

PEYTONS RIDGE HOMEOWNERS ASSOCIATION INC

DELINQUENT ASSESSMENT

COLLECTION POLICY

Introduction: Property owners' associations derive their basic legal authority for their existence, activities, and actions from North Carolina state statutes (laws) and certain legal documents as listed below. These documents can be found on Advantage Gold Realty's website at www.advantagegoldrealty.com.

- Articles of Incorporation;
- Declaration of Covenants, Conditions and Restrictions;
- By-Laws; and
- Rules & Regulations.

Records and Collection Policy

1. It is the fiduciary responsibility of the Board of Directors to collect all assessments for the maintenance and replacement of common area property and other association expenses in a timely fashion. The Association is entitled to recover assessments, reasonable collection costs, reasonable attorney's fees, late fees and interest.

2. Assessments are due on January 1st of every year and are delinquent if not received by the close of business on January 31ST of every year. Each payment from an owner shall be applied first to the principal sum owed, then, in descending order, to interest, late and collection expenses, unless an alternate agreement is entered into between the Association and the owner. A late charge shall be assessed in an amount not to exceed the greater of twenty dollars (\$20.00) per month or ten percent (10%) of any assessment installment unpaid whichever is greater. All balances due as of 5:30 p.m. on the 30th day of the month will be subject to interest of twelve percent (12%) per annum. All such amounts must be paid in full and the Association shall not be required to accept partial payments absent a written agreement.

3. On or about the 90th day after a payment is due, a "30-Day Pre-Lien Notice" will be prepared and sent, by regular mail, to the delinquent record owner(s) at the owners' lot/home address in the subdivision and the last mailing address provided to the Association by the owner. If the delinquent record owner(s) have provided a written notice of a secondary address, all notices shall be sent to that address also. Such notice will include an itemized statement of the total amounts delinquent, including but not limited to, assessments, late charges, interest and costs of collection, if any. At any time, the owner is entitled to ask to meet with the Board or Board representative.

4. On or about the 30th day after the 30-Day Pre-Lien Notice is sent, the Association may record a lien on the property to secure the debt. The decision to record a lien shall be made by the Board of Directors, approved by a majority vote in an open meeting. The Board shall record the vote in the minutes of that meeting referring to the property by parcel number, and not name of the owner. Likewise, the decision to file in small claims shall be made by the Board and not the Association's agent.

5. If all sums secured by the lien are not paid in full within thirty (30) days after recordation, the Board may make initiate an action to collect the sums owed. All resulting collection fees and costs will be added to the total delinquent amount as allowed by law. At some point in time prior to initiating collection procedures, the Board shall offer the owner and, if so requested by the owner, participate in discussions to allow the payment of the outstanding balance in installments. Payment plans may incorporate any assessments that accrue during the payment plan period, however they shall not impede an association's ability to record a lien to secure payment of delinquent assessments. Additional late fees shall not accrue during the payment plan period if the owner is in compliance with the terms of the payment plan. In the event of a default on any payment plan, the association may resume its efforts to collect the delinquent assessments from the time prior to entering into the payment plan.

6. All charges assessed to the assessment account must be paid in full as a condition to curing and releasing a recorded Lien and other documents of foreclosure. The Association is not required to accept any partial or installment payments, except with execution of a mutually agreeable payment agreement. Arrangements for such an agreement must be made with the or the Board or Board representative.

7. The mailing address for overnight payment of assessments is:

Peytons Ridge Homeowners Association Inc
c/o Advantage Gold Realty
301-C Western Blvd. Suite C
Jacksonville, NC 28546

8. Except where prohibited by law, the Board of Directors of the Association may revise this policy, either generally or on a case-by-case basis, if it finds good cause to do so. To the extent there are any general discretionary changes (rather than compliance related to the law or governing documents), the Board shall circulate the policy to owners at least thirty (30) days before the meeting at which the revisions will be considered.

Peytons Ridge Homeowners Association