

BALDWIN OAKS HOMEOWNERS' ASSOCIATION, INC.

RESOLUTION NO. I

PROCEDURES RELATIVE TO ASSESSMENT COLLECTION

WHEREAS, Article IV, Section 1 of the Declaration of Covenants, Conditions and Restrictions creates an assessment obligation for owners: and

WHEREAS, Article IV, Section 2 of the Declaration of Covenants, Conditions and Restrictions empowers the Board to make assessments against Lot Owners to be used exclusively to promote the recreation, health, safety and welfare of the residents in the Properties, and for the improvement and maintenance of the Common Area: and

WHEREAS, Article IV, Section 7 of the Declaration of Covenants, Conditions and Restrictions empowers the Board of Directors to establish the amount of such assessments against each Lot: and

WHEREAS, Article IV, Sections 1 and 8 of the Declaration of Covenants, Conditions and Restrictions specify the remedies the Association may seek when an Owner is in default under the terms of the Declaration and Bylaws; and

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

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

I. ROUTINE COLLECTIONS

- A. Annual assessments shall be payable in installments at regular intervals as determined by the Board of Directors.
- B. All installments of the annual assessments shall be due and payable in advance on the first day of the applicable interval; all special assessments shall be due and payable as specified in the notice.
- C. All documents, correspondence, and notices relating to the 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 the Owner. Non-Resident Owners shall furnish the Board of Directors with an address where mail will be promptly received by the Owner.
- D. Non-receipt of payment coupons shall in no way relieve the Owner of the obligation to pay the amount due by the due date.

II. REMEDIES FOR NON-PAYMENT OF ASSESSMENTS

- A. Pursuant to Article IV, Section 8 of the Declaration of Covenants, Conditions, and Restrictions, if a Lot Owner fails to pay any sum assessed against his/her Lot within thirty (30) days after the due date, the assessment shall bear interest from the due date until paid at the rate of six percent (6%) 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.

B. If payment in full is not received by the Association or its appointed agent by the 15th day after the due date, a reminder notice of "Intent to Charge Interest" shall be mailed to the Owner at the address listed on the books of the Association, or to such other address as indicated in writing by the owner.

C. If a check is not honored, and is returned, and an assessment due and owing is not otherwise received in the applicable time period as provided in paragraph II.A above, the account shall be deemed late and interest shall be added. In addition, a Twenty-Five Dollar (\$25.00) returned check charge will be added.

D. If payment in full of any assessment payable in installments, including annual assessments, special assessments, and returned check charges and interest, is not received by the Association or its appointed agent by the thirtieth (30th) day after the due date, a "Notice of Intent to File Lien" shall be mailed via Certified Mail, return receipt requested, to the Owner at the address listed on the books of the Association, or other address as furnished by the Owner, with all costs, including but not limited to attorneys' fees, added to the delinquent Owner's account.

In addition, the Board may suspend the voting rights and rights to use of the recreational facilities of an Owner during any period in which such Owner has not paid any

assessment levied by the Association within 30 days after the due date.

E. If payment in full of any assessment payable in installments, including annual assessments, special assessments, interest charges and returned check charges, is not received by the Association or its duly appointed agent within ten (10) days after the "Notice of Intent to File Lien" has been issued, a Memorandum of Lien shall be filed by Counsel. The Owner shall be so notified with a copy of the Memorandum of Lien, and Counsel shall also notify the Mortgagee, if known. The cost of filing the Memorandum of Lien, including, but not limited to, attorneys' fees, will be added to the account.

F. If, within ten (10) days after the issuance of the Notice of Intent to File Lien, the account still remains delinquent, Counsel for the Association shall take other appropriate legal action as directed in writing, by the Board, including, but not limited to, suit and foreclosure.

G. If the Association receives from any Owner, in any accounting year, two or more returned checks for payments of assessments, the Board may require all future payments to be made by certified check or money order for the remainder of the fiscal year. A Twenty-Five Dollar (\$25.00) charge will be made for every returned check. Action may also be taken under Section 18.2-181.1 of the Code of Virginia, at the discretion of the Board.

H. The Board may grant a waiver of any provision herein upon petition in writing by an owner alleging a personal hardship. Such relief granted to an 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. Waiver may be made on a case-by-case basis upon review of particular circumstances. Further, waiver on one occasion shall not be deemed or construed as a waiver in any future instance of delinquency.

I. The Board hereby authorizes the Managing Agent to waive the imposition of interest on payments received by the Managing Agent after the thirtieth (30th) day after the due date only if, the delinquent Owner has owned the Lot for less than one (1) installment interval at the time of the delinquency and, in the judgment of the Managing 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 delinquent owner.

J. Payments received from an owner may be credited in the following order of priority:

1. Attorneys' fees and costs.
2. All interest accrued.
3. All other charges against the account or Lot.
4. The assessment for each Lot, including any special assessment due, as applicable.

BALDWIN OAKS HOMEOWNERS' ASSOCIATION

By: David H. Onks
David Onks, 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 Baldwin Oaks Homeowners' Association this 4th day of January, 1989.

ATTEST:

Cara Summerfield
Cara Summerfield, Secretary

DLP: jdm
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