

August 8, 2015

Corrotoman By the Bay Association, Inc.

Collection Policy

1. DETERMINE AMOUNT OF DELINQUENT ACCOUNT

Accountant will determine the amount of each delinquent account and inform the CBTB Board of Directors.

2. LETTER

Letter to be sent to delinquent property owners by accountant shall include:

- a. Delinquent amount
- b. No longer a member in good standing and unable to use facilities
- c. Payment must be made or payment plan established prior to deadline date to prevent legal actions
 - i. Warrant in debt
 - ii. Memorandum of lien

3. PAYMENT PLAN

- a. Assessments are due March 1
- b. Payments must be made at least monthly
- c. Payment plan must be complete by February 1
- d. \$20 late fee will be added
- e. 6% per year will be added
- f. Payments 5 days past due will result in legal actions for the total amount due

4. WARRANT IN DEBT

- a. Warrant in debt is filed in local court
- b. Filing and court fees are added to debt
- c. Sheriff serves notice on debtor of court hearing date and time
- d. Debtor must appear before Judge
- e. Judge will review case and decide
- f. Judgment against debtor will impact credit standing
- g. If unpaid, garnishment of wages and/or bank accounts may be implemented to collect the debt
- h. Lien may be placed on property
- i. Foreclosure may be used to collect debt

5. MEMORANDUM OF LIEN

- a. By Virginia Property Owner' Associations Act as set forth in the Code of Virginia Chapter 26 (55-508 et seq.) of Title 55 (55-516), CBTB may file a Memorandum of Lien on a member's property to collect unpaid assessments
- b. Only 30 days written notice is required
- c. Memorandum of Lien is recorded at the Lancaster County, Virginia Courthouse
- d. The lien is placed on the property that puts a cloud on the title
- e. The debt must be paid to clear the title for sale of the property
- f. Property may be foreclosed to recover debt

I hereby certify that the forgoing resolution, motion, was duly adopted by the CBTB Association Board of Directors on this, the 8th day of August, 2015 and is effective on the 8th day of August, 2015.

Attest: Beverly Saunders, Secretary of the Corrotoman By the Bay Association Board of Directors.