



ASSESSMENT COLLECTION POLICY and PROCEDURE
Effective 11-01-2022

I. GENERAL COLLECTION POLICY. Pursuant to Article V & XIV of the DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR SOUTHWEST PLANTATION, and to NCGS 47F, the following constitutes the Association's General Collection Policy and Procedure applicable to every Southwest Plantation Lot and Owner, as defined in the Declaration.

A. ASSESSMENTS

1. Monthly Assessments. Assessments are due by the 1st of each month. Any installment that has not been paid within ten (10) days of the due date shall be deemed delinquent. At that time, the Board will take or direct to be taken further action as set forth in the Incidental Fees and Collection Procedure.

2. Special Assessments. Special Assessments may be levied from time to time for the purpose of defraying unanticipated increases in insurance costs and/or for unexpected costs associated with the repair or replacement of a described capital improvement upon the Common Area pursuant to Article I, Section 1.12 (a&b) of the Declaration. Special Assessments are due as set forth in the Resolution authorizing such assessment. Any Special Assessment that has not been paid within thirty (30) days of that date shall be deemed delinquent. At that time, the Board will take or direct to be taken further action as set forth in the Incidental Fees and Collection Procedure.

3. Individual Assessments. Pursuant to Article V, Section 5.4 of the Declaration, Individual Assessments may be levied from time to time in any assessment year upon any Southwest Plantation Owner in order to cover costs incurred by the Association for that Owner's failure to maintain his or her lot and any improvement(s) thereon to the standards set forth in the Declaration, or to reimburse the Association for any damage to any Common Area property caused by the Owner, his or her tenant, guest, or invitee, or for any other purpose permitted by the Declaration (including any amendments thereto). Individual Assessments are fully due and payable within thirty (30) days of written notice by the Association to the Owner. Any individual assessment that has not been paid within thirty (30) days of said notice shall be deemed delinquent. At that time, the Board will take or direct to be taken further action as set forth in the Collection Procedure.

4. Fines. Pursuant to Article V, Section 5.5.2 of the Declaration, The Board of Directors, or an adjudicatory panel established by the Board of Directors, may levy a reasonable Fine Assessment, as a fine or penalty for violation of this Declaration, all in accordance with the Planned Community Act. A lien may be filed for this Fine Assessment and this Fine Assessment may be enforced by foreclosure and otherwise treated as a Regular Assessment. *Reference Section 14.1.2 of the Declaration of Covenants, Conditions, and Restrictions for Southwest Plantation.* In addition to all other remedies of the Association, the Association shall have the right to assess a maximum fine of \$150.00 per day (or such higher amount as may be allowed by law) per violation against any Owner who violates any provision of this Declaration or the Articles, Bylaws, or Rules and Regulations of the Association after such Owner has been given notice of the violation and an opportunity to be heard with respect to the violation in accordance with such policies and procedures as may be adopted from time to time by the Board of Directors or as may be set forth in the Bylaws.

B. INCIDENTAL FEES.

- 1. Late Fees.** Unless otherwise specified by the Board of Directors, a late fee of \$ **20.00** shall be imposed upon any Assessment or installment thereof not paid within ten (10) days of the due date.
- 2. Interest.** Interest in the amount of fifteen percent (15%) per year accrue on any assessment or other account balance that is not paid within thirty (30) days of the due date.
- 3. Legal fees and collection costs.** All court costs and expenses incurred by the Association in collecting any delinquent account, including reasonable attorney fees, shall be added to the delinquent account, and paid by the defaulting owner if the account is not paid in full within fifteen days of the date of the letter required by NCGS 47F-3-116(e1) (See Collection Procedure per covenants section II.A.2).

C. APPLICATION OF PAYMENTS. Payments made on a delinquent account by a defaulting owner shall be applied as follows:

1. To legal fees and collection costs;
2. To interest and late fees,
3. To the outstanding assessment amount.

II. COLLECTION PROCEDURE. The Board of Directors shall take, or shall direct to be taken, the following actions when any assessment or installment thereof is in default. The Board of Directors may from time to time exercise its authority pursuant to the Declaration, to NCGS 47F, and to NCGS 55A, to approve a delinquent owner's request for a payment plan at any point during the collection procedure process.

A. GENERAL PROCEDURE.

1. 30 Day Delinquency: The Association's representative will send a letter by first class mail & email to the defaulting owner indicating that the installment, assessment, or assessment balance is past due. The letter will specify the amount of interest and late fees being charged. The letter will be mailed to the last known permanent address of the owner on record with the Association.

2. 60 Day Delinquency: The Association's representative will mail a letter by first class mail & email to the defaulting owner, at every address for the owner known to the Association, including the address of the owner's Southwest Plantation lot(s). The letter will inform the owner that the amount of the assessment remaining unpaid is due in full. The letter will also state that if payment is not made within fifteen (15) days of the date of the letter, a Claim of Lien will be filed against the lot in the office of the Clerk of Superior Court of Onslow County, North Carolina, and that the owner will bear responsibility for the costs and legal fees associated with the collection of the account. This letter will conform to the requirements of NCGS 47F-3-116(e1).

3. 75 Day Delinquency: The Association's representative will turn the account over to the Association's attorney for formal collection action, to begin with the filing of the Claim of Lien. The attorney will mail a copy of the Lien to the owner by certified mail, return receipt requested and by first class mail in accordance with the requirements of NCGS 47F-3-116(g). The Lien will be accompanied by a letter informing the defaulting owner that an action to foreclose the Lien may be filed if payment is not made within twenty-one days of the date of the letter. The letter will conform to the requirements of NCGS 45-21.16(c)(5)(a).

4. 96 Day Delinquency: If payment has not been made on the account, an action may be commenced against the defaulting owner to foreclose the Association's lien against the account, or to pursue a judgment against the defaulting owner for the total outstanding assessment, including interest, late fees, court costs, and reasonable attorney fees. The Association reserves the right to declare the balance of any annual assessment delinquent in excess of 90 days immediately due and payable at this time.

B. THIRD PARTY COLLECTION AGENCY. In addition to or in lieu of the above, the Board of Directors may contract with a third-party collection agency to pursue collection of delinquent assessments, in accordance with the Fair Debt Collection Practices Act, which will include collection letters and calls at sixty (60) days past due, and credit agency reporting at 90 or more days past due, in the amount of all outstanding assessments, interest, late fees, administrative fees, court costs, and reasonable attorney fees.

C. POST-FORECLOSURE DELINQUENT ACCOUNTS: Where a lot has been foreclosed upon and a delinquent account balance remains on the prior owner's account, the account will be referred to the court appropriate based on the delinquent balance.

Accounts that are not successfully collected pursuant to this program will be evaluated for further action by the Executive Board as indicated by the circumstances.