

PAYMENT OF ASSESSMENT AND DELINQUENCY POLICY

SECTION 1

AUTHORITY

The Declaration and Covenants of the Homeplace III Fortunes Ridge Townhomes Association, Inc. (the "Association") grant the Board of Directors the power and authority to collect assessments and to remedy delinquent assessment payments. Further, per the Covenants, the Board of Directors shall have the power to formulate, amend, publish, and enforce reasonable rules and regulations concerning the use and enjoyment of the common areas for which assessments are calculated and collected.

PURPOSE

To encourage timely payment and to cover the Association for its time, inconvenience, and overhead in collecting payment, the following delinquency policy has been implemented.

SECTION 2

NOTIFICATION AND PAYMENT OF ASSESSMENTS

Homeowners will be notified 30 days in advance of each annual assessment period of the assessment amount fixed for that period.

Assessments can be paid in 12 equal installments due on the 1st day of each month but may be paid ahead at any time.

Assessment payments can be made by:

- Check
- Credit Card (Transaction fee to be paid by owner)
- Online Bill Pay Services – use your bank's online bill pay services to send recurring payments
- Pay with Monthly Emails – free, one-time debit payments – emailed 1st of each month
- Bank Draft

Assessment payments are delinquent if not received by the first of the month.

SECTION 3

NOTICE OF FEES, INTEREST ETC APPLIED TO LATE ASSESSMENTS AND 3RD PARTY VENDORS THAT MAY BE USED TO COLLECT DELINQUENT ASSESSMENTS

1. Homeowners delinquent in their assessments shall be assessed a late fee of \$15 if not paid by the last day of the month.
2. Returned checks will be charged a fee as assessed by the bank
3. Fees. Late fees are subject to change. Owners will be sent information when late fees are changed.
4. All accounts that exceed 120 days overdue are subject to additional litigation, court costs, and Attorneys' fees

The name of the firm used to collect delinquent assessments is:

Hopler, Wilms, and Hanna, PLLC
2314 S. Miami Blvd., Suite 151
Durham, North Carolina 27703

This is subject to change at the discretion of the Board of Directors.

SECTION 4

TIMELINE FOR ACTION ON DELINQUENT ACCOUNTS

Step 1 - Courtesy Notice

(After due date but before account is officially delinquent at 30 days)

Step 2 - Notice of Delinquent Assessment

(When the account is 30 days delinquent)

Notice from Property Manager advising homeowner of past due amount, payment options, payment plans, steps that will be taken to collect, as well as late fees or interest that has been or will be charged.

Step 3 - Notice of Delinquent Assessment 2

(After account is 60 days delinquent)

Notice from Property Manager advising homeowner of past due amount, payment options, payment plans, steps that will be taken to collect, as well as late fees or interest that has been or will be charged.

Step 4 - Notice of Delinquent Assessment 3

(After account is 90 days delinquent)

Notice from Property Manager advising homeowner of past due amount, payment options, payment plans, steps that will be taken to collect, as well as late fees or interest that has been or will be charged.

Step 5 - First Attorney Demand Letter

(120 days delinquent)

The Association reserves the right to initiate legal proceedings against any homeowner who remains delinquent after 120 days. A demand letter will come from the attorney's office advising the homeowner of the delinquency, and the legal remedies available to the Association. The notice gives the owner 30 days to contact and/or make payment. All Attorneys' fees and any other fees incurred as a result of this, and additional collection letter(s) shall be added to the arrearage and become a part of the total assessment due to the Association.

Step 6 - Second Attorney Demand Letter
(150 days delinquent)

Step 7 - Final Attorney Demand/Notification of Intent to File Lien
(180 days delinquent)

This notice will inform homeowner of intent to file lien in 15 days if they do not contact attorney or property manager to make payment arrangements per NC General Statute 47F-3-116 (b): "No fewer than 15 days prior to filing the lien, the association shall mail a statement of the assessment amount due by first-class mail to the physical address of the lot and the lot owner's address of record with the association and, if different, to the address for the lot owner shown on the county tax records for the lot. If the lot owner is a corporation or limited liability company, the statement shall also be sent by first-class mail to the mailing address of the registered agent for the corporation or limited liability company. Notwithstanding anything to the contrary in this Chapter, the association is not required to mail a statement to an address known to be a vacant lot on which no dwelling has been constructed or to a lot for which there is no United States postal address."

This notice will also include language of the Association's intent to seek payment of attorneys' fees, costs, and expenses for collection.

See: N.C.G.S. § 47F-3-116

Step 8 - Foreclosure
(360 days delinquent)

Per NC statute 47F-3-116 (f), foreclosure proceedings can begin 90 days after the lien has been filed. A lien is valid for 3 years, and the Board can choose to act on a lien at any time. The board must vote to approve proceeding with foreclosure, and it will be a policy of the board to call a vote on foreclosure at the next meeting after the date the lien has matured.

SECTION 5

PAYMENT PLANS AND NEGOTIATED PAYMENTS

At any time, the Association, through its Board of Directors and in the Board's sole discretion, may act in the best interest of the Association to resolve delinquencies quickly, reduce money spent on legal fees and with regard to the time spent on collection tasks by the property management and 3rd parties, by allowing a payment plan or negotiated partial payment. This may include reducing or removing late charges and fees but will not include a reduction in the principal amount of the assessment.

SECTION 6

SUSPENSION

At any time, the Association, through its Board of Directors and in the Board's sole discretion, may notify the owner that non-payment of assessments, fines, or fees may result in a suspension of homeowner services and privileges including, but not limited to, denied access to common areas and amenities provided by the Homeplace III at Fortune Ridge Townhomes Association, Inc.