

BURKE STATION CITIZENS ASSOCIATION, INC.
RESOLUTION NO. 2
POLICY PROCEDURES RELATIVE TO ASSESSMENTS

(Relating to Collection of Delinquent Annual and Special
Assessments and Charges)

*This resolution supersedes all previous administrative resolutions regarding delinquent assessment
collection procedures*

WHEREAS Article III, C. Powers and Duties, Section 14 of the Bylaws of Burke Station Citizens Association, Inc ("Bylaws") provides that the Burke Station Citizens Association ("Association") Board of Directors ("Board") shall exercise for the Association all of the powers and duties necessary for the administration of the Association's affairs and for performing all responsibilities and exercising all rights of the Association as set forth in the Declaration, the Articles of Incorporation, Bylaws and as required by law. The Board may do or cause to be done all acts and things as are not by the Declaration, Articles, these Bylaws, or Virginia law directed to be done and exercised exclusively by the Members; and

WHEREAS, Article III, C. Powers and Duties, Section 14, (f) of the Bylaws provides that the Board shall have the power to establish policies relating to, and shall be responsible for performing or causing to adopt and publish rules and regulations governing the use of the Common Area and facilities, and establish penalties for the infraction thereof; and

WHEREAS, Article II, Section 1 (b) of the Declaration the right of the Association to suspend the voting rights and rights to use of the recreational facilities by an owner for any period during which any assessment against his lot remains unpaid: and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations; and

WHEREAS, Article IV, Section 2 of the Declaration provides that assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the properties and for the improvement and maintenance of the Common Area, and of the homes, situated upon the Properties; and

WHEREAS, Article IV, Section 1 of the Declaration provides each owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided; and

WHEREAS, Article IV, Section 1 of the Declaration also provides the annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made; and

WHEREAS, Article IV, Section 7 of the Declaration authorizes the Board shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board; and

WHEREAS, Article IV, Section 1 of the Declaration authorizes the Board to establish such assessment, and provides that the assessment, together with interest, costs, and reasonable attorney's fees, shall be a continuing lien upon the property and shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them; and

WHEREAS, Article IV, Section 8 of the Declaration provides any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of six percent (6%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property; and

WHEREAS, Section 55.1-1824 of the Virginia Property Owners' Association Act ("Act") authorizes the Association to establish a late fee not to exceed five percent (5%) of any assessment installment not paid within 60 days of the due date for payment of such assessment; and; and

WHEREAS, Section 55.1-1833 A of the ("Act") provides that once a lien is perfected, the Association shall have a lien on such lot for unpaid assessments levied against that lot in accordance with the Act and all lawful provisions of the Declaration and otherwise establishes procedures for the enforcement of the assessment lien via foreclosure proceedings; and

WHEREAS, the Association has retained the services of a common interest community manager ("Management Agent"), as that term is defined in Va. Code § 54.1-2345, responsible for the provision of management services, including, but not limited to, the collection of assessments and payments; 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 Management Agent, and Association legal counsel handle delinquent assessment accounts.

NOW, THEREFORE, BE IT RESOLVED that the Board duly adopts the following policies and procedures for the collection of delinquent accounts.

I. ROUTINE COLLECTIONS

- A. Annual Assessments. The Annual Assessment levied by the Board shall be established by the Board through the adopted annual budget. Assessments shall be payable in advance, not later than the first day of February in each fiscal year. The Board shall provide notice of the due date of the annual assessment.
- B. Special Assessments. In addition to Annual Assessments, the Board may levy, in any assessment year, a special assessment for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of the Common Area, including fixtures and personal property related thereto or for any purpose which the Association is responsible.
- C. Correspondence. All documents, correspondence, and notices relating to assessment or charges shall be mailed to the address which appears on the books of the Association or to such other address as is designated in writing by the Owner. It is the sole responsibility of the Owner to ensure the books of the Association reflect the proper address for receiving correspondence. Non-

receipt of an invoice shall in no way relieve the Owner of the obligation to pay the amount due by the due date.

II. REMEDIES FOR NON-PAYMENT OF ASSESSMENTS

- A. Late Fees. If payment of the total assessments or charges due, including special assessments, and returned check charges are not received by the Managing Agent by the sixtieth (60th) day after the due date, the account will be deemed late and a late fee of five percent (5%) of the assessment installment shall automatically be added to the amount due and shall be part of the continuing lien for assessments until all sums due and owing are paid in full.
- B. Interest. Any assessment not paid within 30 days after the Due Date shall bear interest from the due date at the maximum allowable rate, or such other amounts as required by law. The current Association Declarations require a 6% per annum interest rate.
- C. Returned Check Charge. When an Owner's payment check is returned for insufficient funds or because the check is drawn on a closed account and an assessment or charge due and owing by the Owner is not otherwise received by the Due Date, the Owners account shall be deemed past due and a \$50.00 return check charge, or the maximum rate allowed by law, will be added to the assessment account.
- D. Other Costs. All costs incurred by the Association as a result of any violation of the Declaration, Bylaws, rules and regulations, or resolutions of the Association by an Owner, the Owner's family, employees, agents, tenants or licensees, which are legally collectible shall be assessed against such owner and are collectible in the same manner as other assessments imposed against a Lot in accordance with the Declaration.
- E. Waiver. The Board may grant a waiver of any provision herein upon petition, in writing, by an Owner alleging personal hardship. Such relief granted an Owner shall be appropriately documented in the files with the names of the persons representing the Board granting the relief and conditions of the relief.
- F. Suspension of Privileges. The Board may suspend an Owner's right to use facilities or services for any period in which assessments are delinquent or for a period not longer than sixty (60) days for a violation of the Association's rules and regulations, and a member's right to vote for any period of time in which the owner's account remains delinquent.

III. ADMINISTRATIVE PROCEDURE FOR NON-PAYMENT OF ASSESSMENTS

- A. Reminder Notice. Within thirty (30) days following a Due Date, the Association Management Agent may send a reminder notice to all Owners who have not paid their assessment obligation on or before the Due Date.
- B. Late Notice. The Association Management Agent may, but is not required to, send notification to Owners who have not paid assessments, in full, between thirty (30) and forty-five (45) days after it is due, noting the assessment is now delinquent, a late fee shall be added to the account after the assessment is sixty (60) days delinquent, and the delinquent assessment is accruing interest.
- C. Demand Notice. The Association Management Agent may, but is not required to, send notification to Owners whose arrearages are greater than or equal to the combined sum of two

annual assessments, noting the account is past due and will be referred to the Association's legal counsel for legal action if not paid, in full, within thirty (30) days or such date as provided in the notice.

- D. Legal Remedies Upon Default. In the event that an account arrearage, equal to or greater two annual assessments, is not paid in full within thirty (30) days from the date on the Demand Notice issued by the Association Management Agent, the Board hereby directs that the account is accelerated through the balance of the fiscal year, and the Association treasurer or Management Agent shall refer the account to Association legal counsel for legal action with the direction to file a Memorandum of Lien for Unpaid Assessments against the Lot and to commence legal action in the Fairfax County General District Court to collect the accelerated account balance due.
- E. Bankruptcy/Foreclosure. Association Management Agent shall consult with Association legal counsel and immediately refer for collection any account not previously referred for legal action where the Owner files or is the subject of a petition for relief in bankruptcy or where a deed of trust beneficiary or any other party has commenced foreclosure proceedings against the property.
- F. Compliance. Failure of the Board, the Association, or any agents thereof, to comply with the requirements contained in this Resolution shall not affect the validity of any of the remedies set forth in Section II above.

IV. LEGAL PROCEDURE FOR NON-PAYMENT OF ASSESSMENTS

- A. Contact with Delinquent Owner. Once an account is referred for legal action, all contact with a delinquent Owner related to the delinquent account shall be handled through the Association's legal counsel. If the Owner contacts any Association Officer or Director or any management personnel about the Owner's delinquent account, such person shall direct the Owner to communicate with Association legal counsel until the Owner's assessment account has been brought current.
- B. Authority to Receive Payments. The Association's legal counsel is authorized to receive payments on delinquent accounts until the account is no longer delinquent. All payments shall be sent to legal counsel and any payments made to the Association through legal counsel shall be made directly payable to the "Burke Station Citizens Association." Payments shall be deemed to be received upon actual receipt of the payment by Association legal counsel.
- C. Settlement and Payment Plans. If a written settlement offer and payment plan is presented to Association legal counsel, the settlement offer or payment plan will be forwarded to the Association Management Agent for review and a decision on acceptance or denial of the settlement offer or payment plan by the Board.
- D. Attorneys' Fees and Costs. Pursuant to the Declaration and the Act, all costs of pursuing collections which are legally collectible, including but not limited to, reasonable attorneys' fees, shall be against each delinquent Lot and the Owner.
- E. Legal Action. If an account remains delinquent and no payment plan has been accepted or, if accepted, is in default, Association legal counsel is authorized to take such action, as instructed by the Board, including, but not limited to, the actions described in Part III. C. and/or instituting a foreclosure action against the Lot.

- F. Payments Received. Payments received from an Owner whose account is delinquent and has been turned over to Association legal counsel will be credited in the following order of priority:
1. Charges for attorneys' fees, court costs and administrative expenses;
 2. Interest accrued and returned check charges;
 4. All other charges incurred by the Association as a result of any violation by an Owner, Owner's family member, employees, agents or licensees of the Declaration, Bylaws, Rules and Regulations or Resolutions;
 5. The assessments for each Lot applied first to the oldest amount due;
 6. Other Assessments.

**BURKE STATION CITIZENS ASSOCIATION
RESOLUTION ACTION RECORD**

Resolution Type: Policy
Pertaining to: Collection of Annual Assessments
Resolution Number. 2

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of Burke Station Citizen's Association, Inc. a Virginia nonstock corporation;

That the foregoing Burke Stations Citizens Association, Inc., Resolution No. 2, Policy Procedures Relative to Assessments, as duly adopted at a meeting of the Board of Directors held on the ____ day of November 26, 2022.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 26 day of November, 2022.



Susan Carter

Secretary