

500 Market Street Homeowners Association Collection Policy & Procedures

- Monthly assessments are due on the 1st of each month. After 30 days, a \$35 late fee is applied each month until the assessment is paid in full.

The following process will be followed for assessments that are late:

- The first delinquency notice will be sent at the end of the month in which the account becomes delinquent.
- If full payment is not received, a second delinquency notice will be sent 30 days after the first delinquency notice.
- If full payment is still not received, a final delinquency notice will be sent 30 days after the second delinquency notice.
- Thirty days after the final delinquency notice is sent, any outstanding accounts will be turned over to the Association's attorney (John Stewart) and the attorney should send a demand letter to the delinquent homeowner no later than 10 days after the attorney referral. The letter should conform to both the Federal and North Carolina Fair Debt Collections Act. The letter should provide the total balance owed, including applicable interest, attorney fees and late fees and provide a date by which the account should be paid to avoid the imposition of additional attorney fees and the filing of a lien.
- No later than 14 days from the mailing of the demand letter, the Association's attorney should file a lien on the property securing all amounts owed, including any additional assessments, attorney fees, interest, or other fees that subsequently accrue.
- No later than 30 days from the filing of the lien, the Association's attorney should send a letter providing a pay-off balance and providing the delinquent homeowner 10 days to pay the account in full or note that foreclosure action may ensue.

- Any lien outstanding for 3 months or with a balance in excess of \$500.00 may be foreclosed. Initiation of foreclosure requires the approval of the 500 Market Street Homeowners Association Board of Directors.
- Prior to filing foreclosure, and in accordance with controlling North Carolina law, the Association's attorney will mail an "intent to foreclose" letter. The letter will provide a pay-off balance, including all applicable principal, interest, late fees and attorney fees, as well as a daily interest per diem on the unpaid balance. The letter shall state that the delinquent homeowner has ten (10) days to pay the balance in full, or to otherwise negotiate acceptable payment arrangements, or the attorney will file a foreclosure action.
- The Management Company should provide an updated report on the status of accounts referred to Association's attorney at each 500 Market Street Homeowners Association Board of Directors meeting.
- The homeowner is responsible for all attorney fees and other costs associated with collection effort.