

**FIRST AMENDMENT AND SUPPLEMENT TO  
RESPONSIBLE GOVERNANCE POLICIES AND PROCEDURES  
FOR ELKSTONE OWNERS ASSOCIATION, INC.**

Section 1, Collection of Unpaid Assessments, of the RESPONSIBLE GOVERNANCE POLICIES AND PROCEDURES FOR THE ELKSTONE OWNERS ASSOCIATION, INC. (Effective as of September 26, 2011), is deleted and replaced in its entirety with the following:

**1. Collection of Unpaid Assessments**

a. Invoices; Due Date. The Elkstone Owners Association, Inc. (“**Association**”) shall generally send out invoices by mail or email at least 5 business days before payment is due. Regardless of whether an invoice is sent or received, payments for regular assessments are due the 25<sup>th</sup> day of the month. All other assessments and charges shall be due as set forth in the invoice, but in no event less than 30 days from the date invoiced. A Unit Owner may request a copy of the Unit Owner’s account statement by contacting the Association’s CPA firm, Sweetbooks, LLC at [erin@sweetbooksllc.com](mailto:erin@sweetbooksllc.com).

b. Unpaid Assessments. Unpaid assessments (“**Unpaid Assessments**”) include, but are not limited to, past due payments for assessments, and any other charges, penalties, interest, or fees attributable to a Unit or Unit Owner. Unpaid Assessments shall accrue interest at the rate of 1.5% per month compounded monthly. Interest shall begin to accrue on the day following the date that the payment is due, regardless of whether such date is a Saturday, Sunday, or legal holiday. In addition to interest accruing upon Unpaid Assessments, a late charge of 5% of the amount due shall be assessed on any payments not made within 10 days of the date due (the “**Late Charge**”). There is a \$25 charge for returned checks.

c. Notices of Delinquency. After any Unpaid Assessment becomes 30 days past due, the Association shall send a letter to the Unit Owner responsible for the Unpaid Assessment, setting forth the amounts due to date, including interest and any Late Charge, and demanding payment thereof. The Association shall also have the right to accelerate the entire balance of the annual assessment.

If an Unpaid Assessment becomes 60 days past due, the Association will send a collection letter to the delinquent Unit Owner advising that the amount is 60 days past due, containing a statement of the Owner’s account history reflecting all unpaid assessments, advising the Unit Owner to immediately contact the Association’s CPA firm in writing, via certified mail (providing a name and contact information) if the Unit Owner desires to enter into a payment plan pursuant to section d. below, advising the Unit Owner that action is required to cure the delinquency and that the failure to cure or enter into a payment plan within 30 days will result in the Association taking action pursuant to section e. below, and advising the Unit Owner that there is a charge of \$50 for the letter and that there will be a \$150 charge for recording the lien. These charges will be added to the delinquent Unit Owner’s account.

d. Payment Plan. Any Unit Owner who becomes delinquent in payment of assessments after January 1, 2014 may enter into a payment plan with the Association. The payment plan shall allow for payment of the delinquency in equal monthly installments over a term of six (6) months, or longer if approved by the Board of Directors, and shall be offered to each Owner prior to the Association recording a lien statement against the Unit Owner's Unit, or referring any account to an attorney or collection agency for collection action. The cost of preparing the payment plan shall be \$150, which amount shall be added to the delinquent Unit Owner's account. Nothing herein shall obligate the Association to offer or enter into a payment plan with an Owner who has previously entered into a payment plan under this provision.

e. Enforcement of Collections. If Unpaid Assessments are not paid within 60 days after the date they become due, and a payment plan is not entered or pursuant to section d., above, or the Unit Owner is in default of the Unit Owner's payment plan, then the Association may elect, at its option, without further notice, to pursue all legal means available to collect the Unpaid Assessments, including, without limitation, collection/foreclosure proceedings against the Unit and/or the Unit Owner and communicating with the Unit Owner's mortgage company in an effort to receive payment. The Board of Directors may also elect to enter into an escrow agreement with the holder of the Unit Owner's mortgage to combine the entire amount of the Unpaid Assessment with the Unit Owner's mortgage payment pursuant to §38-33.3-315(7).

f. Costs and attorneys fees related to the foregoing will be added to the delinquent Owner's account.


g. Board Discretion. The Board of Directors may, but shall not be obligated to, waive or reduce interest, fees and charges associated with the Unit Owner's indebtedness as part of and conditioned upon the Unit Owner's full and timely payment under the terms of a payment plan entered pursuant to section d. above.

h. Attorneys Fees and Costs of Collection. Delinquent Unit Owners are responsible for payment to the Association of all costs of collection including the costs of collection letters, charges by the Association's CPA firm, manager, reasonable attorneys fees and collection agency fees.

i. Application of Payments. The Association will apply payments of outstanding balances first to collection costs, then to the most recent invoices for assessments, and finally to the oldest balance.

The undersigned certifies that the foregoing FIRST AMENDMENT TO RESPONSIBLE GOVERNANCE POLICIES AND PROCEDURES was approved and adopted by the Board of Directors of the Association at a duly noticed meeting held on November 17, 2014.

ELKSTONE OWNERS ASSOCIATION, INC.

By:   
Elizabeth Barth, Secretary