FAIRLINGTON ARBOR CONDOMINIUM COUNCIL OF CO-OWNERS

Policy Resolution No. 97-3

(Assessment Collection Procedures)

WHEREAS, Article VI of the Bylaws of the Fairlington Arbor Condominium Council of Co-Owners provides the Board of Directors with the power to fix the amount of the annual and special assessments ("assessments"); and

WHEREAS, Article VI of the Bylaws provides the Board of Directors with power to collect unpaid assessments and institute any necessary legal action; and

WHEREAS, the Board believes that it is necessary to clarify the Council policies with respect to the collection of assessments levied by the Council and to publish such procedures to the co-owners.

NOW, THEREFORE, BE IT RESOLVED that the Board does hereby adopt the following policy governing notification and collection of assessments.

I. **ROUTINE COLLECTIONS**

A. The annual assessment shall be set by the Board of Directors as part of the annual budget. Unless otherwise determined by the Board, the annual assessment shall be paid by the co-owners in twelve (12) monthly installments. The due date for each installment shall be the first day of each month. The grace period for each payment shall be until the fifth day of each month.

B. Non-receipt of coupons or assessment notices shall in no way relieve the co-owner of the obligations for his or her required contributions.

C. Non-resident co-owners must furnish the Board with a telephone number and address where they can be contacted; otherwise, all notices shall be sent to the unit address and the co-owner(s) shall be deemed to have received the information contained therein.

D. Questions regarding assessments may be directed to:

Fairlington Arbor Condominium
Post Office Box 16756
Alexandria, Virginia 22302

II. REMEDIES FOR NON-PAYMENT OF ASSESSMENTS

A. Late Charge, Interest, Legal Fees and Costs - Any assessment which is not fully paid to the Council when due shall be considered delinquent. If any assessment is not received within five (5) days of the due date, a late charge of $25.00 shall be imposed on the account and interest shall accrue at the maximum legal rate allowable. Legal fees and costs incurred by the Council and associated with a default shall, pursuant to Article VI of the Bylaws, be the responsibility of the delinquent owner.

B. Returned Check Charge - If the Council receives a check from a co-owner which fails to clear due to insufficient funds or similar reasons, the Council may charge the co-owner an administrative fee of $20.00 and any actual costs incurred by the Council. Upon the receipt of any returned check, the Board may require that the co-owners make all future payments in cash or certified funds.

C. Referral to Legal Counsel, Acceleration and Suspension of Privileges - Whenever any co-owner fails to pay any portion of any assessment or other outstanding financial obligation to the Council, the following action may be taken by the Board:

1. The account may be referred to legal counsel for immediate legal action, including but not limited to, any or all of the following: the filing of a lien against the unit and the foreclosure sale of the unit to satisfy the same; the filing of a lawsuit against the co-owner; reporting the default to a credit bureau; acceleration of the annual assessment; attachment of wages or bank accounts; etc.

2. The Board may also suspend non-essential services or the right of a co-owner, or anyone occupying the unit with the co-owner's permission, to use the common facilities and services (eg., pool/parking) pursuant to §55-79.80:2 of the Virginia Condominium Act after first providing the co-owner with an opportunity to be heard;

D. Method of Crediting Payments - Unless otherwise directed by the co-owner at the time of payment or unless otherwise determined by the Board of Directors, payments received by the Council from delinquent co-owners shall be applied in the following order of priority, as applicable:

1. Any legal fees, expenses or costs of collection;

2. Monthly fees for late charges and interest;

3. All other charges and fees incurred by the Council as a result of any violation of the provisions of the Council Declaration, Bylaws and rules and regulations by a co-owner, his or her family, employees, agents, tenants or licensees;

4. Any and all special assessments; and

5. The annual assessment.

The effective date of this Resolution shall be July 1, 1997.