

# **TABB LAKES HOMES ASSOCIATION**

## **POLICY RESOLUTION 2016-03-15 Collection Policy for Assessments and Charges**

### **Authority**

WHEREAS the Tabb Lakes Homes Association, Inc. (the “Association”) is a Virginia Non-Stock Corporation established under the Virginia Property Owners’ Association Act, Va. Code § 55-508, et seq. (the “Act”) governed by certain documents including the Declaration of Covenants, Conditions and Restrictions (the “Declaration”), Bylaws, and Rules and Regulations of the Association, and

WHEREAS Article V Section 6 of the Declaration charges the Board of Directors of the Association with the responsibility of collecting assessments for common expenses from homeowners, and;

WHEREAS Article V Section 7 of the Declaration assigns the Board of Directors of the Association with the power to add interest to an assessment not paid within thirty days of the due date and to ultimately bring an action at law against an owner whose account remains in arrears;

WHEREAS Article VIII Sections 1 and 2 of the Bylaws assign the Board of Directors of the Association with the power to appoint a managing agent and the duty to administer collection of assessments, and;

### **Purpose**

WHEREAS from time to time homeowners become delinquent in their payments of these assessments and fail to respond to the demands from the Board to bring their accounts current; and

WHEREAS the Board deems it to be in the best interest of the Association to adopt a uniform and systematic procedure for dealing with delinquent accounts in a timely manner.

### **Scope & Intent**

WHEREAS it is the intent that this resolution will be applicable to all homeowners, and will remain in effect until otherwise rescinded, modified, or amended by the Board. This resolution establishes procedures to be followed to clarify and enforce the Declaration and Bylaws and replaces any previous procedures.

## Specifications

NOW THEREFORE BE IT RESOLVED that the Association adopts the following policy and practice effective thirty (30) days after distribution to owners.

This document sets forth The Association's policy regarding the collection of assessments and any other charges pursuant to the Association's Declaration of Covenants, Conditions and Restrictions, Bylaws and Virginia Statutes.

1.0 Obligation to Pay Assessments: Each assessment is an obligation of the homeowner at the time the assessment or other sums are levied.

2.0 Assessment Period: The Board establishes the Association's regular assessment period to be January 1 to December 31.

3.0 Due Date: Unless otherwise specified by the Board, the annual assessment is due on the last day of February.

4.0 Charges on Delinquent Amounts: Any assessment not paid within thirty (30) days after the due date will incur a late fee of ten percent (10 %).

5.0 Interest and Collection Charges: Any costs and fees incurred in processing and collecting delinquent amounts, including late and interest charges, charges for preparation of delinquency notices or referral to collection, postage and copies, and attorney's fees and costs, will become an additional charge against the owner and the owner's lot and will be subject to collection pursuant to this Policy.

6.0 Application of Payments: Payments will be applied first to assessments, and then to late fees or other charges unless instructed otherwise by the Board of Directors.

7.0 Notice of Assessments: The Association will give the homeowners notice of any annual assessment or any special assessment. Notice will be sent by first-class mail to addresses on the membership register as of the date of notice. It is the responsibility of each owner to advise the association of any mailing address changes.

The Association will mail the homeowners a written assessment invoice at least thirty days in advance of the due date. In addition, the Association may choose to issue additional reminder notices as described below, but lack of these notices does not relieve the homeowners of the obligation to pay assessments on time.

7.1 Invoice: written notice of the assessment amount will be mailed by first class mail to the owner's address of record at least thirty (30) days in advance of the due date. This is the only written notice of annual assessments required under the Association's governing documents.

7.2 First Reminder Notice: will be mailed by first class mail to the owner's address of record after thirty (30) days past the due date. This reminder notice will include a statement of the outstanding balance including the 10% late fee.

7.3 Second Reminder Notice: will be mailed by certified mail with return receipt signature postcard after sixty (60) days past the due date. A second copy of this reminder will be mailed concurrently by first class mail. The second reminder will include a balance of the outstanding assessment and inform the delinquent owner that the case may be sent to the Association's attorney for collection if full payment is not received within ninety (90) days of the original due date.

Both reminder letters will offer homeowners the option to contact the Treasurer or Board in the event of extenuating circumstances.

8.0 Referral to Attorney For Collection: If the Association has not received payment in full after the ninety (90) days deadline, and the owner has not contacted the Treasurer or Board to request a payment plan, the Board may instruct the Association Manager (the "Manager") to refer the case to the Association's Attorney (the "Attorney") for collection. The Manager will assemble the required documentation and forward to the Attorney with instructions to take the necessary actions to collect the delinquent assessment. The delinquent assessment amount referred to the Attorney for collection will include the late fee, the Manager's charges for preparation of delinquency notices and referral to collection, mailings and copying costs. Instructions to the Attorney will include requesting the presiding judge to award the Attorney's fees to be included in the final collection amount.

The Manager will copy the Association's President on all TLHA written correspondence with the Attorney and will keep the President updated on any verbal communications with the Attorney.

9.0 Communication with Delinquent Homeowners after Referral to the Attorney: The following policies will apply to all delinquent accounts turned over to the Attorney for collection:

9.1 All contacts with a delinquent account homeowner will be handled through the Attorney. Neither the Manager nor any Association officer or director will discuss the collection of the account directly with a homeowner after it has been turned over to the Association's attorney unless the Attorney is present or has consented to the contact.

9.2 All sums collected on a delinquent account will be remitted to the Association in care of the Attorney until the account has been brought current. The Treasurer, Board members or Manager will refuse to accept assessment payments directly from any delinquent account homeowner. Homeowners will be directed to remit all payments to the Attorney for deposit.

9.3 All legal fees and costs incurred in the collection of a delinquent account will be assessed against the delinquent account homeowner and will be collectable as an assessment as provided in Article V of the Declaration.

9.4 If the account remains delinquent and without an acceptable payment plan at the expiration of the period specified in the association's attorney demand letter or in the event of a default under the terms of the payment plan, the Attorney is authorized to take such action as he or she, in consultation with the Board, believe to be in the best interest of the Association.

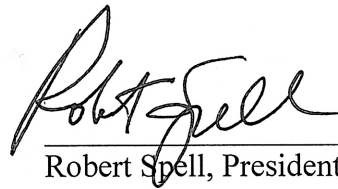
10.0 Good Faith Agreements. The Board of Directors may consider agreements to resolve delinquent assessments on a case-by-case basis if the homeowner disputes the collection and submits a request for a Board Hearing in writing to the Attorney.

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Resolution # 2016-03-15 was approved on March 15, 2016 by the Tabb Lakes Homes Association Board of Directors. The voting went as follows:

<u>Title</u>	<u>Name</u>	<u>Approved</u>	<u>Disapproved</u>	<u>Abstained</u>
President	Robert Spell	X		
Vice President	Keith Ebert	X		
Member	Ronald Maddox	Absent		
Member	David West	Absent		
Member	Pete Peters	X		

March 15, 2016  
Date of Approval

  
Robert Spell, President TLHA