

Halstead Glen Cluster Association

Annual Assessment Collection Policy Resolution 2023-1

WHEREAS, § 55.1-1819 of the Virginia Property Owners' Association Act ("POA Act") provides that the Board of Directors may establish, adopt and enforce rules and regulations pertaining to areas of Association responsibility;

WHEREAS, the Halstead Glen Cluster Association ("Association") Board of Directors ("Board") wishes to establish rules and regulations regarding the collection of Annual Assessments, late fees and actions taken for unpaid assessments.

NOW, THEREFORE, BE IT RESOLVED THAT the Board hereby adopts as part of the Association's Rules and Regulations the following guidelines related to the collection of annual assessments:

I. Establishment of Assessments, Payments and Late Fees

1. **Fiscal Year:** The fiscal year for the Halstead Glen Cluster Association is January 1 through December 31.
2. **Establishment of Operating Budget and Annual Assessment:** The annual operating budget and assessment for the following fiscal year will be established by vote of the Board at least thirty (30) days prior to the new fiscal year.
3. **Due Dates and Payment Options for the Annual Assessment:** Each owner's account will be charged for the Annual Assessment in January of the fiscal year and bill will be mailed to each owner. All owners are responsible for ensuring that their correct mailing address is on file with the Association.

II. Remedies for Nonpayment of Assessments

- A. Late Charge. A late fee of twenty-five dollars (\$25.00) will be assessed if payment is not received within thirty (30) days of the due date.
- B. Returned Check Charge. If the Association receives a check from an Owner which fails to clear the Owner's personal banking account, the Association or the Managing Agent shall charge the Owner a returned check charge of fifty dollars (\$50.00), or the maximum amount permitted by law.
- C. Action of Managing Agent. Whenever an Owner becomes delinquent in the payment of an Assessment, the Managing Agent, without any further vote of the Board, shall automatically take the following action:

1. The Managing Agent shall send a reminder letter to the Owner if an account is delinquent more than thirty (30) days from the due date. If after another thirty (30) days, the Owner remains in default, the Managing Agent shall send a final demand letter via certified US mail, notifying the Owner that if the account is not current by the due date stated therein, that the account will be referred to legal counsel for further collection action. As a reminder, notices are not required to commence legal action; an Owner's failure to receive said notices shall not prohibit the ability of the account to be referred to legal counsel for collection action.

2. The Managing Agent shall refer the Owner's account to legal counsel for immediate collection action if the account is not current by the due date set by the final demand letter.

D. Referral to Legal Counsel.

1. Legal counsel is authorized, without further action of the Board, to take the following actions: (a) send required notices in accordance with the Governing Documents to the Owner demanding payment and notification of recordation of liens and acceleration for failure to cure delinquency by specified date which shall not be less than thirty (30) days from date of notice; (b) proceed to collect the delinquency as well as the entire balance of the Assessments for the remainder of the fiscal year after notice to Owner and failure of Owner to remedy delinquency by date specified; (c) after notice to Owner, record a memorandum of lien securing the delinquency as well as the unpaid balance of the Assessments for the remainder of the fiscal year against the title to the Lot; (d) file a civil action for judgment against the Owner for the unpaid Assessments, accelerated Assessments, interest, late charges, attorney's fees, cost of collection, and any other properly assessed charges to the Owner; (e) report the debit to the major credit bureaus, and (f) take post-judgment action to collect the unpaid Assessment, accelerated Assessments, interest, late charges, attorney's fees, management fees, collection cost, or any other properly assessed charges to the Owner.

2. The Board may choose to authorize legal counsel to foreclose the memorandum of lien for unpaid Assessments, pursuant to the Declaration and in the manner provided by the laws of the Commonwealth of Virginia.

E. Method of Crediting Payments. After an account becomes delinquent, payment received from an Owner will be credited to the account according to general accounting methods in the following order of priority:

- a. Charges for attorney's fees and court costs.
- b. Interest, late charges, management fees, collection costs, resale disclosure packet fees or any other fees authorized by the Virginia Property Owners Act and returned check charges.
- c. Any Special Assessments.

- d. Any Additional Assessments.
- e. The Annual Assessment, oldest outstanding first.

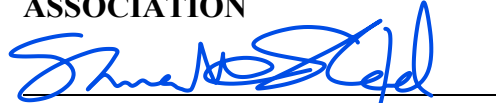
III. Suspension of Voting

Voting. The Association has the right to suspend the voting rights of an owner for any period during which any assessment against the Lot remains unpaid.

This resolution was adopted at a duly called meeting of the Board of Directors on,
June 28th, 2023.

The effective date of this Resolution shall be June 28th, 2023.

**HALSTEAD GLENN CLUSTER
ASSOCIATION**

A handwritten signature in blue ink, appearing to read "John Sted", is written over a horizontal line.

President