

Board of Directors Collections Resolution (NORTH CAROLINA)

WHEREAS the Board deems it to be in the best interests of the Association and its members to adopt a policy for the collection of late assessments, late interest, and/or late fees that is consistent with **the Declaration of Covenant, Conditions and Restrictions for Stone Creek Ranch**, Association, Inc. and North Carolina State Statute 47F, also known as the North Carolina Planned Community Act;

BE IT RESOLVED:

I. ASSESSMENTS:

- A. Each owner will be billed assessments, in advance, in accordance with the association's approved annual budget and governing document.
- B. Assessments are payable by:
1. ☒ Homeowner;
 2. ☐ Builder;
 1. ☐ full assessment;
 2. ☐ ____% of assessment;
 3. ☐ Declarant ____;
 1. ☐ full assessment;
 2. ☐ ____% of assessment
- C. Type of assessments:
1. ☒ Homeowner;
 2. ☒ Landscape Saddlebrook;
 3. ☒ Landscape Sundance;
 4. ☐ Other: ____;
- D. Payment will be due on:
1. ☐ Monthly;
 2. ☒ Quarterly;
 3. ☐ Semi-Annually;
 4. ☐ Annually;
 5. ☐ Other: ____;

II. ADDITIONAL FEES:

- A. ☒ Capital Contribution Fee is to be paid in the amount equal to one (1) year regular annual assessment upon every purchase of a Lot:
- i. ☒ from Declarant;
 - ii. ☒ from Builder;
 - iii. ☒ upon resale;
- B. ☐ Community Service Fee is to be paid in the amount of ____ upon every purchase of a Lot:
- i. ☐ from Declarant;
 - ii. ☐ from Builder;

iii. ☐ upon resale;

C. Proceeds received from:

- i. ☒ Capital Contribution Fee shall be placed in **reserve** (e.g. reserve/ operating) account;
- ii. ☐ Community Service Fee shall be placed in _____ (e.g. reserve/ operating) account;

D. Date Covenants Conditions and Restrictions recorded **01/06/2006.** *

**Per NCGS 39A, HOAs whose CCRs are recorded after July 1, 2010 may NOT charge capital contribution fee on resales.*

III. **DELINQUENT ASSESSMENT CHARGES (Check All That Apply):**

- A. ☒ **Late Fee:** For each month that a HOMEOWNER is delinquent, homeowner will be charged a Late Fee of: **\$15.00**;
- B. ☐ **Late Interest:** For each month that a HOMEOWNER is delinquent, homeowner will be charged late interest in the amount of _____%, per annum or _____% per month;
- C. ☐ Other: _____

IV. **DELINQUENCY CONTROL PROCESS:**

- A. For every elapsed thirty (30) day period for which an assessment is delinquent, a Delinquency Notice will be sent to Homeowner. The sequence of Delinquency Notices shall be as follows (check all that apply):
 - 1. ☐ Friendly Reminder Notice
 - 2. ☒ First Warning Notice
 - 3. ☒ Fifteen (15) Day Demand Letter
- B. If the delinquent assessment amount remains UNPAID after the time for cure established in the fifteen (15) day demand letter has elapsed, the Board hereby authorizes Kuester Management Company to:
 - 1. ☒ turn the account over to an Attorney for the purpose of obtaining a lien against the subject property;
 - 2. ☐ continue to monitor said delinquent account WITHOUT turning it over to an Attorney for the purpose of obtaining a lien against subject property;
 - 3. ☐ request that said Attorney initiate and, if necessary, carry out a foreclosure action against subject homeowner if delinquent assessment amount remains unpaid after lien has been obtained:
 - a) ☐ regardless of the amount of the delinquent assessment owed;
 - b) ☐ only if the amount of the delinquent assessment owed is MORE THAN \$_____;
 - 4. ☐ turn the account over to an Attorney for the purpose of obtaining a lien against subject property, BUT NOT TO initiate foreclosure action against subject property UNLESS expressly authorized to do so by the Board.;
 - 5. ☐ Other: _____

V. **PAYMENT PLANS AND LATE FEE WAIVER REQUESTS**

- A. **Payment Plans:** Upon WRITTEN request by the Homeowner, the Board of Directors hereby authorizes Kuester Management Company to establish and monitor Payment Plans for homeowners, subject to homeowner payment of the Management Company's administrative fee. Payment Plans shall be administered upon the following terms:

1. Only in the case of hardship as determined by the Manager;
2. For delinquent accounts of \$1000.00 or less, the approved payment plans are:
 - A. **50%** of the outstanding delinquent assessment amount owed to be paid immediately upon approval of payment plan, with the remainder due and payable in **SIX (6) EQUAL** monthly installment(s). This amount shall be paid IN ADDITION TO any assessments that come due during the payment plan period; or
 - B. **20%** of the outstanding delinquent assessment amount owed to be paid immediately upon approval of payment plan, with the remainder due and payable in **SIX (6) EQUAL** monthly installment(s). This amount shall be paid IN ADDITION TO any assessments that come due during the payment plan period.
3. For delinquent accounts of \$1001.00 to \$5000.00, the approved payment plans are:
 - A. **50%** of the outstanding delinquent assessment amount owed to be paid immediately upon approval of payment plan, with the remainder due and payable in **TWELVE (12) EQUAL** monthly installment(s). This amount shall be paid IN ADDITION TO any assessments that come due during the payment plan period; or
 - B. **20%** of the outstanding delinquent assessment amount owed to be paid immediately upon approval of payment plan, with the remainder due and payable in **TWELVE (12) EQUAL** monthly installment(s). This amount shall be paid IN ADDITION TO any assessments that come due during the payment plan period.
4. For delinquent accounts of \$5001.00 or GREATER, the approved payment plans are:
 - A. **50%** of the outstanding delinquent assessment amount owed to be paid immediately upon approval of payment plan, with the remainder due and payable in **TWELVE (12) EQUAL** monthly installment(s). This amount shall be paid IN ADDITION TO any assessments that come due during the payment plan period;
 - B. **20%** of the outstanding delinquent assessment amount owed to be paid immediately upon approval of payment plan, with the remainder due and payable in **TWELVE (12) EQUAL** monthly installment(s). This amount shall be paid IN ADDITION TO any assessments that come due during the payment plan period; or

C. The owner may make a special appeal to Board to vary from the Approved terms set out in 4(A) and 4(B)

5. Payment plan requests that offer better terms for the Association than those above-outlined shall be automatically approved.

6. All Payment Plan payments shall be payable via:

- a. ☒ Automatic Bank Draft;
- b. ☐ Method chosen by Homeowner;
- c. ☐ Other: _____

B. Late Fee Waivers: Upon WRITTEN request by the Homeowner, the Board of Directors hereby authorizes Kuester Management Company to grant to homeowner a waiver of late fees (check all that apply):

- a) ☒ ONLY if the delinquent assessment amount has been PAID IN FULL, via payment plan or other means;
- b) ☐ Regardless of whether or not the delinquent assessment amount has been PAID IN FULL;
- c) ☒ ONLY once as a courtesy to the homeowner;
- d) ☐ Under NO circumstances
- e) ☐ Other: _____

VI. **This policy shall remain in full force and effect until such time as it is either changed or dissolved by the Board of Directors.**

This resolution was adopted by the Board of Directors on 7/28/17 and shall be effective on 7/28/17


BOARD PRESIDENT