

LOFT RIDGE HOMEOWNERS ASSOCIATION, INC.

RESOLUTION NO. 38

PROCEDURES RELATIVE TO ASSESSMENTS

**(Relating to Collection of Annual and Special
Assessments and Charges)**

This resolution supersedes all previous administrative resolutions regarding assessment collection procedures

WHEREAS Article VII, Section 1(c) of the Bylaws of Loft Ridge Homeowners Association ("Bylaws") provides that the Loft Ridge Homeowners Association ("Association") Board of Directors ("Board") shall exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by other provisions of the Bylaws, the Articles of Incorporation of Loft Ridge Homeowners Association ("Articles"), or the Declaration of Covenants, Conditions and Restrictions for Loft Ridge Homeowners Association ("Declaration");

WHEREAS, Article VII Section 1(a) of the Bylaws provides that the Board shall have the power to adopt and publish rules and regulations governing the use of the Common Area, and the personal conduct of the Members and their guests, thereon, and to establish penalties for the infraction thereof;

WHEREAS, Article IV, Section 1 of the 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 annual and special assessments;

WHEREAS, Article IV, Section 1 of the Declaration also provides that the annual and special assessments, together with interest, costs, and reasonable attorneys' fees, shall be a charge on the land (including all improvements thereon) and shall be a continuing lien upon the property against which each such assessment is made;

WHEREAS, Article IV, Section 1 of the Declaration authorizes the Board of Directors to establish due dates for the annual assessment;

WHEREAS, Article IV, Section 8 of the Declaration provides that any assessment not paid within thirty (30) days after the due date shall be delinquent and shall bear interest at the maximum legal rate allowed by law;

WHEREAS, Section 55-513.2 of the Virginia Property Owners' Association Act ("Act") authorizes the Association to establish a late fee of five percent (5%) of any assessment installment when it becomes delinquent;

WHEREAS, Section 55-516 A of the Virginia Property Owners' Association Act ("Act") provides that once perfected, the Association shall have a lien on every lot for unpaid assessments levied against that lot in accordance with the Act and all lawful provisions of the Declaration and otherwise establishes procedures for the enforcement of the assessment lien via foreclosure proceedings;

WHEREAS, Article II, Section 1(a) of the Declaration authorizes the Association to suspend an owner's privilege to vote for any delinquent assessments and for a period not to exceed sixty (60) days for infractions of published rules and regulations;

WHEREAS, the Association has retained the services of a common interest community manager ("Management Agent"), as that term is defined in Va. Code § 54.1-2345, responsible for the provision of management services, including, but not limited to, the collection of assessments and payments; and,

WHEREAS, the Board deems it to be in the best interest of the Association to adopt a uniform and systematic procedure for the manner in which the Association, the Management Agent, and Association legal counsel handle delinquent assessment accounts.

NOW, THEREFORE, BE IT RESOLVED that the Board duly adopts the following policies and procedures for the collection of delinquent accounts.

I. ROUTINE COLLECTIONS

A. Annual Assessments. The Annual Assessment levied by the Board shall be established by the Board through the adopted annual budget. For the convenience of the Members, Annual Assessments shall be payable in quarterly installments ("Due Dates") equal to one-fourth of the Member's proportionate share of the Annual Assessment payable by such Member. Assessment installments shall be payable in advance, not later than the first day of each quarter, beginning January of any fiscal year.

B. Special Assessments. In addition to Annual Assessments, the Board may levy, in any assessment year, a special assessment for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of the Common Area, including fixtures and personal property related thereto or for any purpose which the Association is responsible.

C. Correspondence. All documents, correspondence, and notices relating to assessment or charges shall be mailed 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 sole responsibility of the Owner to ensure the books of the Association reflect the proper address for

receiving correspondence. Non-receipt of an invoice or coupon book shall in no way relieve the Owner of the obligation to pay the amount due by the due date.

II. REMEDIES FOR NON-PAYMENT OF ASSESSMENTS

A. Late Fees. If payment of the total assessments or charges due, including special assessments, and returned check charges are not received by the Managing Agent by the thirtieth (30th) day after the due date, the account will be deemed late and a late fee of five percent (5%) of the assessment installment shall automatically be added to the amount due and shall be part of the continuing lien for assessments, until all sums due and owing are paid in full.

B. Interest. Any assessment not paid within 30 days after the Due Date shall bear interest from the due date at the maximum allowable rate, or such other amounts as required by law.

C. Returned Check Charge. When an Owner's payment check is returned for insufficient funds or because the check is drawn on a closed account and an assessment or charge due and owing by the Owner is not otherwise received by the Due Date, the Owners account shall be deemed past due and a \$35.00 return check charge will be added to the assessment account.

D. Other 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, the Owner's family, employees, agents, tenants or licensees, which are legally collectible shall be assessed against such owner and are collectible in the same manner as other assessments imposed against a Lot

E. Waiver. The Board may grant a waiver of any provision herein upon petition, in writing, by an Owner alleging personal hardship. Such relief granted an Owner shall be appropriately documented in the files with the names of the persons representing the Board granting the relief and conditions of the relief.

F. Suspension of Privileges. The Board may suspend an Owner's right to use facilities of services for any period in which assessments are delinquent and for a period not longer than sixty (60) days for a violation of the Association's rules and regulations, and a member's right to vote for any period of time in which the owner's account remains delinquent.

III. ADMINISTRATIVE PROCEDURE FOR NON-PAYMENT OF ASSESSMENTS

A. Reminder Notice. Within thirty (30) days following a Due Date, the Association Management Agent may send a reminder notice to all Owners who have not paid their assessment obligation on or before the Due Date.

B. Late Notice. The Association Management Agent may send notification to Owners who have not paid assessments, in full, between thirty (30) and forty-five (45) days after

it is due, noting the assessment is now delinquent and has accrued a late charge and is accruing interest.

C. Demand Notice. The Association Management Agent may send notification to Owners whose arrearages are greater than or equal to two (2) quarters, noting the account is past due and will be referred to the Association's legal counsel for legal action if not paid, in full, within thirty (30) days of the succeeding assessment due date.

D. Legal Remedies Upon Default. In the event that an account arrearage, equal to or greater than three (3) quarters, is not paid in full within thirty (30) days from the date on the Demand Notice issued by the Association Management Agent, the Board hereby directs that the account is accelerated through the balance of the fiscal year, and the Association treasurer or Management Agent shall refer the account to Association legal counsel for legal action with the direction to file a Memorandum of Lien for Unpaid Assessments against the Lot and to commence legal action in the Fairfax County General District Court to collect the accelerated account balance due.

E. Bankruptcy/Foreclosure. Association Management Agent shall consult with Association legal counsel and immediately refer for collection any account not previously referred for legal action where the Owner files or is the subject of a petition for relief in bankruptcy or where a deed of trust beneficiary or any other party has commenced foreclosure proceedings against the property.

F. Compliance. Failure of the Board, the Association, or any agents thereof, to comply with the requirements contained in this Resolution shall not affect the validity of any of the remedies set forth in Section II above.

IV. LEGAL PROCEDURE FOR NON-PAYMENT OF ASSESSMENTS

A. Contact with Delinquent Owner. Once an account is referred for legal action, all contact with a delinquent Owner related to the delinquent account shall be handled through the Association's legal counsel. If the Owner contacts any Association Officer or Director or any management personnel about the Owner's delinquent account, such person shall direct the Owner to communicate with Association legal counsel until the Owner's assessment account has been brought current.

B. Authority to Receive Payments. The Association's legal counsel is authorized to receive payments on delinquent accounts until the account is no longer delinquent. All payments shall be sent to legal counsel and any payments made to the Association through legal counsel shall be made directly payable to the "Loft Ridge Homeowners Association." Payments shall be deemed to be received upon actual receipt of the payment by Association legal counsel.

C. Settlement and Payment Plans. If a written settlement offer and payment plan is presented to Association legal counsel, the settlement offer or payment plan will be forwarded to the Association Management Agent for review and a decision on acceptance or denial of the settlement offer or payment plan by the Board.

D. Attorneys' Fees and Costs. Pursuant to the Declaration and the Act, the costs of pursuing collections, including but not limited to, reasonable attorneys' fees, shall be assessed against each delinquent Lot and the Owner. The Association, in any efforts to settle pending or possible litigation without the necessity of obtaining a judgment against an owner, will require the attorneys' fees incurred by the Association in its attempt to settle the dispute to be included in any settlement amount.

E. Legal Action. If an account remains delinquent and no payment plan has been accepted or, if accepted, is in default, Association legal counsel is authorized to take such action, as instructed by the Board, including, but not limited to, the actions described in Part III. C. and/or instituting a foreclosure action against the Lot.

F. Payments Received. Payments received from an Owner whose account is delinquent and has been turned over to Association legal counsel will be credited in the following order of priority:

1. Charges for attorneys' fees, court costs and administrative expenses;
2. Interest accrued and returned check charges;
3. All other charges incurred by the Association as a result of any violation by an Owner, Owner's family member, employees, agents or licensees of the Declaration, Bylaws, Rules and Regulations or Resolutions;
4. The assessments for each Lot applied first to the oldest amount due;
5. Other Assessments.

LOFT RIDGE HOMEOWNERS ASSOCIATION, INC.

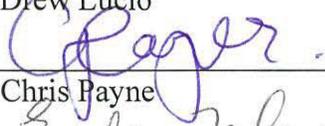
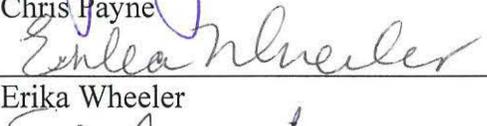
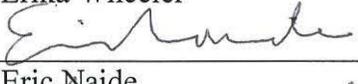
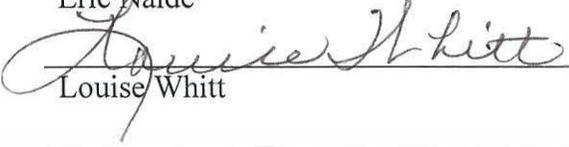
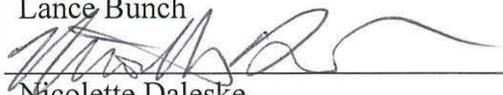
RESOLUTION ACTION RECORD

Resolution Type: Policy No. 38

Pertaining to: Collection of Assessments

Duly adopted at a meeting of the Board of Directors of the Loft Ridge Homeowners Association, Inc. held November 21, 2019.

Motion by: D. Lucio Seconded by: E. Wheeler

		VOTE			
		Yes	No	Abstain	Absent
 Drew Lucio	President	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
 Chris Payne	Vice President	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
 Erika Wheeler	Secretary	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
 Eric Naide	Treasurer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
 Louise Whitt	Director	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
 Lance Bunch	Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
 Nicolette Daleske	Director	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Attest


Secretary

11-21-19
Date

Resolution Effective: January 1, 2020