

**LAKESIDE AT SOUTH RIDING CONDOMINIUM
UNIT OWNERS ASSOCIATION**

POLICY RESOLUTION NO. 2012-01

Assessment Collection Procedures

WHEREAS, Article 3, Section 3.1 of the Bylaws of the Lakeside at South Riding Condominium Unit Owners Association (“Association”) provides that the Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Unit Owners Association; and

WHEREAS, Article 5, Section 5.1(c) of the Bylaws creates an assessment obligation for the owners; and

WHEREAS, Article 5 and Article 9 of the Bylaws establish 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, IT IS HEREBY RESOLVED THAT the following assessment collection procedures be, and hereby adopted:

I. Routine Collections

- A. Due Date. All monthly installments of the annual assessments shall be due and payable in advance on the first day of the applicable month (“Due Date”). If required or requested by South Riding Proprietary (the master community association for South Riding), the annual assessment billed to a Unit Owner shall also include the annual assessment imposed by South Riding Proprietary.
- B. Unit Owner’s Mailing Address. All documents, correspondence, and notices relating to assessments or charges shall be mailed to the address which appears on the books of the Association or to such other address as is designated in writing by a Unit Owner. Non-resident unit owners must furnish the Association with an address where they can be contacted; otherwise, all notices shall be sent to the property address, which will be deemed to be the unit owners’ record mailing address, and the unit owners shall be responsible for the information contained therein.
- C. Non-Receipt of Notices. Non-receipt of an invoice shall in no way relieve a Unit Owner of the obligation to pay the amount due by the due date.

- D. Violation Charges. Charges or costs assessed against a Unit Owner pursuant to the Association's Declaration, Bylaws, or Rules and Regulations, including, but not limited to, rule violation charges, shall be collected as an assessment or in such other manner as determined by the Board of Directors.

II. Remedies for Nonpayment of Assessment

- A. Late Fees. If payment of any assessment, or any installment thereof, or other charge, is not received by the Association by the tenth (10th) day of each month, the account shall be deemed late and a late fee in the amount of twenty-five dollars (\$25.00), or such other amount as may be fixed by the Board of Directors, from time to time, in accordance with the governing documents, shall be automatically added to the account and thereafter be part of the continuing lien for assessments, as provided in Article 9, Section 9.2 of the Bylaws, until all sums due and owing have been paid in full. Late fees will apply to all payments that are not received when due, regardless of when they were mailed.
- B. Interest. If payment in full is not received by the fifteenth (15th) day after the due date, the Association may charge interest from the due date at eighteen percent (18%) per annum, or other such maximum permissible interest rate.
- C. Notices. A "Late Notice" shall be sent to Unit Owners who have not paid their assessments by the tenth (10th) day of the month. If payment in full, including late fees, interest, and costs is not received by the Association by the thirtieth (30th) day after the due date, a "Notice of Intent to Accelerate Installments and File a Memorandum of Lien" shall be sent to the Unit Owner by first class mail. The Association may simultaneously send a copy of such Notice to the Mortgagee of the Unit, if known.
- D. Acceleration. If a Unit Owner fails to fully pay any two (2) consecutive assessment installments in a timely manner, then the remaining balance of the annual or special assessment for the entire fiscal year shall be immediately due and payable in full and a lien shall be placed against the Unit. The Association's legal counsel will notify the Unit Owner of the lien, and the Association will notify the mortgagee, if such information has been provided to the Association by the owner or mortgagee. However, failure to notify shall in no way affect the validity of the lien.
- E. Suit Filing. If payment in full, including late fees, interest, and costs is not received by the Association within sixty (60) days after the due date, a civil suit may be filed against the Unit Owner.
- F. Further Legal Action. If an account remains delinquent after the filing of a lien or civil suit, legal counsel for the Association shall take other appropriate legal action as directed by the Board.

- G. Assessment of Costs and Attorney's Fees. All costs, including, without limitation, legal fees, incurred by the Association as a result of any delinquency or violation of the Declaration, Bylaws, or Rules and Regulations of the Association shall be specially assessed or charged against the Unit Owner as provided in Article 9, Section 9.1 (a) and (b) of the Bylaws.
- H. Returned Checks. If the Association receives a check from any Unit Owner which fails to clear the unit owner's account, a reasonable service charge in the amount of \$50, or the maximum permitted by law, shall be charged to the unit owner; in addition, any fees charged to the Association by the Association's bank or other depository for processing the bad check, shall be posted to such unit owner's account. If there are two or more returned checks for payment of assessments in one fiscal year, 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.
- I. Board Waiver. The Board may grant a waiver of any provision herein upon petition in writing by a Unit Owner alleging personal hardship. Such relief, if granted to a Unit Owner, shall be appropriately documented in the Association's records. Such documentation shall include the basis for taking such action.
- J. Managing Agent Right to Waive. The Board hereby authorizes the Managing Agent to waive the imposition of late fees on payments received after the tenth (10th) day of the month if the delinquent Unit Owner has owned the Unit for less than three (3) months at the time of the delinquency and, in the judgment of the Managing Agent, the delinquency was the result of a misunderstanding of the correct procedures relating to payment of the assessment. Such a waiver may be granted only once to any Unit Owner.
- K. Crediting of Payments. Payments received from a Unit Owner shall be credited in the following order:
1. Charges for attorney's fees and court costs.
 2. All late fees, returned check charges or interest accrued, as applicable.
 3. All other charges assessed against a Unit Owner as a result of violations of the Declaration, Bylaws, and/or Rules and Regulations.
 4. The installments of the annual assessments and any special assessments against the Unit, applied first to the oldest amount due.
- L. Suspension of Rights. A Unit Owner's privileges to use services and facilities, including parking, may be suspended if the Unit Owner is more than sixty (60) days delinquent in paying assessments to the Association. Such a suspension shall be imposed only after the Unit Owner is given notice and an opportunity for a hearing in accordance with the

Association's Due Process Procedures and Section 55-79.80:2.B of the Virginia Condominium Act. Once imposed, the suspension shall continue for as long as the Unit Owner's assessment account remains delinquent.

III. Miscellaneous

- A. This assessment collection resolution, once adopted by the Board of Directors on behalf of the Association, shall supersede and replace any previously adopted Association rules or regulations pertaining to the collection of delinquent assessments.
- B. The Board has the right to make modifications or amendments to this resolution. Thirty (30) days written notice shall be given to all Unit Owners prior to enforcement of any such modification or amendment.
- C. The effective date of this resolution shall be thirty (30) days from the date a copy of the Resolution is mailed to Unit Owners.

LAKESIDE AT SOUTH RIDING CONDOMINIUM UNIT OWNERS ASSOCIATION

RESOLUTION ACTION RECORD

Resolution Type: Policy

No. 2012-01

Pertaining to: Collections

Duly adopted at a meeting of the Board of Directors held January 9, 2012.

Motion by: Phil Ingram

Seconded by: David Benner

VOTE:

YES NO ABSTAIN ABSENT

Rebecca T. Curran, President

X

Sharon Sweetman, Vice-President

X

Phil Ingram, Treasurer

X

David Knowlton, Secretary

X

David Benner, At-Large

X

Resolution effective: January 9, 2012.