



Shadowwood Condominium Association
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SHADOWOOD CONDOMINIUM ASSOCIATION

POLICY RESOLUTION 2007-01

POLICIES AND PROCEDURES RELATIVE TO ASSESSMENT COLLECTION

WHEREAS, Article VI, Section 1 of the Bylaws creates an assessment obligation for unit owners; and

WHEREAS, Article IV, Section 3 of the Bylaws empowers the Board of Directors (the "Board") to establish the annual budget, set the level of monthly assessments and collect monthly assessments from unit owners; and

WHEREAS, Article XI, Sections 1 (e) and (f) of the Bylaws empowers the Board to establish and levy administrative charges for late payments and interest for delinquent payments of any assessments and other charges; and

WHEREAS, Article XI, Section 1 of the Bylaws specifies remedies the Association, through its Board or Financial Management Agent, may seek when a unit owner is in default under the terms of the Bylaws; and

WHEREAS, the term "Financial Management Agent" shall be defined as the agent performing financial management services and nothing more unless and until changed by the Board of Directors; and

WHEREAS, the Policy Resolution regarding hearings and violations assessments provides for additional remedies the Association may pursue when a unit owner is in default in the payment of assessments and charges; and

WHEREAS, there is a need to establish orderly procedures for the billing and collection of assessments,

NOW, THEREFORE, BE IT RESOLVED THAT the Board duly adopts the following assessment collection policies and procedures, and this resolution hereby supersedes all previous resolutions with regard to assessment collection:

I. ROUTINE COLLECTIONS

A. Monthly assessments, utility assessments, including cable and internet services, and any special assessments or other charges and fees levied by the Board in accordance with the Association's governing documents and with the law shall be payable on due dates as established by the Board.

B. All monthly payments of the assessments, fees and charges set forth in Paragraph A above shall be due and payable in advance on or before the fifth (5th) day of the month; all special assessments, violation assessments and other non-routine charges shall be due and payable when assessed or as specified in the notice of such assessment or charge.

C. All documents, correspondence and notices relating to the charges will be hand delivered or mailed to the address which appears in the books and records of the Association. The property address

of the unit subject to assessments will be deemed to be the record address, and default address, unless such other valid address to which the United States Postal Service is able to deliver, is designated in writing by the unit owner or the unit owner's authorized representative. Any changes to a unit owner's record address shall be submitted in writing to the Association at its on-site office and through no other means.

D. Non-receipt of notice of payment due shall in no way relieve the unit owner of the obligation to pay the amount due by the due date. In order to ensure that proper credit is given for payments received, unit owners must (unless payment is through the Association's electronic funds transfer program):

1. Submit payment with the remittance portion of the monthly invoice; and
2. Send payment to the address designated on the invoice; and
3. Make payment in the form of a check or money order.

E. Neither the Association nor its Financial Management Agent shall be responsible for any delays in delivery or receipt of either the monthly invoice or the remitted payment.

II. REMEDIES FOR NON-PAYMENT OF ASSESSMENTS

A. If the Association or its designated agent does not receive payment in full by the tenth (10th) day after the due date, a courtesy "Reminder Notice" may be mailed to the unit owner at the address of record. If the unit owner does not pay the assessment by the tenth (10th) business day after the due date (the "delinquency date"), interest on the entire outstanding balance of eight (8) percent per annum shall be added. In addition, and after interest has been added, an administrative charge for late payment of seventy-five dollars (\$75.00) shall be added. Accounts remaining current on Board-approved installment payment plans shall be assessed interest fees at the rate of eight (8) percent per annum. Administrative charges for late payments on any account with an approved installment payment plan may, at the Board's discretion, be suspended. Should an account on a Board-approved installment payment plan fall behind in any such installment payment plan or otherwise default on the terms of the Board-approved installment payment plan, the account shall be charged all accrued, but suspended, administrative charges for late payments from the original date the account became delinquent, and the payment plan shall be cancelled with no further action of the Board or its Financial Management Agent, with all such accounts being immediately referred to counsel for collection. Business days shall exclude all holidays celebrated by the Association, the Financial Management Agent or the Commonwealth of Virginia.

B. If a check, credit- or debit-card payment, or any other electronic payment, is not honored and is returned for any reason, and an assessment due and owing is not otherwise received in the applicable time period as provided in paragraph II.A above, the account will be deemed late, interest on the entire outstanding balance of eight (8) percent per annum and a administrative charge for late payment will be added to the account. In addition, a thirty-five dollar (\$35.00) returned-check processing charge, as well as any bad-check or return-item fees charged to the Association by its bank, other depository or Financial Management Agent shall be charged back and added to the account of any unit owner whose check, credit- or debit-card payment, or any other electronic payment, is not honored by his or her bank.

C. If payment in full of any monthly assessments including utility assessments, violation charges, administrative fees, special assessments, administrative charges for late payments, attorney's fees, court costs and returned-item charges and interest, or any other charges levied by the Association is not received by the Association or its Financial Management Agent by the sixtieth (60th) day after the due date, the account will be referred to legal counsel for collection action.

D. If payment in full of any monthly assessments including utility assessments, violation charges,

administrative fees, special assessments, administrative charges for late payments, attorney's fees, and returned-item charges and interest, or any other charges levied by the Association is not received by the Association's counsel within the period specified in the demand by legal counsel, the remaining total of the unpaid assessments will be deemed to be automatically accelerated by the Board without further resolution; and the Board authorizes legal counsel to file a Memorandum of Condominium Lien and/or a lawsuit to obtain a personal judgment, and to enforce such judgments by any legal means as in the independent professional judgment of legal counsel may be appropriate. Such judgment enforcement may include foreclosure of the delinquent owner's unit upon resolution of the Board. The cost of preparing and filing the Memorandum of Condominium Lien and/or the lawsuit, including, but not limited to, attorney's fees, administrative costs, court and collections costs, shall be added to the unit owner's account. Should the Association incur any costs in connection with post-judgment enforcement proceedings, such as investigative fees, such fees shall be charged to the delinquent unit owner's account.

E. If an account is more than thirty (30) days delinquent prior to the beginning of a new fiscal year, the Board will be deemed to have accelerated the assessment payments due in the upcoming fiscal year following the delinquent date of the first monthly assessment in such new fiscal year, without any additional notice or demand and without any further resolution of the Board, and legal action may be taken to collect all such accelerated amounts for prior and current fiscal years.

F. In any instance when the Board is authorized to accelerate any monthly assessment, or any installment payment under an approved installment payment agreement, and the delinquent account has not been referred to counsel, the entire balance will become due and payable upon any default, if, in their sole discretion, the Association or the Association's Financial Management Agent (or the Financial Management Agent's designee) only with a member of the Board of Directors concurrence, such acceleration of payment due dates is appropriate. The Board hereby delegates its authority under Article IX(f) of the First Amendment to Bylaws with regard to acceleration of delinquent accounts to the Financial Management Agent of the Association (or the Financial Management Agent's designee) only with a member of the Board of Directors concurrence, who in the exercise of his or her sole discretion may take such action, without any further action of the Board.

G. The Board may also suspend a unit owner's rights, privileges and benefits of membership, including, but not limited to, revocation of parking privileges, and other services, including utilities, provided by the Association in accordance with the Association's due-process procedures, consistent with the Virginia Condominium Act.

H. If the Association receives from any unit owner, in any accounting year, one or more returned checks or electronic payments, the Board may require all future payments to be made by certified check or money order for the remainder of the fiscal year. Action may also be taken under Section 8.01 - 27.2 of the Code of Virginia, as amended, at the discretion of the Board.

I. The Financial Management Agent (or the Financial Management Agent's designee) only with a member of the Board of Directors concurrence may enter into such payment agreements with a delinquent unit owner as may be equitable and appropriate under all the circumstances of the case. Interest charges at the rate of eight percent (8%) per annum shall be imposed on the outstanding balance until full payment has been made. A written memorandum of the agreement, prepared by the Association's counsel at the requesting unit owner's expense, shall be signed by both the parties to the agreement.

J. The Board hereby authorizes the Association or its Financial Management Agent to waive the first imposition of an administrative charge for late payments, but not interest charges, on payments received by the Financial Management Agent after the delinquency date only if the delinquent unit owner has owned the Unit for less than one (1) installment interval at the time of the delinquency and, in the judgment of the Association or its Financial Management Agent, the delinquency was the result

of a misunderstanding of the correct procedures relative to payment of the assessment. Further, such a waiver may be granted only once to any unit owner. Any other waivers of any provisions of this resolution shall be made by a majority vote of the Board, upon good cause, stated in writing by the petitioning unit owner, and in no other way.

K. Payments received from a unit owner will be credited in the following order of priority:

1. Attorney's fees, court costs and other costs of collection.
2. All interest accrued.
3. Administrative charges for late payments.
4. Past due utility assessments.
5. Current utility assessments.
6. All other charges incurred by the Association as a result of any violation of the Declaration, Bylaws, Rules and Regulations or Resolutions by a unit owner, his or her family, tenant, employees, agents, guests or licensees.
7. The monthly assessment for each unit, including any special assessments due, as applicable and in the order they were due, oldest to newest.

SHADOWOOD CONDOMINIUM ASSOCIATION

BY: _____
Brian Olivia, President
Board of Directors

I hereby certify that the foregoing Resolution was duly adopted at a regular meeting of the Board of Directors of the Shadowood Condominium Unit owners' Association this 19th day of May 2007, and is effective immediately from the date attested hereto.

ATTEST: _____
Michael Santos, Secretary

This is a facsimile document and SHALL NOT be used for resale disclosure purposes.

SHADOWOOD CONDOMINIUM ASSOCIATION

RESOLUTION ACTION SHEET

Resolution Type: Policy No. 2007-01

Pertaining to: Procedures Relative to Assessment Collection

Duly adopted at a meeting of the Board of Directors held on May 19th, 2007

Motion by:	Secinded by:			
Vote:	YES	NO	ABSTAIN	ABSENT
Brian Olivia President	<u> X </u>	<u> </u>	<u> </u>	<u> </u>
Rodgerick Newhouse Vice President	<u> X </u>	<u> </u>	<u> </u>	<u> </u>
Skipp Galythly Director	<u> X </u>	<u> </u>	<u> </u>	<u> </u>
Michael Santos Secretary	<u> X </u>	<u> </u>	<u> </u>	<u> </u>
Cody Parker Director	<u> </u>	<u> </u>	<u> </u>	<u> X </u>

ATTEST:

Michael Santos, Secretary

File:

Book of Minutes - 2007

Book of Resolutions:	Book No.	Page No.
Policy	2007	1
Administrative	<u> </u>	<u> </u>
Special	<u> </u>	<u> </u>
General	<u> </u>	<u> </u>

Resolution effective: May 19th, 2007.