

BROADLANDS ASSOCIATION, INC.

POLICY RESOLUTION

ASSESSMENT COLLECTION POLICY

WHEREAS, Article VI of the Declaration for Broadlands (“Declaration”) and Article IV of the Bylaws create an assessment obligation for owners, empowers the Board of Directors (“Board”) to make assessments against owners to defray the common expenses of the Association and to establish and enforce the methods of collecting assessments from owners by any lawful means;

WHEREAS, the Declaration and the Bylaws specify the types of relief the Association, through its Board or managing agent, may seek under the terms of the Association Documents or the Virginia Property Owner’s Association Act when an owner is in default, including suspension of voting or use rights or services for nonpayment; and

WHEREAS, Article VI, Section 6.2, of the Declaration empowers the Board to establish the due dates of assessments; and

WHEREAS, Article VI, Section 6.5 of the Declaration empowers the Board with the authority to establish a late fee if any assessment is not paid within ten (10) days after the due date; and

WHEREAS, Article XI, Section 11.2 (a) of the Declaration declares the assessments a lien levied against any Lot owned by an owner; 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. All monthly installments of the annual assessment shall be due and payable in advance on the first day of each month of the fiscal year.

B. All documents, correspondence, and notices relating to assessments or charges shall be mailed or delivered to the address that appears on the books of the Association, Loudoun County Property Tax Records, or to such other address as is designated in writing by the 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 shall be collected in the same manner as an assessment or in such manner as shall be determined by the Board.

II. REMEDIES FOR NONPAYMENT OF ASSESSMENT

A. **Late Fee.** If payment of the total assessments or charges due, including special assessments, charges for violations of the Association Documents or Rules and Regulations, and returned payment charges, are not received by the Association by the tenth (10th) day of the month, the account shall be deemed late, a late fee of twenty-five Dollars (\$25.00) 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 Bylaws until all sums due and owing shall have been paid in full.

B. **Returned Payments.** If a payment 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 twenty-five dollar (\$25) late fee shall be added, in addition to a thirty-five dollar (\$35.00) returned payment charge or the fee charged by the bank and/or the management agent to the Association. If the Association receives from any owner, in any accounting year, two or more payments 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 following twelve (12) months.

C. **Late Notice.** A "Late Notice" may be sent monthly by the Association to owners who have not paid assessments or charges, in full, by the tenth (10th) 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. **Demand Notice.** A "Demand Notice" may be sent by the Association to owners who have not paid assessments or charges by the fortieth (40th) day after the due date. The Demand Notice shall warn the owner that the account will be referred to legal counsel for legal proceedings if the amount due is not paid within the period specified in the Notice. All costs associated with providing a Demand Notice shall be added to the account. Non-receipt of such Notice does not relieve the owner of their 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, all costs of collection, and attorney's fees.

E. **Legal Referral.** If payment in full, of any assessment, charge, or returned payment charges, is not received by the Association by the sixtieth (60th) day after the due date, a demand letter may be sent stating that if payment in full is not received within ten (10) days, the account may be referred to counsel for the Association and the remaining unpaid balance of the annual or special assessment may 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 within ten (10) 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, 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 owner shall be personally liable for those costs, and attorneys' fees.

G. **Civil Suit.** If payment in full, of all amounts due, is not received by counsel or the Association by the ninetieth (90th) day after a due date, a civil suit for the accelerated annual or special assessment

may be filed personally against the delinquent 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, unless directed otherwise by the Board.

I. **Foreclosure.** If a lien remains unpaid, the Board may authorize counsel for the Association to proceed with enforcing the lien by filing a suit to foreclose on the lot when the lien is recorded or to sell the lot at public sale at any time after perfecting the lien.

J. **Costs and Fees.** All costs and attorney's fees incurred by the Association as a result of any violation of the Declaration, Bylaws, Rules, and Regulations or Resolutions of the Association as to use of the Common Area or violation of other rules by an owner, his family, employees, agents, lessees or licensees, shall be specifically assessed or charged against the owner.

K. **Board Waiver.** The Board may grant a waiver of any provision herein, except the filing of memoranda of liens beyond the statutory deadline, upon petition, in writing, by an owner alleging a personal hardship. Such relief granted to an owner shall be appropriately documented in the files with the name of the person or persons representing the Board granting the relief and the conditions of the relief.

L. **Association Staff/Managing Agent/Counsel Waiver.** The Board hereby authorizes the Association's General Manager, Managing Agent, and/or Counsel to waive the imposition of the late fee on payments received by the Association, Managing Agent, or Counsel after the tenth (10th) day of the month, if the General Manager, Managing Agent, or Counsel, determines the delinquency was the result of a misunderstanding of the correct procedures relative to payment of the assessment. Such a waiver will be documented in writing in the owner's file.

M. **Application of Payments.** Payments received from an 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 payment charges, postage, or costs.
3. Other charges (rule violations, damages, etc.)
4. Late fees.
5. The Regular Common Assessments, Limited Common Assessments, and any Special Assessments assigned to the lot, applied first to the oldest amount due.

N. **Suspension of Voting Rights.** In accordance with Article 11, Section 11.1 (f) of the Declaration and Article 3, Section 3.2 (d) of the Bylaws, an owner's voting rights and the right to be elected to serve on the Board of Directors shall be automatically suspended for any period during which any assessment remains unpaid for more than sixty (60) days and the amount necessary to bring the account current has not been paid at the time of such meeting or election.

O. **Acceleration.** In accordance with Article 11, Section 11.2 (b) of the Declaration, any payment due that remains unpaid for more than sixty (60) days may result in the Board authorizing the acceleration of all assessments for the remaining term of the fiscal year.