments of the annual assessment are due the last day of the month for which the installment is due. Installments not paid by the first day of the month following the due date, shall be past due and delinquent.
2. **Invoices.** The Association may, but shall not be required, to invoice an owner as a condition of an owner's obligation to pay assessments or other charges of the Association. If the Association provides an owner with an invoice for assessments and charges, although an invoice is not required, the invoice should be mailed or sent to the owner between the 10th and 15th 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 Imposed on Delinquent Accounts.** An assessment or charge shall be past due and delinquent if not paid by the last day of the month in which it is due. The Association shall impose a 15% (fifteen percent) one time late charge on the outstanding or past due balance due the Association. The late charge shall be a "common expense" for owners who fail to pay their annual assessment or installment by the last day of the month due.

The late charge 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 (and as set forth above) for payments of assessments.
4. **Acceleration of Assessment.** If an owner's default in paying an installment of any 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 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 Bylaws the 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, Bylaws, Rules and Regulations or this Resolution after December 31, 2013. 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 Bylaws, the Association shall be entitled to recover its reasonable Attorney's fees and collection costs incurred in the collection of 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 Of Payments On Owner Accounts To The Association

7A. Owners Not In Collections With Attorney

1. All charges incurred by the Association as a result of any violation by an owner, his/her family, his/her guest, employees, agent or licensees, of the Declaration, Articles of Incorporation, Bylaws, Rules and Regulations or Resolutions.
2. All late charges or interest accrued, as applicable.
3. Yearly or monthly assessment for a unit, yearly or quarterly garbage payment, including any special assessment due, as applicable. Payments shall be applied to the oldest month(s) then owed.
4. All other charges such as citations & administration fees not incurring charges by the Association.

7B. Owners In Collections With Attorney (Funds Paid to BML From Attorney)

1. Attorney Fees based on amount Attorney has collected & retained only.
2. All charges for legal fees, court costs, magistrate fees and any other cost of Collections incurred by the Association.
3. All charges incurred by the Association as a result of any violation by an owner, his/her family, his/her guest, employees, agent or licensees, of the Declaration, Articles of Incorporation, Bylaws, Rules and Regulations or Resolutions.
4. Late fees or interest accrued, as applicable.
5. Yearly or monthly assessment for a unit, yearly or quarterly garbage payment, including any special assessment due, as applicable. Payments shall be applied to the oldest month(s) then owed.
6. All other charges such as citations & administration fees not incurring charges by the Association.

8. **Collection letters**

(a) After an 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" 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 bylaws. 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 Attorney.** The Association may, but shall not be required to refer delinquent accounts to its Attorney for collection. Upon referral to the Attorney, the Attorney 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 Assessments, installments, and other charges.

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| Due date (date the payment is due) | The last day of the month billed |
| Past due date (the date payment is late) | The first day of the month following the billed month |
| Late charge imposed | The first day the amount is past due |
| "Late Notice" mailed imposing late fees, interest, etc. | Five (5) days after due date |

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| Second "Late Notice" mailed | Twenty (20) days after due date |
| "Notice of Intent to Refer Account to Attorney or Collection Agency" mailed | Forty (40) days after due date |
| Account referred to Attorney or Collection Agency for collection 25% collection fee added | Sixty (60) days past due date |
| Attorney or Collection Agency sends demand letter for payment including Acceleration notice if applicable | Sixty-five (65) to seventy (70) days past due date |
| Owner fails to respond to the Attorney or Collection Agency, lawsuit is considered, and if appropriate, is commenced if suit is commenced an additional 20% 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 |

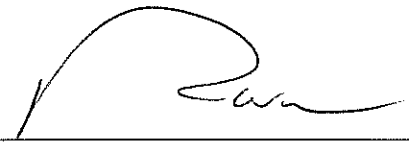
The Attorney or Collection Agency is to consult with the Association at all times to determine if payment has been arranged or which collection procedures are appropriate.

14. **The Association Board of Directors 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. **Installment Payments and Processing Fees.** Each property owner of record may request to make installment payments of the annual assessment and or other charges. All installment payment plans must be writing, and must delineate the period of performance, i.e. first payment date, last payment date, amount to be paid each month, and must be signed by the property owner of record. The Association reserves the right to impose a processing fee not to exceed 5% of the total amount owed if installment payments are arranged. This 5% will be applied if an installment payment is past due or if an installment payment plan extends past the last day of June of the year due. 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 assessments shall be paid in full by the last day of June in each year. Any plan that is to extend beyond June 30 of the year in which it is due shall require prior approval of the Association Board of Directors.

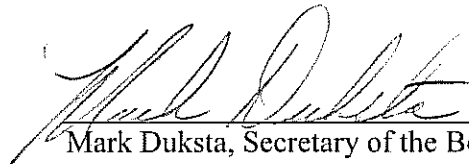
The Board reserves the right to waive the processing fee in cases of demonstrated hardship. Failure to pay two (2) consecutive installment payments shall accelerate the account and be payable in full immediately and referred to collections.

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's fees to be imposed after the effective date of this Resolution which shall be January 1, 2014. All policies and procedures set forth in this Resolution shall be effective upon that date.
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.

AMENDED AND ADOPTED, this 28th day of October, 2015 at a duly organized meeting by vote of the Beech Mountain Lakes Association, Inc. Board of Directors.



Kevin Walsh, President of the Board



Mark Duksta, Secretary of the Board