

## **EXHIBIT A**

### **LAKE PARSIPPANY PROPERTY OWNERS ASSOCIATION**

#### **COLLECTION POLICY FOR DELINQUENT ACCOUNTS**

- I. In January of each year, invoices will be sent to all members on an annual basis.
- II. Payment is due as of the 31st day of March of the assessment year. Failure to pay the Basic Membership Assessment, by March 31 will result in the membership status being deemed “not in good standing” and privileges suspended. Late payment charges in the amount of 1 ½% per month will be assessed to the delinquent account if not paid by the due date.
- III. All actions deemed necessary for collection of outstanding dues and assessments will be taken by the Board. The Board will send to any member who is more than 30 days delinquent in the payment of regular or special assessments a written notice (hereinafter referred to as the “Notice of Delinquency”) of the late fee and a demand for immediate payment. The Notice of Delinquency will also include a statement that if full payment is not received within 30 days of the date of the notice, the matter will be referred to the collection attorney and subject to ongoing late payment charges, attorney’s fees in the amount of 1/3 of the total outstanding amount, and costs of collection. The Notice of Delinquency will also state that any arrangements for payment plans with the Association must be made before the matter is referred to collection; once it is referred, all arrangements must be made through the collections attorney. The Notice of Delinquency will also state that a Claim of Lien may be recorded on the property and a copy thereof will be forwarded to any lender with a mortgage against the property.
- IV. Following the expiration of time under the Notice of Delinquency, the Association will submit for collection any account where the Member remains in arrears and has not made acceptable payment arrangements with the Board. The collection attorney will then submit the required 30 day notice letter under the Fair Debt Collection Practices Act, notifying the member that unless the member disputes the validity of the debt or any portion thereof within 30 days after receipt of the notice, the debt will be assumed to be valid. If the member notifies the attorney in writing within the 30 day period that the debt or any portion thereof is disputed, the Association will provide verification of the debt and a copy of the verification will be mailed to the member by Dolan & Dolan. Dolan & Dolan will proceed to prepare a claim of lien for the Board, will file a claim of lien, and/or commence a collection action and take any other action necessary.
- V. Association will consult with the attorney and turn over for collection immediately any account where the member files or is the subject of a petition for relief in bankruptcy or any account where a lender or municipality has commenced any action in foreclosure of its lien against the property. In that event, the collection attorney will take all steps necessary to protect Association’s interest in the property.
- VI. Once a matter has been referred for collection, all contacts with the delinquent homeowner shall be handled through the Association’s attorney. The Board shall not discuss the collection of the account directly with the member after it has been turned

over. Amounts due to the Association will not be compromised by the attorney without prior approval.

- VII. Dolan and Dolan will apply an attorney fee in the amount of one-third (1/3) of the total delinquent balance. Dolan and Dolan will also apply the costs to the delinquent account. Upon recovery, Dolan and Dolan will retain its fees from the member in payment of the account, and reimbursement of the costs. All sums collected on delinquent accounts shall be remitted to Dolan and Dolan until the account has been brought current. After application of attorney fees and costs, the balance due to Association will be forwarded on a quarterly basis. Association will be kept informed with quarterly collection status reports, including escrow account balance, if any and copies of all correspondence. Liens will be discharged once payment in full is made.
- VIII. Once a Claim of Lien has been filed against the account and the account remains delinquent, Dolan and Dolan is authorized to take such further action as they, in consultation with the Board, believes to be in the best interest of the Association including, but not limited to, filing a suit against the delinquent homeowner for money due and/or instituting an action for foreclosure of the lien.
- IX. **Amendment as per January 22, 2020 Resolution of the Board of Trustees:** in addition to the 1 ½% per month, attorney's fees and other costs of collection, a late payment charge of \$100 will be charged on each account that remains unpaid as of April 1 of each year.