

**THE GROVE AT HUNTLEY MEADOWS
HOMEOWNERS ASSOCIATION
POLICY RESOLUTION 05-01**

DELINQUENT ASSESSMENTS/FEES COLLECTION RESOLUTION

WHEREAS, under Article VII, Section 1(c) of the Bylaws: The Board of Directors shall have all powers to conduct the affairs of the Association; and

WHEREAS, Article IV, Section 8 provides the Board, in the event that an owner defaults on the payment of assessments, with the power to levy late charges in the amount of \$10.00 or for such greater amounts as determined by the Board, and to impose interest on any past due balance; and

WHEREAS, orderly procedures must be established for the collection assessments or other charges imposed by the Association that remain unpaid past their due date; and

WHEREAS, the Board deems it to be in the best interest of the Association to adopt a uniform and systematic procedure for dealing with delinquent accounts in a timely manner, and further believes it to be in the best interest of the Association to refer these accounts promptly to an attorney for collection so as to minimize the Association's loss of assessment revenue; and

WHEREAS, the Board has retained the Association's attorneys for their experience in representing homeowners associations in collections and other matters; and

NOW, THEREFORE, BE IT HEREBY RESOLVED, THAT the Board hereby repeals are previously adopted policies governing the collection of assessments or any other fees and charges imposed by the Association and hereby adopts the following procedures for collecting delinquent assessments and any other charges imposed by the Association:

1. The Board of Directors shall establish the annual assessments at least thirty days prior to the beginning of the annual assessment period. The Association will notify the owners of the annual assessment by first-class mail, mailed to the address appearing in the records of the Association. Off-site owners will be responsible for notifying the Association's management company of any alternate address that they want the Association to use for notices from the Association. If an owner does not receive a notice concerning the Association's annual assessment or special assessments from the Association's management company, the Association will not excuse the owner from the obligation of paying the assessment or monetary charges. All owners are under a legal duty to seek out information about the annual assessment if they do not receive the Association's notice.

2. All assessments or other charges imposed by the Association in accordance with the Association's governing documents are due and payable on the first day of each month ("Due Date").
3. If the any assessment installment, portion thereof or any outstanding fees owed to the Association are not received in the management company's office by the close of business on the **fifteenth (15) day** of the each month a late charge of **\$10.00**, or such other amount as may be established by the Board of Directors, shall be added to the account and any unpaid balance shall bear interest at a rate of 18% from the Due Date.
4. Owners are solely responsible for ensuring that all assessments/fees owed to the Association are received at the management company's offices prior on the Due Date.
5. The management company is directed to send to any homeowner who is more than **fifteen (15) days** delinquent in the payment of any annual or special assessment or other charges authorized by the Association's governing documents (hereinafter referred to as "Assessments"), a written notice of the late fees and a request for immediate payment.
6. After notification, if the account remains delinquent, the management company is directed to send to any homeowner who is more than ninety (90) days delinquent in the payment of Assessments written notice by certified mail and first class mail that, if the account is not paid in full within **ten (10) days**, the delinquent account will be turned over to the Association's attorney for collection. Before doing so, the Association will accelerate the balance of the account for the remainder of the calendar year.
7. Counsel for the Association shall be authorized to record liens and file suits on behalf of the Association to collect delinquent sums. Counsel for the Association shall add all legal fees and court costs to the account of the delinquent owner.
8. If an owner submits a check to the Association that fails to clear the bank account it is drawn on, the Association shall add a \$25.00 charge to the account.
9. For bookkeeping purposes, the Association shall apply payments received from delinquent owners in the following order:
 - a) Any legal fees and costs of collection;
 - b) Late Charges and interest;
 - c) All other incidental charges or fees for collection incurred by the Association;

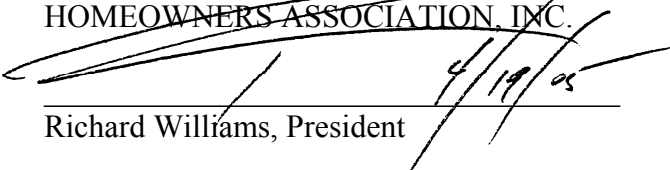
- d) Any and all special assessments or monetary charges; and
 - e) The annual assessments.
10. If a unit owner's account becomes more than sixty (60) days past due, the Association shall suspend all of the unit owner's rights and privileges, including but not limited to, the right to vote and the right to serve on the Board or Committee, the right to use the Common Area (except for the private streets or access ways). The suspension shall remain in effect until the unit owner pays all amounts due. If any unit owner wants to contest a suspension or explain any matters relative to an account, the unit owner may request a hearing with the Board of Directors in writing. Upon receipt of a request for a hearing, the Board will schedule a hearing and will notify the unit owner in writing of the date, time, and location of the hearing, and the suspension of privileges will not take place until such time as the requested hearing is held and decision rendered by the Board.

BE IT FURTHER RESOLVED that the following policies shall apply to all delinquent accounts turned over to Association's attorneys for collection:

- 1. All contacts with a delinquent homeowner shall be handled through the Association's attorneys. Neither the Manager nor any Association Officer or Director shall discuss the collection of the account directly with a homeowner after it has been turned over to the Association's attorneys.

This resolution shall supersede and replace any previously adopted resolution governing the collection of assessments. The effective date for the date of this Resolution shall be June 1, 2005

~~THE GROVE AT HUNTLEY MEADOWS
HOMEOWNERS ASSOCIATION, INC.~~


Richard Williams, President

CERTIFICATE OF MAILING

I hereby certify that the foregoing Policy Resolution No. 05-01 concerning the collection of assessments was mailed this 25th day of April 2005 to all homeowners within the Grove at Huntley Meadows Homeowners Association.


Rhonda Murray, Property Manager
Sequoia Management Company

THE GROVE AT HUNTLEY MEADOWS HOMEOWNERS ASSOCIATION, INC.

POLICY RESOLUTION NO. 05-01

(Delinquent Assessment/Fees Collection)

Duly adopted at a meeting of the Board of Directors held 4/19/05

Motion by: Richard Williams Seconded by: George Karsadi

	VOTE:			
	YES	NO	ABSTAIN	ABSENT
<u>Richard Williams</u> Richard Williams, President	✓			
<u>Mark P. Wilson</u> Mark P. Wilson, Vice President				✓
<u>Karen A. Goralowski</u> Karen A. Goralowski, Secretary	✓			
<u>Rebecca Newtown</u> Rebecca Newtown, Treasurer	✓			
<u>George Karsadi</u> George Karsadi, Member at Large	✓			

At a regular meeting, held on April 19, 2005, and with a quorum of Board members present, Resolution 05-01 is adopted.