

*THE UNIT OWNERS ASSOCIATION OF COLONIAL VILLAGE (VILLAGE I),  
A CONDOMINIUM*

REGULATORY RESOLUTION 2012-3  
(as amended)

**COLLECTION OF ROUTINE AND DELINQUENT ASSESSMENTS AND  
ESTABLISHMENT OF LATE FEES**

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 (Payment of Common Expenses) of the By-Laws 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 15<sup>th</sup> day of each month shall be in default;" and,

WHEREAS, Article VI, Section 4 (Collection of Assessments) of the By-Laws 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(b) (Late Charges) of the By-Laws states that any assessment levied pursuant to the Declaration or these By-Laws, or any installment thereof, which is not paid within ten (10) days after it is due, may at the option of the Board of Directors be subject to a late charge of not less than \$10.00 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 By-Laws for the collection of assessments; and,

WHEREAS, Article VI, Section 2(b) of the By-Laws provides that the Board of Directors has the right to accelerate the payment of assessments and the right to recover attorney's fees and costs; and,

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

NOW, THEREFORE, BE IT RESOLVED THAT the following amended assessment procedures be adopted, which hereby supersede any previously adopted resolutions pertaining to collection policies or procedures:

**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 notice of special assessment; all other amounts assessed against a Unit Owner are due and payable immediately upon assessment unless otherwise specified by written notice from the Association (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 by a Unit Owner by written notice to the Association's management agent ("Managing Agent"). Non-resident Unit Owners shall furnish the Managing Agent 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. Owners have the responsibility of informing the Managing Agent, in writing, of their correct address of record and any subsequent changes to that address.
- D. Non-receipt of an invoice, payment notice or payment coupon by a Unit Owner shall in no way relieve a Unit Owner of the obligation to pay the amount due by the applicable Due Date. If a Unit Owner does not receive an invoice or notice within the expected or required time period, the Owner should contact the Managing Agent immediately to obtain a copy of the notice and to confirm the Owner's correct mailing address.

- 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 6<sup>th</sup> day of the month to ensure that it is deposited in the Association's bank account by the 11<sup>th</sup> day of that month.

## **II. REMEDIES FOR NONPAYMENT OF ASSESSMENT**

- A. If payment of any assessment, including an assessment installment , is not received by the Managing Agent **within ten (10) days after the applicable Due Date** (or the first working day thereafter if such day is a Saturday, Sunday or legal holiday), a **late fee** equal to five percent (5%) of the untimely paid assessment (or installment, if applicable) 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" or "reminder" shall be sent to owners who have not paid their annual assessment installment in full by the eleventh (11<sup>th</sup>) day of the applicable month.

Notwithstanding anything to the contrary in this Resolution, once an account has been forwarded to the Association's legal counsel for collection, no further late notices or other delinquency notices/letters will be sent by the Managing Agent to the delinquent Unit Owner until the account is closed with legal counsel.

- 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 sixty (60) days after the Due Date, the Managing Agent shall automatically send a demand letter to the delinquent owner.

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 take the following actions for the Association:

(1) Accelerate the remaining installments of the delinquent assessment for the entire fiscal year, without the need for case-by-case direction from the Board, making that entire remaining balance of that assessment immediately due and payable in full;

(2) Refer the account to the Association's legal counsel for collection subject to any Board guidance regarding the minimum account balance to forward.

This Resolution constitutes the Board's authorization (without the need to obtain specific case-by-case direction from the Board) for the Association's legal counsel to (i) accelerate the account on the Association's behalf if not already accelerated and posted on the account by the Managing Agent, and (ii) if that delinquent Unit Owner fails to pay a subsequent year's assessment installment within 30 days after the applicable Due Date and the account is still in collections, accelerate the remaining installments of that delinquent assessment for the entire fiscal year, making the entire remaining balance of that assessment immediately due and payable in full.

Counsel for the Association shall be authorized to record and foreclose on liens, send demand letters, file suits on behalf of the Association to collect all delinquent sums, and to enforce judgments obtained against delinquent Owners. Counsel for the Association shall add all attorneys' fees and collection costs to the account of the delinquent Unit Owner. By referring the account to the Association's legal counsel for collection, the Board is deemed to have approved all lawful collection remedies available pursuant to the Virginia Condominium Act, the condominium instruments, and this Resolution.

- C. Any cost incurred by the Association which the Association is entitled to recover pursuant to the authority set forth in the By-Laws may be specially assessed against a Unit Owner. Attorneys' fees and other collection costs incurred by the Association in collecting an unpaid assessment obligation shall be automatically specially assessed and added to the delinquent Owner's assessment account (pursuant to the authority set forth at Article VI, Section 1(b)(v) and Section 2(b) of the Bylaws) as they are incurred or as collection action is taken, without the need for a case-by-case vote by the Board (and regardless of whether suits or liens are filed). Collection costs include, for example, administrative costs for late notices and for turning an account over to legal counsel, mailing costs, the cost of filing a lien and/or civil suit, other court costs, costs for service of process, and investigative search fees. Additionally, in the event a lawsuit is filed to collect an unpaid assessment obligation, the prevailing party shall be entitled to its reasonable attorneys' fees and costs pursuant to Article X, Section 1(c) of the Bylaws.

- D. If an Owner's assessment account remains in default for more than 10 days, then the Owner's account is subject to 12% per annum interest, accruing from the applicable due date(s) until paid. The failure of the Association to post interest charges on an account does not waive the Association's right to later charge, demand and collect interest from the due date if the account is forwarded to legal counsel for collection, and the Association's legal counsel is hereby authorized to demand and collect interest on the overdue amounts accruing from the applicable due dates.
- E. If the Association receives 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 for that fiscal year to be made by certified check or money order. A reasonable processing charge of up to \$50, plus the bad check/debit return fee, if any, charged to the Association by the bank, will be added to the Owner's assessment balance if any check or electronic debit is returned or rejected by the bank.
- F. If a Unit Owner's assessment account becomes more than sixty (60) days past due, the Board of Directors may suspend the Unit Owner's right to use Association facilities and services, including but not limited to the right to use recreational and other common facilities (e.g. parking). Before any such suspension is imposed, the managing agent shall send the Unit Owner a notice of the potential 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 the Unit Owner wants a hearing, he or she must timely request in writing a hearing before the Board of Directors, so that the Owner's request is received by the Managing Agent by the deadline specified in the notice. A Unit Owner may be represented by their counsel at such a hearing, at the Unit Owner's expense. Upon receipt of a timely 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.

The suspension applies not only to the Unit Owner but also to all occupants of, and visitors to, the Owner's Unit. Suspensions remain

in place until the account is paid in full, unless a different arrangement is agreed to in writing by the Board as part of an approved payment plan to settle the debt.

In addition, regardless of whether a Unit Owner's use rights have been suspended as described above, no Unit Owner may vote at any meeting of the Association or be elected to, or serve on, the Board of Directors if an assessment lien has been recorded against the Owner's Unit and the amount to release the lien has not been paid within 72 hours prior to the time of the meeting or election, as applicable (per By-Laws, Art. II, Sec. 9).

G. 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) Annual and special assessments, 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 July 1<sup>st</sup>, 2013.

Duly adopted at a meeting of the Board of Directors of the Unit Owners Association of Colonial Village (Village II), A Condominium, held on August 28<sup>th</sup>, 2013.