

# Resolution

(Monthly)

The Board of Directors (the "Board of Directors") of Edenton Residential Owners Association, Inc. ("Association")

## ADOPTING A COLLECTION POLICY

Adopted June 13, 2018  
(Date)

The following resolution has been adopted by the Association pursuant to the Association's Declaration (the "Declaration"), at a regular meeting of the Board of Directors.

## RECITALS

1. The Association is charged with certain responsibilities regarding the care, maintenance, and service of certain portions of common areas of the Association.
2. The Association must have the financial ability to discharge its responsibilities.
3. The Board of Directors is required to pursue collection of assessments and other charges from Owners. The term "Owner" as used in this resolution shall have the same meaning assigned to it, "Member" and/or "Parcel Owner" in the Declaration.
4. The Board of Directors desires to adopt a uniform, non-discriminating and systematic procedure to collect assessments and other charges of the Association.
5. The Association's Articles of Incorporation and Bylaws, the Declaration and this Resolution as well as any amendments thereto are referred collectively herein as the "Association Documents".

**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 Association Documents shall be divided into 12 payments and due and payable on the 1<sup>st</sup> day of each month. Assessments and other charges not received by the Association by the 30<sup>th</sup> day of each month in which the year they are due shall be considered past due and delinquent.

2. **Invoices.** The Association may, but shall not be required to, provide an invoice to an Owner. If the Association provides an Owner with an invoice or payment coupon book, although it is not required, the invoice or payment coupon book should be mailed or sent to the Owner prior to the due date of the assessment or charge. Non-receipt of an invoice or payment coupon book shall in no way relieve the Owner of the obligation to pay the amount due by the due date.
3. **Acceleration of Assessment.** Pursuant to the Declaration, if an Owner's default in paying an installment of any assessment levied against his/her property continues for sixty (60) days beyond the due date, the Association, at its option, may accelerate the remainder of the monthly assessments due that year and declare them due and payable in full.
4. **Return Check Charges.** In addition to any and all charges imposed under the Association Documents, the Association authorizes a fee payable to the Association's management company (the "Management Company") in addition to any bank charges to be assessed against an 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. The returned check charge shall be a "common expense" for each Owner who tenders payment by check or other instrument that is not honored by the bank upon which it is drawn.
5. **Application for payments made to the Association.** Payments received from an Owner will be credited first to legal fees, court costs, costs of collection, administrative fees, and any other costs incurred by the Association as a result of any violation by an Owner, his/her family, employees, agents or licensees, of the Association Documents, before being applied to the assessment.
6. **Collection Letters.**
  - A) If full payment of what is owed the Association is not received within 30 days of the original due date, the Association may, but shall not be required to, send a "Late Notice" to the Owner. The Association authorizes the Management Company to charge a delinquency fee for sending this notice to the Owner plus a 1<sup>st</sup> collections letter fee. Such charge will be assessed to the Owner. The Association may simultaneously send a copy of this notice to the mortgagee of the Owner's lot.
  - B) If full payment of what is owed the Association is not received within 60 days of the original due date, the Association may, but shall not be required to, send a second collections letter certified mail to the Owner. The Association authorizes the Management Company to charge a delinquency fee for sending this notice to the Owner plus a second collections letter fee. Such charge will be assessed to the Owner. The Association may simultaneously send a copy of this notice to the mortgagee of the Owner's lot.

7. **Use of Certified Mail.** In the event the Association shall send a notice to an Owner by certified mail, cost of postage will be charged to the Owner.
8. **Mailing Address.** The Association will send all notices to the address of the Owner's lot unless an alternate mailing address is provided to the Association in writing by the Owner.
9. **Title Research.** In the event the Association finds it appropriate to research the ownership of a lot, the cost of the research will be charged to the Owner of said lot.
10. **Liens.** The Association may file a lien against the lot of any Owner in accordance with the terms and provisions of the Association Documents. A copy of the lien may be mailed to the Owner and to the mortgagee of said property, the cost of preparing the lien, recording fees and postage shall be assessed against the Owner of said lot. Liens may be prepared and recorded by the Association, the Management Company or the Association's attorney.
11. **Referral of Delinquent Accounts to Attorneys.** The Association may, but shall not be required to, refer delinquent accounts to its attorneys for collection. Upon referral to the attorneys, the attorneys shall take all appropriate action to collect the accounts referred as directed by the Association. The Association authorizes the Management Company to charge a fee for delivering its file on an account to the attorney. Such charge will be assessed to the Owner.
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 as directed by the Association. The Association authorizes the Management Company to charge a fee for delivering its file on an account to a collections agency. Such charge will be assessed to the Owner.
13. **Attorney's Fees and Collection Agency Fees on Delinquent Accounts.** As an additional expense permitted under the Association Documents and governing law, the Association shall be entitled to recover its reasonable attorney's fees and collection fees incurred in the collection of assessments or other charges due the Association from a delinquent Owner. The reasonable attorney's fees and collection fees incurred by the Association shall be due and payable immediately when incurred, upon demand.

**14. Collection Procedures and Time Frame.** The following time frame shall be used as a guide in the collection of assessments and other charges.

Due Date (date payment is due)	1 <sup>st</sup> day of month
Payment considered late	30 <sup>th</sup> of the month
Late Charge and interest	30 <sup>th</sup> of the month
“1 <sup>st</sup> Collections Letter” mailed, fees imposed	60 days past original due date
“2 <sup>nd</sup> Collections Letter” mailed, fees imposed	30 days from date of “1 <sup>st</sup> Collections Letter”
Lien Filed, fees imposed	Upon Board Approval
Account referred to attorney for legal action, fees imposed	Upon Board Approval


**15. Waiver of Provisions.** The Management Company may waive or modify any provision (fees above and beyond assessment amounts) herein if deemed appropriate by the Management Company in its sole discretion.

**16. Effective Date.** All policies and procedures set forth in the Resolution shall be effective on July 2, 2018.

**17. Ongoing Evaluation.** Noting in this Resolution shall require the Association to take specific actions other than to notify Owners of the adoption of these policies and procedures. The Association has the option and right to continue to evaluate each matter on a case-by-case basis.

**18. Prior Resolutions.** This resolution supersedes all prior collection polices and late charges approved or imposed by the Board of Directors.

IN WITNESS WHEREOF, the Board of Directors has executed this Resolution the  
2<sup>nd</sup> day of July, in the year 2018.



Board Member

Its: Treasurer

## COLLECTION FEE SCHEDULE

1 <sup>st</sup> Collection Letter	\$10.00
2 <sup>nd</sup> Collection Letter	\$25.00 plus postage
NSF Charge	\$35.00
Payment Plan Charge	\$5.00 per payment
If Installment is Requested	\$15.00 per payment
Notary Fee	\$10.00
Lien Prep Fee	\$95.00
Lien Probate Fee	\$25.00
Title Search for Ownership	\$25.00
Referral of Delinquent Accounts to Attorney / Collection Agency	\$75.00

The above fees will be collected from property owner and retained by Neighborhood Management, LLC for collections work.

Late charges assessed by the Association and allowed for in the Covenants will be retained by Neighborhood Management, LLC as payment for collections work.

Interest charges assessed to the property Owner and allowed for in the Covenants will be retained by Neighborhood Management, LLC as further payment for collections work.

