

Administrative Resolution No. 1
Procedures Relative to Assessments
(revised October 22, 1999)

Relating to the collection of routine and delinquent payments

WHEREAS, Article 4, Section 4.1 of the Bylaws states that “The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not required by the Act or the Association Documents to be exercised and done by the members,” and

WHEREAS, Article 6 of the Declaration creates an assessment obligation for owners; and

WHEREAS, Article 6, Section 6.5 of the Declaration establishes certain provisions for the payment and collection of assessments; and

WHEREAS, there is a need to establish orderly procedures for the billing and collection of said assessments;

NOW, THEREFORE, BE IT RESOLVED that the following assessment procedures be adopted.

I. ROUTINE COLLECTIONS

- A. All monthly installments of the annual assessments shall be due and payable in advance on the first day of the month (“Due Date”)
- B. All documents, correspondence, and notices relating to the charges shall be mailed to the address which appears on the books of the Association or as modified in writing by a Lot Owner.
- C. Non-receipt of an invoice shall in no way relieve a Lot Owners of the obligation to pay the amount due by the Due Date.

II. REMEDIES FOR NONPAYMENT OF ASSESSMENTS

- A. Any payment due and payable on the first of the month which is not received by 5:00 p.m. on the tenth day of each month shall be considered delinquent and a late fee shall be added to the Lot Owner’s account. In the event that the tenth day of the month falls on a weekend or a recognized federal or state holiday, the delinquent day shall be 5:00 p.m. on the first day of resumption of normal business operations immediately following the weekend or holiday. Exceptions will not be made for those Owners claiming that the envelope “postmark” date predates the 11th day of the month. The late fee added to the account shall thereafter be a part of the continuing lien for assessments as provided for in Article 6 of the Declaration until all sums due, including such a late charge, shall have

been paid in full. A “Late Notice” substantially in the form of Exhibit A to this Administrative Resolution shall be sent to Owners who have not paid their assessments in full by the eleventh (11th) day of the month.

- B. If payment in full, including the late charges, is not received by the Managing Agent by the forty-fifth (45th) day after the due date, a “Notice of Intent to Accelerate Installments and File a Memorandum of Lien” substantially in the form of Exhibit B to this Resolution shall be mailed to the Lot Owner. The Notice shall be sent to the Lot Owner by certified mail, return receipt requested.
- C. If payment in full, including late charges and cost of the certified letter is not received by the Managing Agent within thirty (30) days after the “Notice of Intent to Accelerate Installments and File a Memorandum of Lien” has been issued, then the remaining installments of the annual assessment may be accelerated and the Association shall refer the matter to legal counsel for the filing of a lien in accordance with the provisions of the Virginia Property Owners’ Act. Counsel will so notify Owner with a copy of the lien. Counsel may also file a civil suit against the Lot Owner on the basis of the personal obligation to pay assessments. The cost of filing both the lien and the civil suit will be added to the account, plus accrued late fees, interest chargeable by law on the unpaid assessments, and all other costs incurred by the collection process as allowed by Article 12 of the Declaration.
- D. If payment in full, including the cost of attorney’s fees, filing charges, late fees, interest payment, delinquent fees and accelerated fees, is not received by the Association’s legal counsel within thirty (30) days from the date of filing of a lien, legal counsel is authorized to commence proceedings to foreclose upon the unit in accordance with the provisions of the Virginia Property Owners Act.
- E. If the Association receives from any Lot Owner, in any accounting year, two or more returned checks for payment of assessments, the Board may require all future payments to be made by certified check or cashier’s check or money order for the remainder of the fiscal year. The Association shall charge a returned check charge of \$30 against any Lot Owner who tenders a check to the Association which is returned for insufficient funds. The Board reserves the power to change the amount of the returned check charge from time to time without amending this resolution by approving a motion at a duly convened meeting of the Board and recording the motion in the minutes of the meeting.
- F. The Board delegates authority to the Association’s Managing Agent to waive one late fee if and when: a.) a Lot Owner requests waiver in writing; b.) the Lot Owner’s written request is received by the Association within 30 days of the date of the notice informing the Lot Owner of the imposition of the late charge; c.) the Lot Owner has paid the principal amount due before the Association has mailed its Notice of Intent to Accelerate Installments and Intent to File Lien; and d.) the Lot Owner’s account has not incurred any prior late fees in the preceding two

years. Management shall respond to all such written requests in writing. Lot Owners may appeal any such decision to the Board provided that any such appeal shall be made in writing.

- G. The Association may allow a written installment payment arrangement with a Lot Owner for purposes of satisfying the delinquent account balance over a period of time, provided however, a judgment and judgment lien will be obtained by the Association and will remain in place until the delinquent balance is paid in full. The Association reserves the right to record liens in accordance with this policy and to pursue judgments through counsel in order to provide security for payment agreements. The following represents minimum installment payment terms acceptable to the Association:
- i. 10% per month of the total outstanding debt, plus;
 - ii. \$10 administrative cost for each month, plus;
 - iii. Monthly assessment payment must be kept current during the repayment period.

Failure of the Lot Owner to honor the terms of the payment plan established between the Association and the Lot Owner may result in additional collection procedures being pursued by the Association.

All Lot Owners who are delinquent shall be subject to the provisions of the Resolution and to the provisions of Article 6 of the Declaration.