LAKE OF THE WOODS ASSOCIATION, INC.
ADMINISTRATIVE RESOLUTION NO. 2012-13
(Relating to the Collection of Assessments)

WHEREAS, Article II, Section 7 of the Lake of the Woods Association's (the "Association") Articles of Incorporation provides that the Association has the power to levy an annual charge upon lot owners of the Association; to sue to collect any of such charges as are not paid; to file liens against any real estate in the Subdivision that is owned by a delinquent member of the Association for any such charge as is not paid when due; and to foreclose any such lien; and,

WHEREAS, Article V, Section A.8 of the Association's Bylaws provides that the Board of Directors shall have all of the powers granted to it by the Code of Virginia, the Articles of Incorporation, and the Restrictive Covenants, and such powers as may be necessary to fulfill its responsibilities thereunder; and,

WHEREAS, Section 55-513(A) of the Virginia Property Owners' Association Act provides that a Board of Directors shall have the power to establish, adopt, and enforce rules and regulations with respect to such areas of responsibility assigned to an association by its declaration, except where expressly reserved by the declaration to members; and

WHEREAS, Article VI, Section C of the Association's Bylaws provides for an optional schedule of assessment payments, to include annual, semi-annual, or quarterly installments of Association assessments; and,

WHEREAS, Section 12.D of the Declaration provides that if any assessment is not paid by the due date, the assessment shall bear interest from the due date until paid at the maximum legal rate as provided by the statute law of the Commonwealth of Virginia; and,

WHEREAS, Section 12.D of the Declaration states that if any assessment is not paid by the due date, the Association may bring an action at law or equity against the Owner personally obligated to pay such assessments and/or foreclose the lien against the Lot against which such sums have been assessed. Interest, costs, and reasonable attorneys’ fees of the Association incurred in any such action (or, if any such action is not actually brought, in preparation for such action) shall be added to the amount of such assessment and shall be a lien against the Lot; and,

WHEREAS, Section 12.G of the Declaration provides, in part, that the Board of Directors shall have the right to suspend voting rights and the right to use of the Association's recreational facilities of any member for any period during which any Association charge remains unpaid, and during the period of continuing violation of the Restrictive Covenants after the violation has been declared by the Board of Directors; and,

WHEREAS, the Board of Directors believes that it is in the best interest of the Association to adopt uniform procedures for assessment collection and delinquent accounts.
NOW THEREFORE, BE IT RESOLVED that Resolution No. 2012-13 supersedes all previously adopted resolutions involving collections and assessments. Effective September 14, 2012, the Board duly adopts the following assessment and collection procedures:

A. **Routine Collections**

(1) All annual assessments are due and payable as set forth herein. Lot Owners may choose one of the following payment options. Each due date set forth in this Section (1) is hereinafter referred to as the “Due Date.”

   (i) **Single payment plan**
   All annual assessments are due and payable on or before May 1, annually.

   (ii) **Semi-annual payment plan**
   The first semi-annual installment of the annual assessment is due and payable on or before May 1, annually. The remaining installment of the annual assessment is due and payable on or before November 1, annually. If a member elects to enroll in the semi-annual payment plan, the member must submit the appropriate election form to the Director of Finance or his designee on or before May 1, annually, along with the first installment payment.

   (iii) **Quarterly payment plan**
   The first quarterly installment of the annual assessment is due and payable on or before May 1, annually. The remaining three installments are due and payable on or before the first day August, November, and February, annually. If a member elects to enroll in the quarterly payment plan, the member must submit the appropriate election form to the Director of Finance or his designee on or before May 1, annually, along with the first installment payment.

(2) **Payment Option Surcharges**: When a member adopts a payment plan other than the Single Payment Plan whereby the full amount of the Annual Assessment is paid on or before May 1, a surcharge will be added for each such installment payment as determined by the Board of Directors. Such surcharge is payable on or before the first day of the month that each installment is due and payable.

(3) **Address of Lot Owners – Notices**: All notices, demands, bill statements or other communication relating to assessments and charges shall be mailed to the address which the Lot Owner shall designate in writing and file with the Association office, or if no such address is designated by the Lot Owner, at the address of the Lot. It is the Lot Owner’s responsibility to make sure that his/her address of record with the Association is current and correct at all times.
B. Remedies For Nonpayment of Assessment

(1) Late Charges, Interest, and Notices to Unit Owners:

(i) Late Charges.

a. Late fees will be imposed as follows:

1. **Single payment plan.** Assessment accounts which are not paid in full by June 30, annually, will be charged a late fee of $50.00. Such late fee shall be part of the continuing lien established pursuant to Article 12, Section D of the Declaration of Restrictions and Section 55-516 of the Virginia Property Owner’s Act.

2. **Semi-annual payment plan.** Assessment accounts electing the semi-annual payment plan for which the second installment of the annual assessment has not been paid by December 31 annually, will incur a late fee of $50.00. Such late fee shall be part of the continuing lien established pursuant to Article 12, Section D of the Declaration of Restrictions and Section 55-516 of the Virginia Property Owner’s Act.

3. **Quarterly payment plan.** Assessment accounts electing the quarterly payment plan where the second, third, or fourth installment of the annual assessment has not been paid by September 30, December 31, and March 31, annually respectively, will incur a late fee of $50.00. Such late fee shall be part of the continuing lien established pursuant to Article 12, Section D of the Declaration of Restrictions and Section 55-516 of the Virginia Property Owner’s Act.

b. A “Delinquent Notice” shall be sent to the Lot Owner requesting immediate payment in full plus the associated late fee of fifty dollars ($50.00) and interest accrued from the Due Date. The “Delinquent Notice” shall also provide that an Owner’s privileges may be suspended if the Assessment is not paid within sixty (60) days.

i. A First Delinquent Notice shall be mailed after thirty (30) days of delinquency.

ii. A Second Delinquent Notice shall be mailed after sixty (60) days of delinquency and shall give notice of proposed suspension of privileges in Section B.6.
(ii) **Interest.** In the event any assessment is not paid within thirty (30) days after the Due Date, the assessment shall bear interest from the Due Date until paid at the maximum legal rate as provided by the statute law of the Commonwealth of Virginia.

(2) **Referral to Legal Counsel:** If any account assessment payment, including installment payments, is more than ninety (90) days past due, the Director of Finance shall refer the account to legal counsel for collection efforts.

(3) **Authority of Legal Counsel:** Counsel for the Association shall be authorized to record and foreclose on liens, file suits on behalf of the Association, and to take such other actions as counsel deems appropriate to collect all delinquent sums. Counsel is not authorized to settle claims for less than the full balance due without Management approval.

(4) **Legal Fees:** The costs and reasonable attorneys' fees incurred by the Association in any action at law or equity (or, if any such action is not actually brought, in preparation for such action) shall be added to the amount of such assessment and shall be a lien against the Lot.

(5) **Returned Checks and Failed Direct-Debits:** If the Association receives from any Lot Owner, in any fiscal year, one (1) or more returned checks for insufficient funds or failed direct-debts for insufficient funds for payment of any sum assessed against the Lot of the Lot Owner, the Association may require all future payments to be made by certified check or money order for the remainder of the fiscal year. A reasonable charge of thirty-five dollars ($35.00), or other such amounts as permitted under Virginia law, will be charged to the Lot Owner for any returned checks or failed direct-debts.

(6) **Suspension of Privileges and Deactivation of Bar Codes:**

(i) The Board of Directors may suspend gate entry bar codes voting and recreational facility privileges to Lot Owners whose accounts are more than sixty (60) days past due as permitted by the Property Owners' Association Act and the Declaration, the Bylaws or its Resolutions and Rules and Regulations.

(ii) Before any such suspension may be imposed, the Lot Owner shall be given an opportunity to be heard and to be represented by counsel before the Board of Directors. The Second Delinquent Notice in B.1.1.b shall serve as the notice for purpose of suspension of privileges. The Board hereby delegates to and directs Management to send notices and take actions to suspend privileges in the absence of a request for a hearing by the Lot Owner.

(iii) The suspension of gate entry bar code, voting and facilities privileges is intended to extend to all Lot Owners, occupants, tenants or invitees of the Lot. In the event a suspension is imposed, the Lot Owner will be notified at which time the Lot Owner will be required to return any access permits or passes that have been issued. The suspension of membership rights and facilities privileges includes, but is not limited to the following:

(a) Deactivation of gate entry bar codes;
(b) Suspended use of, access to, and the cancellation of any pending reservations for, all facilities of the community;

(c) Suspension of any/all guest passes;

(d) Suspension of all voting rights.

The General Manager is directed to provide a copy of this policy resolution to all members of the Association and to cause the same to be published on the Association’s webpage and in the Lake Currents. This Rule shall be effective September 14, 2012.

LAKE OF THE WOODS ASSOCIATION, INC.

By: [Signature]
Patrick Rowland, President

ATTEST:

I, as Secretary for Lake of the Woods Association, Inc., hereby attest that the foregoing Policy Resolution No. 2012-13 was adopted by the Board of Directors at a duly-held and noticed Board of Directors meeting held on the 15th day of August, 2012.

By: [Signature]
Jon Anderson, Secretary

CERTIFICATE OF NOTICE

I, [Name], hereby certify that a copy of the foregoing Policy Resolution No. 2012-13, relating to the collection of assessments, was provided to all of the Members of the Lake of the Woods Association, Inc., in accordance with notice results of the Governing Documents on this ___ day of __________, 2012.

[Signature]
Phillip Rodenberg, General Manager