Crescent Ridge Property Owners Association, Inc.
Collection Policy

WHEREAS, Article 8 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, Section 9 of the 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 reasonable 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:

1. Statements/coupon booklets will be sent to homeowners in advance of the assessment collection year. Assessments are due the first day of each month in the year for which they are due and are considered late (past due) if received by the managing agent after the fifteenth (15th) day of the month for which they are due.

2. Assessments not received by the fifteenth (15th) day of the month will be charged a late fee of $20.00. Assessment Notices/Statements will be sent from the managing agent by the twenty fifth (25th) day of the month for which they are due. Such charges shall become a part of the assessment charged for such unit in default. Each property is allotted a one-time courtesy late fee removal and all requests must be provided in writing.

3. a. If the past due assessments and charges are not received by the fifteenth (15th) day of the following month, an interest fee and/or late fee of $20.00 will be charged and a First Delinquency Letter will be sent from the managing agent. This letter will contain a notation, “To avoid collection charges and possible legal action, remit entire balance due no later than (the date given on the letter which will be no more than ten (10) days)”.

   b. If at any point within the next 12 months (after the initial delinquency (step #2)) the account is past due, a Second Delinquency Letter will be sent from the managing agent. This letter will contain a notation, “To avoid moving to the next step in the collection process, the Demand Letter, remit the entire balance due no later than (the date given on the letter) which will be no more than ten (10) days). You may find more information on the Crescent Ridge Collection Policy under “Documents” and then “Collection Policy.”

4. If the past due assessments and related charges are not received by the date given on the Delinquency Letter, a Demand Letter will be sent adding a charge of $50.00 to the home owner’s account. This letter will contain a notation, “If your account is not paid within (30) days, it will be transferred to an attorney and a lien will be filed against the property”. All costs associated with this legal action will be added to the Home Owner’s Account.

5. If payment is not received after thirty (30) days of mailing the Demand Letter referenced in step #4 above, the delinquent account will be transferred to the Association’s attorney, for further collection. Legal action will begin and all costs associated with this collection, including all legal fees, will be borne by the homeowner. 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. With the approval of the Board, a lien will then be filed against the property. Notification will be sent to the owner by first class and certified mail.

6. After the lien is filed, the homeowner has twenty one (21) days to respond to the Attorney (pay, set up payment plan, dispute balance, etc.) If they do not pay within twenty one (21) days, a Board decision is needed to proceed with foreclosure.

7. Assessment checks returned to the Association for insufficient funds will result in a charge of $30.00 or the current bank rate against the owner and will be added to his/her outstanding balance as of the date of return to the Association.

8. The managing agent is further empowered to notify such defaulting unit owner with past due invoices of such default until the account has been transferred to the Association’s attorney. In the event the assessment is considered uncollectible by reason of bankruptcy, etc., the managing agent will advise the Board of Directors.