

**THE BOARD OF DIRECTORS OF
NEUSE COLONY ASSOCIATION, INC.
RESOLUTION ADOPTING A COLLECTION POLICY**

Adopted: September 12, 2011

Whereas the NEUSE COLONY ASSOCIATION, INC. BY-LAWS ARTICLE VII BOARD OF DIRECTORS: POWER AND DUTIES OF THE BOARD OF DIRECTORS
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Whereas Section 2 of the By-Laws of Neuse Colony Association, Inc empowers and charges the Neuse Colony Association Board of Directors to enforce the Declaration of Covenants, By-Laws, and Rules and Regulations, in order to preserve property values, promote safety, and create a high quality of life through sense of community, and

Whereas the Association is charged with certain responsibilities regarding the care, maintenance, and service of certain portions of the community, and

Whereas the Association must have the financial ability to discharge its responsibilities, and

Whereas the Board is required to collect assessments and other charges from owners, and

Whereas from time to time homeowners become delinquent in their payment of assessments and fail to respond to demands to bring their account current. There is a need to adopt a fair and consistent Assessment Collections Policy,

Whereas the Board desires to adopt a uniform, non-discriminating, and systematic procedure to collect assessments and other charges of the Association.

NOW, THEREFORE, BE IT RESOLVED that the NEUSE COLONY ASSOCIATION does hereby adopt the following procedures and policies for the collection of assessments and other charges of the Association.

Due Dates. The annual assessment as determined by the Association and as allowed for in the Declaration, Articles of Incorporation, and By-Laws shall be due and payable on the 1st of January each year. Assessments or other charges not paid to the Association by the **1st of March** shall be considered past due and delinquent.

Invoices. The Association may, but shall not be required to, invoice an owner as a condition to an owner's obligation to pay assessments or other charges of the Association. Since the Association provides an owner with an invoice for annual assessments, although invoices are not required, the invoice should be mailed or sent to the owner between 1 and 60 days in advance of the due date 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.

Late Charges Imposed on Delinquent Payments. Assessments shall be past due and delinquent if not paid as specified above. The Association shall impose a \$10 late charge on the outstanding or past due balance then due the Association. The late charge shall be a "common expense" for each owner who fails to pay according to the Association's policy of the annual assessment by the due date as specified above.

The late charge shall be the personal obligation of the owner(s) for which such assessment 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 payment of assessments.

Interest. The Association may impose the 6% (six percent) interest per annum on any unpaid balance as set forth in the Covenants. The interest shall be a "common expense" for each owner who fails to pay annual assessment by the due date as specified above.

The interest shall be the personal obligation of the owner(s) for which such assessment is unpaid. All interest shall be due and payable immediately, without notice, in the manner provided by the Declaration (and as set forth above) for payment of assessments.

Return Check Charges. In addition to any and all charges imposed under the Declaration, Articles of Incorporation, and By-Laws, the Rules and Regulations of the Association, or this Resolution, a \$25 fee shall 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 or is returned by the institution upon which it is drawn for any reason whatsoever, including but not limited to insufficient funds.

This 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 institution upon which it is drawn. Such return check charge 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.

Attorney Fees and Collection Costs on Delinquent Accounts. As an additional expense permitted under the Declaration, Articles, By-Laws, and Statutes, 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.

Application for Payments Made to the Association. Payments received from an owner will be credited in the following order:

1. Charges for legal fees, court costs, and other costs of collection
2. All late charges and interest accrued, as applicable
3. All other charges incurred by the Association as a result of any violation by an owner, his/her family, employees, agents or licensees, of the Declaration, Articles of Incorporation, By-Laws, Rules and Regulations, or Resolutions.
4. The assessment for the lot, including any accelerated or special assessment due, as applicable; payments shall be applied toward the oldest month(s) then owed.

Collection Letters. After an assessment payment or other charge due the Association becomes 45 days past due, the Association may, but shall not be required to, send a Late Notice to the owner. The Association may simultaneously send a copy of the notice to the mortgagor of the lot.

Use of Certified Mail/Regular Mail. In the event the Association shall send a collection or demand letter or notices to a delinquent owner by regular mail, the Association may also send, but shall not be required to send, an additional copy of that letter or notice by certified mail.

Liens. The Association may file a notice of Claim of Perfected Secured Lien against the property of any delinquent owner in accordance with the terms and provisions of the Declaration, Articles of Incorporation, and By-Laws. A copy of the notice of Claim of Perfected Secured Lien will be mailed to the owner by first class mail and registered or certified delivery with return receipt and may be mailed to 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.

Referring Delinquent Accounts to Attorneys. The Association may, but shall not be required to, refer delinquent accounts to an attorney for collection. Upon referral to the attorney, the attorney shall take all appropriate action to collect the accounts referred.

The Association 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 the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Association shall determine appropriate under the circumstances.

Privacy of Owners. The Association shall consider the annual assessment to the Association to be a legal contract between the two parties. Privacy of owners shall be afforded at all public meetings, correspondence, or notifications. Delinquent owners will have their individual cases discussed in closed executive session and the decision of the Board will be sent to the owners, Management Company, and potentially legal counsel. If the account becomes delinquent to the point of foreclosure, the lawyer(s) for the Association shall be afforded client-attorney privileges.

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 those provisions of this resolution. All other policies and procedures set forth in this resolution shall be effective immediately.

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.

IN WITNESS WHEREOF, the undersigned have executed this resolution the 21st day of September 2011.