

WESCOTT

BY HHHUNT

1.

POLICY RESOLUTION #2020-3

COLLECTION AND LATE FEE PROCEDURES POLICY STATEMENT

WHEREAS, by filing its Articles of Incorporation with the Commonwealth of Virginia's State Corporation Commission, Wescott Homeowners' Association, Inc. (the "Association") was established as a Virginia nonstock corporation on March 13, 2019;

WHEREAS, the Third Section of the Articles of Incorporation for Wescott Homeowners' Association, Inc. ("Association") provide for the Association "to perform all obligations and duties of the Association, and to exercise all rights and powers of the Association, as specified in...the Declaration of the Association as recorded and as amended and as otherwise provided by law;"

WHEREAS, the Sixth Section of the Articles of Incorporation for Wescott Homeowners' Association, Inc. ("Association") provide that, "The business and affairs of the Corporation shall be conducted, managed, and controlled by a Board of Directors;"

WHEREAS, Article V, Section 2 of the recorded Corrected Declaration of Covenants, Conditions and Restrictions for the Wescott Homeowners' Association, Inc. provides for the authority to establish which date the payment is deemed late and in default;

WHEREAS the Board of Directors deems it necessary and desirable and in the interest of the individual Owners and the Association to establish a policy which established regulations with regard to the procedure for the collection and assessment of late fees.

NOW, THEREFORE, THE BOARD OF DIRECTORS RESOLVES THAT the following policies be established for the collection of late fees to be valid for three (3) years from the date of adoption by the Board of Directors (the "Expiration"). Prior to Expiration the Board of Directors shall reconsider this Policy Resolution #2020-3 (the "Policy") and renew, revise or terminate it. In the absence of any such action by the Board of Directors, Policy shall remain in force for up to twelve (12) months following Expiration ("Extension Period"). Upon the first day following the Extension Period, if the Board has taken no action, Policy shall be deemed expired.

WESCOTT HOMEOWNERS' ASSOCIATION, INC.

COLLECTION AND LATE FEE PROCEDURES

Below you will find the procedure followed by Wescott Homeowners' Association, Inc. regarding the collections of past due assessments.

Past Due Assessments:

- On the seventh day of the month in which the assessment is due, a first notice shall be sent indicating that the member's account is past due and that amenity privileges have been suspended. The Community Manager may opt to call the member whose account is delinquent with information regarding the status of the account and the suspension of amenity privileges, if any.
- If, by the first of the following month (approximately 30 days after the due date), the payment still has not been received, a second notice shall be sent to the member regarding the delinquent account. The Community Manager may opt to call the member whose account is delinquent with information regarding the status of the account.
- If, by the fifteenth of the following month (approximately 45 days after the due date), the payment still has not been received, a third notice shall be sent to the member via regular and certified mail advising them that payment must be received within fourteen days or the account will be referred to the Association's attorney for collections
- If, after having been referred to the Association's attorney for collections, payment still has not been received, the account will be referred to the Association Board for a decision regarding the filing of a memorandum of lien for the affected lot. Notice of this memorandum of lien shall be sent to the delinquent member's last known address at least ten days prior to actual filing of the memorandum of lien. The lien shall not be released until payment has been made.
- The procedure for handling delinquent accounts may be altered by the Community Manager if there has been dialogue with the Member and the proposal for amendment to the prescribed course of action is reported to the Board of Directors.
- Each year a single late fee waiver shall be available to each member. The Community Manager shall keep a record of all requests for waiver and cross reference each request to ensure no prior appeals have been made.
- A list of members with delinquent accounts shall be provided to the Community Manager monthly. Per the Amendment, an account is considered delinquent if it does not have a \$0 balance. Members with delinquent accounts will be restricted from use of the community amenities. The particular amenities to be restricted shall be determined by the Board of Directors and administered consistently.

Late Fees:

- If payment is not received by the fifth (5th) of the month in which it is due, the account shall accrue a late fee in the amount of \$15 on the sixth (6th) day of the month. Additional late fees in the amount of \$15 each will be applied to the account on the first (1st) and fifteenth (15th) of the months that follow, up to \$60.
- Each year a single late fee waiver for \$15 shall be available to each member. The Community Manager shall keep a record of all requests for waiver and cross reference each request to ensure no prior appeals have been made.
- A list of members with delinquent accounts shall be provided to the Community Manager monthly. An account is considered delinquent if it does not have a \$0 balance. Members with delinquent accounts will be restricted from use of the community amenities. The particular amenities to be restricted shall be determined by staff and administered consistently.