

**WINTERPORT CLUSTER ASSOCIATION
REGULATORY RESOLUTION NO. 2017-4**

ASSESSMENT COLLECTION POLICY

WHEREAS, Article IV, Section 1 of the Bylaws for Winterport Cluster Association, and Article VII, Section VII.1(d)(2) of the First Amendment to the Deed of Amendment to the Deeds of Dedication of Reston (“Reston Declaration”) states that the Board of Directors (“Board”) shall have the power to exercise for the Association all powers, duties and authority vested in or delegated to this Association not otherwise reserved to the Membership;

WHEREAS, Article VII, Section VII.3 of the Reston Declaration empowers the Board with the authority to make assessments against the Owners to defray the Common Expenses of the Association, establish the means and methods of collecting such assessments from the Owners and establish the period of installment payments of the annual assessment;

WHEREAS, Article VII, Section VII.3 of the Declaration empowers the Board of Directors to establish the due dates of assessments; 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 of Directors hereby adopts the following assessment procedures:

I. ROUTINE COLLECTIONS

A. There shall be an annual assessment, which may either be paid in full by October 31, or on such date as determined by the Board of Directors, or in four (4) equal quarterly installments. At the Board’s option, it may offer a reduced assessment incentive to those who pay their assessment in full by October 31. If paid in quarterly installments, each installment of the annual assessment shall be due and payable by the last day of the first month of each quarter of the fiscal year; all special assessments shall be due and payable unless otherwise determined by the Board on the first day of the next month after delivery to the lot owner of notice of a special assessment, provided that at least seven (7) days notice is provided ("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 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.

D. Charges assessed pursuant to the Association Documents and Section 55-513 of the Virginia Property Owners' Association Act shall be collected in the same manner as an assessment or in such other manner as shall be determined by the Board of Directors.

II. REMEDIES FOR NONPAYMENT OF ASSESSMENT

A. **Late Fees and Interest.** If payment of the total assessments or charges due, including special assessments and/or returned check charges, are not received by the Association within **fifteen (15)** days from the due date, the account shall be deemed late, a **late fee of twenty five dollars (\$ 25.00), or such other amount as determined by the Board of Directors from time to time,** 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 Declaration and the Virginia Property Owners' Association Act, until all sums due and owing shall have been paid in full. **Interest at one and one half percent (1.5%) per month** may also be added to the amount due.

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 and interest shall be added, in addition to the amount currently charged to the Association as a returned check charge (currently \$35.00), if applicable. If the Association receives from any owner, 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 by the Association to owners who have not paid assessments or charges, in full, by the fifteenth (15th) day after the due date. The late notice may warn the owner that the account will be accelerated and may be sent to legal counsel for legal proceedings. 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.

D. **Acceleration.** If a lot owner fails to fully pay any assessment installments within sixty (60) days of its due date, then the remaining balance of the annual or special assessment for the entire fiscal year shall be immediately due and payable in full.

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 may be referred to counsel for the Association and a demand letter shall be sent 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 owner'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 the demand letter has been sent, an accelerated memorandum of lien may be filed. Non-receipt of a notice shall not prevent the Association from filing a lien within the statutory deadline. Reasonable attorneys' fees, interest at the maximum lawful interest rate a Mortgagee can charge, and the 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 lot owner shall be personally liable for those costs, interest, and attorneys' fees.

G. **Civil Suit.** If payment in full, of all amounts due, is not received by counsel or the Association by the one hundredth (100th) day after a due date, a civil suit for the accelerated annual or special assessment may be filed personally against the delinquent lot owners.

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, except as provided in Paragraph G and unless directed otherwise by the Board of Directors of the Association.

I. **Foreclosure.** If a lien remains unpaid, the Board of Directors may authorize counsel for the Association to proceed with enforcing the lien by filing a suit to foreclose on the lot within three (3) years of the date the lien is recorded or to sell the lot at public sale at any time after perfecting the lien.

J. **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. If, in the unlikely event, an approved payment plan extends for more than twelve months, then the lot owner shall be required, as a condition of the payment plan, to sign a Promissory Note provided by legal counsel. In addition, notwithstanding the existence of an approved payment plan or a signed Promissory Note, as long as the account remains delinquent, the Association shall protect its interests by filing Memoranda of Liens against the Lot to secure the unpaid assessments in accordance with the Act.

K. **Agent/Counsel Waiver.** The Board hereby authorizes counsel or the Treasurer to waive the late fees and/or imposition of interest on payments received by counsel or the Treasurer after the fifteenth (15th) day of the month, if, in the judgment of counsel or the managing agent, the delinquent owner has owned the lot for less than three (3) months at the time of the delinquency and counsel or the Treasurer 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 lot owner and will be documented in writing in the lot owner's file.

L. **Application of Payments.** Payments received from a lot owner 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. Charges for attorneys' fees and court costs.
2. All returned check charges, postage, or costs.
3. Other charges (damages, etc.)
4. Late fees and interest.
5. The annual and special Association assessments for each lot, applied first to the oldest amount due.


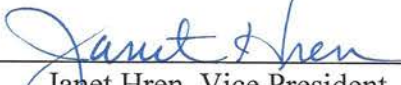
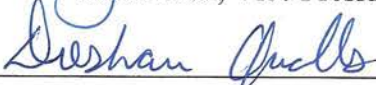
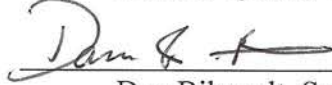
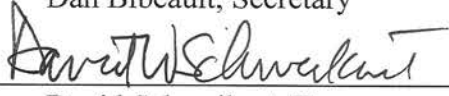
**WINTERPORT CLUSTER ASSOCIATION
RESOLUTION ACTION RECORD**

Resolution Type: Policy No. 2017-4

Pertaining to: Assessment Collection Procedures. Duly adopted at a meeting of the Board of Directors held January 18, 2017.

Motion by: D. Schweikart Seconded by: Daniel Bibeault

VOTE:

	YES	NO	ABSTAIN	ABSENT
<u></u> John Yandziak, President	✓	—	—	—
<u></u> Janet Hren, Vice President	✓	—	—	—
<u></u> Doshau Qualls, Vice President	✓	—	—	—
<u></u> Dan Bibeault, Secretary	✓	—	—	—
<u></u> David Schweikart, Treasurer	✓	—	—	—

Resolution effective as of date of adoption.