

Brook Run  
Homeowners Association, Inc.

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P.O. Box 16325 High Point, NC 27261  
Website: brookrunhoa.com

**BOARD RESOLUTION ON THE COLLECTION OF  
ASSESSMENTS**

Whereas the Board of Directors of Brook Run Association is charged with the responsibility of collecting assessments for common expenses from homeowners pursuant to Article IV section 1, of the Declaration of Restrictive Covenants.

Whereas from time to time homeowners become delinquent in their payments of these assessments and fail to respond to the letters that are mailed to the owner, 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 the collection of the account, as to minimize the Association's loss of assessment revenue; and

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

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 the attorney, who will provide 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, followed by a warning letter indicating the delinquent amount owed, then followed by a fifteen day (15) notice of the delinquent amount owed to the Association, and

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 owner's Association account and will be made collectable. The Association may also use an Attorney, who will directly bill the delinquent owner for collection service, and this charge for Attorney service will be on the demand letter sent to the owner from the attorney's office; and

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 late fee of twenty (\$5.00) 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 sixty (60) days delinquent in the payment of regular or special assessments or other charges (hereinafter referred to as "assessments"), authorized by the Association's governing documents, a written notice (hereinafter referred to as the statement of delinquent payment) of the late fee and a request for payment; and

Be it Further Resolved that after ninety (90) days the management company will send a warning statement to the delinquent owner requesting that full payment be made; and

Be it Further Resolved that the management company is directed to send to any homeowner who is more than one-hundred and twenty (120) 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 fifteen (15) days, the Association may authorize the management company to turn the account over to the association's attorney for collection; and

Be it Further Resolved that following 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 fifty (150) 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 written payment plan from the owner, 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.

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 attorney minimum legal fee, shall be assessed against the delinquent 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 Association's 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 Association's 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 Association's 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 Brook Run Association Board of Directors

on February 9, 2023 and shall be effective on February 9, 2023.

Brook Run Association President:



Brook Run Association Secretary:

