

**THE UNIT OWNERS ASSOCIATION OF
COLONIAL VILLAGE III, A CONDOMINIUM**

REGULATORY RESOLUTION 2012-2

COLLECTION OF ROUTINE AND DELINQUENT ASSESSMENTS

WHEREAS, Article III, Section 2. Powers and Duties of the By-laws provides that the Board of Directors shall have all the powers and duties necessary for administration of the affairs of the Association and may do all such acts and things as are not by the Condominium Act, the Declaration or by the By-laws required to be exercised by the Association, including adoption of rules and regulations deemed necessary for the benefit of the Condominium; and,

WHEREAS, Article III, Section 2. (f) of the By-laws grants the Board of Directors the power to make and amend rules and regulations governing the Condominium; and,

WHEREAS, Article VI, Section 3. of the Bylaws states, in part, the following: "All Unit Owners to the extent set forth shall be obligated to pay the Common Expenses assessed by the Board of Directors pursuant to the provisions of this Article VI and such expenses not paid by the 15th day of each month shall be in default;" and,

WHEREAS, Article VI, Section 4. of the Bylaws provides that the Board of Directors shall take prompt action to collect any assessments for Common Expenses due from any Unit Owner which remain unpaid for more than thirty (30) days from the date due for payment thereof; and,

WHEREAS, Article X, Section 2(d) states:

Any assessment levied pursuant to the Declaration or these Bylaws, or any installment thereof, which is not paid within fifteen (15) days after it is due, may at the option of the Board of Directors be subject to a late charge of \$20.00 per month for each monthly assessment in arrears or such other amounts as the Board of Directors may fix, and in addition, the Board of Directors may declare the installments which would otherwise be due during the remaining fiscal year immediately due and payable and may take those actions to collect such accelerated amounts as are provided in the Bylaws for the collection of assessments.

WHEREAS, Article VI, Section 2(b) provides that the Board of Directors has the right to accelerate the payment of assessments and the right to recover attorneys' fees and costs of collection; and,

WHEREAS, the Board believes that it is in the best interest of the Association to adopt procedures for assessment collection and delinquent accounts.

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 applicable month, and all special assessments shall be due and payable on the date specified on the note of special assessment (hereinafter "Due Date").
- B. Unit owners shall pay the annual assessment in twelve (12) equal monthly installments. Unit owners may make arrangements with the managing agent to pay the monthly assessments through a direct debit program, if any.
- C. 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 Unit Owner. Non-resident unit owners shall furnish the Board with a telephone number and an address where the owner will promptly receive mail and notices. If no such address is designated, all notices shall be mailed to the unit address.
- D. Non-receipt of an invoice, payment notice or payment coupon shall in no way relieve a Unit Owner of the obligation to pay the amount due by the Due Date.
- E. Unit owners who wish to drop off a check for their assessment payment at the Property Management Office at 1903 Key Boulevard must do so by the 10th of the month to ensure that it is deposited in CVIII's bank account by the 15th of that month.

II. REMEDIES FOR NONPAYMENT OF ASSESSMENT

- A. If any payment including installment payments, is not received by the Managing Agent by the *fifteenth (15th)* day of each month (or the first working day thereafter if such day is a Saturday, Sunday or legal holiday) the account shall be deemed "in default" and a late fee of **twenty** dollars (\$20.00) per dwelling unit shall automatically be added to the account and thereafter be a part of the continuing lien for assessments as provided for in the Bylaws until all sums due, including such late charge, shall have been paid in full. A "late notice" shall be sent to owners who have not paid their assessments in full by the *fifteenth (15th)* of the month.
- B. If payment of the assessment (including any assessment payable in installments or special assessments) is not received by the Association or managing agent within forty-five (45) days after the Due Date, the Managing Agent shall automatically, on behalf of the Board of Directors, send a demand letter to the delinquent owner.

- C. If payment of the assessment (including any assessment payable in installments or special assessments) is not received by the Association or managing agent within sixty (60) days after the Due Date, the Managing Agent shall automatically, on behalf of the Board of Directors, take the following actions for the Association:
- (i) Add a cost of collection charge to the account (currently \$50); and
 - (ii) Refer the account to the Association's legal counsel for collection. Counsel for the Association shall send a demand letter. Counsel for the Association shall accelerate the entire balance of the annual assessment due for the fiscal year. Counsel for the Association shall be authorized to record and foreclose on liens, and to file suits on behalf of the Association to collect all delinquent sums. Counsel for the Association shall add all attorneys' fees and court costs to the account of the delinquent unit owner. The Board may approve multiple, simultaneous actions including, but not limited to, the filing of a lien as well as filing suit or proceeding with foreclosure.
- D. Counsel may also,
- (i) Accelerate the entire balance of any special assessment payments due for the fiscal year;
 - (ii) Notify one or more credit rating agencies about an owner's delinquent status.
- E. If the unit owner's account has been referred to the Association's legal counsel for collection and a new fiscal year begins, , upon nonpayment of the obligation by the unit owner and after notice to the unit owner, the entire balance of the annual assessment due for the new fiscal year may be accelerated and become due.
- F. All costs incurred by the Association as a result of any violation of the Declaration, Bylaws, Rules and Regulations or Resolutions by a unit owner, his or her family, employees, guests, agents, invitees or tenants, shall be specially assessed against such unit owner pursuant to Article X, Bylaws. Such costs shall include, without limitation, legal or administrative expenses (regardless of whether suits or liens are filed) resulting from an owner's failure to pay assessments when due or resulting from any other default of any provision of the aforementioned condominium instruments and rules/regulations.
- G. If the Association received from any Owner, in any fiscal year, two or more returned checks (e.g. checks returned for insufficient funds) or failed direct-debits for insufficient funds for payment of any sum assessed against the owner's unit, the Board may require all future payments to be made by certified check or money order. A reasonable charge will be made for any returned checks or failed direct-debits, which amount shall be established by the Board of Directors and may be changed by the Board from time to time.

- H. If a unit owner's assessment account becomes more than sixty (60) days past due, the Board of Directors may suspend all of the unit owner's rights to use Association facilities and services, including but not limited to the right to use recreational and common facilities (e.g. parking). Before any such suspension is imposed, the managing agent shall send a notice of the suspension via Certified Mail, Return Receipt Requested. That notice shall inform the unit owner of his or her rights under Virginia law and Association Regulations, including the right to be heard before the Board of Directors (or a committee appointed by the Board). If any unit owner wants a hearing, he or she must request in writing a hearing before the Board of Directors. A unit owner may be represented by their counsel at such a hearing, at the unit owner's expense. Upon receipt of a request for a hearing, the Board shall schedule a hearing and notify the unit owner in writing of the date and time of the hearing. The hearing notification shall be sent by certified mail, return receipt requested, at least 14 days prior to the hearing date. Within seven (7) days after the hearing date, the Association shall send notice in the same manner to the unit owner advising the unit owner of the result of the hearing.
- I. For bookkeeping purposes, payments received from a unit owner will be credited in the following order:
- (i) Charges for legal fees, costs of collection, and court costs
 - (ii) All late charges
 - (iii) All other charges incurred by the Association as a result of any violation by an Owner, his family, employees, guests, agents, invitees or licensees, of any Regulations or Resolutions.
 - (iv) Assessments for common expenses, including any special assessment due, as applicable, with the oldest outstanding balance being credited first.

This resolution supersedes and replaces any previous resolution establishing procedures for the collection of assessments as of June 18, 2012.

Duly adopted at a meeting of the Board of Directors of the Unit Owners Association of Colonial Village (Village III), A Condominium, held on June 18, 2012.