

ORCHARD KNOB OWNERS  
ASSOCIATION INC.,

P.O. BOX 16325 HIGH POINT NC 27261

Website: orchardknobhoa.com

**BOARD RESOLUTION ON THE COLLECTION OF  
ASSESSMENTS**

Whereas the Board of Directors of the Orchard Knob Association is charged with the responsibility of collecting assessments for common expenses from homeowners pursuant to Article IV, Section 1 of the declaration, and

Whereas from time to time homeowners become delinquent in their payments of these assessments and fail to respond to the demands from the Board of Directors to bring their account current, and

Whereas the Board of Directors deems it to be in the best interest of the Association to adopt a uniform and systematic procedure for dealing with delinquent accounts in a timely manner, and further believes it to be in the best interest of the Association to refer these accounts promptly to an attorney for collection so as to minimize the Association's loss of assessment revenue; and

Whereas the Board of Directors has retained the Association's attorney for their experience in representing the Association in collections and other matters; and

Whereas the Board of Directors has directed the Association's attorney to represent the Association on the terms outlined in this Resolution, Now Therefore,

Be it Resolved that the Association's attorney shall pursue all collection and other matters which the Board of Directors, acting through the management company, may from time to time refer to them and to provide any advice and counsel which the Board of Directors may from time to time require; and

Be it Further Resolved that delinquent owners shall receive a statement of amount owed, then a warning letter indicating the delinquent amount owed, then a fifteen day (15) notice of the amount owed to the Association.

Be it Further Resolved that the management company acting on behalf of the Association; shall pay the association's attorney their usual and customary charges for time incurred in connection with their representation of the association. These charges will be applied to the owners Association account and will be made collectable. The Association may also use an Attorney that will directly bill the owner for service and this charge for Attorney service will be on the demand letter sent to the owner.

Be it Further Resolved that pursuant to the Declaration there is hereby levied against any assessment account which is not paid in full at the end of the month in which it is due a

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late fee of twenty (\$20) dollars which the management company is authorized and directed to charge to and collect from any delinquent homeowner; and

Be it Further Resolved that the management company is directed to send to any homeowner who is more than thirty (30) days delinquent in the payment of regular or special assessments, or other charges authorized by the Association's governing documents (hereinafter referred to as "assessments") a written notice (hereinafter referred to as the statement of delinquent payment) of the late fee and a request for immediate payment; and

Be it Further Resolved that the first notice (statement) sent by the management company to the delinquent owner shall also state that unless the owner disputes the validity of the debt, or any portion thereof, within thirty (30) days after receipt of the notice, the debt will be assumed valid; and if the owner notifies the management company in writing within the thirty (30) day period that the debt, or any portion thereof, is disputed, the management company will obtain verification of the debt and a copy of such verification will be mailed to the owner by the management company; and

Be it Further Resolved that after sixty (60) days the management company will send a warning statement to the owner requesting that full payment be made.

Be it Further Resolved that the management company is directed to send to any homeowner who is more than ninety (90) days delinquent in the payment of their assessment, written notice (hereinafter referred to as the 15 day notice) that, if the account is not paid in full with-in these fifteen (15) days, the Association authorizes the management company to turn the account over to the association's attorney for collection.

Be it Further Resolved that the statement, the warning notice and then the fifteen day notice mailed to the owner by the management company shall state in the fifteen day notice that any request for special consideration due to hardship circumstances, including any reason as to why the Association should, before the assessment becomes one hundred and five (105) days delinquent, accept from the owner, in written format, a request from the owner outlining the reason for the Association to extend time for the Assessment to be paid late, or for the Association to accept a proposed payment plan, then such request shall have been deemed waived, and

Be it Further Resolved that the membership rights of any owner whose account is past due may be suspended at any time at the discretion of the Board of Directors during the period and that;



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Be it Further Resolved that the following policies shall apply to all delinquent accounts turned over to the Association's attorney for collection:

1. All contact with a delinquent homeowner shall be handled through the office of the Association's attorney. Neither the management company nor any Association officer or Director shall discuss the collection nor the status of the account directly with the homeowner after the account has been turned over to the Association's attorney, unless one of the Association's attorneys is present or has consented to the contact.
2. All sums collected on a delinquent account shall be remitted to the Association in care of the Association's attorney until the account is brought current.
3. The Association's attorneys' minimum legal fee shall be assessed against each delinquent unit and owner (including repeat offenders) when the account is turned over to the Association's attorney for collections. That amount shall be credited against the fees and cost actually incurred in the collection of the homeowner's account. All legal fees and cost incurred in the collection of a delinquent account shall be assessed against the delinquent owner and shall be collectable as an assessment as provided in Article IV, Section 8 of the Associations Declaration.

Be it Further Resolved that at the expiration of the period specified in the Association's attorneys' demand letter, an account remains delinquent and without a payment plan embodied in a signed Stipulation for Judgment, or in the event of a default under the terms of either agreement, the Associations attorney is authorized to take such further action as they, in consultation with the Board of Directors, believe to be in the best interest of the Association, including but not limited to:

1. Filing suit against the delinquent homeowner for money due, pursuant to the Declaration of the Association
2. Instituting a non-judicial action for foreclosure of the Association's lien, pursuant to the Associations Declaration.
3. Filing a Proof of Claim
4. Instituting a judicial action for foreclosure for the Association's lien, pursuant to the Declaration.

Be it Further Resolved that a copy of this Resolution shall be sent to all homeowners at their last known address.

This Resolution was adopted by the Orchard Knob Association Board of Directors on June 4<sup>th</sup> 2015 and shall be effective on July 1<sup>st</sup> 2015.

Orchard Knob Association President Georgette Bransseau