

ROLLING RIDGE CONDOMINIUM ASSOCIATION
Policy Resolution #2017-1

Collection Enforcement

WHEREAS, Article III, Section 2 of the Bylaws provides the Board of Directors with all the powers and duties necessary for the administration of the affairs of the Association, including, but not limited to, the adoption and amendment of Rules and Regulations governing the use of the Units and Common Elements; and

WHEREAS, the Bylaws delegate the Board with the responsibility to establish a policy for the collection of assessments;

WHEREAS, Article V, Section 2(a) of the Bylaws provides that each Unit Owner shall pay his percentage interest or other appropriate share of the Common Expenses assessed by the Board of Directors; and

WHEREAS, Article V, Section 2(a) of the Bylaws provides that No Owner may exempt himself from liability for his continuation toward the Common Expenses by waiver of the use or enjoyment of any Common Elements or by abandonment of his Unit; and

WHEREAS, Article V, Section 3 of the Bylaws provides that the Board or the Management Agent shall take prompt action to collect any assessment from Common Expense due from any Owner which remains unpaid for more than thirty (30) days after the due date for payment thereof; and

WHEREAS, Article V, Section 3 of the Bylaws provides that any assessment or installment thereof, not paid within five days after the due date therefor shall accrue a late charge in the amount of ten dollars (\$10.00) or such other amount as may be established by the Board of Directors; and

WHEREAS, Article X, Section 1(c) of the Bylaws provides that in any proceeding arising out of any alleged default by an Owner, the Board, Declarant or Management Agent, as the case may be, shall be entitled to recover the cost of such proceedings together with all reasonable attorneys' fees; and

WHEREAS, Article X, Section 1(d) of the Bylaws provides that in the event of a default by an Owner in paying any sum assessed against his Unit other than for Common Expenses which continues for a period in excess of fifteen (15) days, the principal amount unpaid shall bear interest at the rate of the higher of (i) twelve percent (12%) per annum, or (ii) one percent (1%) over the prime lending rate of Sovran Bank, Richmond, Virginia or (iii) the highest rate permitted by law; and

WHEREAS, Article X, Section 1(f) of the Bylaws provides that failure to comply with any of the terms of the Declaration, Bylaws, Rules and Regulations or the Act shall be grounds for relief, including, without limitation, an action to recover any sums due for money damages, injunctive relief, foreclosure of the lien for payment of all assessments, or any other relief provided for in these Bylaws or any combination thereof and any other relief afforded by a court of competent jurisdiction, all of which relief may be sought by the Association, Board, Management Agent or if appropriate, by an aggrieved Owner and shall not constitute an election of remedies; and

WHEREAS, Article X, Section 2(a) of the Bylaws provides that the sum of the (i) total annual assessment of each Owner for Common Expenses (including any special assessment) and (ii) the amount of all costs, late charges, attorneys' fees and interest that shall accrued and payment is declared

to be a lien levied against the Unit of such Owner as provided in the Act, which lien shall, with respect to the annual assessments, be effective on the first day of each fiscal year of the Condominium and, as to special assessments, on the first day of the next month which begins more than seven days after delivery to the Owner of notice of such special assessment; and

WHEREAS, Article X, Section 2(a) of the Bylaws provides that the Board or Management Agent may file and record such other or further notice of any such lien or such other or further document, as may be required by the act or by the laws of the Commonwealth of Virginia to confirm or perform the establishment and priority of such lien; and

WHEREAS, Article X, Section 2(b) of the Bylaws provides that in any case where an assessment against an Owner is payable in installments, upon a default by the Owner in the timely payment of any two consecutive installments, the maturity of the remaining total of the unpaid installment of such assessment may be accelerated; and

WHEREAS, Article X, Section 2(d) of the Bylaws states that the Association can maintain a suit to recover a money judgment for unpaid contributions without foreclosure or waiving the lien securing the same; 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 Managing Agent, and Association legal counsel deal with delinquent accounts, and further, believes it to be in the best interest of the Association to refer these accounts promptly to Association legal counsel for collection so as to minimize the Association's loss of assessment revenue.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of Rolling Ridge Condominium Association that the following stated policy of assessment collection shall be instituted:

1. **Due Date.** All assessments are due on the first (1st) day of each month of the calendar year (January through December).
2. **Mailing Address.** All Owners shall be responsible for providing the Association with timely notice of any changes in their address of record and each non-resident Owner shall furnish the Board with an address where the Owner will at all times promptly and regularly receive mail.
3. **Payment Coupons.** The Association shall send payment coupons to all Owners; however, a payment coupon is not a bill. It is for the convenience of the Owners. If an Owner does not receive any payment coupons, it is the Owner's responsibility to contact the Association's management agent in order to obtain them and to confirm that the management agent has the Owner's correct current mailing address on file in the Association's records. Each Owner shall be responsible for making any and all assessment payments in a timely manner whether or not the Owner receives a payment coupon.
4. **Late Charges and Other Costs of Collection.**
 - a. Any installment of the annual assessment not paid to the Association within five (5) days after the due date shall be considered delinquent and a late charge of \$10.00 shall be assessed to the Owner and posted to the Owner's account.

- b. If the Association receives a check from an Owner that fails to clear the Owner's banking account, the Association will charge the Owner all bank fees imposed on the Association.
- c. If an Owner uses the direct debit option to pay assessments and there are not sufficient funds in the account on the date of the scheduled electronic transfer, the Association will charge the Owner all bank fees imposed on the Association.
5. **Late Notice.** Upon any initial default, the Association's managing agent will send written notice to the Owner regarding the default and the imposition of any charges or costs of collection, including any charges charged by the Managing Agent. Any failure by an Owner to claim a certified mailing sent by the Association, through its Management Agent or attorney will not invalidate the notice issued by the Association.
6. **Legal Action.** The Association's Management Agent shall have the authority to refer delinquent accounts to the Association's attorney for collection and to charge a transfer fee to the account of the delinquent owner. The Association's attorney shall have the authority to use any appropriate actions-at-law deemed necessary to collect the delinquency and to seek reimbursement of all collection costs and legal fees incurred by the Association from the delinquent Owner.
7. **Acceleration.** Pursuant to the Bylaws, the Association has the authority to accelerate all remaining installments for the remainder of the calendar year upon the default in the timely payment of any two (2) consecutive installments of the annual assessment. By adopting this resolution, the Board exercises this authority to do so on an automatic basis.
8. **Application of Payments.** Payments received from delinquent Owners shall be applied in the following order: (1) attorneys' fees, court costs and other costs of collection fees; (2) late fees; (3) accrued interest; (4) unpaid assessments.
9. **Waiver Request.** At its discretion, the Board may grant a waiver of late fees and/or other charges upon petition by an Owner alleging a personal hardship or other exceptional cause. Such relief granted to an Owner shall be appropriately documented in the Association's books and records along with the name of the person or persons representing the Board granting the relief and the conditions upon which such relief was granted. Waivers shall be made on a case-by-case basis upon review of particular circumstances. Furthermore, any waiver on one occasion shall not be deemed or construed as a waiver in any future instance of delinquency by such Owner or any other Owner.
10. This Resolution supersedes any previous policy resolutions regarding collection enforcement.

The effective date of this Resolution shall be June 22nd, 2017.

ROLLING RIDGE CONDOMINIUM ASSOCIATION

By Betty J. Holland
President

**ROLLING RIDGE CONDOMINIUM ASSOCIATION
RESOLUTIONS ACTION RECORD**

Resolution Type: Policy Resolution No. 2017-1

Pertaining to: Collection Enforcement

Duly adopted at a meeting of the Board of Directors of the Rolling Ridge Condominium Association, held 6/22/17.

Motion by: Nancy Robinson Seconded by: Carol M. Potter

OFFICER	TITLE	YES	NO	ABSTAIN	ABSENT
<u>Betty Holland</u>	President	✓			
<u>Nancy Robinson</u>	Vice President	✓			
<u>Carol Potter</u>	Secretary	✓			
<u>Tiffany Cook</u>	Treasurer				✓
<u>Kelly Burcham</u>	Director	✓			

ATTEST: _____
Secretary Date

Resolution Effective 6/22/17