

BRIDLEWOOD COMMUNITY ASSOCIATION

POLICY RESOLUTION #1 (as Amended on Dec 4, 2008)

PROCEDURES RELATING TO ASSESSMENTS AND CHARGES

WHEREAS, Article IV of the Amended and Restated Declaration of Covenants, Conditions and Restrictions (“Amended Declaration”) creates an assessment obligation for lot owners; and

WHEREAS, Article IV of the Amended Declaration empowers the Board to make and enforce assessments against lot owners to defray the common expenses of the Association and to establish the means and methods of collecting assessments from lot owners; and

WHEREAS, Section 55-513(B) of the Virginia Property Owners’ Association Act empowers The Board of Directors of the Association with the authority to assess charges against any owner for violation of the Declaration or Rules and Regulations and/or to suspend a members’ right to use facilities or services; and to the extent of the Association instruments and rules and regulations expressly so provide; and

WHEREAS, Article IV, Section 4.01 of the Amended Declaration and Section 55-515 of the Virginia Property Owners’ Association Act provide the Board of Directors with the authority to seek and obtain any and all relief which may be appropriate when a lot owner is in default; 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. The annual assessment, unless otherwise provided, shall be paid in twelve (12) equal monthly installments due and payable in advance on or before the first (1st) day of every month of the Association's fiscal year (January-December). All special assessments shall be due and payable within ten (10) days after delivery to the lot owner of a notice of a special assessment.
- B. All documents, correspondence, and notices relating to assessments or charges shall be mailed to the address which appears on the books of the Association or to such other address as is designated by writing by an owner.
- C. Non-receipt of an invoice shall in no way relieve the lot owner of the obligation to pay the amount due by the due date.
- D. Charges assessed, pursuant to Section 55-513(B) of the Virginia Property Owners' Association Act shall be collected as an assessment or in such manner as shall be determined by the Board of Directors.

II. REMEDIES FOR NONPAYMENT OF ASSESSMENTS

- A. If payment of the total assessments or charges due, including special assessments, charges for violations of the Association Instruments or Rules and Regulations, and returned check charges, are not received by the Managing Agent by the fifteenth (15th) day after the due date, the account shall be deemed late and a late fee of ten dollars (\$10.00) per month shall automatically be added to the amount due and shall be part of the continuing lien for assessments, as provided for in the Amended Declaration and in the Property Owners' Association Act, until all sums due and owing are paid in full.
- B. 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 A., above, the account will be deemed late and a charge of \$25.00 will be added to the account, in addition to a returned check charge as allowed by law.
- C. A "Late Notice" shall be sent by the Managing Agent to owners who have not paid assessments or charges, in full, by the fifteenth (15th) day after the due date.
- D. If a default in any amount owed to the Association continues for thirty (30) days, interest of eighteen percent (18%) per annum shall be added to the account and shall accrue from the due date thereof until paid in full. It is

the responsibility of the lot owner to contact the Managing Agent for the exact amount due if interest was added to the account.

- E. If an owner becomes delinquent in the timely payment of any two consecutive monthly installments more than twice in a calendar year, the annual assessment shall become due and payable in full pursuant to Article IV, Section 4.09(a)(2) of the Amended Declaration.
- F. Where it has been established by the Management Agent that a unit owner is delinquent in the payment of any assessments more than thirty (30) days from the due date, the Management Agent shall have the authority to withhold the use of facilities and non-essential services from these delinquent unit owners pursuant to Article 4.09(a)(4) of the Amended Declaration subject to the procedures outlines below.
 - 1. The Management Agent shall notify the delinquent Owner, in writing, that use of the facilities and certain non-essential services will be withheld until such time as the unpaid assessments owned to Bridlewood Community Association are satisfied in full. A list of the above facility suspensions of delinquent Owners will also be sent to the Board of Directors. The Owners mentioned previously in this paragraph shall have the opportunity to appear before the Board of Directors, appeal their case and to be represented by legal counsel, if he (she) chooses.
 - 2. Where the Management Agent has knowledge that the lot owner has leased the lot, a notification letter shall also be mailed to the

tenant once the Board of Directors has considered the case and all periods for appeal are expired. Use of the facilities and non-essential services will be denied to the tenant also.

3. Sanctions will be lifted immediately upon confirmation of full payment of the delinquent amounts due and owing to the Association.

G. If payment in full, of any assessment or charge, interest, late fee and returned check charge, is not received by the Managing Agent by the thirtieth (30th) day after the due date, the Managing Agent shall send a letter by *First Class Mail*. The letter may warn the owner that the account will be accelerated and that it will be sent to the Association legal counsel to initiate legal proceedings to collect the sums due. Non-receipt of such letter does not relieve the owner of the financial obligation to pay the costs of collections accrued by the Association for the collection of the delinquent debit, including but not limited to, interest, costs, and attorneys' fees.

H. If payment in full, of any assessment totaling 3 months assessments, (or \$150.00, whichever is greater) other charges, interest, and returned check charges, is not received by the Managing Agent after the due date, the account will be referred to counsel or collection agent for the Association. Counsel will mail a demand letter or series of letters notifying the owner (1) that a lien may be filed against the lot by the Association, (2) that the account will be accelerated through the end of the current fiscal year,

and/or (3) that local or national credit reporting agencies will be notified of the delinquent status of the account. See exhibit "A" for an example of a letter. Other forms of collection letters or notices may be used.

- I. If payment in full, of the amounts due, is not received by counsel or agent within ten (10) days after the notice of legal action has been sent, a memorandum of Lien may be filed or credit reporting agencies may be notified of delinquent amounts. Non-receipt or lack of notice shall not prevent the Association from filing a lien within the statutory deadline. Reasonable attorneys' fees, interest, and the costs of collection, including late fees and the costs of filing and releasing the Memorandum of Lien, shall be added to the account and the delinquent lot owner shall be liable for said costs, interest, and attorneys' fees pursuant to Article IV, Section 4.09(a)(3) of the Amended Declaration and Section 55-515 of the Virginia Property Owners' Association Act.
- J. If payment in full, of all amounts due, is not received by counsel by the thirtieth (30th) day after the notice of legal action has been sent, a civil suit may be filed against the delinquent lot owner in the Prince William County General District Court.
- K. 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 L, and unless directed otherwise by the Board of Directors of the Association.

- L. If a lien remains unpaid, a suit to enforce those liens and foreclose on the lot may be filed within twenty-four (24) months of the date the lien is recorded, upon authorization from the Board of Directors.
- M. Payments received from a lot owner shall be credited in the following order:
 - 1. Charged 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, licensees, of the Amended Declaration, Bylaws, Rules and Regulations or Resolutions.
 - 4. Late fees.
 - 5. The annual and special assessments for each lot shall be applied first to the oldest amount due.

This resolution shall become effective on July 1, 2001. Duly adopted at a meeting of the Board of Directors of the Bridlewood Community Association held on June 19, 2001.

Motion by Larry Burch

Second by Mark Moser

	Yes	No	Vote: Abstain
Larry Burch, member	<u>✓</u>	___	___
Rick Wagner, member	<u>✓</u>	___	___
Karroll Barrett, member	<u>✓</u>	___	___
Jeanine Lawson, member	<u>✓</u>	___	___
Mark Moser, member	<u>✓</u>	___	___

This modified resolution shall become effective on January 1, 2009. Duly adopted at a meeting of the Board of Directors of the Bridlewood Community Association held on December 2, 2008.

Motion by

Second by

	Yes	No	Vote: Abstain
David Stalfort, member	<u>✓</u>	___	___
Larry Burch, member	<u>✓</u>	___	___
Roy Soller, member	<u>✓</u>	___	___
Neil Radicic, member	<u>✓</u>	___	___
Carolyn Brizi, member	<u>✓</u>	___	___

To the Resolution

Attorneys name here Date
CERTIFIED MAIL., RETURN RECEIPT REQUESTED
And
FIRST CLASS MAIL., POSTAGE PRE-PAID

Re: NOTICE OF INTENT TO FILE LIEN
Bridlewood Community Association
Amount Due:

To unit owners:

This firm has been retained by Bridlewood Community Association to collect past due assessments. The Association has informed us that, as of this date, your account is in arrears in the amount above referenced, which includes \$75.00 in attorneys' fees.

If you know of any reason why this amount is not due, please contact _____ within ten (10) days of the date of this letter. If you have not contacted us within ten (10) days, or paid this amount in full, a lien may be filed against your property, and a suit filed against you personally. In either event, you would be responsible for the attorneys' fees and court costs incurred.

Moreover, your assessment account may be accelerated through the end of the current fiscal year.

If you notify us within thirty (30) days after you receive this letter, telling us you dispute this debt, or any portion of it, we will obtain verification of the debt and mail a copy of this verification to you. This thirty (30) day period does not extend the ten (10) days period referred to in the proceeding paragraph.

If you ask this office, in writing, within thirty (30) days after receiving this notice, this office will provide you with the name and address of the original creditor if different from the current creditor.

This letter, and others from us, is an attempt to collect a debt. Any information obtained will be used for that purpose.

Sincerely,

A. Jones

CC: Craig Courtney, PCAM®, Senior Property Manager, Sequoia Management Company, Inc.