

BROADLANDS ASSOCIATION, INC.

POLICY RESOLUTION 2011-01

ASSESSMENT COLLECTION POLICY

WHEREAS, Article VI of the Declaration for Broadlands (“Declaration”) and Article IV of the Bylaws (collectively “Association Documents”) create an assessment obligation for homeowners, empower the Board of Directors (“Board”) to make assessments against homeowners to defray the common expenses of the Association and to establish and enforce the methods of collecting assessments from homeowners by any lawful means;

WHEREAS, the Declaration and the Bylaws specify the types of relief the Association, through its Board, Association personnel or managing agent, may seek under the terms of the Association Documents or the Virginia Property Owners Association Act (“POAA”) when a homeowner is in default, including suspension of voting or use rights or services for nonpayment of assessments and charges; and

WHEREAS, Article VI, Section 6.2, of the Declaration and Article 4, Section 4.1 of the Bylaws, empower the Board to establish the due dates of assessments; and

WHEREAS, Article VI, Section 6.5 of the Declaration empowers the Board with the authority to establish a late fee if any assessment is not paid within ten (10) days after the due date; and

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

NOW, THEREFORE, IT IS HEREBY RESOLVED THAT the Board adopts the following assessment collection procedures:

I. ROUTINE COLLECTIONS

A. All installments of the annual assessment shall be due and payable in advance on the first day of each month of the fiscal year (“Due Date”).

B. 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 a homeowner.

C. Non-receipt of an invoice shall in no way relieve the homeowner of the obligation to pay the amount due by the Due Date.

D. Charges assessed pursuant to the Association Documents shall be collected in the same manner as an assessment or in such manner as shall be determined by the Board.

II. REMEDIES FOR NONPAYMENT OF ASSESSMENT

A. **Late Fee.** Except for Class E members, if payment of the total assessments or charges due, including special assessments, charges for violations of the Association Documents or Rules and Regulations, and returned check charges, are not received by the Association by the **tenth (10th)** day of the month, the account shall be deemed late, a **late fee of Twenty-five Dollars (\$25.00) or such other amount as the Board may determine from time to time by amendment of this Resolution** 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 Association Documents until all sums due and owing shall have been paid in full. Class E members, shall be deemed late if payment is not received by the **tenth (10th)** day of the month, and shall be subject to a **late fee of fifteen percent (15%)**. This amount shall be automatically added to the amount due and shall be a part of the continuing lien and personal obligation for assessments, as provided for in the Association Documents until all sums due and owing shall have been paid in full.

B. **Returned Checks.** If a check is returned and an assessment or charge due and owing is not otherwise received in the applicable time period, as provided in Paragraph II. A. above, the account shall be deemed late, a late fee shall be added, in addition to a Twenty-five Dollars (\$25.00) returned check charge or the fee charged by the bank to the Association, whichever is higher. If the Association receives from any homeowner, in any accounting year, two or more checks returned for insufficient funds for payment of assessments or other charges, 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.

C. **Late Notice.** A "Late Notice" may be sent monthly by the Association to homeowners who have not paid assessments or charges by the tenth (10th) day after the Due Date. The Late Notice may warn the homeowner that the account will be accelerated and may be sent to legal counsel for legal proceedings. All costs associated with providing a Late Notice shall be added to the account. Non-receipt of such Late Notice does not relieve the homeowner of his financial obligation to pay the costs of collection accrued by the Association for the collection of the delinquent debt, including, but not limited to, interest, all costs of collection and attorneys' fees.

D. **Demand Notice.** A "Demand Notice" may be sent by the Association to homeowners who have not paid assessments or charges by the fortieth (40th) day after the due date. The Demand Notice shall warn the homeowner that the account will be referred to legal counsel for legal proceedings if the amount due is not paid within the period specified in the Notice. All costs associated with providing a Demand Notice shall be added to the account. Non-receipt of such Notice does not relieve the homeowner of his financial obligation to pay the costs of collection accrued by the Association for the collection of the delinquent debt, including, but not limited to, interest, all costs of collection and attorneys' fees.

E. **Legal Referral.** If payment in full, of any assessment, charge or returned check charges, is not received by the Association by the sixtieth (60th) day after the due date, the account shall be referred to counsel for the Association and counsel shall send a demand letter stating that if payment in full is not received within thirty (30) days, the remaining unpaid balance of the annual or special assessment will be accelerated through the end of the fiscal year and a lien filed against the homeowner's lot.

F. **Lien.** If payment in full of the amounts due is not received by counsel or the managing agent

within thirty (30) days after counsel's demand letter has been sent, an accelerated memorandum of lien may be filed. Non-receipt of a notice or demand letter shall not prevent the Association from filing a lien. Reasonable attorneys' fees, and all costs of collection, including the costs of postage and filing and releasing the memorandum of lien, or other legal action, shall be added to the account and the delinquent homeowner shall be personally liable for all costs, and attorneys' fees.

G. **Civil Suit.** If payment in full, of all amounts due, is not received by counsel or the Association by the ninetieth (90th) day after a due date, a civil suit for the accelerated annual or special assessment may be filed personally against the delinquent homeowners. Interest calculated in accordance with the provisions of Article 11, Section 11.1 (c) may be added to the account.

H. **Further Legal Action.** If an account remains delinquent after the filing of a lien or civil suit, counsel for the Association shall take other appropriate legal action to collect the amounts due, unless directed otherwise by the Board.

I. **Foreclosure.** If a lien remains unpaid, the Board may authorize counsel for the Association to proceed with enforcing the lien by filing a suit to foreclose on the lot when the lien is recorded or to sell the lot at public sale at any time after perfecting the lien.

J. **Costs and Fees.** All costs of collection and attorney's fees incurred by the Association as a result of any violation of the Declaration, Bylaws, Rules and Regulations or Resolutions of the Association as to use of the Common Area or violation of other rules by a homeowner, his family, employees, agents, lessees or licensees, shall be assessed or charged against the homeowner.

K. **Board Waiver.** 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 homeowner alleging a personal hardship. Such relief granted a homeowner 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.

L. **Association Staff/Counsel Waiver.** The Board hereby authorizes the Association's General Manager to waive the imposition of the late fee on payments received after the tenth (10th) day of the month, if, in the judgment of the General Manager the delinquent homeowner has owned the lot for less than three (3) months at the time of the delinquency and the General Manager determines the delinquency was the result of a misunderstanding of the correct procedures relative to payment of the assessment. Further, such a waiver will be documented in writing in the homeowner's file. Additionally, the General Manager may waive a single late fee if the late payment was received by the last day of the month and the homeowner has a history of on time payments for the previous (12) twelve months. Such a waiver will be documented in writing in the homeowner's file. Any other request for late fee waivers must be reviewed by the Board.

M. **Application of Payments.** Payments received from a homeowner shall be credited to currently outstanding amounts and the amount owed for each category below shall be paid in full before payment is applied to the next category in the following order:

1. The annual and special Association assessments
2. Late fees.
3. Charges for attorneys' fees, costs and court costs.
4. All returned check charges, postage, and costs of collection.
5. Other charges (rule violations, damages, etc.)

6. Interest

N. **Suspension of Voting Rights.** In accordance with Article 11, Section 11.1 (f) of the Declaration and Article 3, Section 3.2 (d) of the Bylaws, a homeowner's voting rights and the right to be elected to serve on the Board of Directors shall be automatically suspended for any period during which any assessment remains unpaid for more than sixty (60) days and the amount necessary to bring the account current has not been paid at the time of such meeting or election.

O. **Acceleration.** In accordance with Article 11, Section 11.2 (b) of the Declaration, any assessment due that remains unpaid for more than sixty (60) days may result in the Board authorizing the acceleration of all assessments for the remaining term of the fiscal year.

BROADLANDS ASSOCIATION, INC.

POLICY RESOLUTION 2011-01

**ASSESSMENT COLLECTION POLICY
RESOLUTION ACTION RECORD**

Resolution Type: Policy Resolution Pertaining to: Assessment Collection Procedures

Duly adopted at a meeting of the Board of Directors held on January 11, 2011.

Motion By: STACI KAPINOS

Seconded By: ERIC BAZERGHI

VOTE:	YES	NO	ABSTAIN	ABSENT
<u>David Barood</u> <i>President</i>	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
<u>Brian Beahm</u> <i>Vice President</i>	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
<u>Staci Kapinos</u> <i>Secretary/Treasurer</i>	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
<u>Denise Harrover</u> <i>Director</i>	<u> </u>	<u> </u>	<u>X</u>	<u> </u>
<u>Cliff Keirce</u> <i>Director</i>	<u> </u>	<u> </u>	<u> </u>	<u>X</u>
<u>Eric Bazerghi</u> <i>Director</i>	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
<u>Jason Chautin</u> <i>Director</i>	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
<u>Dawne Holz</u> <i>Director</i>	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
<u>Roy Barnett</u> <i>Director</i>	<u> </u>	<u> </u>	<u> </u>	<u>X</u>

ATTEST

Staci Kapinos
Secretary

1.11.11
Date

Resolution Effective: MARCH 1, 2011