

Meadowlake Farms Homes Association

101 Susan Newton Lane
Yorktown VA 23693

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Policy Resolution No. 2013-01

(Policy and Procedures Concerning the Collection of Charges, Fees, and Assessments)

WHEREAS, Article IV of the Articles of Incorporation ("Articles"), of Meadowlake Farms Homes Association as recorded among the land records of York County, Virginia empowers the Board of Directors ("Board") of Meadowlake Farms Homes Association, Inc. ("Association") to provide for maintenance, preservation and architectural control of the residence lots and Common Areas, exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants Conditions and Restrictions, and to fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration, and

WHEREAS, Article V, Part A, Section 1, of the Articles subjects every owner of a Detached Section lot and of a Cluster Section lot to assessment, and

WHEREAS, Article III and Article IV of the Declaration of Covenants, Conditions, ("Declaration"), of Meadowlake Farms Homes Association as recorded among the land records of York County, Virginia empowers the Board to levy annual, services and special assessments against each lot, and

WHEREAS, Article IV, Part A, Section 8, of the Declaration provides that any assessment not paid within thirty (30) days after the due date shall be delinquent and enumerates the remedies the Association may exercise to collect delinquent assessments, including the imposition of interest and late charges, and

WHEREAS, Article VIII, Section 1 of the Declaration provides the Board shall have the right to enforce, by any proceeding at law all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of the Declaration, and

WHEREAS, Article VI, Section 1(b) of the Bylaws authorizes the Board to suspend the voting rights and/or right of an Owner or resident to use the Association's Common Area for so long as any annual or special assessment remains unpaid, and

WHEREAS, Article VI, Section 1(c) of the Bylaws provides the Board with the power to exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these by-laws, the Articles of Incorporation or the Declaration, and

WHEREAS, Article VI, Section 2(c) of the Bylaws directs the Board to, (1) Fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period; (2) Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and (3) Foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same, and

WHEREAS, Article X, of the Bylaws states, "As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments, which are secured by a continuing lien upon the property against which the assessment is made. Any assessments, which are not paid when due, shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of eight (8%) percent per annum, and 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 interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot," and

WHEREAS, the Board of Directors has determined that there is a need to establish orderly procedures for the billing and collection of said assessments; and

WHEREAS, the Board has determined that it is in the best interest of the Association to adopt a formal collection policy.

NOW THEREFORE, BE IT RESOLVED THAT the Board duly adopts the following assessment and collection procedures:

I. ROUTINE COLLECTION PROCEDURES

A. All regular annual assessments are divided into two billings sent out on 1 February and 1 ~~June~~ ^{August} each year. * July ~~May~~

All installments of any special, services or additional assessments shall be due and payable on the date or dates specified in the notice of such special, services or additional assessment delivered or mailed to the Owners (collectively "Due Date"). The Board shall retain authority to permit the payment of any special, services or additional assessment on a monthly, quarterly, semi-annual basis or annual basis. (As used herein, the term "special assessment" shall include any expressly authorized monetary charges imposed upon an Owner for violation of the Association's Governing Documents, as well as any assessments imposed for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of the Common Area.)

B. All documents, correspondence, and notices relating to regular, special, services or additional assessments or other charges sent by the Association shall be mailed to the address which appears in the official books and records of the Association or to such other address as is designated in writing by the applicable Owner. Notice of any special, services or additional assessment shall be sent to each Owner by first class mail. All Owners shall be responsible for providing the Association with timely notice of any changes in their address of record and each non-resident Owner shall furnish the Board with an address where the Owner will at all times promptly and regularly receive mail. Any failure by an Owner to claim a certified mailing sent by the Association will not invalidate the notice issued by the Association.

C. Non-receipt of payment coupons or other notices shall in no way relieve an Owner of the obligation to pay the amount of any regular annual assessment by the applicable Due Date. Each Owner shall furnish the Board with an address where the Owner will at all times promptly and regularly receive mail.

II. REMEDIES FOR NON-PAYMENT OF ASSESSMENTS

A. Any assessments or installments thereof, which are not paid when due, shall be delinquent.

B. Any assessment not paid within thirty (30) days after the applicable Due Date shall: (1) bear interest from the date of delinquency at the rate of eight (8%) percent per annum, running from the date of the delinquency and until fully paid, and (2) obligate the delinquent Owner to pay previously stated assessments and applicable interest, plus any costs and

* Second-half assessment payment dates changed per BOD Meeting on Feb. 3, 2016

reasonable attorney's fees of any action at law taken to collect the delinquent assessment and associated interest.

C. If an Owner's account becomes delinquent, the Association shall have the right to suspend an Owner's access to any or all of the Common Areas, to the extent that access to the lot through the Common Areas is not precluded and such suspension shall not endanger the health, safety or property of any Owner. The Owner shall not be entitled to any of the rights and privileges of membership, including a member's right to use the Association's facilities or services, and the right to vote at any meeting of the Association's membership, subject to notice and hearing as provided in Section 55-513 of the Code of Virginia. Any such suspensions shall extend to the Owner's household members, tenants, guests or invitees.

D. A "Late Notice" may be sent to any Owner who has not paid any assessment in full by the close of business fifteen (15) days, after the applicable Due Date. The Board shall charge the Owner with the costs it incurs through management or counsel to prepare and send these and any other late notices to the Owner.

E. The Association is not required to provide an additional notice of the imposition of interest, late fees, reasonable legal fees, and cost of collection charges to an Owner other than the Late Notice; however, the Association has the discretion to send a second notice of delinquency to an Owner who remains delinquent for thirty (30) days, or forty five (45) days. Any interest, late fees, and/or cost of collection charges imposed shall constitute a lien upon the Lot of the defaulting Owner.

F. If a check is returned to an Owner because it has been improperly filled out (including but not limited to missing signature, amounts do not match, post-dated) and is not resubmitted to the Association within 30 days after the applicable Due Date, the late fee and any cost of collection charge will be assessed to such Owner's account.

G. If payment in full of any assessment, including any special, services or additional assessment payable in installments, plus all associated interest, late fees, cost of collection charges, and returned check fees are not received by the Association or its appointed agent by the 60th day after the applicable Due Date of such assessment or installment thereof, the Owner's account will be referred to an attorney for collection ("Counsel").

H. Counsel for the Association shall take such other appropriate legal action as reasonably directed by the Board, including but not limited to filing a lawsuit against a delinquent Owner and foreclosing on the Association's liens.

I. Once attorneys receive delinquent accounts, they open a file and immediately send out a demand letter. If the debtor fails to respond to the demand letter, a Warrant in Debt is filed approximately thirty days after the date of the initial demand letter. Approximately thirty days later, a judgment is entered in General District Court or the case is set for trial. As soon as a copy of the judgment abstract is received from this Court, attorneys thereafter file it in the Circuit Court. This is known as docketing the judgment and effectively attaches a lien against all property the named debtor(s) own in that particular jurisdiction. All filing fees are paid in advance and reimbursed out of payments made by the debtor(s). Attorney's fees and filing fees are in addition to the principal amount sent over for collection. All judgments award a principal amount, court costs, interest and attorney's fees from the owner/debtor for costs incurred. After judgment is taken in General District Court, a number of other procedures in addition to docketing the judgment are pursued in "post judgment" collection efforts if no payments from the owner/debtor are received. Each of these steps requires additional filing fees.

J. If an Owner's check is not honored and is returned to the Association, a \$35.00 returned check charge shall be assessed against such Owner which shall be in addition to any applicable late fees, interest and cost of collection charges.

K. If the Association receives from any Owner, in any accounting year, two (2) or more returned checks for payments of such Owner's assessments or other payments, the Board may require all future payments to be made by certified check or money order for the remainder of such accounting year.

L. All costs incurred by the Association as a direct result of any default in the payment of assessments shall be assessed against such Owner and such Owner's Lot as permitted herein. Such costs include, without limitation, actual legal or administrative expenses (regardless of whether suits or liens are filed) resulting from an Owner's failure to pay any assessment when due or from any other default by such Owner as provided herein.

M. At its discretion, the Board may grant a waiver of late fees and/or interest upon petition in writing by an Owner alleging a personal hardship or other exceptional cause. Such relief granted to an Owner shall be appropriately documented in the Association's books and records along with the name of the person or persons representing the Board granting the relief and the conditions upon which such relief was granted. Waivers shall be made on a case-by-case basis upon review of particular circumstances. Furthermore, any waiver on one occasion shall not be deemed or construed as a waiver in any future instance of delinquency by such Owner or any other Owner.

N. Once an account has been referred to Counsel for collection, payments received towards the account will be credited in the following order of priority:

1. Charges for legal fees and costs.
2. Late fees.
3. Cost of collection charges.
4. All interest accrued.
5. All other charges incurred by the Association as a result of any default hereunder.
6. Any assessment due for each Lot, including any special assessment thereon.

O. This Resolution shall apply to all Owners who are delinquent at the time this Resolution is adopted and to any Owner who becomes delinquent subsequent to the adoption of this Resolution.

P. This Resolution supersedes all previously adopted Resolutions governing the collection of routine and delinquent accounts.

The procedures outlined herein may be curtailed or abbreviated on a case-by-case basis as deemed appropriate by the Meadowlake Farms Homes Association Board of Directors.


The effective date of this Resolution shall be March 1, 2013.

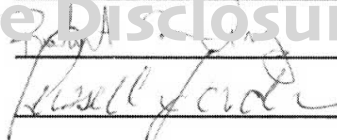
IN WITNESS WHEREOF the Board of Directors of Meadowlake Farms Homes Association, Inc. has caused this instrument to be executed this 6th day of February, 2013.

Robert Baldwin, President MFHA

Robert Anaya, Vice President MFHA

Russell Jordan, Director





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