

RUNAWAY BAY HOMEOWNERS ASSOCIATION, INC.

**PROCEDURES FOR COLLECTION OF
ASSESSMENTS AND DELINQUENT PAYMENTS**

Administrative Resolution No. A04-02

WHEREAS, Article II of the Declaration of Covenants, Conditions and Restrictions of Runaway Bay (hereinafter "Declaration") creates an assessment obligation for owners; and

WHEREAS, Article II of the Declaration states certain procedures for the billing and collection of said assessments; and

WHEREAS, The Board of Directors has determined that there is a need to further define and establish orderly procedures for the billing and collection of said assessments;

NOW, THEREFORE, BE IT RESOLVED THAT the following assessment procedures be adopted:

I. ROUTINE COLLECTIONS

- A. Annual assessments shall be due and payable on January 31 of each year.
- B. All documents, correspondence and notices relating to the charges shall be mailed to the address which appears on the books of the Association or as modified in writing by the owner.
- C. Nonreceipt of an invoice shall in no way relieve a property owner of the obligation to pay the amount due by the due date.

II. NONROUTINE COLLECTIONS

- A. Special assessments approved by the members of the Association shall be due and payable on the date set forth in the resolution approving the special assessment.
- B. Assessments charged against any member pursuant to Section 55-513 of the Virginia Property Owners Association Act for any violation of the declaration or rules and regulations shall be due and payable on the date determined by the Board of Directors.

III. REMEDIES FOR NONPAYMENT OF ASSESSMENT

- A. If payment is not received when due, the account shall be delinquent. A "Late Notice" shall be sent to owners who have not paid their assessments in full within thirty (30) days of when due.
- B. A late charge of \$25.00 will be assessed against any Association member's account which is over 30 days past due. Late charges shall automatically be assessed to delinquent accounts and thereafter become part of the outstanding assessment; they will be a part of the continuing lien for assessment; and like other assessments, they shall incur interest charges of 1.5% per month (18% per year) while unpaid.
- C. With regard to delinquent accounts the Association, as determined by the Board, may exercise, without limitation, any or all of the following remedies, or any other remedies that may be available, personally or, as appropriate, by counsel:

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- i) File a memorandum of lien in the Clerk's office of the Campbell County or Bedford County Circuit Court, as appropriate, against a property for which delinquency exists for amounts due, including, without limitation, annual assessments, special and other assessments, late charges, interest, costs of collection and attorney's fees;
 - ii) File and litigate against the owner (s), or former owner(s), of a property for which delinquency exists (or appropriate others) a civil lawsuit based upon an owner's personal obligation to pay assessments and other charges, for amounts due including, without limitation, annual assessments, special and other assessments, late charges, interest, costs of collection and attorney's fees;
 - iii) File and litigate a lien foreclosure suit to enforce and foreclose a lien or liens on property at Runaway Bay for which delinquency exists, to include amounts for, without limitation, annual assessments, special and other assessments, late charges, interest, costs of collection and attorney's fees;
 - iv) Garnishment of wages or bank accounts;
 - v) Undertake nonjudicial foreclosure proceedings pursuant to applicable law to enforce a lien or liens on property at Runaway Bay;
 - vi) Following sixty (60) days of delinquency, and pursuant to governing documents and applicable law, suspend for the duration of the delinquency the delinquent member(s)' right to use common area recreational facilities offered by the Association, to the extent that access to the lot through the common areas is not precluded; and such suspension does not endanger health, safety, or property of any owner, tenant or occupant.
 - vii) In accordance with governing documents, suspend for the duration of the delinquency a person's membership in the Association with respect to his right to vote. Such membership suspension alone shall only affect voting rights.
- D. In any Association civil suit on the personal obligation to pay assessments, and in any Association lien foreclosure suit, in addition to annual and special assessments, and without limitation, the cost of filing the lien, of filing the suit(s), late charges, interest, private sale expenses, costs of collection and attorney's fees shall be added to the account. The Association shall be entitled to recover all of said amounts in any such litigation.
- E. Written notice shall be given by the Association, its agents or attorneys to delinquent owner or owners about delinquent accounts, lien filing, suit filing and other actions connected with delinquency as is appropriate and necessary.
- F. If the Association receives from any owner, two or more returned checks for payment of assessments, the Board may require all future payments to be made by certified or cashier's check or money order. A \$30.00 charge will be assessed against an owner's account for each returned check.

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- G. Payments shall be credited to an account in the following order beginning with the first to be credited: (1) attorney's fees, (2) costs of collection, (3) late charges, (4) interest, (5) annual, special and other assessments. Payments applied to delinquent assessments will be applied to oldest delinquent assessment first.
- H. The Board may grant a waiver of any provision herein upon petition in writing by an owner alleging a personal hardship. Such relief granted an owner shall be appropriately documented in the Association files. Such documentation shall include, without limitation, the basis for taking such action.
- I. In the event that any provision of this Resolution shall be adjudged by a court of competent jurisdiction to be unenforceable, the remaining provisions shall nonetheless survive and remain in full force and effect.
- J. This Resolution supersedes and replaces all previous Association collection resolutions. Copies of this Resolution shall be delivered to all Association members.

**RUNAWAY BAY HOMEOWNER'S ASSOCIATION
RESOLUTION ACTION RECORD**

Resolution Type: Administrative Number: A04-02
Pertaining to: Procedures for Collection of Assessments and Delinquent Payments

Duly adopted at a meeting of the Board of Directors of Runaway Bay Homeowner's Association, held
May 29, 2004

Motion by _____ Seconded by _____

OFFICER AND TITLE	VOTE RECORD			
	YES	NO	ABSTAIN	ABSENT
Roger Winters, President	___	___	___	___
Michael Lobue, Vice President/Treasurer	___	___	___	___
Karen Bragg, Secretary	___	___	___	___
William Wallace, Director	___	___	___	___
James A. Slagle, Director	___	___	___	___

This Resolution Effective, May 29, 2004

ATTEST:

Roger Winters, President

DATE _____

Karen Bragg, Secretary

DATE _____

FOR ASSOCIATION RECORDS

I hereby certify that a copy of the foregoing Policy Resolution was posted to the Book of Resolutions and a copy of this Resolution and any associated documentation was mailed and/or hand-delivered to all members of the Runaway Bay Homeowner's Association at their address of record on this _____ day of _____, 200__.

Runaway Bay HOA Property Owner Services Manager