

Toxaway Views Homeowners Association Collection Policy for Delinquent Accounts

Reviewed/Affirmed 19 Oct 2019

A.) Board Resolution

1. The Board deems it to be in the best interests of the Association to adopt a uniform and systematic procedure for dealing with delinquent accounts in a timely manner and to refer these accounts promptly to the Association's attorney to pursue collections approved by the Board, acting through the Manager, so as to minimize the Association's loss of revenue.
2. The Board shall levy certain charges against property owners in accordance with the provisions of Section 23 of the CC&R's.
3. The Board reserves the right to waive or alter the following collection policy and procedure if exigent circumstances exist and upon resolution of the Board.
4. A copy of this Resolution shall be sent to all owners at their last known addresses.

B.) Due Date

Quarterly assessments are due on the first of the month (January, April, July, and October).

1. First Notice + 12% interest from due date (optional)

A First Notice will be sent to any owner that is 30 days delinquent requesting immediate payment and detailing the interest, late fees & other charges due. The First Notice shall also state that unless the owner disputes the validity of the debt within thirty days (30) after receipt of notice, the debt will be assumed valid.

2. Second Notice and 15 Day Demand

A Second Notice and 15 Day Demand will be sent to any owner that is 45 days delinquent that may include acceleration that if the account is not paid in full within fifteen (15) days a Notice of Claim of Lien will be recorded and a copy will be forwarded to any lender with a mortgage against the unit. The Second Notice and 15

Day Demand shall state that any request for special consideration of hardship circumstances, must be submitted in writing to the Board BEFORE the assessment becomes sixty (60) days delinquent, and if not so submitted, then such request shall be deemed waived.

3. Collection Turned Over To Attorney

The Manager is directed to refer any account which remains delinquent fifteen (15) days after the Second Notice and 15 Day Demand to the Attorney for all legal remedies available.

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4. Membership Privileges Suspended

The membership privileges of any owner whose account is thirty (30) days past due may be suspended at any time at the discretion of the Board.

C.) Contact with Delinquent Owner, Legal Fees and Costs

1. Once a delinquent account has been turned over to the Association's attorneys, neither Management nor Board Members shall have contact with the owner.
2. All legal fees and costs incurred in the collection of a delinquent account shall be assessed against the delinquent owner to the extent allowed by North Carolina law and shall be collectible as an assessment as provided in Section 23G of the CC&R's.

D.) Additional Enforcement Remedies

If after the expiration of the period specified in the Association's Second Notice and 15 Day Demand, an account remains delinquent, the Association's attorneys are authorized to take such further action as they, in consultation with the Board, believe to be in the best interest of the Association, including, but not limited to:

1. Filing suit against delinquent owner.
2. Filing claim of lien and if necessary, instituting a non-judicial foreclosure of the Association's lien.
3. Filing a proof of claim in a bankruptcy.
4. Instituting a judicial action for foreclosure of the Association's lien.

This Resolution was adopted by the Board of Directors on the date noted and shall be effective 17 June 1983 or, if left blank, the date of the execution of this document.

President

Don R. Woods

Print Name & Date

Don R Woods, 19 Oct 2019

Secretary

Judy Lee

Print Name & Date

Judy Lee, 19 Oct 2019