

Chancellor West Homeowner's Owners Association

Policy Resolution No. 06.02 Procedure for Collection of Assessments

-Whereas, the purpose for which the Corporation-Chancellor West Homeowners Association, Inc. (herein referred to as Chancellor West HOA) is organized, as stated in the Articles of Incorporation Section (b) (III) is to manage funding and provide for the upkeep of the common areas and,

-Whereas Article IX, Assessments of the Bylaws for Chancellor West HOA states, "...each owner is obligated to pay to the Association annual and special assessments...and any assessments which are not paid when due shall be delinquent...after 30 days from the due date...", and

-Whereas Article IX, Assessments of the Bylaws for Chancellor West HOA grants authority for the Association to "...bring an action at law against the owner personally responsible to pay the same... Or against the property..." and take any such action including but not limited to filing a lien, collection of interest, costs and reasonable attorney's fees and ,

-Whereas, Article IX, Section 7, Effect of Nonpayment of Assessment: Remedies of the Association. of the Declaration of Conditions, Restrictive Covenants and Easements of Chancellor West HOA states that fees and costs incurred by the association to collect delinquent assessments "...shall be added to the amount of such assessment..." and that the association, "shall have any and all remedies provided by the Virginia Property Owners Association Act, Section 55-508, et seq., of the Code of Virginia, 1950, as amended with respect to the enforcement of the obligation or liability of any lot owner for unpaid assessments."

The Board of Directors for Chancellor West HOA herein sets forth the policy for collection of assessments for the Association.

1. Any Association assessments (including covenant violation charge assessments) which are not paid within thirty (30) days when due shall be delinquent. Assessments will be billed annually and due on the first day of January.
2. An initial late charge of \$50.00 shall be added to the delinquent account thirty (30) days after each due date. Interest shall be charged at the maximum allowable rate.
3. All costs incurred by the Association in order to collect a delinquent balance including but not limited to postage, late fees, interest and delinquency processing fees, attorney fees and court costs shall become part of the assessment obligation.
4. Owners whose check payment is returned shall be charged a \$25.00 NSF charge plus any protest or bad check fee, if any, charged to the Association by its bank or other depository. The Association reserves the right to decline to accept further payments by check.
5. Any owner whose account has a balance greater than \$25.00 will not be considered in good standing. The Association reserves the right to suspend that owner's rights with regard to amenity privileges: for voting and membership on the Board or any committees.
6. The Association may, upon notice to the owner, accelerate and declare the entire balance of any annual and/or special assessment due immediately.

7. Any owner whose assessments balance is the equivalent of 121 days delinquent or greater shall be sent a final 10 day notice of pending action letter.

8. The Association may consider entering into a payment plan agreement. A single default will null and void any agreement and the Association will not be required to make any further payment agreements.

9. Accounts shall be referred to the Association's Attorney for any and all collection action as afforded by the Association's documents and rules as well as any statutes in the Virginia Property Owners Association Act currently in effect.

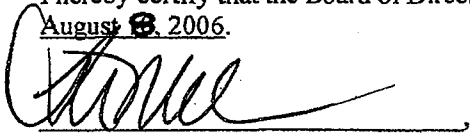
10. After an account has been referred to the Attorney, all account payment correspondence shall be between the lot owner and attorney until the entire amount owed is paid in full.

11. Payments received towards the settlement of a delinquent balance will be credited to an owner's account in the following order of priority:

- a. Charges for Attorney's fees and court costs
- b. Late fees, NSF, interest and delinquency processing fees
- c. Any and all special assessments or violation charges
- d. General association assessments.

The effective date of this Resolution shall be September 15, 2006.

I hereby certify that the Board of Directors duly adopted this Policy Resolution on August 8, 2006.



Management Agent for Chancellor West HOA