

**Stockbridge Condominium Unit Owners Association
Administrative Resolution No. 2
Procedures Relative to Assessments**

Relating to Collection of Routine and Delinquent Assessments

WHEREAS, the Declaration of Stockbridge Condominium Unit Owners Association (the "Declaration") and the recorded Bylaws of Stockbridge Condominium Unit Owners Association (the "Bylaws"), as amended, together known as the Condominium Instruments, provide that the Units are subject to the Condominium Instruments and the Rules and Regulations of the Stockbridge Unit Owners Association (the "Association"), including the obligation of all Unit Owners to pay the Common, Limited and Special assessments assessed by the Board; and

WHEREAS, Article III, Section 1 of the recorded Bylaws stipulate that the Board of Directors (the "Board") has the power to make assessments against the Unit Owners to defray the costs and expenses of the Association and to establish the means and methods of collecting such assessments from the Unit Owners; and

WHEREAS, Article V, Section 1(a) of the Bylaws establishes the fiscal year from October 1 through September 30 unless otherwise determined by the Board of Directors;

WHEREAS, Article V, Section 2 of the Bylaws obligates each Unit Owner to pay monthly assessments imposed by the Association;

WHEREAS, Article V, Section 3 of the Bylaws permits a late charge of \$10.00 or an amount as established by the Board of Directors for an installment not paid within ten (10) days of the due date;

WHEREAS, Article IX, Section 1(b), Section 1(d), Section 2(b) provide for recovery of cost of collection, attorney fees, interest of 18% per annum if assessment more than 15 days delinquent, and acceleration of the remaining assessments for the fiscal year upon the default by a Unit Owner in the timely payment of any two consecutive installments;

WHEREAS, Article III, Section 2 of the Bylaws provide that the Association may delegate any such powers to a Managing Agent unless expressly reserved to the Board; and

WHEREAS, Article IX, Section 2(c) of the Bylaws and Section 55-79.84 of the Condominium Act permit the Association to enforce a memorandum of lien for unpaid condominium assessments by foreclosure; and

WHEREAS, Article IX, Section 1(g) of the Bylaws authorizes the Board to assess charges to a Unit Owner for violation of the rules and regulations; and

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

NOW THEREFORE, it is hereby RESOLVED THAT the Board duly adopts the following assessment and collection policy:

I. Routine Collections

A. The assessments shall be established by the Board. The assessments shall be collected monthly, with payment due on the first day of each month (the "Due Date"). The fiscal year of the Association shall be the twelve month period beginning October 1 and ending September 30.

B. Non-receipt of a payment coupon, coupon books, notices, or other such documents relating to the payment of assessments shall not excuse a Unit Owner from the obligation to pay assessments. No Unit Owner may exempt himself for liability for assessments by abandoning any Unit or by the abandonment of the use and enjoyment of the Common Elements.

C. Non-resident Unit Owners must provide the Board with a telephone number and address, in writing, where the Unit Owner can be contacted; otherwise, all notices shall be sent to the Unit address.

II. Remedies for Nonpayment of Assessments

A. Late Charge. If a monthly assessment is not paid within 10 days of the Due Date (or the first working day thereafter if such day is a Saturday, Sunday or legal holiday), a late charge of \$35.00 shall be imposed on the account by the Managing Agent.

B. Interest. If a monthly assessment is not paid within 15 days of the Due Date, interest shall accrue at the rate of 18% per annum.

C. Acceleration. If a Unit Owner fails to timely pay assessments and remains delinquent for two consecutive installments, the remaining installments due for the fiscal year shall become immediately due and payable without any further action of the Board of Directors required.

D. Late Notices. If a monthly assessment is not paid within 10 days of the Due Date, the Managing Agent may send a Reminder Notice requesting payment of the assessments, late fees and cost. If payment is not received within 30 days of the Due Date, the Managing Agent may send a Demand Letter requesting payment of the assessments, late fees, and cost to avoid legal action or a proceeding for the suspension of the use of Common Elements facilities. Unit Owners may be warned in the letter of their responsibility for any attorney fees and collection costs incurred by the Association for collection services. The Management Agent is directed to refer to legal counsel without delay, any Unit Owners who have not paid the assessment in full within 60 days of the Due Date.

E. Returned Check Charge. If the Association receives a check from a Unit Owner which fails to clear the Unit Owner's personal banking account, the Association shall charge the Unit Owner a returned check charge of \$50.00, or an amount permitted by law, whichever is greater. If the Association receives from any Unit Owner, in any fiscal year, one or more returned checks for payment of assessments, the Managing Agent may require all future payments to be made by certified funds or cashier's check for the remainder of the fiscal year.

F. Referral to Legal Counsel, Acceleration and Suspension of Privileges. Whenever any Unit Owner fails to pay any portion of the assessments, the Managing Agent, without any further action of the Board, shall automatically take the following action:

1. The account shall be referred to legal counsel for immediate action.
2. Legal counsel is authorized, without further action of the Board, to take the following action: the entire balance of the assessments for the remainder of the fiscal year shall be automatically accelerated and declared due in full; a memorandum of lien for unpaid condominium assessments in the accelerated amount shall be recorded against the title to the Unit. In addition, legal counsel may proceed to commence a civil action for judgment against the Unit Owner for unpaid assessments, interest, late charges, attorney's fees and collection costs. Legal counsel is authorized to take post judgment action to collect the unpaid assessments.
3. In addition to the above remedies, the Board may choose to authorize legal counsel to foreclose the memorandum of lien for unpaid condominium assessments, pursuant to Article IX, Section 2 (c) of the Bylaws, in the manner provided by the laws of the Commonwealth of Virginia, including the Condominium Act.
4. The Managing Agent may suspend a Unit Owner's rights, privileges and benefits of membership, pursuant to Article III(B) of this Resolution, below. If imposed, the suspension shall continue until payment is received in full by the Association. Such suspension may include, but is not limited to, revocation of recreation and parking privileges.

G. Method of Crediting Payments. The Unit Owner's account will not be considered paid in full until all fees and charges, as set forth below, are paid. After an account becomes delinquent, payment received from a Unit Owner will be credited in the following order of priority, pursuant to generally accepted accounting principles:

- a. Charges for attorney's fees and court costs.
- b. Late charges, collection costs, interest and returned check charges.
- c. Charges (pursuant to Section 55-79.80:2 of the Condominium Act) for violation by an Unit Owner, his family, employees, agents, tenants or licensees of the Condominium Instruments and Rules and Regulations of the Association.
- d. Limited Common Expenses
- e. Any and all Special Assessments.
- f. The monthly assessments, oldest outstanding first.

III. Suspension of Privileges

A. Voting. In accordance with Article II, Section 9(c) of the Bylaws, if a Unit Owner is delinquent in the payment of his assessments more than thirty (30) days and the amount necessary to bring his account current has not been paid at the time of such meeting or election, the Unit Owner shall be prohibited from voting or being elected to or serve on the Board of Directors. Notice of the suspension of the right to vote does not require notice and a hearing.

B. Suspension of Use of Facilities and Services. Once an account is delinquent for sixty (60) days, the responsible Unit Owner shall no longer be a Member in good standing of the Association. Such Unit Owner may not be entitled to any of the rights and privileges of membership, including the right to general access to, and use of, the Common Elements, recreational facilities or services of the Association. Suspension is subject to the notice and hearing provisions of the Condominium Act as follows:

1. Before any suspension, the Unit Owner shall be given an opportunity to be heard, to present witnesses and to be represented by counsel before the Board or other tribunal specified in the Condominium Instruments and Rules and Regulations of the Association.

2. Notice of the hearing shall be mailed by certified mail, return receipt requested to the Unit Owner at the address of record with the Association, at least fourteen (14) days prior to the hearing.

3. The Notice of the hearing shall contain a description of the amount of the unpaid assessments and the provisions of the Condominium Instruments and Rules and Regulations of the Association alleged to have been violated.

4. The Board decision shall be hand delivered or mailed by certified mail, return receipt requested, to the Unit Owner at the address of record with the Association within seven (7) days of the hearing.

This Resolution is effective July 1, 2012. The Board directs that this Resolution shall be reasonably published or distributed to the Unit Owners of the Association.

Adopted at a meeting of the Board of Directors on May 29, 2012.

Brenda Perry
President

5/29/2012
Date

Attested By:

Michelle R. Sang
Secretary

5/29/2012
Date