

CURETON TOWNHOME OWNERS ASSOCIATION, INC.

Policy Resolution # 2 : Policy Resolution Regarding Delinquent Assessments

Approved: August 17, 2011 Effective: August 17, 2011

WHEREAS, the Board of Directors of the Cureton Townhome Owners Association, Inc. is empowered to exercise all of the powers, duties and authority vested in or delegated to this Association by provisions of the Bylaws, Articles of Incorporation, and the Declaration of Covenants, Conditions and Restrictions.

WHEREAS, Article 9, Section 9.01 of the Declaration of Covenants, Conditions and Restrictions states that Declarant and every Owner of any Lot by acceptance of a deed agrees to pay to the Association such regular annual assessments or charges and such special assessments or charges as may be levied by the Association and any assessments levied by the Master Association (which shall be part of the regular annual assessments) pursuant to the provisions of the Declaration.

WHEREAS, Article 9 Section 9.11 of the Declaration of Covenants, Conditions and Restrictions states that any assessment not paid within ten (10) days after the due date shall be delinquent. The Board may require that any delinquent assessment bear a late charge not to exceed \$25.00 per day or greater if approved by the Board and allowed by NC law.

WHEREAS, Article 9, Section 9.01 of the Declaration of Covenants, Conditions and Restrictions states that the amount of annual or special assessments plus any other charges such as late charges and attorney's fees shall be and become a lien upon the Lot assessed when the Association causes to be recorded in the official records of the County a notice of assessment. The lien may be enforced by foreclosure in accordance with North Carolina law.

WHEREAS, Article 9 Section 9.11 of the Declaration of Covenants, Conditions and Restrictions states that the Association, after Notice and Opportunity for Hearing, may suspend a delinquent Owner's membership rights in the Association while assessments or fines remain unpaid.

WHEREAS, there is a need for the Board of Directors to give direction regarding the process associated with the legal action of delinquent Assessments and Special Assessments and establish the due dates and cost of collection of delinquent Assessments.

WHEREAS, it is the intent that this policy be applicable to the filing of liens and foreclosing on said liens on Lots within the Association that are delinquent. This resolution will be in effect from the date listed above until it is rescinded, modified or amended by a majority of the Board of Directors.

NOW THEREFORE, BE IT RESOLVED THAT the following policy shall be adopted by the Board of Directors regarding the legal action of any delinquent Assessment.

1. Assessments will be collected from owners on a monthly basis with a due date of the first of each month.
2. When any assessment is delinquent more than ten (10) days, a late fee of \$20.00 will be charged to the owners account.
3. A written late notice will be issued by the Managing Agent to the Owner detailing the amount of the delinquent assessment and late fees.
4. An account becomes eligible for Lien when the delinquent balance totals \$278.50 or more. Once an account reaches the stated threshold, the Managing Agent will issue a written notice of the Association's intent to place a Lien on the Lot for the amount of the unpaid assessment, late fees, and attorney's fees if the total amount due is not paid in full within 30 days from the date of the written notice.

5. When any assessment is delinquent 30 days from the date of the written notice of the Association's intent to place a Lien on the Lot the Association shall have a Lien placed on the Lot by the Association's law firm unless the Owner is complying with a written payment plan that has been approved by the Board of Directors. A Notice and Opportunity for Hearing will be sent to the delinquent Owner to suspend membership rights while the assessments or fines remain unpaid.
6. An account becomes eligible for Foreclosure when the delinquent balance totals \$1,671.00 or more and at least 30 days have passed since a Lien has been placed on any Lot unless the Owner is complying with a written payment plan that has been approved by the Board of Directors. The Board will instruct the Managing Agent to proceed with this action from time to time.
7. Owners that have fines levied on their account for violations of the Covenants, Conditions and Restrictions, Architectural Guidelines or other rules enacted by the Board shall be treated the same as listed above.

APPROVED:

Michael Ferreira / VP
Board Member - PRINT NAME and POSITION

M Ferreira
Board Member - SIGN NAME

Date

8/17/11

Janice A. Oan Secretary
Board Member - PRINT NAME and POSITION

Janice Oan
Board Member - SIGN NAME

Date

8/17/11