

STONEWALL MANOR HOMEOWNERS ASSOCIATION, INC.
POLICY RESOLUTION NO. 2017- 0

(Amended Policy Resolution Pertaining to Collection of Assessments)

WHEREAS, Article IV, Section 1 of the Declaration of Covenants, Conditions and Restrictions (“Declaration”) provides that each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected hereinafter provided;

WHEREAS, Article IV, Section 1 of the Declaration states the annual and special assessments, together with interest, costs and reasonable attorneys’ fees, shall be a charge on the Lot, and shall be a continuing lien upon the Lot against which each such assessment is made;

WHEREAS, Article IV, Section 7 of the Declaration provides any assessment not paid within fifteen (15) days after the Due Date (as established by the Board of Directors (“Board”)) shall be assessed a late fee of such amount as may be established by the Board of Directors and shall bear interest from the Due Date;

WHEREAS, Section 55-513(B) of the Virginia Property Owners’ Association Act (“Act”) authorizes the suspension of an Owner’s right to use the Association’s facilities and services, including utility services, when assessments are more than sixty (60) days past due;

WHEREAS, Article III, Section 5 of the Bylaws states that an Owner shall not be eligible to vote in person or by proxy, or to be elected to the Board of Directors, who is shown on the books or management accounts of the Association to be more than sixty (60) days delinquent in any payment due to the Association;

WHEREAS, the Board has determined there is a need to establish and/or ratify orderly procedures for the billing and collection of assessments; and

WHEREAS, the Board has determined there is need to update and revise procedures for the billing and collection of assessments.

NOW THEREFORE, BE IT RESOLVED THAT the Board hereby adopts the following amended assessment collection policies and procedures as part of the Association’s Rules and Regulations, which supersede any and all previously adopted policies or procedures pertaining to the collection of assessments:

I. Routine Assessment Collection.

A. Assessments. Charges assessed pursuant to the Association’s Declaration, Bylaws, resolutions or for covenants, or rules violations shall be collected as an assessment or in such other appropriate manner as shall be determined by the Board. The annual assessment is payable in four (4) equal quarterly installments by the Due Dates set forth below.

B. Due Date. All installments of the annual assessment shall be due and payable, in advance, on the first day of the first month for each quarter (January 1st, April 1st, July 1st and October 1st) and all further or special assessments shall be due and payable on the date(s) specified in the notice of special assessment (hereinafter "Due Date"). Unless otherwise specified by written notice from the Association, all other amounts assessed against an Owner are due and payable immediately upon assessment.

C. Address of Record; Notices. All documents, correspondence, and notices relating to assessments shall be mailed by first-class mail to the address which appears on the books of the Association or to such other address as is designated in writing by the Owner. It is the Owner's responsibility to notify the Association's managing agent (the "Managing Agent"), in writing, of any change in address and to make sure that his/her mailing address is current at all times. Non-receipt (or late receipt) of an invoice or other form of notice shall in no way relieve an Owner of the obligation to pay the amount due by the Due Date.

II. Remedies for Nonpayment of Assessments.

A. Pre-collection Actions.

1. **Late Fee.** Payment(s) not received by the Managing Agent within fifteen (15) days of the Due Date (or the first working day thereafter, if such Due Date is a Saturday, Sunday, or legal holiday), the account shall be deemed in default and shall be assessed a late fee of thirty-five dollars (\$35.00), or, upon notice to the membership, in such other amounts as the Board may fix from time to time as permitted by the Act.

2. **Late Notices.** The Managing Agent will send a "Late Notice" to Owners who have not paid their assessment(s) or charges in full within thirty (30) days after the Due Date. Non-receipt of such notice does not relieve the Owner of his or her obligation to pay the assessment(s) or the resulting late fees, costs, interest, attorneys' fees, or other costs of collection.

If an Owner's account remains delinquent more than sixty (60) days, the Managing Agent will send another late notice, which may advise the Owner of the following:

- (a) the account may be turned over to the Association's legal counsel for collection if assessments or charges remain unpaid more than ninety (90) days;
- (b) that upon turnover to legal counsel, the remaining balance of unpaid assessments will be accelerated;
- (c) the Owner may be held responsible for costs and legal fees incurred by the Association in connection with the collection of past due amounts;
- (d) the Owner's right to vote or be elected to the Board of Directors shall be automatically suspended; and

- (e) the Owner's right to use the facilities or services provided by or through the Association, including the right to use recreational facilities, may be suspended for so long as any assessment or charge is more than sixty (60) days past due.

Failure of the Association and/or its Managing Agent to send any notices required hereunder shall not be deemed to restrict or limit the Association's authority to proceed with any and all collection actions. Any notice described herein shall not be deemed a condition precedent to the taking of any other actions by the Association.

3. **Administrative Costs and Interest.** The Association shall charge and collect interest on all delinquent sums at a rate of ten percent (10%) per annum from the Due Date (the first day of the quarter) until paid. Any and all costs incurred by the Association in connection with the collection of any delinquent sums shall be assessed to the delinquent Owner's account.

4. **Returned Checks.** If a check or electronic debit is returned or rejected due to insufficient funds (NSF) in the Owner's account, the Owner shall be assessed a NSF charge in the amount of thirty-five dollars (\$35.00), or such amounts as permitted by Virginia law, plus the bad check return fee, if any, charged to the Association by the bank. If the Association receives from any Owner, in any accounting year, two or more returned checks for payment of assessments, the Board may require through the Managing Agent all future payments to be made by certified check, cashier's check, or money order for the remainder of the fiscal year.

5. **Payment Plans.** The Board may, in its sole discretion, consider a payment plan upon written request by an Owner alleging a significant personal hardship or as otherwise determined to be in the best interests of the Association. The Board has the right to approve or deny any payment plan request or propose different terms for repayment in a counter offer. Requests for payment plans shall be made in writing and directed to the attention of the Managing Agent. Payment plan offers shall identify the total balance owed on the account, include a proposed schedule for payment installments, the due dates for such payments and address the payment of future quarterly installments of the annual assessment.

6. **Waivers.** The Board hereby authorizes the Managing Agent to grant a waiver of one **late fee for one quarter and associated interest for one quarter** for an Owner during his/her ownership of the Lot upon petition in writing (email is acceptable) by the Owner. Such a waiver shall be granted only once to any defaulting Owner. The Board may grant a waiver of any provision herein upon petition in writing (email is acceptable) by the Owner alleging a significant personal hardship or for other good cause shown. Such relief granted to an Owner shall be appropriately documented in the Association's files, including the conditions upon which any such relief is based.

7. **Acceleration.** Pursuant to Article IV, Section 6 of the Declaration, the Board has established that the annual assessment may be paid in quarterly installments; however, upon the default by an Owner in paying any two assessment installments in a fiscal year, the remaining balance of the applicable annual or special assessment due on the account for the remainder of the fiscal year shall be accelerated, making any remaining installments of that assessment balance immediately due and owing in full without the need for a case-by-case determination by the Board and by this Resolution, the Managing Agent and/or the Association's legal counsel is

authorized to demand and collect all such accelerated amounts. The Association may then, upon notice to the Owner, file a Memorandum of Lien against the Owner's Lot to secure the unpaid balance on the account, including, but not limited to, any accelerated amounts and all costs of collection allowed by law (including attorneys' fees, if any) which shall be included as part of the lien and added to the Owner's account.

B. Collection Actions:

1. **Referral to Legal Counsel.** In the event that the sum of two quarterly assessment installments (or such other delinquency threshold(s) as the Board may determine from time to time) remains unpaid for more than thirty (30) days, the Managing Agent shall automatically, on behalf of the Board of Directors, refer the account to the Association's legal counsel for collection actions, unless the Board of Directors by majority vote decides not to effectuate such referral. Once an account has been turned over to legal counsel, the Managing Agent shall have no further communications with the Owner regarding the delinquent assessments until the account has been returned from legal counsel. Notwithstanding the procedures set forth in this provision, the Board reserves the right to turn over delinquent accounts to legal counsel at any time if the Board determines that such action is in the best interests of the Association.

2. **Legal Action.** The Association's legal counsel is authorized to pursue legal action, in consultation with the Managing Agent and/or the Board of Directors, as it determines is in the best interest of the Association, including, but not limited to:

- (i) Sending a balance due demand letter and/or notice of acceleration letter to the Owner;
- (ii) Recording a Memorandum of Lien against the Owner's Lot;
- (iii) Filing suit against the delinquent Owner for assessments, attorneys' fees, costs of collection, and court costs;
- (iv) Filing a proof of claim in bankruptcy court;
- (v) Instituting action for foreclosure of the Association's lien(s);
- (vi) Accelerating the balance of the annual assessment if an account remains delinquent for more than thirty (30) days;
- (vii) Accelerating the balance of the special or additional assessment (if applicable);
- (viii) Engaging a firm to conduct a search to identify assets of the delinquent Owner; and,
- (ix) Pursuing post-judgment collection actions, including, but not limited to, debtor's interrogatories, garnishments, and foreclosure (upon authorization by the Board of Directors).

I hereby certify that the foregoing amended Resolution was duly adopted by the Board of Directors of Stonewall Manor Homeowners Association, Inc. this the 1st day of AUGUST, 2017.

**STONEWALL MANOR HOMEOWNERS
ASSOCIATION, INC.**

By: Vernon Samuels
Vernon Samuels
President

CERTIFICATE OF MAILED NOTIFICATION

I hereby certify that a copy of this amended Resolution was mailed to each owner of record at Stonewall Manor Homeowners Association, Inc. on this the 4th day of August, 2017.

Carrie Wakefield
Carrie Wakefield, CMCA®, AMS®
Portfolio Manager
Gates Hudson Community Management LLC
Agents for Stonewall Manor Homeowners
Association, Inc.

3. **Legal Fees.** In the event that an account is turned over to the Association's legal counsel for collection, the Association's legal counsel will assert on behalf of the Association a claim against the delinquent Owner for the costs of pursuing collection, including but not limited to, attorneys' fees.

4. **Continuing Delinquency – Subsequent Fiscal Years.** For Lot Owners whose accounts have been referred to the Association's legal counsel for collection, the remaining balance of assessments due in any subsequent fiscal year shall be automatically accelerated and declared due and owing upon a default by any Owner in the payment of any quarterly assessment installment due in the new fiscal year.

III. Suspension of Voting Rights and Access to Facilities and Services.

A. **Suspension of Association Privileges.** For an Owner whose account is more than sixty (60) days past due, the Board may suspend that Owner's right to use the Common Area facilities, including the swimming pool, for the duration of the period of indebtedness and/or default after first giving the defaulting Owner prior notice and opportunity for a hearing.

B. **Suspension of Voting Rights and Right to be Elected to the Board.** No Owner may vote at any meeting of the Association or be eligible to be elected to the Board of Directors if the Owner is delinquent more than sixty (60) days in any payment due the Association. To be eligible to vote, all delinquencies must be resolved no later than forty-eight (48) hours prior to the time of the meeting at which the vote or election will take place.

IV. General.

A. **Application of Payments.** Payments received from an Owner shall be credited in such order or proportion as the Board of Directors, in the Board's sole discretion, may elect from time to time as permitted by Virginia law. Subject to the express direction of the Board, any payments received by the Association's legal counsel on behalf of the Association shall be credited in such order or proportion as deemed in the best interest of the Association.

B. **Remedies.** The remedies stated in this Resolution shall not constitute an election of remedies and all remedies shall be deemed cumulative.

This Resolution will become effective 1 AUGUST 2017.

**STONEWALL MANOR HOMEOWNERS ASSOCIATION, INC.
RESOLUTION ACTION RECORD**

POLICY RESOLUTION NO. 2017- _____

(Amended Policy Resolution Pertaining to Collection of Assessments)

Duly adopted at a meeting of the Board of Directors held on August 1, 2017.

Motion by: Laura Seconded by: Vernon Samuels

VOTE:

	YES	NO	ABSTAIN	ABSENT
<u>Vernon Samuels</u> Director	✓	_____	_____	_____
<u>Vernon Bojz</u> Director	✓	_____	_____	_____
<u>Paul Bath</u> Director	✓	_____	_____	_____
<u>Laura Fitz</u> Director	✓	_____	_____	_____
_____ Director	_____	_____	_____	_____

ATTEST:

L. Fitz
Secretary

1 Aug 2017
Date

Resolution effective: 1 AUGUST 2017.