

ASHLEY RIDGE HOMEOWNERS ASSOCIATION
POLICY RESOLUTION NUMBER 01
PROCEDURES RELATING TO ASSESSMENTS AND CHARGES

WHEREAS Article V, Section 10 of the Declaration of Covenants, Conditions and Restrictions ("Declaration") creates an assessment obligation for owners;

WHEREAS, Article V, Section 10 of the Declaration empowers the Board of Directors ("Board") to take action on behalf of the Ashley Ridge Homeowners Association ("Association") to collect assessments for Assessments which are more than thirty (30) days past due; and

WHEREAS, Article XI, Section 3, empowers the Board of Directors to adopt rules and regulations governing the Association and

WHEREAS, the Virginia Property Owners' Association Act, Virginia Code Section 55-513(B) and Article V, Section 10(c) of the Declaration authorizes the Board of Directors on behalf of the Association to suspend a lot owner's voting rights and right to use facilities or nonessential services offered by the Association for nonpayment of assessments which are more than thirty days past due; 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 duly adopts the following assessment collection procedures:

I. ROUTINE COLLECTIONS

- A.** All quarterly installments of the annual assessments shall be due and payable in advance on the first day of the applicable quarter. All special assessments shall be due and payable on the first day of the next month that begins more than thirty (30) days after delivery to the owner of notice of a special assessment ("Due Date").
- B.** All documents, correspondence, and notices relating to assessments or charges shall be mailed to the address of record according to the books of the Association or to such other address as is designated in writing by an owner.
- C.** Non-receipt of an invoice shall in no way relieve the owner of the obligation to pay the amount due by the due date.

II. REMEDIES FOR NONPAYMENT OF ASSESSMENT

- A.** **Interest.** As provided in Article V, Section 10, any assessment that is not paid within thirty (30) days after its due date, the assessment shall bear interest from the date of delinquency at the rate charged by the Internal Revenue Service on delinquent taxes.
- B.** **Late Fees.** If payment of the total assessments or charges due, including special assessments, charges for violations of the Association's governing documents and returned check charges, are not received by the managing agent within 30 days from the date due, the account shall be deemed late and a late fee of Twenty Five Dollars (\$25.00) automatically shall be added to the amount due and shall be a part of the continuing lien for assessments, as provided for in the governing documents, until all sums due and owing shall have been paid in full.
- C.** **Acceleration of Unpaid Assessments.** As provided in Article V, Section 10, the Board of Directors may accelerate the due date of any unpaid assessment so that the entire balance shall become due, payable and collectible if any assessment is not paid thirty (30) days after its due date.
- D.** **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 1a above, the account shall be deemed late and a late charge shall be added, in addition to a returned check charge of not more than Twenty-Five Dollars (\$25.00).
- E.** **Late Notice.** A "Late Notice" may be sent by the managing agent to owners who have not paid assessments or charges, in full, by the thirtieth (30th) day after the due date. The late notice may warn the owner of late fees to be assessed, or of future collection activity. Non-receipt of such notice does not relieve the owner 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, costs and attorneys' fees.

- F. Warning Notice.** A "Warning Notice" may be sent by the managing agent to owners who have not paid assessments or charges, in full, by the forty-fifth (45th) day after the due date. The warning notice may warn the owner that the account may be sent to legal counsel for legal proceedings and may be accelerated. Non-receipt of such notice does not relieve the owner 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, costs and attorneys' fees.
- G. Legal Referral.** If payment in full, of any assessment or charge, interest and returned check charges, is not received by the managing agent by the sixtieth (60th) day after the due date, the account may be referred to counsel for the Association. Counsel shall mail a demand letter, which notifies the owner that the account will be accelerated through the end of the fiscal or budget year and notifies the owner of legal action.
- H. Lien.** If counsel or the managing agent does, not receive payment in full, of the amounts due, within thirty (30) days after the notice of legal action has been sent, a Memorandum of Lien shall be filed. Non-receipt or lack of notice shall not prevent the Association from filing a lien within the statutory deadline. Attorneys' fees, interest, late fees and the costs of collection, including costs of filing and releasing the Memorandum of Lien, shall be added to the account and the delinquent unit owner shall be liable for all costs, interest, and attorneys' fees.
- I. Civil Suit.** If counsel or the managing agent does, not receive payment in full, of all amounts due, by the thirtieth (30th) day after a due date, a civil suit also may be filed personally against the delinquent unit owners. The cost of filing any liens and the civil suit will be added to the account, plus accrued late fees, interest chargeable by law on the unpaid assessment, reasonable attorneys fees, and all other costs incurred by the collection process.
- J. 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, except as provided in Paragraph I and unless directed other wise by the Board. Such actions may include, without limitation, garnishment of wages, rent, and/or bank accounts, and/or attachment of vehicles or other assets.
- K. Foreclosure.** If a lien remains unpaid, a suit to enforce that lien and foreclosure proceedings on the unit may be filed within twenty-four (24) months of the date the lien is recorded, upon authorization by the Board.
- L. Certified Funds, When Required.** If the Association receives from any unit owner, in any accounting year, two (2) 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.

- M. Costs.** All costs incurred by the Association as a result of any violation of the Declaration, Bylaws, Rules and Regulations or Resolutions of the Association by an owner, his family, employees, agents, lessees or licensees, shall be specially assessed or charged against the owner in accordance with the Commonwealth of Virginia Property Owners Association Act. Such costs include, without limitation, legal or administrative expenses (regardless of whether suits or liens are filed) resulting from an owner's failure to pay charges or assessments when due, damage to property or from any other default referred to in this Paragraph.
- N. 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 an owner alleging a personal hardship. Such relief granted an owner should 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.
- O. Agent/Counsel Waiver.** The Board hereby authorizes the managing agent to waive the imposition of interest and/or late fees on payments received by the managing agent after the thirtieth (30th) day of the month, if, in the judgment of the managing agent, the delinquent owner has owned the unit for less than three (3) months at the time of the delinquency and the managing agent determines the delinquency was the result of a misunderstanding of the correct procedures relative to payment of the assessment. Further, such a waiver may be granted only once to any delinquent unit owner and will be documented in writing in the unit owner's file.
- P. Application of Payments.** Payments received from a unit owner shall be credited in the following order:
1. Charges for attorneys' fees and court costs.
 2. All returned check charges or interest accrued, as applicable.
 3. All other charges incurred by the Association as a result of any violation by an owner, his family, employees, agents, lessees or licensees of the Declaration, Bylaws, Rules and Regulations or Resolutions.
 4. Late fees and Interest.
 5. The monthly and special assessment for each unit, applied first to the oldest amount due.
- Q. Suspension of Voting Rights, Right to Hold an Office, Parking, and Use of Facilities and Services.** As provided for in Article V, Section 10 (c) of the Declaration of Covenants, Conditions and Restrictions, the voting rights, right to hold an office within the Association, and right to use recreational facilities or nonessential services offered by the Association, of any owner who is more than thirty (30) days delinquent may be suspended, after notice and an opportunity to be heard, until such

time as the delinquent amounts, including any costs and attorneys' fees assessed against the unit owner, have been paid in full. If payment in full of all amounts due, is not received by the sixtieth (60th) day after a due date, the managing agent will mail or hand-deliver a "Notice of Intent to Suspend Use of Facilities and/or Services" to the delinquent owner, warning that if assessments more than sixty (60) days past due are not paid in full within ten (10) days of the date of the letter, then the rights of the owner (and the owner's tenants, guests, family or residents) to use facilities and services provided through the Association, will be automatically suspended (unless a hearing is requested). The Notice shall specify that the owner has the right to request a hearing regarding the proposed suspension of his or her right to facilities and services of the Association, and that such request must be in writing, directed to the Association, and received by the managing agent within ten (10) days of the date of the letter. If the owner timely requests a hearing regarding the proposed suspension, the Board will hold a hearing in accordance with Section 55-513.B. of the Virginia Property Owners' Association Act regarding the suspension of an owner's rights. Notice of the date of said hearing, including the sanctions that may be imposed, shall be sent to the owner at least fourteen (14) days in advance of the hearing date, by hand delivery or certified or registered mail, return-receipt requested. The results of the hearing will be hand-delivered or sent by certified mail to the owner within seven (7) days of the hearing.

R. Not an Election of Remedies. The remedies stated herein shall not constitute an election of remedies and all remedies shall be deemed cumulative.

ASHLEY RIDGE HOMEOWNERS ASSOCIATION

POLICY RESOLUTION NUMBER 01

PROCEDURES RELATING TO ASSESSMENTS AND CHARGES

This resolution was duly adopted at a meeting of the Board of Directors this 23rd day of June 2005.

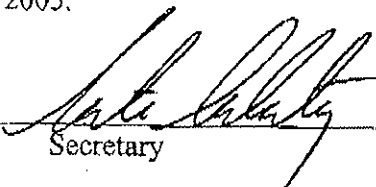
RESOLUTION ACTION RECORD

Motion by: Maec McCoy

Seconded by: Pete Robertson

| VOTE: | Yes | No | Abstain | Absent |
|--|------------------------|-------|---------|--------|
| <u>MIKE BARBER</u> President | ✓ | _____ | _____ | _____ |
| <u>MAEC MCCOY</u> Vice President | ✓ | _____ | _____ | _____ |
| <u>PETE ROBERTSON</u> Secretary / Treasurer | ✓ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |
| ATTEST: <u>PETE ROBERTSON</u> Secretary | <u>6/23/05</u> Date | _____ | _____ | _____ |

I hereby affirm that a copy of this resolution will be sent to all homeowners of record on or before June 28, 2005.


Secretary