

THE SIERRA CONDOMINIUM UNIT OWNERS ASSOCIATION

RESOLUTION NO. _____

PROCEDURES RELATIVE TO ASSESSMENTS AND CHARGES

(relating to collection of annual and
special assessments and monetary charges)

WHEREAS, Section 3.1 of the Bylaws of The Sierra Condominium (“Bylaws”) provides that the Board of Directors (“Board”) shall have all of the powers and duties necessary for the administration of affairs of the Association and may do all acts and things as are not required by the Virginia Condominium Act (“Act”) or the condominium instruments to be exercised and done by the Association;

WHEREAS, Section 5.2 of the Bylaws establishes the assessment obligation against each Unit Owner;

WHEREAS, Section 5.3 of the Bylaws establishes a Late Fee for all payments not received within ten days after the due date;

WHEREAS, Sections 9.1 and 9.2 of the Bylaws specifies the remedies the Association may pursue when assessments are delinquent, including (i) declaring the entire balance of the annual assessment due, (ii) charging interest, (iii) initiating legal action, (iv) filing and enforcing a lien against the unit;

WHEREAS, Section 9.1(c) of the Bylaws further provides that the Association shall be entitled to recover its costs and reasonable attorneys’ fees in any proceeding arising out of a default by a Unit Owner;

WHEREAS, Section 9.1(g) authorizes the Board of Directors and the Covenants Committee to levy reasonable charges against Unit Owners for violations of the Act, the condominium instruments or the Association rules and regulations;

WHEREAS, Section 9.1(h) of the Bylaws authorizes the Board of Directors to suspend or revoke a Unit Owner’s recreational or other privileges for a reasonable period if the assessment payment is in default more than thirty days or for violation of the Condominium instruments or Association rules and regulations;

WHEREAS, Section 55-79.80:2 of the Act authorizes the Association to charge a Unit Owner for violations of the condominium instruments or the Act; and

WHEREAS, there is a need to establish orderly procedures for the billing and collection of assessments and charges due to the Association from Unit Owners.

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Directors duly adopt the following procedures.

I. ROUTINE COLLECTIONS

A. All monthly installments of the annual assessments shall be due and payable in advance on the first day of the applicable month. Unless the Board determines otherwise, all special assessments and monetary charges shall be due and payable on the first day of the next month which begins after delivery to the Unit Owner of notice of the special assessments or monetary charges ("Due Date").

B. All documents, correspondence and notices relating to assessments or monetary 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 a Unit Owner.

C. Non-receipt of an invoice shall in no way relieve the Unit Owner of the obligation to pay the amount due by the Due Date.

D. Monetary charges assessed pursuant to Section 9.1(g) of the Bylaws and Section 55-79.80:2 of the Act shall be collected as an assessment or in such manner as shall be determined by the Board.

II. REMEDIES FOR NON-PAYMENT OF ASSESSMENTS AND CHARGES

A. If payment of the total assessments or monetary charges due and owing is not received by the Managing Agent by the 10th day of the month, the account shall be deemed late.

B. If a Unit Owner defaults in paying any sum assessed or monetary charges against his unit which continues for a period in excess of fifteen days, interest at the rate of eighteen percent per annum may be imposed on the principal amount unpaid from the Date Due until paid. No notice of the imposition of such interest need be provided to the Unit Owner. Such interest shall be part of the continuing lien as provided for in Section 9.2 of the Bylaws.

C. If a Unit Owner defaults in paying any sum assessed or monetary charges against his Unit which continues for a period in excess of ten days, a late fee in the amount of \$50.00 will automatically be imposed. No notice of the imposition of the late fee need be provided to the Unit Owner. The late fee shall be part of the continuing lien as provided for in Section 9.2 of the Bylaws.

D. If a check is returned, and an assessment or monetary charge due and owing is not otherwise received in the applicable time period, the account shall be deemed late, a late fee shall be imposed, in addition to a twenty-five dollar returned check charge.

E. A "Late Notice" shall be sent by the Managing Agent to Unit Owners who have not paid assessments or monetary charges, in full, by the tenth day after the Due Date.

F. If payment in full, including interest, late fees and returned check charges, is not received by the Managing Agent by the sixtieth day after the Due Date, the Managing Agent shall refer the account to legal counsel. Legal counsel shall mail a "Notice of Intent to Accelerate Installments and File Lien" pursuant to Section 55-79.84 of the Act to the Unit Owner at the address listed on the books of the Association via certified mail, return receipt requested, with the cost of preparation of the Notice added to the delinquent Unit Owner's account.

G. If payment in full of the delinquent assessments or monetary charges, including interest, late fees, returned check charges and legal costs, is not received by legal counsel within ten days after the "Notice of Intent to Accelerate Installments and File Lien" has been sent, then the remaining installments of the annual assessments shall be accelerated pursuant to Section 9.2(b) of the Bylaws and a Memorandum of Lien shall be filed against the delinquent Unit Owner's Unit. The cost of preparation and filing the Memorandum of Lien will be added to the account.

H. If payment in full, including interest, late fees, return check charges and legal costs, is not received by legal counsel within ten days after the "Notice of Intent to Accelerate and File Lien" has been sent, legal counsel may file a civil suit to recover a money judgment against the Unit Owner personally. The cost of preparation and filing the suit shall be charged to the account.

I. If payment in full, including interest, late fees, return check charges and legal costs, is not received by legal counsel, legal counsel may initiate action to foreclose upon the Memorandum of Lien, thirty days after Notice of Intent to Foreclose has been sent by legal counsel to the Unit Owner at the address listed on the books of the Association via certified mail, return receipt requested.

J. If the Association receives from any Unit Owner, in any accounting year, two or more returned checks for payment of assessments or charges, the Board may require all future payments to be made by certified check or money order for the remainder of the fiscal year.

K. The Board may grant a waiver of any provision herein upon petition in writing by a Unit Owner alleging a personal hardship. Such relief granted a Unit Owner shall be appropriately documented in the files with the name of the person or persons representing the Board granting the relief and the conditions of the relief. The Board may accept payment plans on a case by case basis.

L. The Board hereby authorizes the Managing Agent to waive the imposition of interest on payments received by the Managing Agent after the fifteenth day of the month, if, in the judgment of the Managing Agent, the delinquent Unit Owner has owned the Unit for less than three months at the time of the delinquency and the Managing Agent determines the

delinquency was the result of a misunderstanding of the correct procedures relative to payment of the assessment.

M. Payments received from a Unit Owner will be credited against the Unit Owner's account in the following order of priority:

1. Attorneys' fees, court costs and administrative expenses;
2. Interest accrued, late fees and returned check charges;
3. All other charges incurred by the Association as a result of any violation by a Unit Owner, his family, employees, agents or licensees of the Declaration of Covenants, Conditions and Restrictions, Bylaws, Rules and Regulations or Resolutions or the Act, including monetary charges assessed pursuant to Section 55-79.80:2 of the Act;
4. The monthly assessments for each Unit applied first to the oldest amount due; and
5. Special Assessments.