

Spring Pines Homeowners Association Operating Policies and Procedures

Delinquent Account Policy

**Revision B
01/27/11**

Approvals

Approved:

President, Steve Calhoun

Vice President, Jeremy Kirk

Director, Sherry Noulles

Secretary, Maurice Eubanks

Treasurer, Cindy Calhoun

Delinquent Account Policy

Spring Pines Homeowners Association

I. Purpose

The Spring Pines Homeowners Association must collect assessments (dues) from each of its members (lot owners) for the purpose of maintaining common properties and amenities, paying management fees and legal costs, and providing for other expenses associated with the operation of the Association. The purpose of this policy is to identify a unified process for the handling of Spring Pines Homeowner accounts that have become delinquent or are otherwise not in good standing.

II. Scope

This policy applies to homeowners of record for lot(s) within the Spring Pines Subdivision in Raleigh, NC.

III. References

- A. Articles of Incorporation, Article IV, paragraph b
- B. By-Laws, Article VII, Section 1, paragraph b
- C. By-Laws, Article VII, Section 2, paragraphs c and d
- D. By-Laws, Article XI
- E. Declaration of Covenants, Article V, Section 1, paragraph d
- F. Declaration of Covenants, Article VI, Section 1, Section 8 and Section 9
- G. Declaration of Covenants, Article XII, Section 2

IV. Overview

Each homeowner within Spring Pines accepted an obligation to pay annual assessments as a condition of ownership within the subdivision. These annual assessments are typically in the form of twelve monthly payments. While it is neither the intention nor desire of the Board of Directors to place undue financial hardship on our homeowners, it is necessary to insure that the expenses of the Association are shared equally among all members. However, it should be noted that throughout this policy, the Board of Directors will attempt to balance the need for payment against the personal financial situation of the homeowner.

V. Late Fees

Late fees are assessed to address the incremental management costs including administrative, processing, and postage. While cost savings may not necessarily be in the form of reduced Property Management fees, they may assist the Association in deferring management fee increases in the future.

Payments of monthly assessments are due the **1st day** of each month. Payments not received by the **30th** day of the month are considered past due, and will be assessed a late fee.

A late fee is considered a singular event in that only one late fee can be attached to a past due payment. For example, a November 2009 payment not received or received late, will have a single late fee attached. Should the payment still not be made the following month, additional late fees will not be attached to November 2009, but will be applied to the December payment if it is not received by the cutoff date.

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VI. Statements

In order to reduce costs, statements will not be routinely issued to accounts that are current. Any homeowner whose payment is not received by the 30th day of the month will be issued a statement of account. This statement will include a summary of delinquent dues as well as late fees.

Any homeowner has the right to request a statement either through any member of the Board of Directors or directly from the Property Management Company employed.

VII. Notifications

Upon determination of delinquent dues (payments not received by the 30th day of the month), the past-due homeowner will be notified in writing via US Mail by the Property Management Company. There are three levels of communication.

- A. Any payment not received by the 30th day of the month, and where the past due amount is less than \$100, will trigger the following to be mailed to the homeowner:
 1. Statement of Account indicating amount due plus late fees attached.
 2. A short, written notification that the account has fallen past due, and to please communicate with the Property Manager to avoid possible legal action. This document will include a breakdown of possible legal fees that could be incurred (Sample shown in Attachment 1)
- B. During the next month, an account that goes another month delinquent, and has already received notification as described in section A above, but is still delinquent less than \$100, will receive the following:
 1. Statement of Account indicating past due plus late fee(s).
 2. The same, short written notification referenced in paragraph A, section 2 above.
- C. An account that is greater than \$100 past due will receive the following:
 1. Statement of Account indicating past due plus late fee(s).
 2. A "Step Letter", an indication of heightened concern that the account is still not current, and a summary of legal costs that may be incurred if action is not taken by the homeowner. This letter will also serve as a final reminder to the homeowner that legal costs incurred will ultimately be borne by the homeowner. (Sample shown in Attachment 2)
 3. A final warning letter indicating that payment in full must be received within 15 days, or we will contact our Legal Counsel for further disposition. (Sample shown on Attachment 3)

VIII. Legal Actions and Cost Recovery

Once 16 days have elapsed from the dispatch of the 15 day warning letter, the Property Manager will engage the assistance of our Legal Counsel. Our counsel will generally follow five steps, each advancing to a more serious stage, in an attempt to collect past-due funds. The timing between each step will be controlled by the Attorney, more experienced in the tactics employed to achieve successful results.

- A. Step One – Demand Letter from Attorney
- B. Step Two – Claim of Lien is filed by Attorney
- C. Step Three – Follow-Up letter from Attorney
- D. Step Four – Last attempt letter from Attorney
- E. Step Five – Entry into foreclosure proceedings by Attorney

Once Legal Counsel is engaged, all communication with the homeowner will be routed to our counsel.

Prior to permitting the execution of step 5, the case will be reviewed by the Board of Directors at the next scheduled meeting.

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IX. Board of Director Communication During Collection Process

It is recommended that communications regarding past due accounts be managed exclusively through the Property Manager or Legal Counsel. Members of the Board typically will not have real-time information relating to the account.

X. Discretion of the Board Regarding Collections

During the collections process, it may be appropriate for the Board to provide some flexibility. As an example, a severe family illness may call a homeowner out of town for an extended period, leaving that homeowner unable to service his/her monthly payables. Given this circumstance, the Board may choose to forgive the late fee on a missed payment.

In addition, with the unanimous approval of the Board, late fees may be forgiven on a broader basis if it is believed that such action is advantageous to the cost effective management of the Association. Association dues must never be forgiven due to the requirement for uniform assessment to all homeowners. Recovery of legal fees should always be pursued since they represent Association spending.

However, legal fees could be considered negotiable only if a significant economic advantage to the Association could be realized by such action. As an example, if an account was \$3,000 past due (including \$300 of legal fees), and the Association could negotiate forgiveness of the fees with the homeowner in exchange for payment in full of dues and late fees, this agreement would net \$2,700 cash to the Association accounts. In this case, forgiveness MIGHT make sense if the cash position of Association funds was weak. **This negotiation must receive the unanimous approval of the Board prior to engagement.**

It is emphasized that this forgiveness would be rare, and must present a compelling advantage to the Association.

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Change History

11/19/09 Rev. A, Initial Release

01/27/11 Rev. B Changed application of late fee from the 10th to 30th day of month in keeping with Property Management practices

Rod Hamby

From: <sales@godaddy.com>
To: <rhamby@apgmac.com>
Sent: Wednesday, January 26, 2011 11:13 AM
Subject: GoDaddy.com Order Confirmation



Wednesday, January 26, 2011 9:13:17 AM

Dear Rod Hamby,

Thank you for ordering from GoDaddy.com! This email contains important information regarding your recent purchase – please save it for reference.

After reviewing your information, please take a moment to [tell us a bit about yourself and your thoughts on Go Daddy](#). Your comments will help us determine what we can do to better meet your needs.

CUSTOMER NUMBER: 25072505
LOGIN NAME: 25072505
RECEIPT NUMBER: 300642841
ORDER TOTAL: \$92.17
CUSTOMER SERVICE: (480) 505-8877

QTY

ITEM

PRICE

Special Offers & Helpful Hints



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Download our FREE apps

The Domain Name Aftermarket -

1	External Redemption Fee - .COM CARRIAGERUNHOA.COM	\$80.00
1	.COM Domain Name Renewal - 1 Year (recurring) CARRIAGERUNHOA.COM	\$12.17

Subtotal: \$92.17
Shipping & Handling: \$0.00
Tax: \$0.00
Total: \$92.17

Important Information concerning your purchase:

Domain Registration	Product Info	Legal Agreement
Quick Blogcast	Product Info	Legal Agreement
Free Hosting w/Web Site Builder	Product Info	
Starter Web Page or For Sale Page	Product Info	
Free Personal Email	Product Info	Legal Agreement

To set up or manage your free or purchased products:

1. Go to the [GoDaddy.com](http://www.godaddy.com) home page and log in at the top of the screen with your username or customer number and password. Click on the "My Account" tab to launch the product dashboard.
2. From the dashboard, you can manage, renew, and upgrade your products and services.

To retrieve your customer number or password hint or to reset your password, click the "Forgot Your Password?" hyperlink in the login area on the home page.

Questions? Get help at <http://www.godaddy.com/gethelp> or give us a call 24/7 at (480) 505-8877.

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Your smart choice for buying/selling domains!

Business Registration - Just \$4.99/yr! Put your vital advertising information online!

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- Set up my [hosting](#) account?
- Set up my [SmartSpace®](#) site?
- Get started with [WebSite Tonight®](#)
- Redeem my [MySpace®](#) [myAds®](#) or [Google®](#) [AdWords®](#) credit?
- Get answers to product setup questions?
- Register more domain names?
- Make a domain name [private](#)?
- Manage a registered domain name?
- Forward a domain name?
- Renew domain names?
- Transfer domain names to Go Daddy?
- Set up my dedicated or virtual dedicated server?
- Drive web traffic using Search Engine Visibility?
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- View [Legal Agreements](#)?

P.S. .CO is the first truly global, recognizable domain to come along in years. Choose the name you really want - **JUST \$29.99/yr.**

Prices are current as of 1/26/2011, and may be changed without notice.

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Rod Hamby

From: <support@godaddy.com>
To: <rhamby@apgmac.com>
Sent: Wednesday, January 26, 2011 11:21 AM
Subject: Domain Contact Update

Notice from Go Daddy | Call us 24/7: (480) 505-8877 | Online: www.GoDaddy.com



Dear Rod Hamby,

Changes to your registrant and/or administrative contact information have been initiated for the domain name(s) listed below

CARRIAGERUNHOA.COM

If the changes were in error, please contact support@godaddy.com.

If the changes were unauthorized, please contact undo@godaddy.com.

Sincerely,
GoDaddy.com

P.S. Visit GoDaddy.com and SAVE 15%* off your purchase of \$50 or more. Just use source code gdbb1728 when you get your special savings. Start shopping now at GoDaddy.com or order by phone at (480) 505-8821.

*Not applicable to ICANN fees, taxes, shipping and handling, sale priced domain names, bulk domains, premium domains, Sunrise/Landrush domain registrations, memberships or maintenance plans, additional disk space and bandwidth renewals, additional AdSpace advertising funds, custom page incorporation and brand identity services, Go Daddy branded merchandise, posters, die-cast cars or gift cards. Discount reflected in your shopping cart in conjunction with any other offer, discount or promotion.

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