Proposed Motion

"I move that the Board of Directors of Prairie Crossings Homeowners Association adopt the Assessment Collections Policy presented at this meeting, including the 30-calendar-day timing intervals stated in Section 4, with an effective date of 10/28/26."

Motion made by: Robert Abbink **Seconded by:** DeAun Reiger

Vote: In favor X Opposed _____ Abstaining _____ Absent _____

Result: ☒ Motion adopted ☐ Motion failed ☐ Motion tabled

Meeting date: 10/27/26

Effective date if adopted: 10/28/26

Board President (printed name): Robert Abbink

Signature: Abbink Date: 10/27/2026

Board Secretary (printed name): Allessandra Kummelehne

Signature: Akummelehne Date: 10/27/26

Meeting minutes reference: _____

consistently, subject to applicable law and case-specific circumstances. The review date, Board or authorized-agent decision, supporting documentation, referral date if approved, and reason for any delay or decision not to refer shall be entered in the collection log.

5. Payment plans

An owner may request a payment plan in writing by contacting the Association at the contact address or email designated in the Association's owner notices. The Association shall consider requests consistently and provide any payment-plan option required by law. A written plan shall identify the total amount covered, installment amounts and due dates, how new assessments must be paid while the plan is active, treatment of fees and interest, and consequences of a missed payment, subject to applicable law.

Payment-plan approval: Payment-plan terms may be approved by the Board or its authorized agent, must be documented in writing, and must comply with applicable law and the governing documents.

Any payment plan shall be administered consistently and shall not waive or alter an owner's statutory rights. The Association shall document approved plans and monitor compliance.

6. Application of payments

The Association shall apply each payment in the order required by applicable law and the governing documents. If neither prescribes an order, the Board shall establish a consistent allocation order by motion or resolution. Accounting records shall show the payment date, amount received, and allocation among assessment principal, late fees, interest, returned-payment fees, collection costs, and other lawful charges, as applicable.

7. Legal remedies, including liens

Subject to the Declaration, other governing documents, and applicable law, the Association's potential remedies for unpaid assessments may include referral to legal counsel, a claim or action to recover the debt, recording or enforcing an assessment lien where authorized, and any possession or other remedy available under the applicable statute. The availability, sequence, notices, filing or recording requirements, deadlines, and prerequisites for each remedy shall be confirmed by counsel for the particular account before action is taken.

Before pursuing a lien or other legal remedy, the Association shall confirm and retain documentation showing: (a) the ledger and amount claimed; (b) the governing-document and legal authority for the amount; (c) copies of all required notices and evidence of delivery; (d) expiration of required notice, cure, and response periods; (e) consideration and disposition of any timely dispute or payment-plan request; and (f) authorization for the proposed referral or action. Only legally recoverable amounts may be included in a lien or legal claim.

Nothing in this Policy authorizes self-help, a lien, possession action, foreclosure, or other remedy that is not permitted by law. The Association shall not pursue a legal remedy until counsel or another qualified authorized representative has confirmed that all prerequisites applicable to that remedy have been satisfied.

8. Records, consistent treatment, and confidentiality

The Association shall retain account ledgers, assessment notices, delinquency notices, proof of delivery, owner communications, payment-plan documents, collection logs, Board approvals, and collection or legal referral records in accordance with applicable law and the Association's record-retention practices. The Board shall receive a periodic status report showing, for each delinquent account, the current step, date of the most recent action, next scheduled action date, and any delay, using account identifiers that protect owner confidentiality. Similar accounts shall be handled consistently. Owner account information shall be shared only with persons who have an Association-related need to know or as otherwise required by law.

9. Administration and amendments

The Board may adopt administrative procedures consistent with this Policy. The Board may amend this Policy by formal action, subject to applicable law and the governing documents. The Policy shall be reviewed when legal requirements or Association practices change. This Policy is supplemental to PCHOA's existing policies.

10. Board motion, vote, and adoption

This Policy is presented to the Board of Directors for consideration at a duly called meeting. It becomes effective only if the Board approves the motion below, completes the vote record, and enters an effective date.

4. Standard collection steps

Board timing requirements and collection log

The standard target interval is 30 calendar days between each step below. Any longer waiting period required by applicable law or the governing documents controls. A step may be completed sooner only when legally permitted, the preceding step has been completed, and the reason is documented. The Association or its authorized agent shall maintain a collection log for every delinquent account showing the date each step became due, the date completed, the person or agent responsible, the delivery or action taken, the next scheduled action date, and the reason for any delay, deviation, or accelerated action. The log shall be available to the Board for oversight, subject to confidentiality requirements.

Approved timing: Step 1 to Step 2: 30 calendar days; Step 2 to completion of Step 3: 30 calendar days or the longer period required by law or the governing documents; completion of Step 3 to Step 4: 30 calendar days; Step 4 to Step 5: 30 calendar days; Step 5 to Step 6 review: 30 calendar days or the longer period required by law or the governing documents.

Step 1 — Maintain and verify the account

After an installment becomes delinquent, the Association or its authorized agent shall update the owner ledger, confirm the payment history and current mailing address, and verify the balance before issuing a collection notice. The date the delinquency was identified, the verification date, and the calculated date for Step 2 shall be entered in the collection log.

Step 2 — Send a delinquency notice

The Association shall send a written notice to the owner using a delivery method permitted by the governing documents and applicable law. The notice shall identify the property/account, unpaid assessment amount, applicable authorized charges, the due date and delinquency status, instructions for payment, and contact information for questions or disputes. It shall include any additional statements, warnings, or rights required by law. The notice date, delivery method, proof of delivery when available, response deadline, and calculated date for the next step shall be entered in the collection log.

Step 3 — Allow the legally required response period

Before escalation, the Association shall allow every notice period and opportunity to cure, dispute, request information, or seek a payment plan required by applicable law or the governing documents. The Association shall not shorten a mandatory period and shall use legally compliant notice language and delivery methods. The applicable waiting period, its source, and its expiration date shall be entered in the collection log.

Step 4 — Review owner communications and payment-plan requests

The Association shall log and reasonably review owner questions, claimed accounting errors, disputes, and written payment-plan requests. Confirmed errors shall be corrected. Any response deadline required by law shall be observed. The Association shall document the outcome and any agreed payment arrangement in writing. The date each communication or request was received, the reviewer, the response date, the outcome, and the next scheduled action date shall be entered in the collection log.

Step 5 — Send a final or pre-escalation notice when required

If the account remains unpaid after the applicable cure or response period, the Association shall send any final or pre-legal notice required by law or the governing documents. The notice shall state the amount then claimed, the deadline to cure, and the possible next steps, to the extent required by law. No legal referral shall occur before all required notices and waiting periods have been completed. The notice date, delivery method, cure deadline, proof of delivery when available, and calculated date for Step 6 review shall be entered in the collection log.

Step 6 — Determine whether the account may be referred for legal action

The Association may refer an account to legal counsel or another authorized collection professional only after completing the preceding collection steps, observing the Board-approved timing requirements in this Section, and satisfying all legally required notices, cure periods, and other prerequisites. The Board shall apply this process

PRAIRIE CROSSINGS HOMEOWNERS ASSOCIATION (PCHOA)

BEECHER, ILLINOIS

ASSESSMENT COLLECTIONS POLICY

Supplemental to PCHOA's Existing Policies

ADOPTION STATUS: Final policy presented for approval and adoption by the Board of Directors. Upon approval and execution below, this Policy shall be administered with PCHOA's governing documents and applicable law.

1. Purpose and relationship to existing policies

This Assessment Collections Policy (the "Policy") is adopted by the Board of Directors of Prairie Crossings Homeowners Association ("PCHOA" or the "Association") for Prairie Crossings in Beecher, Illinois. This Policy supplements and is to be read together with PCHOA's existing policies. It does not replace or cancel any existing policy unless the Board expressly amends or repeals that policy. Applicable law and PCHOA's Declaration, bylaws, articles, and other controlling governing documents take precedence over any inconsistent provision of this Policy.

The Policy establishes a consistent process for billing assessments, communicating with owners about overdue accounts, considering payment arrangements, and escalating unpaid balances for collection. The Association shall not pursue a legal remedy except as authorized by applicable law and the governing documents and after satisfying all applicable prerequisites.

2. Assessment amount, due date, and delinquency

The annual assessment amount is determined through PCHOA's annual budget and assessment-setting process. The amount approved for each year shall be recorded in the adopted annual budget and in the annual meeting notes or minutes, as applicable. The Association shall communicate the amount and applicable payment schedule to owners.

The Board shall establish the due date or installment schedule in accordance with the Declaration and applicable law. Under the Declaration provided for review, if no different payment date is established, annual assessments are payable in twelve equal monthly installments due on the first day of each month. The payment schedule approved for the applicable year and communicated by the Association shall be used, subject to the governing documents and law.

An installment is considered delinquent if it has not been received by its stated due date, subject to any grace period or other protection required by applicable law or the governing documents. The Association shall record the due date, unpaid principal, and the date the account became delinquent in the owner's ledger.

3. Late fees, interest, returned payments, and other charges

The monthly late fee amount, if authorized, is determined by PCHOA each year and recorded in the adopted annual budget and/or annual meeting notes or minutes. The amount in effect for the relevant period shall be used; this Policy does not set a permanent dollar amount. A late fee may be charged only when authorized by the governing documents, properly adopted Association action, and applicable law.

Interest may be charged only at a rate and in a manner authorized by the governing documents and applicable law. The Association shall not assess interest unless the applicable rate and legal authority have been confirmed and the charge is properly disclosed and itemized.

A returned-check, rejected-payment, or similar processing fee may be charged only if authorized by applicable law and the governing documents or a valid Board-adopted schedule. The amount and effective date of any such fee shall be recorded in the Association's official records and disclosed to owners as required. No fee or charge is created solely by this Policy if it otherwise lacks legal authority.

Statements and notices shall itemize assessments, late fees, interest, returned-payment fees, collection costs, credits, and payments separately to the extent applicable.