

RUNAWAY BAY HOMEOWNERS ASSOCIATION, INC.

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

**Fiscal Resolution No. F04-02
As Revised on April 13, 2013**

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. Non-receipt 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:
 - 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 non-judicial 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. Below is the timeline that the Association will use in collecting delinquent assessments:

i) On March 1, delinquent property owners will be sent a late notice, which states that the late fee has been imposed and that if the assessment and late fee are not paid by March 31, interest will begin accruing as of March 1.

ii) On April 1, delinquent property owners will be sent a late notice, which states the amount currently due and a reminder that interest is accruing on the past due assessment and late fee.

iii) On May 1, delinquent property owners will be sent a late notice, which states the amount currently due, a reminder that interest is accruing and that if the account balance is not paid in full by June 30, a lien will be filed on the property on July 1.

iv) On June 1, written notice will be sent to the delinquent property owner by certified mail, at the property owner's last known address, informing the property owner that a memorandum of lien will be filed on July 1 in the circuit court clerk's office of the applicable county.

v) Late notices will be sent on the first of each month until account is paid in full.

vi) If the delinquent account is not paid in full within one year of the date that the lien is filed on the property, the Association may initiate non-judicial foreclosure proceedings, a civil suit

and/or any other remedies available.

- vii) If one or more liens have been filed on a property due to delinquent assessments from prior years, on April 1, the delinquent property owner will be sent written notice by certified mail, at the property owner's last known address, informing the property owner that a memorandum of lien will be filed on May 1 in the circuit court clerk's office of the applicable county.
- E. The cost of filing and removing the lien, of filing the suit(s), late charges, interest, private sale expenses, costs of collection and attorney's fees, without limitation, shall be added to the account, in addition to annual and special assessments, in any Association civil suit and any lien foreclosure suit. The Association shall be entitled to recover all of said amounts in any such litigation.
- F. 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.
- G. 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.
- H. 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.
- I. The Board may grant a waiver of any provision herein upon petition in writing by an owner alleging a personal hardship. On or before the due date for an annual assessment, a non-business individual owner may submit to the Board a written petition claiming personal hardship. Such petitions will be specific only to the applicable year and must include a plan for payment of the annual assessment due. The Board will consider such written petitions within 28 days and may grant a waiver of deadlines for any provision herein or approve the proposed periodic payment if the Board deems the claim of hardship justified. The Board may approve petitions for relief for any one property owner more than once but shall not entertain a continuing pattern of delayed payments exceeding two successive years. 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. Should the concerned property owner fail to adhere to their proposed payment plan, such failure will be considered an abrogation of the agreement and the terms for payment shall revert to the original requirements and specified Board actions.
- J. 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.
- K. 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: Fiscal Number: F04-02

Pertaining to: Procedures for Collection of Assessments and Delinquent Payments

Duly revised at a meeting of the Board of Directors of Runaway Bay Homeowner's Association, held April 13, 2013.

Motion by _____ Seconded by _____

OFFICER AND TITLE	VOTE RECORD			
	YES	NO	ABSTAIN	ABSENT
Herbert Miller, President	___	___	___	___
Carmen Perri, Vice President	___	___	___	___
Karen Bragg, Secretary	___	___	___	___
William Wither, Treasurer	___	___	___	___
Richard Jenet, Director	___	___	___	___
Michael Lobue, Director	___	___	___	___
Judith Winters, Director	___	___	___	___

This Resolution Effective, April 13, 2013.

ATTEST:

Herbert Miller, 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 _____, 20__.

Runaway Bay HOA Property Owner Services Manager