

Colonial Townes Association, Inc.
Administrative Resolution No. 2008-1
Assessment Collections Amended

WHEREAS, Article VIII of the Bylaws assigns the Board of Directors all of the powers and duties necessary for the administration of the affairs of the Association and further states that the Board may do all such acts and things as are permitted by the Declaration or the Bylaws to be exercised and done by the Association;

WHEREAS, Article IV of the Declaration of Covenants, Conditions, and Restrictions creates assessments and outlines the procedures to be followed for non-payment of assessments for members of the Association;

WHEREAS, The North Carolina Planned Community Act (N.C.G.S. 47-F) further clarifies the collection of delinquent assessments and allows for the collection of actual attorney fees;

WHEREAS, the Board recognizes the need for specific procedures to be set and followed in the collection of assessments from members of the Association;

NOW, THEREFORE, BE IT RESOLVED THAT, the assessment collection procedure shall be outlined as below:

The regular assessments are due on the first day of the month and are considered past due if not received in the office of the managing agent on the last day of the month for which they are due.

The managing agent is hereby instructed to charge each unit owner for which assessments have not been received by the last day of the month, a late charge in the amount of \$20 and collection charges as outlined on the attached collection policy sample. Such charges shall become a part of the assessment charged for such unit in default.

The managing agent is further empowered to notify such defaulting unit owner by past due invoices of such default and to continue collection procedures through the Association's attorney until such delinquency is brought current. In the event the assessment is considered uncollectable by reason of bankruptcy, etc., the managing agent will advise the Board of Directors.

Colonial Townes Collection Policy

1. Coupon payment booklets will be mailed to homeowners in advance of the assessment collection year.
2. Assessments not received by the last day of the month in which they are due will be charged a late charge of \$20. Past due invoices will be sent from the managing agent by the tenth (10th) day of the month after which they were due.
3. If the past due assessments and related charges are not received by the last day of the second month, a second late charge, as well as the Talis Second Delinquent Charge, will be added. A second invoice will be sent from the managing agent. This invoice will contain a notation, "To avoid collection charges and possible legal action, remit entire balance due no later than ___/___/___." The date given on the invoice will be no more than fifteen (15) days.
4. If the past due assessments and related charges are not received by the date given on the Second Delinquent Notice, a Final Collection Notice will be sent adding a collection charge of \$30.00 (or current rate). Said notice will be sent by first class mail to the property address and mailing address, if applicable, of delinquent homeowner.
5. If payment is not received after thirty (30) days of mailing the Final Collection Notice referenced in step #4 above, the delinquent account will be transferred to the Association's attorney for collection. When a delinquent account is sent to the attorney for collection, an administrative charge of \$35 will be added to the ledger to cover the audit expense for delinquent accounts. Legal action will begin and all costs associated with this collection, including all legal fees, will be borne by the homeowner.
6. Upon referral of a collection file, the Association's attorney will double-check current ownership of the property and verify that the mortgage company has not started foreclosure proceedings. A lien will then be filed against the property and sent to the homeowner by first class and certified mail.
7. After the lien is filed, the homeowner has 21 days to respond (pay, set up payment plan, dispute balance, etc.) If they do not pay within 21 days, Board decision is needed to proceed with foreclosure.
8. Assessment checks returned to the Association for insufficient funds will result in a \$30.00 (or current bank rate, whichever is higher) processing charge against the owner and will be added to his/her outstanding balance as of the date of return to the Association.

Colonial Townes

Example of Collection Policy:

Date	Detail	Activity	Balance
1/1/08	January Assessment	\$115.50	\$115.50
1/31/08	January Late Charge	\$ 20.00	\$155.50
2/1/08	February Assessment	\$115.50	\$271.00
2/10/08	Past Due Notice		
2/28/08	February Late Charge	\$ 20.00	\$291.00
3/1/08	March Assessment	\$115.50	\$460.50
3/10/08	Second Delinquent Charge for preparing 2 nd Past Due Notice	\$ 25.00	\$431.50
3/10/08	2nd Past Due Invoice		
3/25/08	Final Collection Notice	\$ 30.00	\$461.50
3/31/08	March Late Charge	\$ 20.00	\$481.50
4/1/08	April Assessment	\$115.50	\$597.00
4/28/08	Account to Attorney	\$ 35.00	\$632.00
4/30/08	April Late Charge	\$ 20.00	\$652.00
5/1/08	May Assessment	\$115.50	\$767.50
5/3/08	Lien Filed by Attorney	\$225.00	\$992.50
5/10/08	Past Due Invoice		
5/25/08	Board Decision Needed to Foreclose		
5/30/08	May Late Charge	\$ 20.00	\$1,012.50

Resolution Action Recorded

Resolution Type: Administrative No. 2008-1

Pertaining to: Assessment Collections

Duly adopted at a meeting of the Board of Directors held: May 12, 2008

Motion by: Emily Mary Brown Seconded by: Marylou Addor

Vote:
YES NO ABSTAIN ABSENT

Jason Serino _____
President

Marylou Addor _____
Vice President

Jamie Cardwell _____
Treasurer

Beverly Wood _____
Secretary

Emily - Mary Brown _____
Director

Director

Director

ATTEST:

Beverly Wood
Secretary

5-12-08
Date

FILE:

Book of Minutes – _____

Book of Resolutions:

	Book No.	Page No.
Policy	_____	_____
Administrative	_____	_____
Special	_____	_____
General	_____	_____

Resolution effective: July 1, 2008