

SOUTHLAKE COVE TOWNHOMES ASSOCIATION

POLICY RESOLUTION NO. 2013 - 001

ASSESSMENT COLLECTION POLICY

WHEREAS, the Association was established as a Virginia property owners' association by the recordation of a Declaration of Covenants, Conditions and Restrictions in the land records of Prince William County, Virginia, at Deed Book 1634, Page 0015, *et seq.*; and,

WHEREAS, Section 55-515A of the *Virginia Property Owners' Association Act*, Va. Code § 55-508, *et seq.* ("Act") charges all lot owners and their tenants, guests and invitees with compliance with the Act, the Declaration, By-Laws and Rules and Regulations of the Association, as amended; and,

WHEREAS, Article IV (*Covenant for Maintenance Assessments*) sets forth an assessment obligation for all lot owners, and Article IV, Sections 4.06 (*Uniform Rate of Assessment*) and 4.08 (*Effect of Nonpayment of Assessments: Remedies of the Association*) of the Declaration state that the Association's Board of Directors may collect in the manner which it determines the assessment obligation of the members, and further state that any assessment obligation not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of six percent (6%) per annum; and,

WHEREAS, Article IV, Section 4.08 and Article VI, Section 6.01 (*General Provisions - Enforcement*) state that the Association has the right to enforce any term, charge, condition or covenant of the Declaration in law or in equity; and,

WHEREAS, Section 55-513.2 of the Act (Assessments; late fees) authorize the Board of Directors to impose a late fee of not more than five percent (5%) of the amount owing and due for any assessment obligation that is not paid within sixty (60) days of the due date for such assessment payment; and,

WHEREAS, it is the intent of the Board of Directors to revise the Association's existing general assessment collection policy and to approve rules and regulations regarding the assessment collection policy of the Association for the benefit and protection of the Association's lot owners and residents by establishing procedures to ensure consistency of enforcement;

NOW, THEREFORE, IT IS HEREBY RESOLVED THAT the Board of Directors adopts the following policy to become effective July 1, 2013.

I. ROUTINE COLLECTIONS

A. As of Calendar Year 2013, the annual assessment obligation is \$520.00. The amount of the assessment obligation is set annually by the Board of Directors. The assessment amount can and will change in the future based upon the needs of the Association.

The annual assessment will be collected on a lump sum or semi-annual basis and shall be due and payable on February 1 (if paid in lump sum) or February 1 and July 1 of each year if paid in semi-annual installments of \$260.00 per payment. Lot owners who elect to pay in semi-annual installments shall be assessed a \$10.00 administrative fee. If a lot owner is in default in payment of any assessment for more than thirty (30) days, the assessment shall be considered delinquent and the member's right to vote shall be suspended until the account is brought current. Pursuant to Article II, Section 2.01(b) of the Declaration (*Property Rights - Owners' Rights of Use and Enjoyment, etc.*), the member's right to use the common area/facilities of the Association as well as the common area/facilities of the Montclair Property Owners' Association ("MPOA") shall also be suspended for any period during which any assessment obligation of the lot owner remains unpaid. Prior to imposing any such suspension of the right of use, the Association shall follow the procedure set forth in II.B and II.C below.

B. All special assessments, whether in lump sum or installments, shall be collected (if in installments) on a semi-annual basis and shall be due and payable on February 1 and July 1 of the assessment year in which the assessment was approved. If applicable, the notice of special assessment shall set forth any other payment arrangements which may differ from the aforementioned schedule, as may be established by the Board of Directors.

C. All documents, correspondence, and notices relating to assessments or charges shall be mailed or delivered to the address which appears on the books of the Association or to such other address as is designated in writing by an owner.

D. Non-receipt of an invoice/payment coupon book shall in no way relieve the owner of the obligation to pay the amount due by the due date.

II. REMEDIES FOR NONPAYMENT OF ASSESSMENTS

A. If payment of the total assessments or charges due, including special assessments are not received by the managing agent by the thirtieth (30th) day after the due date, the account shall be deemed late and pre-judgment interest of six percent (6%) per annum shall be added to the account from the due date. In addition, if any assessment obligation remains unpaid for a period in excess of sixty (60) days, that obligation shall accrue interest from the due date at the rate of five percent per annum (5%) as a late fee (which shall be in addition to the 6% interest assessed upon the non-payment within 30 days of the due date). Such charges shall be a part of the continuing lien for assessments as provided for in the Declaration, By-Laws and the Property Owners' Association Act, until all sums due and owing shall have been paid in full.

B. A "Late Notice" shall be sent by the managing agent to lot owners who have not paid assessments or charges, in full, by the thirtieth (30th) day after the due date. The notice shall advise the owners that their rights to park in the common area parking spaces (including reserved/assigned parking spaces) of the Association and use recreational facilities or other services and facilities of both the Association and the MPOA may be suspended if their account remains delinquent for more than sixty (60) days. The notice shall further offer the owners the opportunity to have a hearing before the Board to

contest the suspension. If applicable, the notice shall also advise them their account has been accelerated through the end of the fiscal year (the total annual assessment obligation (\$520) is deemed immediately owing and due) and will be referred to legal counsel if it remains more than sixty (60) days delinquent. If the owner requests a hearing, then a notice of hearing shall be sent to the owner by the management agent, by certified mail, return receipt requested and the owner shall be afforded a hearing before the Board.

C. If an assessment or other charge due and owing is not received within sixty (60) days after it is due, and if a hearing has not been requested by the delinquent owner, the owner's privileges to: (i) to park on the Association's common area property (the private streets and the parking spaces in the community, including any reserved/assigned parking spaces for that lot); and, (ii) to use recreational facilities or other services and facilities of the Association and the MPOA shall all be suspended and revoked until the account is paid in full or a satisfactory payment plan is accepted by the Board. Suspension of the parking privilege shall be enforced by towing without prior notice. Notice of such suspension shall be sent to the owner by the management agent by certified mail, return receipt requested not less than seven (7) days prior to the actual effective date for towing. Upon the mailing of the notice, an administrative fee in the amount of \$10.00 shall be assessed against the account to recover the costs of the mailing.

D. If payment in full, of any assessment or charge, interest and returned check charge, is not received by the managing agent by the sixtieth (60th) day after the due date, the account may be referred to counsel for the Association. Counsel for the Association shall mail a demand for payment and lien warning by certified mail to the lot owner at the address listed on the books of the Association.

E. If payment in full, of the amounts due, is not received by counsel or the managing agent within fifteen (15) days after the lien warning letter has been sent by certified mail, a memorandum of lien for the unpaid assessment amount shall be recorded in the land records of the jurisdiction. Non-receipt of a notice shall not prevent the Association from filing a lien within the statutory deadline. Pursuant to Section 4.08, the costs and reasonable attorneys' fees of such action shall be added to the account.

F. If payment in full, of all amounts due, is not received by counsel or the managing agent by the ninetieth (90th) day after a due date, a civil suit may be filed personally against the delinquent lot owner.

G. If an account remains delinquent after the filing of a lien or civil suit or in lieu thereof, counsel for the Association shall take other appropriate legal action to collect the amounts due, unless directed otherwise by the Board of Directors of the Association. The aforementioned time guidelines are advisory only. The Association shall not be bound thereby if in the exercise of its discretion the Board of Directors deems expedited action is required regarding any particular account.

H. If a lien remains unpaid, a suit to enforce the lien or a public sale to foreclose on the lot may be initiated within thirty-six (36) months of the date the lien is recorded, upon authorization from the Board of Directors.

I. If the Association receives from any 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, cashier's check or money order for the remainder of the fiscal year. Any dishonored check to the Association shall result in the assessment of a Twenty-Five Dollar (\$25.00) returned check charge against the lot owner's assessment account and shall be included in any assessment action taken against the lot owner (lien or judicial action).

J. The management agent is hereby authorized to charge against an assessment account a \$20.00 replacement fee to cover the issuance of replacement coupons for coupons lost or misplaced by the owner(s).

K. In the event that judicial action is required to collect any unpaid assessment obligation, or the Association elects to foreclose upon its lien, the Association shall be entitled to its reasonable attorneys' fees and costs pursuant to Va. Code Section 55-515B or Va. Code Section 55-516.1.8c, respectively.

L. The Board may grant a waiver of any provision herein, except filing of memoranda of liens beyond the statutory deadline, upon petition, in writing, by a lot owner alleging a personal hardship. Such relief granted a lot owner shall be appropriately documented in the files with the name of the person or persons representing the Board granting the relief and the conditions of the relief.

M. The Board hereby authorizes the managing agent to waive the imposition of interest on payments received by the managing agent after the thirtieth (30th) day after the due date, if, in the judgment of the managing agent, the delinquent lot owner has owned the lot for less than three (3) months at the time of the delinquency and the managing agent determines the delinquency was the result of a misunderstanding of the correct procedures relative to payment of the assessment.

N. Payments received from a lot owner shall be credited in the following order:

1. Charges for attorneys' fees and court/lien costs.
2. All returned check charges or interest accrued, as applicable.
3. The annual and any special assessment of each lot, applied first to the oldest amount due.

O. In the event that the right to park in the common area parking spaces is suspended for nonpayment of the assessment obligation, the suspension shall pertain to ALL common parking area parking spaces, including those spaces reserved/assigned to the lot as well as guest/visitor spaces. After seven (7) days of the mailing of the notice of suspension (by certified mail, return receipt requested) to the owner's address of record with the Association, the suspension shall be enforced by towing without notice. Such towing shall be at the sole risk and expense of the vehicle owner, and the Association shall under no circumstances be liable for any damage to the vehicle or the costs to repair same.

P. The following is an annual schedule of dates/events relative to the collection of the annual assessment obligation. Note that if any special assessment is levied by the Board of Directors, such special assessment shall be in addition to the annual assessment and shall be collected by same procedures set forth below.

January 1	Invoice for annual assessment obligation (\$520) is mailed to all lot owners.
February 1	Due date. Payment in amount of \$520 is owing and due, or, if semi-annual option is selected, payment in amount of \$260 is owing and due.

- March 1 If no payment has been received, the account is accelerated through the end of the fiscal year (\$520 becomes immediately owing and due). Interest in the amount of six percent (6%) on the annual assessment obligation (\$520) is added to the account from February 1. Management agent mails to lot owner the 30-day late notice described in II.B above.
- April 1 If payment of the annual assessment obligation (\$520) has not been received in full, interest at the rate of five percent (5%) on the annual assessment of \$520 dating from February 1 is added to the account as a late fee. Use of common area facilities (including parking within Southlake Cove) may be suspended pursuant to the procedures set forth in II.B and II.C above. Account may be forwarded to counsel to commence legal collection procedures pursuant to Sections II.D-F above.
- June 1 Those lot owners who elected to pay in semi-annual installments of \$260 per installment shall receive an invoice from the management agent for the second installment (\$260), owing and due by July 1.
- July 1 Due date for second semi-annual installment (\$260).
- August 1 If payment of the second semi-installment has not been received by the management agent, interest in the amount of six percent (6%) on \$260 shall be assessed against the account as of July 1. Management agent mails to lot owner the 30-day late notice described in II.B above.
- Sept 1 If payment of the second semi-annual installment (\$260) has not been received in full, interest at the rate of five percent (5%) on the installment \$260 dating from August 1 is added to the account as a late fee. Use of common area facilities (including parking within Southlake Cove) may be suspended pursuant to the procedures set forth in II.B and II.C above. Account may be forwarded to counsel to commence legal collection procedures pursuant to Sections II.D-F above.

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RESOLUTION ACTION RECORD

Resolution Type: Policy No. 2013 - 001

Pertaining to: Assessment Collection Policy

Duly adopted at a meeting of the Board of Directors of the Southlake Cove Townhomes Association, held July 15, 2013.

Motion by: T. Jack

Seconded by: Patrick C. Brookes

VOTE:

	YES	NO	ABSENT	ABSTAIN
Guillermo M. Garcia Jr. President	___	___	X	___
Timothy B. Jack, Vice President	<u>10</u>	___	___	___
Lynne DeWitt, Secretary	___	___	X	___
Shelia M. Dorsey, Treasurer	<u>SD</u>	___	___	___
Patrick C. Brookes, Member	<u>PCB</u>	___	___	___

ATTEST:

Shelia M. Dorsey
Secretary

7/15/2013
Date

Book of Minutes - 2013

Book Resolutions: Book No. _____

Page No. _____

Policy _____

Resolution effective: July 1, 2013.