

SUGARLAND RUN TOWNHOUSE OWNERS ASSOCIATION

AMENDED POLICY RESOLUTION #6

PROCEDURES RELATIVE TO ASSESSMENT COLLECTION

WHEREAS, Article V, Section 1 of the Sugarland Run Townhouse Owners Association (hereinafter, the "Association") Declarations creates an assessment obligation for Owners; and

WHEREAS, Article V, Section 1 of the Association Covenants requires the Board to make assessments against Lot Owners to be used to promote the peace, health, safety and general welfare of the residents of the Property, and for the management, operation and maintenance of the Common Area; and

WHEREAS, Article V, Section 9 of the Association Declarations, and Article III of the Association Bylaws specify the remedies the Association may seek when an Owner is in default under the terms of the Declarations 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 to replace and supersede all prior resolutions on this topic:

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 month; 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 notices 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. If a Lot Owner fails to pay any sum assessed against his/her Lot within sixtieth (60) days after the due date, the

assessment shall bear interest from the due date until paid at the rate of twelve percent (12%) 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 sixtieth (60th) day after the due date, a "Notice of Intent to Charge Interest" may 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, and interest at twelve percent (12%) per annum shall be added to the account.

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, returned check charges, and interest, is not received by the Association or its appointed agent by the sixtieth (60th) day after the due date, a "Notice of Intent to File Lien" may 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, attorney's fees, added to the delinquent Owner's account.

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 may be filed by counsel. The cost of filing the Memorandum of Lien, including, but not limited to, attorney's 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 by the Board, including, but not limited to, suit and foreclosure.

G. If the Association receives from any Owner, in any accounting year, one or more returned checks for payment 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. Payments received from an Owner may be credited in the following order of priority:

1. Attorney's 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.

SUGARLAND RUN TOWNHOUSE
OWNERS ASSOCIATION

By: David E. Meier Acting President
David E. Meier, Acting President
Board of Directors

I hereby certify that the foregoing Amended Policy Resolution was duly adopted at a regular meeting of the Board of Directors of the Sugarland run Townhouse Owners Association this 11th day of February, 1998.

James O'Rourke
James O'Rourke, Secretary
Board of Directors