

MEADOWS EDGE HOMEOWNERS ASSOCIATION

POLICY RESOLUTION NO. 09-01

Assessment Collection Procedures

WHEREAS, Meadows Edge Homeowners Association (the “Association”) is a property owners’ association organized and operating pursuant to the Virginia Property Owners’ Association Act, § 55-508, *et seq.*, Code of Virginia, (1950, as amended) (“Act”); and

WHEREAS, Section 6.4(a) of the Declaration for Meadows Edge (the “Declaration”) creates an assessment obligation of the owner of any lot which is subject to the Declaration (“Lot Owner”); and

WHEREAS, Section 55-515 of the Act and Section 12.1(a) of the Declaration charge all Lot Owners and their tenants, guests and invitees with compliance with the Declaration and all provisions of the Act; and

WHEREAS, Section 55-513 of the Act and Section 8.3 of the Declaration confer upon the Board of Directors (the “Board”) the power adopt, amend and repeal rules and regulations restricting and regulating the use and enjoyment of the Property, which may supplement, but may not be inconsistent with the provisions of the Association Documents; and

WHEREAS, Section 6.2(a) of the Declaration grants the Board the power to levy assessments against a Lot Owner in order to carry out the business and responsibilities of the Association; and

WHEREAS, Section 6.1(c) of the Declaration authorizes the Board to establish and provide for the collection of assessments; and

WHEREAS, Sections 6.5, 12.1 and 12.2 of the Declaration provide the Association with remedies against a delinquent Lot Owner, including the powers to accelerate the payment of assessments and to charge interest and late fees for non payment of assessments; and

WHEREAS, the Board has determined there to be a need to establish policies for the orderly collection of assessments.

NOW THEREFORE, BE IT RESOLVED THAT the Board hereby adopts the following assessment collection procedures and policies:

I. Routine Collections

A. **Due Dates**. Each fiscal year’s Annual Assessment shall be due and payable in advance in twelve monthly installments or such other periodic installments as the Board may determine from time to time, on or before the first (1st) day of each month. Unless otherwise

determined by the Board, the fiscal year is from January 1 to December 31 of each year. Unless otherwise determined by the Board and specified in the Additional Assessment notice, all Additional Assessments shall be due and payable on the first day of the next month after delivery to the Lot Owner of notice of the Additional Assessment.

B. Owners' Mailing Addresses. All documents, correspondence and notices relating to assessments or charges shall be mailed or delivered to the Lot Owner's "address of record" that appears in the Association's records. Lot Owners have the responsibility of informing the Association's management agent, in writing, of their correct address of record and any subsequent changes to that address.

C. Invoices and Other Notices. Non-receipt of an invoice, payment coupon or other notice shall in no way relieve the Lot Owner of the obligation to pay the amount due by the due date. If a Lot Owner does not receive a notice within the expected or required time period, the Lot Owner should contact the Association's management agent immediately to obtain a copy of the notice and to confirm the Lot Owner's correct mailing address.

II. Remedies For Nonpayment Of Assessments

A. Late Fees and Interest. If payment of the assessment installment is not received by the Association within ten (10) days after the applicable due date, the account is delinquent and a late fee of Twenty-Five Dollars (\$25.00) shall automatically be added to the amount due and shall be a part of the continuing lien and personal obligation for assessments, as provided for in the Declaration, until all sums due and owing shall have been paid in full. In addition, the delinquent assessment balance is subject to interest at the judgment rate provided for by Virginia law (as may be amended from time to time), accruing from the due date until paid. As of the date of this Resolution, the judgment rate is six percent (6%) per annum.

B. Returned Checks. If a check or electronic debit is returned or rejected for insufficient funds, the Lot Owner's account shall be assessed a returned check/debit processing charge of not more than Twenty-Five Dollars (\$25.00), plus the bad check/debit return fee, if any, charged to the Association by the bank. If the Association receives from any Lot Owner, in any calendar year, two or more returned checks or rejected electronic debits, the Board may require all remaining payments for that fiscal year to be made by certified check, cashier's check or money order.

C. Late Notice. A late notice may be sent by the Association to Lot Owners who have not paid assessments or charges in full within ten (10) days after the due date. Non-receipt of such notice does not relieve the Lot Owner of his or her obligation to pay the assessment or the resulting late fees, costs, attorneys' fees or other applicable charges. Additional late notices or "reminder" notices may be sent to a delinquent Lot Owner, at the Board's discretion, prior to referral of an account to legal counsel.

D. Collection Costs and Other Charges. Pursuant to Section 12.2(a) of the Declaration, all interest and late fees, plus reasonable attorney's fees and other costs of collection incurred by the Association as a result of the failure of a Lot Owner to timely pay assessments shall be a lien on the lot and shall also be the personal obligation of the Lot Owner. Costs of collection may include, for example, administrative costs for late notices and for turning an account over to legal counsel, mailing costs, the cost of filing a lien and/or civil suit and other

court costs. These collection costs shall be added to the Lot Owner's assessment account and collected in the same manner as assessments. Other charges assessed pursuant to the Declaration or Section 55-513 of the Act shall also be collected in the same manner as an assessment or as otherwise determined by the Board.

E. **Acceleration**. As authorized in Section 12.2(b) of the Declaration, if a Lot Owner fails to timely pay any two (2) consecutive assessment installments, then the Board, by this Resolution, hereby authorizes the Association's management agent or legal counsel, as the case may be, upon notice to the delinquent Lot Owner, to accelerate the remaining balance of the Annual or Additional Assessments for the entire fiscal year, making that entire remaining balance immediately due and payable in full, without the need to obtain specific case-by-case direction from the Board in that regard.

F. **Legal Referral**. If an assessment installment or any other charge remains delinquent for more than ninety (90) days after its due date, then the Association's management agent is authorized to forward the Lot Owner's delinquent account to the Association's legal counsel for collection.

G. **Lien**. As provided under the Declaration and the Act, when an assessment is levied against a Lot Owner, that assessment is immediately deemed to be lien against the Lot Owner's lot, and the Association may perfect that lien at any time thereafter by recording a Memorandum of Lien in the county's land records, but only after first giving the delinquent Lot Owner at least ten (10) days' notice, by certified mail, that the lien will be recorded in the county's land records. Late fees, interest, attorney's fees, the costs associated with filing and releasing the Memorandum of Lien, and other costs of collection may be included as part of the lien and added to the Lot Owner's account.

H. **Further Legal Action**. If an account remains delinquent after the initiation of legal action (for example, the filing of a lien or civil suit), the Association's legal counsel is authorized to take other appropriate legal action to collect the amounts due, except as provided in Paragraph I below or unless directed otherwise by the Board. Once a judgment is entered against a Lot Owner, further legal actions may include, without limitation, garnishment of wages, rent and/or bank accounts, and the attachment of vehicles or other assets.

I. **Foreclosure**. If a lien remains unpaid, the Board may authorize the Association's legal counsel to institute foreclosure proceedings against the Lot Owner's lot within thirty-six (36) months of the date the lien was recorded (or within such other time period as may be authorized by the Act from time to time).

J. **Waivers**. The Board may, in its sole discretion, grant a waiver of any provision herein (except filing of Memoranda of Liens beyond the statutory deadline) upon written petition by a Lot Owner alleging a significant personal hardship. Any such relief granted to a Lot Owner shall be appropriately documented in the Association's files with the name of the person or persons representing the Board who granted the relief and the conditions of the relief, if any. The Board may designate the management agent, President or any other officer or agent with authority to act on behalf of the Board in this regard if a decision is needed prior to the Board's next meeting. If the Board grants a payment plan request for delinquent amounts that will extend for more than ninety (90) days or past the twelve (12) month deadline for filing a Memorandum of Lien for the delinquent amounts, then the Board may require that the delinquent amounts be secured by a

recorded Memorandum of Lien and/or by a promissory note as a condition of the payment plan.

K. **Management Waiver.** The Association's management agent is authorized to waive the imposition of late fees and interest if the delinquent Lot Owner had owned the lot for less than three (3) months at the time of the delinquency and, in the judgment of the management agent, the delinquency was the result of a misunderstanding of the correct procedures relative to payment of the assessment. This type of waiver may be granted only once to any Lot Owner.

L. **Application of payments.** Payments received from a Lot Owner shall be credited in the following order:

1. Any collection costs for delinquent accounts, including, for example, administrative fees, certified mailing costs, lien filing/releasing costs, and court costs;
2. Attorney's fees incurred by the Association in the collection process, to the extent consistent with applicable law;
3. Any late fees and returned check charges;
4. Any other charges assessed against the Lot Owner's account (for example, violations of the Declaration);
5. Annual, Services and/or Additional Assessments, applied to the oldest outstanding amount first.

M. **Suspension of Voting Rights, Right to Serve on Board, and Use of Facilities and Services.**

1. Pursuant to Section 12.1(h) of the Declaration and the terms of this Resolution, if a Lot Owner's assessment account is more than sixty (60) days delinquent, then that Lot Owner's right to vote on Association matters and right to be elected to, or serve on, the Board shall be automatically suspended without further notice other than this Resolution, with such suspensions continuing until that Lot Owner's assessment account is fully paid.

2. In addition, pursuant to Section 12.1(h) of the Declaration and Section 55-513.B of the Act, for any Lot Owner whose account is more than sixty (60) days past due, the Board may suspend that Lot Owner's right to use Association-provided recreational facilities and non-essential services, but only after first giving notice and an opportunity for a hearing pursuant to the requirements of Section 55-513.B of the Act and any other applicable procedures that may be adopted by the Board from time to time.

The remedies stated herein shall not constitute an election of remedies and all remedies shall be deemed cumulative.

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MEADOWS EDGE HOMEOWNERS ASSOCIATION

RESOLUTION ACTION RECORD

Resolution Type: Policy No. 09-01

Pertaining to: Assessment Collection Procedures

Duly adopted at a meeting of the Board of Directors of the Meadows Edge Homeowners Association held January 20, 2009.

Motion by: Amy Polk Seconded by: Mark Flynn.

VOTE:

	YES	NO	ABSTAIN	ABSENT
<u>Amy B. Polk Amy Polk</u> Member <u>✓</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Gracy Leysmaff</u> Member <u>✓</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>mark Flynn</u> Member <u>✓</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____, Member	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____, Member	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

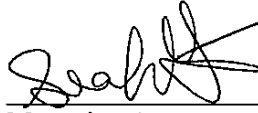
ATTEST:
Seah agent
Secretary - Recording Secretary

1/21/09
Date

Resolution effective: January 7, 2010

FOR ASSOCIATION RECORDS

I hereby certify that a copy of the foregoing Policy Resolution was mailed or hand-delivered to the owners of the Meadows Edge Homeowners Association on this 9th day of November, 2009.



Managing Agent