

Bingham Trace Homeowners Association, Inc.

The Board of Directors of Bingham Trace
Homeowner's Association

Adoption of Collection Policy

Adopted 12-1-2017

The following resolution has been adopted by the association pursuant to North Carolina law, at a special meeting of the board of directors.

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 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 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 bylaws shall be due and payable annually on January 1. Assessments or other charges not paid to the association by the 30th day of January shall be considered past due and delinquent.

Late Charges Imposed on Delinquent Installments. Assessments shall be past due and delinquent if not paid as specified above. The association shall impose a \$ 20.00 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 an installment of the annual assessment by the due date as specified above. The late charge shall be the personal obligation of the owner(s) of the unit for which such assessment or installment 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 shall impose interest of 18% per annum on any unpaid balance. The interest shall be a "common expense" for each owner who fails to pay an installment of the annual assessment by the due date as specified above.

The interest shall be the personal obligation of the owner(s) of the unit for which such assessment or installment 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 bylaws, the rules and regulations of the association, or this resolution, a \$25.00 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 the bank or is returned by the bank 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 bank 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.

Returned check charges shall be the obligation of the owner(s) of the unit for which payment was tendered to the association. Return check charges shall become effective on any instrument tendered to the association for payment of sums due under the declaration, articles, bylaws, rules and regulations, or this resolution. If two or more of a unit owner's checks are returned unpaid by the bank within any (fiscal) year, the association may require that all of the unit owner's future payments, for a period of one year, be made by certified check or money order.

Attorney's Fees on Delinquent Accounts. As an additional expense permitted under the declaration, articles, bylaws, 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, bylaws, rules and regulations, or resolutions.

4. The monthly assessment for a unit, 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 installment or other charge due the association becomes 30 days past due, the association may, but shall not be required to, send a late notice to the unit owner. The association may simultaneously send a copy of the notice to the mortgagee of the unit.

If payment in full is not received within 90 days, the association may, but shall not be required to, send notice to the unit owner that it intends to refer the account to an attorney. The association may simultaneously send a copy of the notice to the mortgagee of the unit.

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 lien against the property of any delinquent owner in accordance with the terms and provisions of the declaration, articles of incorporation, and bylaws. A copy of the notice of lien shall be mailed to the owner and 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.

Referring 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.

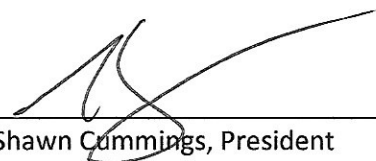
The association may grant a waiver of any provision herein upon petition in writing by an owner showing a personal hardship. Such relief granted an owner shall be appropriately documented in the files with the name of the person or persons representing the association granting the relief and the conditions 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.

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 IWTFNESS WHEREOF, the undersigned have executed this resolution the 1st day of Dec, in the year 2017.



Shawn Cummings, President



Lisa Brewer, Secretary