UNIVERSITY TERRACE CONDOMINIUMS HOA, INC.

POLICY RESOLUTION: ASSESSMENT COLLECTION & LATE FEE DUES

ADMINISTRATIVE POLICY SUMMARY: All regular monthly common expense assessments are strictly due on the **1st day of each calendar month**. Installments not received by the **10th day of the month** are delinquent and subject to a late charge of **$15.00** plus interest accruing at **10% per annum**. Continued delinquency triggers formal liens, assessment acceleration, loss of member voting rights, and legal action under North Carolina law.

1. AUTHORITY & GOVERNING LEGAL FRAMEWORK

This Policy Resolution is promulgated by the Executive Board of University Terrace Condominiums Homeowners Association, Inc. pursuant to the authority granted under Sections 47C-3-102 and 47C-3-107 of the North Carolina Condominium Act (N.C.G.S. Chapter 47C), Article VI of the Declaration of Covenants (Sections 6.1–6.5), Article VI of the Association Bylaws (Sections 6.3, 6.5, 6.6, and 6.7), and Article V of the Articles of Incorporation.

2. ASSESSMENT DUE DATES, GRACE PERIOD & LATE CHARGES

Common expense assessments are levied annually and collected in twelve (12) equal monthly installments. To ensure operational funding and meet association liabilities, the following schedule and fee terms apply:

Payment Status	Calendar Schedule	Fee / Penalty Structure	Governing Legal Ref.
Due Date	1st of each month	Monthly assessment installment due in full	Bylaws § 6.3 / Dec. § 13.10
Grace Period	1st – 10th of month	No late penalty if payment received by 10th	Bylaws § 6.3
Late Fee Assessed	11th of month	$15.00 flat late charge per overdue installment	Bylaws § 6.6
Interest Accrual	End of due month	10% per annum interest accrued from due date	Bylaws § 6.6 / Dec. § 6.1
Formal Default	30+ Days Past Due	Notice of Lien eligibility & collection action	Bylaws § 6.5 & § 6.7
Lender Notice	60+ Days Past Due	Written notice sent to First Mortgage Holder	Bylaws § 6.5 & § 10.2

3. COLLECTION TIMELINE & ENFORCEMENT REMEDIES

When an assessment account becomes delinquent, the Association will pursue the following statutory and covenant enforcement procedures:

- **30-Day Delinquency (Claim of Lien):** If an assessment remains unpaid thirty (30) days past its due date, the Board or Managing Agent may execute and record a formal Claim of Lien against the Unit in the Pitt County Registry (Bylaws § 6.7).
- **60-Day Delinquency (Mortgagee Notice & Acceleration):** Delinquencies exceeding sixty (60) days trigger formal written notice to the Unit Owner's First Mortgage Lender (Bylaws § 6.5). The Board reserves the right, upon ten (10) days written notice, to **accelerate all remaining monthly installments** for the fiscal year, making the entire annual assessment due immediately (Bylaws § 6.6).
- **Foreclosure & Legal Action:** Assessment liens may be foreclosed in like manner as a mortgage/deed of trust under power of sale or judicial proceeding pursuant to N.C.G.S. Chapter 47C (Declaration § 6.1, Bylaws § 6.9). The Association may concurrently maintain a lawsuit for money judgment directly against the Unit Owner.

• **Suspension of Voting Rights:** Pursuant to Bylaws Section 3.9(s), the Board may suspend the voting rights of any Unit Owner who is delinquent in paying Common Expense assessments.

4. RESPONSIBILITY FOR COSTS & PAYMENT ALLOCATION

Legal & Collection Expenses: Pursuant to Bylaws Sections 6.6 and 6.7 and Declaration Section 6.1, the delinquent Unit Owner shall be personally responsible for all expenses incurred by the Association in collecting overdue assessments, including reasonable attorney fees, court costs, filing fees, and management collection fees.

Order of Payment Application: Unless otherwise ordered by a court or required by law, all payments received from a delinquent Unit Owner shall be applied in the following order of priority:

1. Reimbursable collection costs, attorney fees, and court costs incurred by the Association
2. Accrued interest charges (10% per annum)
3. Late payment charges ($15.00 per late installment)
4. Principal balance of delinquent assessments (oldest past-due balance first)

5. BOARD ADOPTION & OFFICERS' CERTIFICATION

This Policy Resolution was duly adopted by the Executive Board of University Terrace Condominiums Homeowners Association, Inc. at a properly noticed meeting of the Board of Directors.

EXECUTIVE BOARD SIGN-OFF:	ATTESTATION (SECRETARY):
Board President Signature: _____ Date: _____	Secretary Signature: _____ Date: _____