PAST DUE ACCOUNTS COLLECTION POLICY

All dues, assessments, storage and lot maintenance fees, hereinafter referred to as "fees", are due upon receipt of the invoice. If the fees are outstanding after 30 days, the account will be considered delinquent. Interest and penalties, if applicable shall accrue beginning on the 31st day and continuing until the balance is paid. Penalties will be collected at $xx/month and the interest rate shall be xx%.

The following policy will be implemented to collect the unpaid balances. In addition to the collection process, the delinquent account's POA rights and privileges shall be revoked after 90 days per the LFPOA By-Laws until such time as the balance due is paid.

Accounts Past Due After 30 Days -- Letter #1

- After an account is deemed unpaid after 30 days a letter will be sent to the owner of record requesting their account be brought current within 30 days of the date of the letter
- The letter will also include:
  - A suggestion to call the POA Treasurer to discuss specific circumstances/issues regarding the past due account
  - A notation that if the account is not current at the end of the 30 day period, the POA will turn the account over to a Collection Agency to follow for payment; any fees associated with this action and any other action associated with collection efforts will be the responsibility of the owner and included in the balance due the association
  - The letter will include specific dates and not phrases such as "15 days"
  - A statement outlining the interest, penalties & fees will be included in the letter
  - The letter will be signed by the Treasurer of the POA
- A self-addressed envelope will be included with the correspondence to facilitate the mailing of the past due amount to the POA

Accounts Past Due After 60 Days -- Letter #2

- When an account is past due for 60 days another letter will be sent to the owner of record stating the account will be turned over to a Collection Agency for collection efforts if the POA does not receive payment within 15 days
- The letter will also include:
  - A reference to the original letter
  - A statement summarizing what is owed the association
  - A statement advising the owner of record that this action by the POA will likely affect their credit rating
  - A statement noting the POA, per the Master Declaration of Covenants, Article V, Section 8, stating the failure to pay fees shall become a lien upon the property should the POA elect to take such action
  - A suggestion to call the POA Treasurer to discuss specific circumstances/issues regarding the past due account
  - The letter will be signed by the Treasurer of the POA

If the efforts of the Collection Agency are not successful after a reasonable period of time the POA can file a lien against the property as a record of title that monies due the association. The POA can initiate foreclosure proceedings deemed appropriate.
Letter #1 (letter to be mailed to owners who are delinquent in their current year assessment, fees, etc.)

Date

Name & Address of the Owner of Record

Lockwood Folly Property Owners Assoc.
2012 / 2013 Dues or Assessment

Dear xxxxxxx:

According to our records, and as reflected on your monthly statements (most recent statement attached), your account is in arrears more than 30 days.

According to Article VI, Section 1(A), your property owners’ rights shall be revoked if your account balance remains outstanding after 90 days until your account is again current.

Won't you please bring your account current by (30 days after the date of this notice - a specific date will be included)? If, at the end of 30 days, the account is not brought current or other arrangements have not been made to pay the balance, the account may be turned over to a Collection Agency. At that time any fees associated with collection efforts by the Collection Agency will be added to your account.

If you would like to discuss this matter please call Mike Collins, LFPOA Treasurer, at 910 846 3212.

Sincerely,

Treasurer
Lockwood Folly Property Owners Assoc.

Enclosed: self-addressed envelope
Statement of Account
**Letter #2** (letter to be mailed to owners who have not responded to Letter #1)

Date

Name & Address of the Owner of Record

Lockwood Folly Property Owners Assoc.
Account Past Due

Dear xxxxxxx:

On (date of Letter #1) we notified you your Property Owners Association account was in arrears. As of the date of this letter we have not received your payment nor have arrangements been made to pay the past due amount.

If the balance due (see enclosed statement) is not paid by (date specific, approx. 15 days after the date of the letter) or arrangements are not made to pay the balance we, unfortunately, will have no choice but to turn the account over to a Collection Agency in an attempt to secure the funds due the POA.

As noted on all your monthly statements, you have already been notified your property owner’s rights shall be revoked if your account remains outstanding for 90 days (according to Article VI, Section 1(A)), until restitution is realized.

Additionally, action by the Collection Agency could affect your credit rating.

As you are aware according to the Master Declaration of Covenants, Article V, Section 8, which is recorded with the deed to your property, failure to pay any assessments or fees shall become a lien upon the property against which such assessments or fees are made.

In order to avoid any further action, won’t you please bring your account current by (date specific, approx 15 days from the date of this letter)?

If you would like to discuss this matter please call Mike Collins, LFPOA Treasurer, at 910 846 3212.

Sincerely,

Treasurer
Lockwood Folly Property Owners Assoc.

Enclosed: self-addressed envelope
Statement of Account