

LAKE RIDGE PARKS & RECREATION ASSOCIATION, INC.
FINANCE COMMITTEE MEETING
CANTERBURY WOODS COMMUNITY CENTER AND VIRTUALLY VIA ZOOM
May 26, 2022
AGENDA

- I. Call to Order 7:00PM
- II. Open Forum
- III. Approval of February 22, 2022 Finance Committee Meeting Minutes
- IV. FY23 Budget Review
- V. Open Forum
- VI. Adjournment

* Please contact, Doug Milburn, Director of Administration at DMilburn@lakeridgeva.com by 4pm (EST),
Thursday, May 26th to participate virtually*

**LAKE RIDGE PARKS AND RECREATION ASSOCIATION, INC. (LRPRA)
FINANCE COMMITTEE MEETING MINUTES**

February 22, 2022

Tall Oaks Community Center and virtually via ZOOM

Community members were offered the ability to join in person or virtually using ZOOM software.

The meeting video can be seen on the LRPRA YouTube page at youtube.com/user/LRPRA

PRESENT: *Committee Members:* Ron Yoho (Chair), Michael Butler, Bill Milne ***Staff Members:*** Rebecca Hale (Assistant Finance Director), Kimberly Huh (Accounts Payable Administrator/Finance Analyst), Melissa Lawson (Accounts Receivable Administrator & Legal Liaison) Doug Milburn (Director of Administration and Human Resources), Stephanie Pomier (Payroll Administrator/ Staff Accountant), Michael Yuenger (Director of Finance and IT) ***Board Members:*** Janet Foote (President) ***Other:*** Jeremy Powell (Goldklang Group CPAs, P.C.)

OPEN MEETING: Mr. Yoho opened the meeting at 7:00pm.

OPEN FORUM: There was no discussion.

APPROVAL OF THE JUNE 3, 2021 MINUTES: Mr. Butler made a motion to approve the June 3, 2021 minutes. Mr. Milne seconded the motion, and the minutes were approved unanimously.

VANTACA CONVERSION UPDATE: Mr. Yuenger spoke about the current state of the Vantaca conversion. The process and timeframe have been communicated with the staff and there are 6 individuals that will be administrators on the software. There will be a ZOOM meeting for further information 3/7/22.

CHANGES TO RESERVES ACCOUNTING AND FINANCIAL STATEMENTS FROM CONVERSION TO VANTACA - JEREMY POWELL, CPA, GOLDKLANG GROUP CPAS, P.C.: Mr. Powell discussed the changes to be expected with financial reporting in the Vantaca system. He believes that the switch to Vantaca will provide LRPRA with better information, more timely information, and will help from a management standpoint.

LONG TERM FUNDING/CAPITAL ALLOCATION OPTIONS: The combination of the Association's strong FY2021 earnings and recent Paycheck Protection Program PPP loan forgiveness have significantly increased Unappropriated Members' Equity (UME). Together these events total \$866,871. The committee discussed their options on where this UME should be placed. After discussion the committee decided by unanimous consent to recommend to the board that \$200,000 be placed into the capital reserves and the remaining balance be placed into the capital improvement fund.

PLANNING/GUIDANCE FOR FY2023 BUDGET DEVELOPMENT: The committee discussed inflation, labor costs, cost of living expectations, and the current reserves study and concluded that the FY23 operation and reserves budgets should be based on a 5% assessment increase and a 5.9% increase in labor costs. The draft budget calendar was agreed upon with the finance committee. The committee, Mr. Yuenger, and Ms. Hale talked about the timing of the conversion to Vantaca software and our current use of coupons for billing. It was decided that coupons for billing will remain for at least one more year and will be revisited again in the future.

OPEN FORUM: There was no discussion.

ADJOURNMENT: Mr. Milne made a motion to adjourn the meeting, Mr. Butler seconded the motion and it was unanimously approved. The meeting was adjourned at 8:05pm.

Major Assumptions FY2023 Budgets

- Difficult economic conditions to continue through much of FY2023
 - Increasing interest rates
 - High levels of inflation expected to persist due to continued supply chain issues and other factors
- 5% increase in base and subdivision assessments proposed in view of high inflation and aging community
- Trash fees reflect rates of new trash contract
- Increase the Reserve contribution fee charged on property transfers from 1,000 to \$1,100.
- Continue aggressive collection efforts necessary requiring legal actions
- Lake Ridge property sales to decline from current high levels of 2020 and 2021
- Recreation programs prices adjusted in FY2022
- Wage projections based on current salary and staffing levels and revised compensation program. Related HR expenses (employment taxes, 401k, etc.) based on these projected wages.

Consolidated LRPRRA
Draft FY2023 Operating Budget
May 24, 2022

		FY2022	FY 2023	
GL		FY2022	6 MONTHS	PROPOSED
Account	DESCRIPTION	BUDGET	ACTUAL	BUDGET
				FY2023 Assumptions
	INCOME:			
40100	SUBDIVISION RESERVE ASSESSMENT	0	0	0 Reserve Budget
40300	TRASH ASSESSMENT	774,270	382,255	879,256 FY2023 trash contract rates + new containers for Townhouses
41050	BASE ASSESS - APARTMENT	222,158	111,079	233,274 5.0% increase in base assessments
41100	BASE ASSESS - COMMERCIAL	71,497	35,748	75,074 5.0% increase in base assessments
41150	BASE ASSESS - HOMEOWNER	4,333,283	2,134,244	4,550,092 5.0% increase in base assessments
41450	COVENANTS ARCHITECTURAL VIOLATIONS	5,400	1,800	3,600 Four (4) Quarterly POA Hearings; Four (4) liens x \$900
41500	CLUB INCOME	1,000	1,300	1,000 \$100 per club / Total of 10 clubs
41600	PRE-K REGISTRATION	167,050	112,627	184,000 Ex (21/4 N)- \$185/\$210 3D(20/3 n) - \$255/\$28 5D(20/3n) - \$385/\$410
41650	ADMINISTRATIVE FEES	111,250	60,875	101,250 4050 late fees
41660	RECORDS UPDATE FEE COLLECTED AT PROP PUR	29,007	13,947	24,905 425 sales @ \$58.60
41700	RESERVE CONTRIBUTION FEE AT PURCHASE	0	0.00	0 Reserve Budget
41750	DISCLOSURE PACKET FEES	121,883	47,463	109,768 By Qtr: 23,050; 19,758; 35,126; 31,834
41775	DISCLOSURE PKG RUSH FEE	8,352	4,922	7,911 By Qtr: 1,503; 1,582; 2,453; 2,373
41875	ATT TOWER LEASE	9,948	5,097	10,440
41900	T-MOBILE TOWER LEASE	37,068	18,628	38,075
41950	AQUATIC GUEST FEES	10,000	250	10,000 \$5 per guest
42100	INTEREST OPERATING ACCOUNT	75,000	36,854	75,000 Reinvest maturing CDs laddered at 2 and 3 year maturities
42175	HOMEWISE REVENUES	10,000	2,355	3,900 Reduced property sales anticipated.
42200	LEGAL FEE INCOME	35,000	16,929	35,000 Recovery of legal collection fees
42225	MAINTAINANCE FEES	300	0	300
42250	AQUATIC FEE-NON LRPRRA MEMBER	1,600	0	1,700 Barracudas swim team fees
42300	MISCELLANEOUS INCOME	1,200	0	1,000
42350	NSF CHECK FEES	1,800	1,700	1,800 Historical experience
42450	POOL PASS & KEY REPLACE	100	0	0 No longer have replacement pool cards.
42500	TENANT REGISTRATION FEES	3,500	1,250	3,500 70 tenant registrations at \$50 each.
42550	WATER AEROBICS	1,250	0	2,000 Fees for water aerobics class
42600	REC: FLAG FOOTBALL	7,200	0	0 Discontinued - additional season of Soccer & T-ball
42650	REC: CHEERLEADING - FLAG FOOTBALL	1,500	0	0 Discontinued - additional season of Soccer & T-ball
42700	REC: MISC PROGRAMS	250	200	250 One time programs
42850	AQUA - SWIM LESSONS	16,125	0	26,000 Increased fees to \$80 / \$90 and added classes
42875	REC CO-SPONSORED PROGRAMS	1,000	1,120	1,200 Add 2 classes (\$100 each)
42900	REC: SUMMER CAMP	40,000	0	42,000 summer camp fees
42950	REC: T-BALL	6,000	8,720	11,000 Additional fall season; Fall and Spring registration fees
43100	REC: YOUTH SOCCER	12,500	23,530	22,500 Additional fall season; Fall and Spring registration fees
43150	COMMUNITY CENTER RENTALS	40,000	33,070	45,000 Increase fee to \$75 hr / \$375 5+ hrs.
43200	POOL RENTALS	400	0	400
43250	REC - SPECIAL EVENTS FALL FESTIVAL, ETC	8,000	2,219	9,000
46900	BAD DEBT RECOVERIES (FORMER HO's)	2,000	3,997	2,000 Tougher economic conditions anticipated
47000	REBUILD VA GRANT PROCEEDS	0	0	0 No grants revenues anticipated in FY2023
47100	PPP LOAN FORGIVENESS	0	602,355	0 No COVID related revenues anticipated in FY2023
	TOTAL INCOME	6,166,891	3,664,534	6,512,194

GL		FY2022	FY 2023		
Account	DESCRIPTION	FY2022 BUDGET	6 MONTHS ACTUAL	PROPOSED BUDGET	
				FY2023 Assumptions	
	EXPENSES:				
60150	BALLOT EXPENSE	5,500	0	5,500	Annual Meeting Board Election Vendor Cost
60250	BANK SERVICE CHARGES	5,880	3,791	13,500	\$12,125 card processing fees (REC and ACH payments)
60400	COMCAST INTERNET	7,520	4,788	11,707	Main Office, Tall Oaks and Canterbury Woods - higher bandwidth
60550	IT SUPPORT-USER AND NETWORK	36,000	19,690	44,000	Onsite and remote network and PC support
60575	CONSULTING	5,000	0	5,000	
60600	CONTINUING EDUCATION	16,530	7,254	13,500	
60750	MISCELLANEOUS	3,500	2,783	2,000	
60775	SMALL INSURANCE CLAIMS	5,000	0	5,000	
60850	CONTRACT - POOL MANAGEMENT	439,000	219,504	462,000	FY2023 season (December 2021 contract)
60950	DEPRECIATION EXPENSE	43,500	19,427	43,500	
61350	FUEL-DIESEL	4,000	789	6,000	Higher Fuel Prices due to inflation and world events
61400	FUEL-GASOLINE	45,000	20,852	56,000	Higher Fuel Prices due to inflation and world events
61500	INSURANCE - LONG TERM DISABILITY	18,540	8,626	19,000	No current employees on long term disability
61525	INSURANCE - SHORT TERM DISABILITY	11,340	5,114	11,907	5% increase - two employees have used short term disability
61550	INSURANCE - EMPLOYEE HEALTH	283,284	121,217	278,000	Relatively flat compared to FY22 budget
61600	EMPLOYEE LIFE INSURANCE	8,070	3,951	8,250	2.2% increase for FY23 based on recommendation of broker
61650	INSURANCE - LIABILITY	108,895	54,001	118,347	Renewal policy approved 05-10-2022
61655	INSURANCE - AUTO	51,497	25,538	54,819	Renewal policy approved 05-10-2022
61660	INSURANCE - D&O	11,416	5,662	14,232	Renewal policy approved 05-10-2022
61665	INSURANCE - UMBRELLA	23,092	11,451	24,884	Renewal policy approved 05-10-2022
61670	INSURANCE CYBER LIABILITY	1,875	930	1,875	Renewal policy approved 05-10-2022
61680	EXCESS FIDELITY BOND	7,912	3,923	7,607	Renewal policy approved 05-10-2022
61685	INSURANCE - DEER HERD MANAGEMENT	4,635	4,272	4,300	
61700	INSURANCE - WORKERS COMPENSATION	41,635	20,646	21,365	Renewal policy approved 05-10-2022
62000	LICENSES & FEES	6,715	541	7,750	Background check on candidates and vehicle license renewals
62050	MAINT/REPAIR GENERAL	17,500	6,644	20,000	
62200	MAINT/RPR GRND EQUIP	40,000	18,947	42,000	
62450	MAINT/REPAIR-VEHICLES	22,000	11,907	24,000	
62550	PLANT MATERIAL	37,500	11,825	40,000	Slight increase in cost versus FY22
62575	OFFSITE STORAGE	3,000	1,554	3,400	Storage of pool covers
62900	OFFICE EQUIPMENT REPAIR/MAINT	3,000	0	3,000	No increase versus FY22 Budget
63300	POSTAGE - NEWSLETTER	16,200	7,428	16,200	Bi-monthly Magazine Costs
63350	US POSTAL SERVICE/UPS/FED EX	16,665	9,386	18,500	Letters;coupons; certified letters
63400	PRINTING - GENERAL EXPENSE	21,253	14,997	21,300	Signs; coupons; certified letters
63500	AUDITORS	19,500	9,750	20,000	Audit and tax return preparation
63525	LEGAL SERVICES - COLLECTIONS	120,000	58,880	125,000	The number of accounts in collection remain high. Expensive legal actions (civil suits; garnishments) required to collect these accounts.
63530	LEGAL SERVICES - FORECLOSURES	25,000	11,437	25,000	Pursue foreclosure action against larger balance accounts.
63550	LEGAL SERVICES - ALL OTHER	45,000	18,859	47,000	
63560	LEGAL SVCS - HUMAN RESOURCES.	10,000	7,621	11,000	10% increase vs. FY22
63575	BAD DEBT EXPENSE	50,000	23,803	50,000	Tougher economic conditions anticipated
63585	FORECLOSE WRITE OFF	10,000	5,257	15,000	Tougher economic forecast; additional foreclosures expected
63700	BOARD EXPENSES	0	0	0	
63720	BOARD TRAINING	310	0	310	Common Grounds subcription for board members
63950	REC PROGRAMS MISC.	10,000	414	10,000	Non revenue event expenses - family fun days, pool lifeguard supplies, pool games,
64000	AQUATIC PROGRAMS MISC	11,500	125	18,500	Increase swim lesson participants & fees \$80/ \$90
64050	FLAG FOOTBALL	6,500	0	0	Discontinued program

GL		FY2022	FY2022	FY 2023	
Account	DESCRIPTION	BUDGET	6 MONTHS ACTUAL	PROPOSED BUDGET	FY2023 Assumptions
64060	REC; CHEERLEADING - FLAG FOOTBALL	1,000	0	0	Discontinued program
64200	SUMMER CAMP	6,000	20	7,000	
64250	T-BALL	3,500	174	6,000	Fall and Spring uniforms
64300	YOUTH SOCCER	8,000	1,205	13,000	Fall and Spring uniforms
64450	PERSONNEL - RETIREMENT	81,202	37,285	89,616	Based on projected wages and current 401k contribution rate
64500	PERSONNEL - SALARIES/WAGES	2,427,739	1,104,806	2,472,754	
64510	PAYROLL SERVICES	17,000	9,415	18,800	ADP (time and attendance; payroll services) and 401k servicer fees
64550	PERSONNEL - BONUSES	42,000	36,107	42,000	
64600	PERSONNEL - FUNCTIONS	5,300	2,968	5,500	
64650	PERSONNEL - TEMP/PT WAGES	98,825	45,016	122,216	
64750	JANITORIAL SERVICES	10,030	6,780	13,520	Cleaning services for cc's, pre school, office - no cost increases
64850	SNOW REMOVAL SERVICES & SUPPLIES	2,650	0	2,650	
64900	DUMPSTER TRASH	7,000	1,710	7,000	12 @ \$285/mo Disposal Services + 12 extra pick ups for pool openings
64920	TRASH	774,270	387,135	879,256	Pass through expense
64925	PET PICKUP BAGS	22,000	5,211	23,000	
64950	TREE MANAGEMENT	100,000	71,525	100,000	Same as FY22
65150	SITE PLANS	5,000	0	5,000	
65200	REC SPECIAL EVENTS	5,000	856	6,000	
65450	SUPPLIES - POOL	15,000	710	15,000	
65460	POOL CHEMICALS	10,000	1,009	10,000	
65500	SUPPLIES - JANITORIAL	10,550	2,663	10,500	
65650	WEED CONTROL, FERTILIZATION, SUPPLIES	83,000	25,341	87,499	
65800	RESERVE STUDY	0	0	0	None scheduled for FY2023
65850	SUPPLIES - OFFICE	23,000	9,476	25,000	Increase to match pace of FY22 and inflation
65900	SUPPLIES - SAFETY EQUIP	7,000	512	7,250	
66300	TAXES PAYROLL FICA & MEDICARE	186,957	88,547	199,543	Based on established tax rates and projected wages
66350	TAXES - FUTA	1,848	1,788	1,932	Based on established tax rates and projected wages
66400	TAXES - SUTA	1,161	1,052	1,214	Based on established tax rates and projected wages
66450	TAXES - PERSONAL PROPERTY	12,000	1,373	8,675	Budgeted \$8,675 FY2021
66550	SOFTWARE LICENSING FEES	21,564	21,462	64,650	Vantaca; CivicRec; ZOOM; Adobe; PWC court; MS Outlook; Server OS; AV Software; Data Backup licenses
66560	SOFTWARE REPLACEMENT	25,000	22,016	0	
66565	SOFTWARE IMPLEMENTATION - ACCESS CONTROL	2,000	0	2,000	Cell Badge
66570	SMALL HARDWARE/INFRASTRUCTURE EXPENSES	15,000	2,882	17,300	Reserve Study recommendation
66600	WEBSITE SUPPORT	4,295	1,918	4,300	Website hosting & support fees; internet registration fees
66650	TELEPHONE - CELLULAR	6,000	2,157	6,000	
66700	TELEPHONE - OFFICE	21,550	10,425	21,550	
66750	TELEPHONE - ALARM SYSTEM PHONES	5,000	2,548	5,000	
66900	UNIFORMS	8,480	7,104	9,000	Modest increase in FY23
66950	UTILITIES - ELECTRIC	65,000	24,996	66,036	Converting Antietam Tennis Courts to LED
67050	UTILITIES - GAS	8,000	6,648	8,500	
67100	SECURITY SYST - BLDGS	41,000	24,189	43,000	
67150	UTILITIES - WATER/SEWER	43,630	6,385	45,000	
69300	OFFICE EQUIP LEASES	8,800	3,543	8,400	
69960	CONTINGENCY FUND	64,500	0	65,000	1% of revenues
69990	CAPITAL IMP FUND ANNUAL CONT	0	0	0	
80190	CAPITAL FUND	179,776	89,886	216,280	\$683,780 (reserve study) less projected reserve contribution of \$467,500 (425 @ \$1,100)

GL		FY2022	FY 2023	
Account	DESCRIPTION	FY2022 BUDGET	6 MONTHS ACTUAL	PROPOSED BUDGET
				FY2023 Assumptions
	TOTAL EXPENSES	6,166,891	2,852,427	6,512,194
	NET INCOME/(LOSS)	0	812,107	0

Lake Ridge Parks and Recreation Association
FY2023 Draft Reserves Revenues and Expenditures
May 24, 2022

DESCRIPTION	FY22 Budget	FY2023 Budget	FY2023 Assumptions
<u>RESERVE REVENUES:</u>			
Subdivision Reserve Revenues	\$ 826,030	\$ 867,317	Subdivision Assessment Rates increased 5%
Association (Amenities) Reserve Revenues	\$ 674,776	\$ 683,780	\$467,500 from Reserve Contributions at Purchase (425 property sales x \$1,100; and \$216,280 Contribution from Operating Budget (Assessments))
TOTAL RESERVE REVENUES	<u>\$ 1,500,806</u>	<u>\$ 1,551,097</u>	
<u>RESERVE EXPENDITURES:</u>			
Subdivision Expenditures			
Electric	\$ 42,065	\$ 42,065	
Asphalt	\$ 1,010,000	\$ 948,000	Reduction due to different subdivisions
Signs & Mailboxes	\$ 11,422	\$ 11,422	
Sewers	\$ 22,000	\$ 22,000	
Snow	\$ 70,000	\$ 66,904	
Electrical Repair/Maintenance	\$ 13,035	\$ 13,035	
Geese Control	\$ 15,050	\$ -	
Tree Buffer Reestablishment	\$ 100,000	\$ -	
Retaining Walls, Iron Railings	\$ 10,000	\$ -	
Contingency	\$ -	\$ 28,300	
Total	<u>\$ 1,293,572</u>	<u>\$ 1,131,726</u>	
Association Reserve Expenditures (Amenities)			
Concrete/Repairs	\$ 112,000	\$ 152,000	
Asphalt Repairs	\$ 10,000	\$ 5,000	
Signs and Mailboxes	\$ 6,000	\$ 500	
Snow Services	\$ 3,000	\$ 3,000	
Electrical Supply/Equipment	\$ 47,300	\$ 96,000	Tennis Court Lights Upgrade to LED
Electrical Repair/Maintenance	\$ 15,000	\$ 13,500	
Plumbing Supply/Equipment	\$ 20,000	\$ 9,000	
Dog Posts/Trash Cans	\$ 2,500	\$ 2,500	
Filter System Equipment	\$ 15,000	\$ 13,500	
Furniture-Indoor	\$ 4,500	\$ 4,500	
IS Hardware	\$ 25,400	\$ 10,000	
IS Software	\$ 3,000	\$ 10,000	
Pool Building Repair/Maintenance	\$ 35,000	\$ 18,000	

Lake Ridge Parks and Recreation Association
FY2023 Draft Reserves Revenues and Expenditures
May 24, 2022

DESCRIPTION	FY22 Budget	FY2023 Budget	FY2023 Assumptions
Resurface Rec Lots/Asphalt	\$ 14,000	\$ 12,000	
Floor Repair/Replace	\$ 35,000	\$ 5,000	
Erosion Control	\$ 40,000	\$ 120,000	
Retaining Walls, Iron Railings	\$ 30,000	\$ -	
Building Repair/Maintenance	\$ 65,000	\$ 17,500	
Fantasy Playground Repair/Maintenance	\$ 10,000	\$ 10,000	
Tot-Lot / Fitness Equipment	\$ 35,000	\$ 35,000	
Tot-Lot Repair/Maintenance	\$ 10,000	\$ 3,025	
Basketball Pads Repair/Maintenance	\$ 25,000	\$ 25,000	
Fencing Repair/Maintenance	\$ 5,500	\$ 5,500	
Interior Repair/Maintenance	\$ 30,000	\$ 2,000	
Roofing Repair/Maintenance	\$ 4,500	\$ 7,500	
Equipment Repair/Maintenance	\$ 6,500	\$ 6,500	
Vehicles Repair/Maintenance		\$ 16,000	
Equipment/Vehicle - New	\$ -	\$ 5,000	
Signs Amenities	\$ 9,700	\$ 9,700	
Tools & Equipment	\$ 10,000	\$ 10,000	
Surveillance Equipment	\$ 3,600	\$ 3,600	
Pool Coping/Tile Repair	\$ 10,000	\$ 16,500	
Pool Caulking	\$ 12,500	\$ 12,500	
Pool Whitecoating	\$ 42,000	\$ 67,000	
Pool Wall Repair		\$ -	
Pool Guard Stands		\$ 2,500	
Pool Diving Boards/Slides	\$ 20,000	\$ 2,250	
Pool Furniture	\$ 40,000	\$ 110,000	
Pool Covers		\$ -	
Pool ADA Equipment	\$ 5,000	\$ 5,000	
Office Furniture	\$ 2,500	\$ 2,500	
Office Equipment	\$ 5,000	\$ 5,000	
Contingency	\$ -	\$ 12,000	
Total	\$ 769,500	\$ 866,075	

Proposal to Revise the Assessment Collection Rule (Late Fee Rule)

We are proposing to revise the ***Assessment Collection Rule*** of the CCR to change the late fee charge to one per quarter from the two late fees per quarter currently charged. This rule has not been modified or revised since approved on April 19, 2005.

Discussion

- Charging two late fees per billing period is not a standard HOA industry practice.
- The rule is laborious to administer requiring the charging process to be done twice per quarter. It also requires the mailing of two late fee notices each quarter.
- After 17 years, homeowners still question us about this practice.
- Legal counsel in discussions regarding collection practices earlier this year also questioned this process. MercerTrigiani suggested considering charging one late fee per quarter that was high enough to promote timely assessment payments.
- We discovered during onsite training with Vantaca the week of May 16 that coupons printed inhouse (for new homeowners, and lost coupons) do not show a second late fee notice on the payment coupon. Vantaca is programmed to only print one late fee per billing period. We could request a modification to the software, but it is unknown when or if this request would ever be implemented.
- Credit cards charge one delinquent fee per billing period (typically monthly). This fee is set by card issuer. Most delinquent payment charges currently are between \$35 - \$45 for *each* late payment. There are no grace periods beyond the 20 days most cards provide from the statement closing date until the payment is due.

Proposal

- We propose increasing the late fee charge to \$50 to encourage timely payment of quarterly assessments. This charge would be applied to any unpaid assessment balance of \$50 or more. The 15-day grace period would not change. It would not apply to other unpaid types of charges or fines. Late fees would be charged on the 16th of September, December, March and June.
- This rule would become effective beginning with the September 2022 assessment quarter. The rule would be recorded in PWC land records, and the membership would be notified of the change.

- The FY2023 payment coupons printed in late July also would reflect this fee.
- Only Paragraph 1 of the current rule would be modified. The remainder of the rule (paragraph 2) would remain the same.

Revised Rule (Suggested rule language under review by MercerTrigiani)

1. Late Charge – An assessment payment, or any portion thereof, not received by the Association by the fifteenth day (15th) of the month that a quarterly assessment falls due, shall be deemed late. A late charge in an amount set by the Board of Directors shall automatically be added to the account. All late charges shall be part of the continuing lien established in Article VII of the Declaration and the personal obligation of the owner of the property when the assessment fell due.

Instr: 200505040071739 Pg 1 of 2
 Prince William County, VA
 05/04/2005 10:34:27 A.M.
 David C. Mabie, Clerk
 Tax Map # 8293-74-1244

This document was prepared by
 Lucia Anna Trigliani, Attorney at Law
 Troutman Sanders LLP
 1660 International Drive, Suite 600
 McLean, Virginia 22101

LAKE RIDGE PARKS AND RECREATION ASSOCIATION, INC.
ASSESSMENT COLLECTION RULE

THIS RULE is made as of April 19, 2005 by the BOARD OF DIRECTORS OF LAKE RIDGE PARKS AND RECREATION ASSOCIATION, INC. ("Association").

Recitals

1. Article V, Section 3 of the Declaration of Covenants, Conditions, and Restrictions for Lake Ridge ("Declaration") authorizes the Board of Directors ("Board") to adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction such rules.
2. Article V, Section 3 of the Declaration further provides that upon recordation, such rules have the same force and effect as if the rule was set forth in, and was part of the Declaration.
3. Article VII of the Declaration establishes the covenant for assessments. In accordance with Article VII, Section 1 annual assessments and special assessments, together with interest, cost, and reasonable attorneys' fees, are a continuing lien upon the property against which the assessment is made and the personal obligation of the owner of the property when the assessment fell due.
4. In accordance with Article VII, Section 7 of the Declaration, the Board establishes the annual assessment for each fiscal year or annual assessment period. For the convenience of the owners, Annual Assessments may be paid in four equal quarterly installments, on September 1, December 1, March 1, and June 1 ("Due Dates").
5. The Board deems it to be in the best interest of the Association and the members as a way to encourage the timely payment of the quarterly installments to establish a rule authorizing the imposition of late charges on delinquent assessment accounts and certain consequences of failing to make timely payments.

NOW, THEREFORE, BE IT RESOLVED that the Board duly adopts the following rule with regard to the collection of assessments.

1. *Late Charge* – *Assessment payments not received by the Association by the fifteenth day of each month that a quarterly installment falls due, shall be deemed late, and a late charge in an amount set by the Board of Directors shall automatically be added to the account. If the account remains delinquent as of the thirtieth day of each month that a quarterly installment falls due, another late charge shall be added to the account. The late charges shall be part of the continuing lien established in Article VII of the Declaration and the personal obligation of the owner of the property when the assessment fell due.*

2. Delinquency – No Lot Owner may vote at any meeting of the Association, receive services offered by the Association or be elected or appointed to serve on the Board of Directors or any Association Committee if payment by such Lot Owner of any financial obligation to the Association is delinquent more than sixty days and the amount necessary to bring the account current has not been paid at the time of such meeting, election, or appointment. Association services that may be suspended include architectural application review and use of Association facilities.

IN WITNESS WHEREOF, the Association has caused this Rule to be executed pursuant to due and proper authority as of the day first set forth above.

LAKE RIDGE PARKS AND RECREATION ASSOCIATION, INC.
A Virginia non-stock corporation

By: Michael G. Dakes
Michael G. Dakes, President

COMMONWEALTH OF VIRGINIA)
County of Prince William

I, the undersigned, a Notary Public in and for the jurisdiction aforesaid, do hereby certify that Michael G. Dakes, President of LAKE RIDGE PARKS AND RECREATION ASSOCIATION, INC, whose name is signed to the foregoing instrument, has acknowledged the same before me in the aforesaid jurisdiction as an officer of the Association.
Given under my hand and seal on April 19, 2005.

Kina Pitt
Notary Public

My commission expires: September 30, 2008