

CHARLESTOWN OWNERS ASSOCIATION, INC.

Section III - Assessments
Policy Resolution No. 2005-01
(Collection of Assessments)

WHEREAS, Article V, of the Declaration of the Association, duly recorded among the land records of the Fairfax County, empowers the Board of Directors of the Association (hereinafter “the Board”) to establish and collect assessments from each Owner in order to cover the costs of maintenance of the common elements and other common expenses of the Association; and

WHEREAS, the Board believes that it is in the best interests of the Association to update and clarify policies the Association employs in connection with the establishment and collection of assessments;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors does hereby adopt this resolution, with the following terms:

1. Notice - The Association will notify all owners annually regarding the annual assessment and due dates and periodically, as the case may be, for special assessments. Non-resident owners shall be responsible for notifying the Association’s management company of any alternate address they want the Association to use for notices (including electronic addresses if any). Non-receipt of such notices, however, shall not excuse the owner from the obligation to pay the assessment. 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. Due Dates/Installments - Owners may pay the annual assessment in twelve (12) equal monthly installments, due on the first day of each month, or may prepay the annual assessment in full with the first annual assessment installment payment date. Owners must ensure that the Association’s management company receives payment on or before the thirty (30) day after the first day of the month. If not, the Association shall consider the account “late” and a late charge of \$25.00 shall automatically be assessed to the owner’s account.
3. Interest – If any assessment installment is not paid within thirty (30) days, the installment shall bear interest from the date of delinquency at a rate of six percent (6%) per annum.
4. Referral to Counsel - If an owner’s account remains delinquent after the sixtieth (60th) day after the due date, the Association shall send the account to legal counsel for collection. When an account is referred to counsel, the remaining installments shall be automatically accelerated for the remainder of the fiscal year and counsel will issue a demand which notifies the owner of the debt and the acceleration (if applicable).

If an account has been referred to counsel for collection and it is with counsel when a new fiscal year begins, and an assessment is late, counsel will issue a demand which notifies the owner of the debt and that the assessments shall be accelerated if the balance is not paid in full within a time certain. If the balance is not paid within that time, the remaining installments shall be automatically accelerated for the remainder of the fiscal year and legal action shall be taken.

5. Legal Action - Counsel shall be authorized to record liens with attendant costs against the delinquent owner's property on behalf of the Association to collect all delinquent sums. The Board may also authorize counsel to file suits against the owner personally and foreclose on any of the liens filed against the owner's lot. Counsel shall add all legal fees and court costs to the account of the delinquent owner.

6. Bounced Checks - If an owner submits a check to the Association which fails to clear the owner's account, the Association shall add a \$25.00 charge to the account plus any charges assessed by the bank against the Association for the returned check. If an owner has two (2) or more checks returned for insufficient funds during any six (6) month period, the Association may require that all future payments be remitted by money orders or cashier's checks.

8. Application of Payments - Once an account has been referred to counsel for collection, payments received towards the account will be credited in the following order of priority:

- a. Any legal fees or costs of collection;
- b. Late charges and interest;
- c. All other incidental charges or fees for collection incurred by Association;
- d. Any and all special assessments; and
- e. The annual assessments.

9. Suspension of Access to Common Areas and Privileges - If an owner's account becomes more than sixty (60) days past due, the Association shall have the right to suspend an owner's voting rights and access to any or all of the common areas. The Association may also have the right to suspend the owner's privilege to park in their assigned space, pursuant to the Policy Resolution relating to Suspension of Parking Privileges for Nonpayment of Assessments.

This Resolution shall be deemed to supersede and replace any prior resolutions governing the collection of assessments.