

KINGSTREAM COMMUNITY COUNCIL, INC.
POLICY RESOLUTION NO. 2021-1

(Policy on late fees for unpaid assessments)

WHEREAS, Pursuant to Virginia Code Section 55-513.3, if an Owner's annual assessment or special assessment is not paid within sixty (60) days after the due date, a late fee of five percent (5%) shall be imposed; and

WHEREAS, Article IV of the Declaration of Covenants, Conditions, and Restrictions provides the Board of Directors with the authority to adopt rules and regulations on a variety of matters, including the effect of nonpayment of assessments; and

WHEREAS, the Board of Directors believes it is in the best interest of the Council to adopt these rules and regulations;

NOW THEREFORE, the Board adopts the following as it relates to late fees and the collection of Homeowner Assessments:

I. Routine Collections

A. The amount of the Annual Assessment shall be fixed by the Board against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice shall be sent to every Owner. Special Assessments shall be due as specified in the notice of assessment.

B. Non-receipt of a payment invoice, coupon books, notices, or other such documents relating to the payment of the Assessments shall not excuse an Owner from the obligation to pay Assessments. In accordance with Article IV, Section 8 of the Declaration, no Owner may waive or otherwise escape liability for the assessments by non-use of the Common area or abandonment of his Lot.

C. Non-resident Owners must provide the Board with a telephone number and address, in writing, where the Owner can be contacted; otherwise, all notices shall be sent to the Lot address or address on record with the Association.

II. Remedies for Nonpayment of Assessments

A. Interest. If an Assessment is not paid and received within thirty (30) days of the Due Date, interest shall accrue from the due date at the rate of twelve percent (12%) per annum.

B. Late Charge. If any Assessment remains delinquent for sixty (60) days from the due date, a late charge of five percent (5%) shall be assessed against the delinquent Owner's account.

C. 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

TCF
JUL 2021

Agent shall charge the Owner a returned check charge of fifty dollars (\$50.00), or the maximum amount permitted by law.

D. 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 the assessment payment is not received on or before the due date. If after thirty (30) days from the due date, the Owner remains in default, the Managing Agent shall send a final demand letter 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.

G. Referral to Legal Counsel.

1. Legal counsel is authorized, without further action of the Board, to take the following action: (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 Assessment 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; and (e) take post-judgment action to collect the unpaid Assessment, accelerated Assessment, 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.

H. 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.

TGhee
JUL 2021

