

REFLECITON HOMES ASSOCIATION

Policy Resolution No. 19-__

(Procedures Relative to Collection of Delinquent Assessments)

WHEREAS, Article VII of the Articles of Incorporation of Reflection Homes Association (the "Articles of Incorporation") provides that the affairs of the Association shall be managed by the Board of Directors (the "Board"); and

WHEREAS, Article VII, Section 1(a) of the By-Laws of Reflection Homes Association (the "By-Laws") provides that the Board shall have the power to adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof; and

WHEREAS, Article VII, Section 1(c) of the Bylaws provides that the Board shall have the power to exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by other provisions of the By-Laws, the Articles of Incorporation, or the Declaration; and

WHEREAS, Article IV, Section 1 of the Declaration of Covenants, Conditions and Restrictions (the "Declaration") provides that 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; and

WHEREAS, Article IV, Section 1 of the Declaration provides that the annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land 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; and

WHEREAS, Article V, Section 6 of the Declaration provides that no Owner may escape liability for the assessments by non-use of the Common Area or abandonment of his Lot; and

WHEREAS, Article V, Section 6 of the Declaration provides that any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of 6 percent (6%) per annum; and

WHEREAS, Article V, Section 6 of the Declaration provides that the Association may bring an action at law against the Owner personally obligated to pay the assessment, or foreclose the lien against the property; and

WHEREAS, Article VII, Section 1(b) of the Bylaws provides that the Board may suspend the voting right and right to use of the recreational facilities of a member during any

period in which such member shall be in default in the payment of any assessment levied by the Association; and

WHEREAS, §55-513.3 of the Code of Virginia provides that except to the extent that the Declaration or any rules or regulations promulgated pursuant thereto provides otherwise, the Board may impose a late fee for any assessment or installment thereof which is not paid within 60 days of the due date not to exceed five percent (5%); and

WHEREAS, the Board believes it is necessary and in the best interest of the Members to adopt orderly procedures for the collection of delinquent assessments levied by the Board and to publish these procedures.

NOW, THEREFORE, BE IT RESOLVED that the Board duly adopts the following policy and procedures:

1. If payment of the total assessment or special assessment due and owing is not received by the Association by the 30th day after the due date the account shall be deemed delinquent and the assessment, or any portion thereof which remains unpaid, shall automatically bear interest at a rate of six percent (6%) per annum and thereafter be a part of the continuing lien for assessments provided for by the Declaration until the Owner pays all sums due and owing.

2. If payment of the total assessment or special assessment due and owing is not received by the Association by the 60th day after the due date a late fee of five percent (5%) of the assessment or special assessment shall automatically be added to the account and be a part of the continuing lien for assessments provided for by the Declaration until the Owner pays all sums due and owing.

3. If payment of the total assessment or special assessment due an owing, including any additional charges and late fees, is not received by the Association by the 60th day after the due date, the account shall be referred to legal counsel for immediate legal action.

4. Legal counsel shall immediately initiate legal measures to collect all delinquent accounts. Upon receipt of account, legal counsel shall send a letter demanding payment in full within thirty (30) days. Collection procedures pursued by legal counsel shall be as generally directed by the Board, but shall include recordation and foreclosure on all liens, reporting of debt to national credit bureaus, and the filing of suits on behalf of the Association to collect all delinquent sums. All legal fees and court costs incurred by the Association for collections services shall be charged to the Owner's account unless otherwise determined by a court. Legal counsel is authorized and directed to take the foregoing enumerated actions without specific authorization of the Board on any account which has been turned over.

5. Along with the other remedies set forth herein, the Board may suspend an Owner's rights, privileges, and benefits of membership in the Association if the Owner has not brought the account current within sixty (60) days of the initial delinquency. Any such suspension of rights shall be in accordance with the Association's Due Process Policy.

6. Any privileges which are suspended shall be reinstated when the Owner is notified in writing that the delinquent assessment account has been brought current, including the payment of any attorney's fees, interest, charges, and costs of reinstatement of privileges.

7. In the event that the Association receives a check from any Owner which is returned for non-sufficient funds, the Association may charge the Owner a returned check charge of \$35.00 or actual fees, whichever is greater, in addition to the interest and late fees stated above.

8. In the event that the Association receives two checks from any Owner while the account is delinquent which are returned for non-sufficient funds, the Association may require all future payments during the period of delinquency to be made by certified funds (cashier's check, money order, etc.).

9. Payments received by the Association from Owners shall be credited in the following order of priority, as applicable:

- a. Charges for attorney's fees and court costs;
- b. Any additional fees, charges, interest or costs of collection;
- c. Any other charges or sums due to the Association from the Owner or any for whom the Owner is responsible;
- d. The monthly assessment for the lot in the order that they came due, including special assessments, as applicable.

10. The Board authorizes legal counsel to accept or reject, in its discretion, any plan for repayment which will not exceed twelve months in length. The Board shall further authorize a member of the Board and/or its Managing Agent to approve all other payment plans. Such authority shall be noted in the minutes of the Board and may be changed from time to time by the Board.

EFFECTIVE DATE OF RESOLUTION

The provisions of this Resolution shall become effective _____, 2019.

RESOLUTION ACTION RECORD


POLICY RESOLUTION NO. 19-__

Duly adopted at a meeting of the Board of Directors held on 2019 August 12th,
2019.

Motion by: President Seconded by: Secretary

VOTE:	YES	NO	ABSTAIN	ABSENT
Willie Jimenez, President	<u>✓</u>	<u> </u>	<u> </u>	<u> </u>
Mike Olson, Vice President	<u> </u>	<u>✓</u>	<u> </u>	<u> </u>
Michael Hamiary, Secretary	<u>✓</u>	<u> </u>	<u> </u>	<u> </u>
Colleen Ward, Treasurer	<u>✓</u>	<u> </u>	<u> </u>	<u> </u>
Delene Diab, Director	<u>✓</u>	<u> </u>	<u> </u>	<u> </u>

ATTEST:


Secretary President

12-Aug-19
Date

12th day of August, 2019

FOR ASSOCIATION RECORDS

This Policy Resolution was sent by first-class United States mail, return receipt requested, to the address of each Member of the Association this 12th day of August, 2019.

REFLECTION HOMES ASSOCIATION

By: _____



Michael Hamiary, Secretary

William F. Jimenez,
President

