WHEREAS, the Board of Directors is responsible for the administration and operation of the Association consistent with the amended provisions of the Reston Documents; and

WHEREAS, Section III.2(a) of the First Amendment to the Deed of Amendment to the Deeds of Dedication of Reston (“Amended Reston Deed”) delineates that it is a purpose of the Association to interpret, administer, and enforce the protective covenants and restrictions of the Deed; and

WHEREAS, Section III.2(c) of the Amended Reston Deed delineates that it is a purpose of the Association to assess, collect, and disburse the Assessments and charges authorized by the Deed; and

WHEREAS, Section III.5(e) of the Amended Reston Deed provides the Board of Directors with all powers necessary and appropriate for carrying out the purposes of the Association which are enabled by law or the Reston Documents; and

WHEREAS, Section V.13 of the Amended Reston Deed requires the Board of Directors to adopt, after Notice, pursuant to Amended Reston Deed Section I.1(bb)(1), and hearing, a budget for the Association on a biennial basis containing an estimate of the total amount considered necessary for the ensuing two fiscal years; and

WHEREAS, such biennial budget shall constitute in accordance with Amended Reston Deed Section V.13(b)(2), the basis, pursuant to Amended Reston Deed Section V.7, for determining the Assessment against each Lot and Apartment Unit; and

WHEREAS, Section V.13(d) of the Amended Reston Deed requires the Board of Directors, by a two-thirds vote, to approve the commitment of all funds in excess of the budgeted amount; and

WHEREAS, in accordance with Section VI.7 of the Reston Bylaws, the Chief Executive Officer (“CEO”) is charged with preparing the Association’s biennial budget for approval by the Board of Directors; and

WHEREAS, the Board of Directors desires that Association dollars be segregated according to the purpose for which they were appropriated; whereby, only operating costs are to be shown as expenses from the Operating Fund; transfers to and expenditures from the Repair and
Replacement Reserve Fund are to be reported separate from the Operating Fund and the Capital Asset Acquisition Reserve Fund; and the activities of each of these funds are to be presented to the Board in the form of three (3) budget reports, one for each fund; where, no dollars will be used for purposes other than for which the funds were designated without the explicit authorization of the Board.

NOW, THEREFORE, BE IT RESOLVED, that in preparing the proposed biennial budgets – Operating, Repair and Replacement Reserve, and Capital Asset Acquisition Reserve - beginning with Fiscal Years 2014 and 2015, the CEO will supervise the evaluation and inclusion of budget requests by the Board of Directors, staff, Committees, and Members in accordance with the procedures set forth in the following budget development process schedule:

Prior to Year One:

Step 1 – As per Assessment & Finance Resolution 9, the CEO, in coordination with the Fiscal Committee and Board of Directors, shall consider the level and sufficiency of the Repair and Replacement Reserve Fund.

Step 2 – The budget calendar is developed by the CEO and approved by the Board of Directors. The approved budget calendar will be posted on the Association’s website and made available at the Association’s offices.

Step 3 – A Member budget suggestion form will be developed to afford Members an opportunity to suggest projects or spending and revenue recommendations for consideration by the Board of Directors. This form will include language that will alert the Member that the suggestions are only for consideration by the Board of Directors, which has ultimate discretion, and may not be incorporated into the final budget. The form will be made available to Members for their use, as appropriate, through the Association’s website and at the Association’s offices. All budget suggestions received from Members within the designated time frame will be forwarded to the Board of Directors for consideration.

Step 4 – The CEO will conduct a work session with the Board of Directors and other appropriate staff to discuss the overall budget process, and provide a summary of the budget suggestions received which will include an initial prioritization of the suggestions. The Board of Directors will then determine which of the budget suggestions will be considered for inclusion in the CEO’s budget proposal as part of “Step 5”.

Step 5 – The CEO will develop a biennial budget proposal to be inclusive of the Operating Fund, Repair and Replacement Reserve Fund, and Capital Asset Acquisition
Reserve Fund, and will take into account the suggestions and comments raised by the Board of Directors. The CEO shall present such draft biennial budget proposal to the Board of Directors during a work session.

Step 6 – The CEO shall prepare a final draft biennial budget proposal for presentation during a Regular Meeting of the Board of Directors. The Board of Directors shall set the dates and times for at least two public hearings, and the dates and times for a summary of the biennial budget proposal to be advertised for two consecutive weeks in the local Reston papers, posted on Association’s website, and disseminated using the Association’s current method of wide spread publication. The purpose of the public hearings is to allow Members to comment on the biennial budget proposal; understand the assumptions used in preparing the biennial budget proposal; understand the drivers of any assessment increase or decrease; and comment on the budget process.

Step 7 – Subsequent to a public hearing, the Board of Directors may have one or more budget work sessions to make revisions to the biennial budget proposal.

Step 8 -- As per Assessment & Finance Resolution 2, the biennial budget is approval by the Board of Directors.

Prior to Year Two:

Step 1 -- The CEO will review the Year Two budgets for the Operating Fund, Repair and Replacement Reserve Fund and Capital Asset Acquisition Reserve Fund and, if needed, suggest amendments to the respective budgets to address any administrative and policy anomalies resulting from activities in Year One.

Step 2 – The CEO shall present proposed revisions to the Year Two budgets to the Board of Directors.

Step 3 - The dates and times of at least one public hearing on any proposed revisions to the Year Two budgets along with a summary of the revisions shall be advertised for two consecutive weeks in the local Reston papers, posted on Association’s website, and disseminated using the Association’s current method of wide spread publication. The purpose of the public hearing is to allow Members the opportunity to review and comment on the proposed revisions; understand the assumptions used in preparing the revisions; understand the drivers of any assessment increase or decrease; and comment on the process.

Step 4 – The Board of Directors may have one or more budget work sessions to consider the proposed revision to the Year Two budgets.
Step 5 – Revisions to the Year Two budgets are approved by the Board of Directors.

Step 6 – As per Assessment & Finance Resolution 2, the Board of Directors sets the Assessment rate for Year Two.

ATTEST: Resolution was adopted at a Regular Meeting of the Reston Association’s Board of Directors held on June 22, 2006; and amended on November 19, 2009; and amended on December 13, 2012.

Cate L. Fulkerson

__________________________________________
Assistant Secretary
WHEREAS, the Board of Directors is responsible for the administration and operation of the Association consistent with the amended provisions of the Reston Documents; and

WHEREAS, Section III.2(a) of the First Amendment to the Deed of Amendment to the Deeds of Dedication of Reston ("Amended Reston Deed") delineates that it is a purpose of the Association to interpret, administer, and enforce the protective covenants and restrictions of the Deed; and

WHEREAS, Section III.2(c) of the Amended Reston Deed delineates that it is a purpose of the Association to assess, collect, and disburse the Assessments and charges authorized by the Deed; and

WHEREAS, Section III.5(e) of the Amended Reston Deed provides the Board of Directors with all powers necessary and appropriate for carrying out the purposes of the Association which are enabled by law or the Reston Documents; and

WHEREAS, each Owner, as per Section V.1 of the Amended Reston Deed, covenants and agrees to pay to the Association, as his personal obligation, such Assessments as are established in the Amended Reston Deed and levied by the Association; and

WHEREAS, Section V.1 of the Amended Reston Deed, prevents any Owner from waiving or otherwise escaping liability for the Assessments by non-use of the Common Area, or Common Area facilities, or programs offered by the Association, or abandonment of his Lot -- in case of voluntary conveyance, the grantee and the grantor shall be liable, jointly and severally, for any unpaid Assessments outstanding at the time of conveyance;

WHEREAS, Section V.2 of the Amended Reston Deed, stipulates that all Assessments shall be a continuing lien upon the real property against which each such Assessment is made; and

WHEREAS, Section V.5 (a) of the Amended Reston Deed requires the Association to assess annually against all Lots the total amount of the estimated funds required for: (i) the management and Upkeep of the Property; (ii) services to the Lots and Owners; (iii) funding capital repairs and replacements; (iv) necessary working capital; and (v) to meet obligations of the Association established pursuant to Amended Reston Deed Section III.2; and

WHEREAS, Section V.5(b) of the Amended Reston Deed: 1) requires the Board of Directors to annually fix the amount of the Annual Assessment and set the date or dates such Assessment shall become due; and 2) stipulates that if the Board of Directors fails to fix the amount of the Assessment prior to the beginning of any fiscal year, the amount of the previous year’s Assessment shall apply to the new year; and

Reston Association
Assessment & Finance Resolution 2; Assessment Rates & Collection Procedures
November 21, 2019
WHEREAS, Section V.7. of the Amended Reston Deed stipulates that subject to Deed Section V.8, the Basis for Assessments shall be an equal amount for each Apartment Unit or Lot. After filing proof of qualification with the Association, Owners of Lots or Apartment Units may be granted an Assessment reduction, as determined from time to time by the Board of Directors, provided: (i) they qualify for real estate tax reduction by Fairfax County Ordinance; (ii) their units are subsidized by the federal or state government; or (iii) their units are designed and used primarily for elderly congregate care or assisted living facilities and occupied by low or moderate income residents; and

WHEREAS, Section V.8. of the Amended Reston Deed states that in any one year, the sum of the Annual Assessment for Common Expenses and any Special Assessment, attributable to that year, with respect to any Lot shall not exceed the lesser of: (1) Percentage Cap. One-half of one percent of the assessed valuation, as determined for tax purposes from time to time by Fairfax County, of such Lot and improvements thereon; or (2) Maximum Dollar Amount. Four hundred and sixty-one dollars per Lot or Apartment Unit, automatically adjusted as of the beginning of each fiscal year by the greater of four- and one-half percent or the Percentage Change in the Employment Cost Index. This maximum dollar amount and/or the Employment Cost Index reference date in Section I.1(gg) may be modified or waived for one or more years by a two-thirds vote of the Board of Directors and a majority vote of the Category A Members; and

WHEREAS, Section V.9 of the Amended Reston Deed authorizes the Association to levy a Maintenance Assessment on any portion of the Property whose owner fails to maintain or restore such portion of the Property, as provided in Deed Sections VI.2(a), VI.2(b), VI.1(c) and VI.2(d) and shall be a continuing lien upon that portion of the Property pursuant to Deed Article V, and shall be treated as an assessment against that portion of the Property for the purposes of Virginia Code §55-516 as may be amended. The Assessment shall be limited to the amount necessary to meet the cost of any maintenance or restoration and other charges, if any, as provided in Deed Section V.10 and may be awarded by a court as part of its judgment in any proceeding in law or equity; and

WHEREAS, Section V.10 of the Amended Reston Deed authorizes the Association to charge an owner of any portion of the Property: (i) a late fee on an overdue Assessment not to exceed ten percent of the Assessment; (ii) the costs, including attorney’s fees and court costs, for collection of Assessments and of enforcing any of the provisions of this Deed; and (iii) interest on overdue sums, up to the maximum rate permitted by law. Any such charges shall be a personal obligation of the owner of any portion of the Property and shall be added to and become a part of the lienable Assessment on the Lot or portion of the Property. In addition, such charges may be awarded by a court as part of its judgment in any proceeding in law or equity; and

WHEREAS, Section V.13(c) of the Amended Reston Deed mandates that: 1) any and all such Assessments and other charges shall be a lien against each Owner’s Lot as provided in Amended Reston Deed Section V.2; 2) on or before the due date for each succeeding payment period in such fiscal year, each Owner shall pay to the Association at such place as the Board of Directors may direct the payment of the Annual Assessment which is due during such period; 3) the Board of Directors may establish one or more payment periods and the due dates for each such payment in each fiscal
year; and 4) all sums collected by the Board of Directors with respect to Assessments against the Lots or from any other source may be commingled into a single fund.

NOW, THEREFORE, BE IT RESOLVED, that the Annual Assessment rates and procedures for collecting the Annual Assessment, as well as any other assessments, fees, and/or charges authorized by the Amended Reston Deed (collectively referred to as “Assessments” under this resolution, including but not limited to Maintenance Assessments, Transfer Fees, costs, late fees, interest, and attorney’s fees) shall be as follows:

1. **ASSESSMENT RATES.**

   a. **Annual Rate.** The general Annual Assessment rate for each Lot or Apartment Unit subject to the Amended Reston Deed shall be an amount fixed by the Board of Directors, in accordance with Section V.5 and V.8(a) of the Amended Reston Deed, as determined annually by the Board of Directors and specified in Exhibit A attached hereto and incorporated herein, unless the Unit or Owner qualifies for a reduction as provided in sections 1(b), 1(c) or 1(d) below. Percentage caps on Annual Assessments, as specified in Section V.8(a)(1) of the Amended Reston Deed, are computed based on the immediately preceding year’s tax assessed values, as applicable.

   b. **Owners Qualifying for Real Estate Tax Reduction from Fairfax County.** The Annual Assessment rate for Owners of a Lot who qualify for real estate tax reduction by Fairfax County Ordinance (and who can provide written proof from Fairfax County of such tax relief) or for any Lot owned by a person who is at least 65 years of age or who is permanently and totally disabled or both and who is exempt from real estate taxation under Article 14 of Chapter 4 of the Fairfax County Code will be eligible to receive a reduced rate of 50 percent of the total Annual Assessment as determined annually by the Board of Directors, as more specifically set forth in Exhibit A of this Resolution, attached hereto and incorporated by reference herein.

   c. **Federally or State Subsidized Apartment Units.** The Annual Assessment rate for any Apartment Unit that is federally or state subsidized may be fixed at a reduced rate as determined annually by the Board of Directors, and as specified in Exhibit A of this Resolution.

   d. **Housing for the Elderly.** The Annual Assessment rate for any Apartment Unit that is designated and used primarily as housing for the elderly may be fixed at a reduced rate as determined annually by the Board of Directors, and as specified in Exhibit A of this Resolution.

2. **ASSESSMENT DUE DATES.**

   a. **General Rule.** The Annual Assessment shall be due on January 1 of that fiscal year, unless an alternative payment option described below is chosen by the Owner. For Assessments other than the Annual Assessment, the Assessment (or installments thereof) shall be due on such date(s) as established by resolution of the Board of Directors or as set forth in the applicable Reston Association’s Assessment notice.
b. **Installment Plan.** The Board of Directors may allow any Owner of a Lot or Apartment Unit, who has no outstanding balances or overdue sums owed to the Association from previous years, to pay the Annual Assessment, together with a service charge (which shall be deemed to be a cost of collection of the Assessment) pursuant to the following installment plan:

i. Pay the Assessment in six installments, by remitting to the Association, on or before March 1, of that fiscal year, the initial payment specified in the Annual Assessment notice, and as further specified in Exhibit A, attached hereto and incorporated herein. The Owner shall be responsible for making the remaining five payments in a timely manner, in equal monthly installments as specified in the Annual Assessment notice and in Exhibit A, so that such payments are received by the Association no later than the first calendar day of each month from April through August. Payment information will be provided on the Annual Assessment notice in lieu of mailing payment coupons. A service charge is included in the above amounts as specified in Exhibit A of this Resolution.

ii. If there is a default in the timely payment of any approved Installment Plan or any portion thereof, the Owner’s account is assessed a late fee per 4(a) below and the entire balance shall become immediately due and payable upon such default without any further action of the Board. This Resolution constitutes the Board’s authorization for Reston Association’s (“RA”) staff to automatically accelerate any such delinquent account, and where appropriate, for the Association’s attorney to automatically accelerate any such delinquent account referred to it for collection, without the need to obtain specific case-by-case direction from the Board in that regard.

c. **Payment of Assessment at Less Than Annual Assessment Rate.** If the Assessment applicable to any Lot is less than the Annual Assessment rate, by reason of the provisions of Section V.8 (a)(1) of the Amended Reston Deed, the Owner thereof who elects to pay in installments specified in section 2(b) of this Resolution above shall nevertheless be required to pay installments based on the Annual Assessment rate in section 1(a) of this Resolution until such time as the Assessment applicable to his Lot, plus the service charge, shall have been paid in full. In other words, any reduction of the Annual Assessment rate shall be applied to reduce the last installment(s) due specified in section 2(b) of this Resolution above.

d. **Category B Members; Owners of More Than 45 Units.** Any Owner of more than forty-five Units may elect to pay the Annual Assessment applicable to his or her Units by paying in full by the date specified in Exhibit A for that fiscal year, or by executing and delivering to Reston Association on or before the date specified in Exhibit A, a Category B Promissory Note (Exhibit B), bearing interest at the rate of 12% per annum (or, if higher, the then applicable maximum contract interest rate pursuant to §6.2-303 of the Virginia Code), from the dates specified in Exhibit A, on the amount of the Annual Assessment outstanding. Payments are to be made in three installments due by the dates specified in Exhibit A for that fiscal year. The promissory note shall include a statement to the effect that upon default, any unpaid balance due on the note shall become immediately due and payable, without notice or demand. In the event any
installment is not paid when due, the entire balance remaining shall be immediately due and payable, a late fee of 10% of the Annual Assessment amount per unit shall be assessed, and a certified Demand Letter, as provided in section 6(b) of this Resolution, will be mailed to the Owner(s).

3. **ASSESSMENT NOTICES.**

Prior to December 31\textsuperscript{st} of each year, or as soon thereafter as feasible, each Owner of assessable Property shall be mailed an Annual Assessment notice for the upcoming fiscal year. Notice for other types of Assessments are sent as deemed appropriate by the Board of Directors or staff. Assessment and delinquency notices to Owners will be sent by Reston Association to the applicable Property address unless Reston Association is specifically notified in writing of an alternative billing or mailing address for the Property. It shall be the responsibility of the Owner(s) to promptly notify the Association, in writing, of any billing or mailing address changes. Once mailed by Reston Association, unless returned, the notice will be deemed to have been received by the Owner. Failure to receive any Assessment notice does not relinquish an Owner’s obligation to pay that Assessment or resulting fees, interest and other collection costs. If an Owner does not receive a notice within the expected or required time period, it is the Owner’s responsibility to contact RA to obtain a copy of the notice and to confirm the Owner’s correct mailing address.

4. **ASSESSMENT LATE FEE/INTEREST/RETURNED CHECKS.**

   a. **Late Fee.** If any Assessment (including, e.g., Annual Assessments, Maintenance Assessments, Transfer Fees and Special Assessments) or installment thereof is not paid in full and received by the Reston Association in accordance with this Resolution and/or the applicable Assessment notice mailed by Reston Association, then the Owner’s account shall automatically be assessed a late fee per Lot or Apartment Unit equal to ten percent (10%) of the Assessment.

   i. For Annual Assessments, an Owner’s account is deemed delinquent and assessed a late fee if payment in full of the Annual Assessment is not received by Reston Association on or before March 1\textsuperscript{st} of that fiscal year, unless the Installment Plan as per section 2(b) of this Resolution is chosen by the Owner.

   ii. For Assessments other than the Annual Assessment, an Owner’s account is deemed delinquent and assessed a late fee if payment in full of that Assessment (or installment, if applicable) is not received by Reston Association within ten (10) days after the applicable due date(s) unless otherwise specified in the Reston Association Assessment notice.

   b. **Interest.** If an Owner’s account becomes thirty (30) or more days’ delinquent, then the Owner’s account is subject to interest charges at an annual rate of twelve percent (12%) (or if higher, at the then current maximum contract rate of interest pursuant to §6.2-303 of the Virginia Code), calculated on a daily basis and accruing from the applicable due date(s) until the account is paid in full. The failure of Reston Association to post interest charges on an account does not waive Reston Association’s right to later charge, demand, and collect interest from the due date if the
account is forwarded to the Association’s attorney for collection, and the Reston Association’s attorney is hereby authorized, on behalf of the Reston Association, to charge, demand and collect interest on the overdue amounts accruing from the applicable due dates.

c. **Returned Checks/Insufficient Funds.** If a check or electronic debit is returned or rejected, the Reston Association shall assess a charge against the Owner’s account as specified in Exhibit A. Additionally, the Reston Association may seek the amount of any civil penalty authorized under §8.01-27.2 of the Virginia Code, as awarded by a Court, if payment in full on the dishonored check is not received within thirty (30) days, upon written notification thereof.

5. **SALE OF PROPERTY.**
In the event the Lot or Apartment Unit which is the subject of an Installment Plan as specified in section 2(b) of this Resolution, is being sold or otherwise transferred prior to the payment in full of the Annual Assessment, the entire balance remaining on such Annual Assessment, together with any other Assessments currently due and owing on the Lot, shall become immediately due and payable upon closing/settlement on the Lot or Unit, without any further action of the Board being required, regardless of whether the transferor is current in his or her installment payments.

6. **ACCOUNT COLLECTION PROCEDURES.**

a. **Annual Assessment Reminder Notice(s).** On the date specified in Exhibit A, or as soon thereafter as feasible, the Reston Association will send a Reminder Notice to all Owners who have not paid that year’s Annual Assessment. The Reminder Notice will indicate that unless payment is received by March 1st, a late fee will be added to the amount due.

b. **Annual Assessment Past Due Notice(s).** On the date specified in Exhibit A, or as soon thereafter as feasible, the Reston Association will send a Past Due Notice with a current Statement of the Account to Owners who failed to timely pay that year’s Annual Assessment by March 1st, affirming that the late fee has been assessed and added to the amount due (except that this Past Due Notice will not be sent to those Owners whose delinquent accounts are already turned over to the Association’s attorney for collection). Each Owner to whom a Past Due Notice has been sent is assessed a charge (as specified in Exhibit A) to cover Reston Association’s administrative costs and the cost of mailing.

c. **Annual Assessment Demand Letter(s).**

i. For Owners with accounts still unpaid after thirty (30) days from the date of the Past Due Notice as referenced in Section 6.b. above, the Reston Association will send a certified Demand Letter to each such Owner demanding payment and notifying such delinquent Owner of the consequences of failing to pay within ten (10) days, including the filing of a lien in the Circuit Court of Fairfax County.

ii. The Demand Letter shall include a current Statement of the Account and shall also state that the Reston Association’s Board of Directors may suspend all recreational and Common Area
use privileges for each delinquent Owner after the applicable Owners have been given an opportunity to be heard by the Legal Committee or such other hearing established by the Reston Association Board of Directors.

iii. The Demand Letter will set the date and time of such hearing and any sanction that may be imposed. The resulting recommendations from the Legal Committee or such other hearing will be reviewed and approved by the Board of Directors.

iv. Any resulting suspension shall apply to the delinquent Owners as well as to any family members, tenants, guests, or other invitees residing in or visiting properties owned by such delinquent Owners within Reston Association.

v. Each Owner to whom a Demand Letter has been sent is assessed a charge (as specified in Exhibit A) to cover Reston Association’s administrative costs and the cost of certified mail.

d. Legal Committee Decision Letter(s). Within seven (7) days from the date of the Legal Committee hearing, the Association will send to the Owners of delinquent accounts a Decision Letter which will serve as notice of the Legal Committee’s hearing results.

e. Legal Actions on Unpaid Assessments.

i. For Owners who remain delinquent after the ten (10) day Demand Letter period has expired, the Reston Association will proceed with referring the delinquent account to the Reston Association’s attorney for collection.

ii. The Reston Association may record a memorandum of lien and/or seek a judgment on the Owner’s personal obligation to pay any Assessments and/or other charges. Reston Association may also pursue post-judgment enforcement action and, in appropriate cases, as determined by the Board of Directors, foreclose upon a lien.

iii. The Reston Association may record a memorandum of lien at any time it believes that such recordation would protect Reston Association’s rights or enhance its collection efforts, even though Section V.2 of the Amended Reston Deed specifies no action is necessary to perfect Reston Association’s lien.

iv. For any and all delinquent accounts for which a memorandum of lien has been recorded, a charge shall be assessed to all such accounts in the amount specified in Exhibit A to cover RA’s administrative costs associated with the preparation, execution and recordation of the lien and the lien release. The delinquent Owner’s account shall also be assessed an amount equal to the attorney’s fees incurred by the Reston Association as a result of the Reston Association attorney’s collection efforts.

v. Reston Association’s attorney is also authorized, on behalf of the Reston Association, to file a civil suit for purposes of obtaining a personal judgment against the Owner or former Owner for any outstanding Assessment obligations to the Reston Association.
required by Reston Association’s attorney for purposes of preparing a civil suit, Reston Association staff will review the delinquent Owner’s Statement of Account and execute an affidavit stating the amount and nature of Reston Association’s claim, pursuant to the Code of Virginia, §8.01-28, and regarding defendant’s military status and forward it to the Reston Association’s attorney. Should Reston Association’s claim proceed to trial, the Reston Association may designate certain Reston Association staff members to appear in Court and testify regarding Reston Association’s claim. With regard to any and all accounts for which a civil suit affidavit has been executed by the Reston Association, a charge in the amount as specified in Exhibit A shall be assessed to all such accounts to cover the administrative costs of reviewing the account and executing the affidavit referred to above and for assisting and coordinating the case with the Reston Association attorney. The delinquent Owner’s account shall also be assessed an amount equal to the attorney’s fees incurred by the Reston Association as a result of the Reston Association attorney’s collection efforts.

vi. If Reston Association incurs any additional costs or attorney’s fees in connection with collection efforts, including but not limited to investigative fees, such fees shall be assessed to the delinquent Owner’s account except where prohibited by applicable law.

f. Payment Agreements. The Reston Association may enter into such payment plans or agreements with a delinquent Owner as it deems appropriate. Interest may be charged at the rate established in 4(b) above on the outstanding balance until full payment has been made. An annual service charge as specified in Exhibit A is assessed against the Owner to cover the administrative costs associated with handling the payment plan or agreement. The Reston Association shall require that a written General Promissory Note (Exhibit C) be signed by the Owner, outlining the payment and default terms.

g. Promissory Notes. Acceptance of a Promissory Note for any overdue amounts will not be considered a satisfaction of that overdue amount until the Promissory Note is paid in full, in accordance with its terms, and the Reston Association shall not release or waive its lien or judgment against the property by accepting same.

h. Application of Partial Payment.

i. Partial payments will be accepted, subject to collection, but unless specifically authorized by the Reston Association, such acceptance will not constitute satisfaction in full of the entire claim. Any check received at the Association’s offices for less than the full amount due which is marked "payment in full," or words to that effect, will be rejected and returned to the Owner.

ii. Partial payments will be applied to the oldest outstanding sums owed in any given year on a year to year basis in accordance with the following order of priority:

1. Any accrued interest in that year,
2. Any collection costs, including attorney’s fees;
3. To the late fee and other fees and charges in that year; and then
4. To the oldest assessment balance owed in that year.

7. DELINQUENT INSTALLMENT PLANS.
   If any Assessment installment is not paid when due, then the Board of Directors, by this Resolution
   and without the need for specific case-by-case direction from the Board of Directors, hereby
   authorizes the Reston Association staff and/or attorneys, as the case may be, to automatically
   accelerate the remaining unpaid installments, making the entire remaining balance of that
   Assessment immediately due and payable in full. Regular collection procedures as stated in this
   Resolution shall apply to the balance due. Interest charges will be assessed at the rate specified in
   4(b) above from the Annual Assessment due date.

ATTEST: Resolution was adopted at a Regular Meeting of the Reston Association Board of Directors
held on June 22, 2006; November 16, 2006; November 15, 2007; December 18, 2008; November 19,
2009; December 16, 2010, September 22, 2011, November 17, 2011; and amended on November 20,
2014 and amended on November 21, 2019.

[Signature]

Assistant Secretary
EXHIBIT A

2020 Annual Assessment Rates

1. General Annual Rate For properties with a 2019 assessed value below $141,600 $708 per Lot/Unit
   0.5% of assessed value per Lot/Unit
2. Fairfax County Tax Reduction Rate $354.00 per Lot/Unit
3. Federally or State Subsidized Unit Rate $354.00 per Unit
4. Elderly Housing Rate $354.00 per Unit

2020 Installment Plan Rates (6 payments)

1. Initial Payment (includes $25 installment plan fee) $233 per Lot/Unit
2. Remaining 5 Installment Payments $100 per Lot/Unit

2020 Collection Fees

1. Demand Letter Fee $80 per Demand Letter
2. Lien Fee $225 per Lien
3. Suit Fee $220 per Suit Affidavit
4. Payment Agreement Service Charge $25 per Lot/Unit
5. Returned Check Fee $35 per returned check or rejected electronic debit, plus the amount of the bank charge, if any.

2020 Annual Assessment and Delinquency Notice Due Dates

1. Annual Assessment Due Date January 1
2. Category B Members Assessment or Promissory Note Due Date January 31
3. Category B Members Promissory Note Interest Rate Period January 31 – July 31
4. Category B Installment Plan Due Dates January 31, April 30 & July 31
5. Annual Assessment Reminder Notice(s) Mailed February 12
6. Annual Assessment Past Due Notice(s) Mailed March 11
7. Demand Letter(s) Mailed April 15
Category B Promissory Note Example Here.

PROMISSORY NOTE

FOR VALUE RECEIVED, the undersigned by its duly authorized officer or agent, promises to pay to the order of
RESTON ASSOCIATION the sum of $ together with interest thereon at the rate of 12% per annum in
three (3) equal installments of principal (together with accrued interest, if any, thereon) payable on January 31, 20, April 29, 20, and July 31, 20.

The unpaid balance of this note and all other obligations of any maker or endorser hereof shall immediately become due and payable, without notice or demand, upon the occurrence of any of the following events: the property referenced below is sold or otherwise transferred; default in the payment of any installment hereunder, which default remains uncured for a period of five (5) days; commencement by or against the undersigned of any proceeding, suit or action for reorganization, dissolution or liquidation; suspension or liquidation by it of its usual business; filing by or against it of a petition under any of the provisions of the Bankruptcy Act; making an assignment for benefit of creditors; or default in the payment or performance of any other obligation to RESTON ASSOCIATION.

In the event of the acceleration of this note as provided above, the full amount due shall thereafter bear interest at the rate of twelve percent (12%) per annum plus costs and attorney’s fees.

This note is given in recognition of RESTON ASSOCIATION’S claim for the Annual Assessments for calendar year 20 on certain real property specified below owned by the undersigned in Reston, Fairfax County, Virginia, and does not constitute payment for any other claim which the Association may have against the undersigned. The undersigned agrees to curtail a portion of this note as any lot, unit or other billable portion of the property covered hereby is sold and settled, or otherwise transferred or conveyed. The amount to be curtailed will equal principal plus accrued interest for each lot, unit or other billable portion. Any amounts so curtailed will be credited against the last installment due hereunder.

The undersigned waives presentment, demand for payment, notice of dishonor, homestead exemption, counterclaim and setoff, and all notices or demands in connection with the delivery, acceptance, performance or default of this instrument.

PROPERTY ADDRESS: _______________________

MAKER: ____________________________

ATTEST/WITNESS: ___________________ BY: _______________________

Account #: ____________________________

Reston Association
Assessment & Finance Resolution 2; Assessment Rates & Collection Procedures
November 21, 2019
EXHIBIT C

General Promissory Note Example Here.

VIRGINIA:

In the Clerk’s Office of the Fairfax County Circuit Court.

PROMISSORY NOTE

IMPORTANT NOTICE

THIS INSTRUMENT CONTAINS A CONFESSION OF JUDGMENT PROVISION WHICH CONSTITUTES A WAIVER OF IMPORTANT RIGHTS YOU MAY HAVE AS A DEBTOR AND ALLOWS THE CREDITOR TO OBTAIN A JUDGMENT AGAINST YOU WITHOUT ANY FURTHER NOTICE.

1. SUMMARY OF DEBT: In consideration and satisfaction of the debt of ___________________________ (the “Debtor”), resulting from the non-payment of past due assessments against the property located at ___________________________ (the “Property”) assessed pursuant to the First Amendment to the Deed of Amendment to the Deeds of Dedications of Reston, as recorded in the Fairfax County land records in Deed Book 18419, Page 1225, as amended, Debtor hereby acknowledges the debt owed in the amount of ___________________________ Dollars ($_________________) for amounts owed to the Reston Association (the “Association”).

2. PROMISE TO PAY: Debtor agrees to pay to the order of the Association the total sum of ___________________________ Dollars ($_________________) in accordance with the terms set forth in this Note.

3. PAYMENTS: An initial payment of ___________________________ Dollars ($_________________) is due on or before _______________. Thereafter, monthly installments of ___________________________ Dollars ($_________________) shall be due on or before the first day of each month, from _______________ through _______________, with a final payment of ___________________________ Dollars ($_________________) due on _______________.

In addition to making the payments noted above to satisfy the face value of this Note, Debtor acknowledges its continuing obligation to pay Association assessments or such other amounts as may be established by the Board of Directors of the Association, by the predetermined due date.

4. PAYMENT PROCEDURE: All payments must be sent to the Reston Association at ___________________________, so that they are received on or before the applicable due date. All payments must be made payable to the Reston Association, and may be in the form of a check, cash, money order or cashier’s check.

5. PREPAYMENT: Additional payments toward the past due balance may be made and the balance may be paid in full at any time in advance without penalty.

6. ACCELERATION ON DEFAULT IN PAYMENT OF ANY INSTALLMENT: On default in the timely payment of any installment of this Note, the entire balance shall, at the option of the holder of the note,
become immediately due and payable. Failure to exercise such option does not constitute a waiver of the right to exercise such option if the undersigned are in default hereunder.

7. **SALE OF SUBJECT PROPERTY:** Upon the sale, settlement, conveyance or refinancing of the Property, the entire balance of the Note shall, at the option of the holder of the Note, become immediately due and payable.

8. **CONFESSION OF JUDGMENT:** Upon default, Debtor hereby acknowledges that it is justly indebted to and hereby confesses judgment in favor of the Association, in the amount of the unpaid balance left on this Note, and hereby waives further demand, protest, presentation and notice of dishonor.

9. **ATTORNEY-IN-FACT:** The undersigned hereby authorizes Kenneth E. Chadwick, Daniel B. Streich, Allen B. Warren, Sara J. Ross, Bruce H. Easmunt, Alexandra Spaulding, or Marie Johnson of Chadwick, Washington, Moriarty, Elmore & Bunn, P.C., or the current attorney for the Association as attorney-in-fact to appear in the Fairfax County Circuit Court and confess judgment against the Debtor without the issuance of service of process, in favor of the Association for such amounts as may be due and owing hereunder, including interest at 12 percent (12%) per annum from the date of execution of this Note until paid in full, along with the costs of this proceeding and attorneys’ fees equal to Thirty-Three percent (33%) of the amount then in default.

10. **WAIVER OF RELIEF THROUGH BANKRUPTCY:** In the event of a bankruptcy in which Debtor would be entitled to protection by the automatic stay afforded by Section 362 of Title 11 of the U.S. Code, Debtor hereby expressly and unconditionally agrees that the Association shall be entitled to immediate relief from the stay so as to exercise any of its rights or remedies with respect to collection of the debt owed to it by Debtor without any delay whatsoever.

11. **WAIVER OF HOMESTEAD EXEMPTION:** Debtor hereby waives the benefit of its homestead exemption to this obligation, if applicable, pursuant to Virginia Code Section 34-22, as amended.

12. **APPLICABLE LAW:** This Note shall be construed in accordance with the laws of the Commonwealth of Virginia and the County of Fairfax.

13. **SEVERABILITY:** In the event that a court of competent jurisdiction finds any provision of this Note to be invalid, the remaining terms and/or provisions of this note shall remain binding and in effect.

Given under my hand, this __ day of ___________ , 20__

DEBTOR: ______________________________

COMMONWEALTH OF VIRGINIA COUNTY/CITY OF __________________________

The foregoing instrument was acknowledged before me this __ day of ___________ , 20__, by ________________, who has satisfactorily proven to be the person who has executed this instrument.

______________________________
Notary Public

My identification # is:

My Commission Expires: ____________.
WHEREAS, the Board of Directors is responsible for the administration and operation of the Association consistent with the amended provisions of the Reston Documents; and

WHEREAS, Section III.2(a) of the First Amendment to the Deed of Amendment to the Deeds of Dedication of Reston (“Amended Reston Deed”) delineates that it is a purpose of the Association to interpret, administer, and enforce the protective covenants and restrictions of the Deed; and

WHEREAS, Section III.2(c) of the Amended Reston Deed delineates that it is a purpose of the Association to assess, collect, and disburse the Assessments and charges authorized by the Deed; and

WHEREAS, Section III.2(b) of the Amended Reston Deed authorizes the Association, for the benefit of the Members, to acquire, own, sell, mortgage, convey, encumber, and lease property, real or personal, and to improve, administer, and maintain such property in neat and good order;

WHEREAS, Section III.5(e) of the Amended Reston Deed provides the Board of Directors with all powers necessary and appropriate for carrying out the purposes of the Association which are enabled by law or the Reston Documents;

WHEREAS, Section III.5(f) of the Amended Reston Deed authorizes the Association to exercise the powers now or hereafter conferred by law on Virginia nonstock corporations as may be necessary or desirable to accomplish the purposes of the Association;

WHEREAS, Section V.14 of the Amended Reston Deed states that the Board of Directors shall build up and maintain reasonable reserves for capital replacements;

WHEREAS, consistent with Deed Section V.14 of the Amended Reston Deed, the Board of Directors has established a Repair and Replacement Fund (“Reserves”);

WHEREAS, the Virginia Property Owners’ Association Act (Va. Code Ann. §55-514.1) outlines certain requirements for reserves for capital components;

WHEREAS, Section I.1(i) of the Amended Reston Deed defines the term “Capital Asset” as Common Area or property components that have a useful life of more than three years, including but not limited to swimming pools, tennis courts, community buildings, lakes, pathways, parking areas, multipurpose courts, ballfields, tot lots, vehicles, and other equipment owned by the Association; and

WHEREAS, Section I.1(j) of the Amended Reston Deed defines the term “Capital Reserves” as funding designated for future major repairs, replacements -, or improvements to Capital Assets.
NOW, THEREFORE, BE IT RESOLVED, the following policies shall be followed to ensure that adequate reserves are established and maintained to provide for capital repairs, replacements contingencies, and lake dredging:

1. **Reserve Study.**
The Board of Directors shall conduct or cause to be conducted a study at least every five years to determine the necessity and amount of Capital Reserves required to repair, replace and restore the Capital Assets. The study results shall be translated into a 10 year forward looking forecast by staff (hereinafter “10 Year Repair and Replacement of Capital Assets Forecast”) and reviewed at least annually to determine if Capital Reserves are sufficient. The Board of Directors shall make any adjustments deemed necessary to maintain reserves.

2. **Fund Designation.**
Dollars for the repair and replacement of the Association’s Capital Assets and lake dredging expenses shall be maintained in the “Repair and Replacement Reserve Fund” (RRRF) and shall be used for the, replacement or capital repair of existing Capital Assets including lake dredging. No dollars from the Repair and Replacement Reserve Fund shall be used for operating expenses or new Capital Asset acquisitions.

3. **Funding Sources.**
   a. In 2012 and 2013, the RRRF shall be funded through investment earnings on the fund’s balance.
   b. Commencing January 1, 2014, the Repair and Replacement Reserve Fund shall be funded by an annual appropriation of the current year’s revenues at 1/10th of the forecasted 10 year Repair and Replacement expenditures based upon the latest 10 Year Repair and Replacement of Capital Assets Forecast prepared by staff.
   c. By a two-thirds vote, the Board of Directors may allocate surplus dollars from the Operating Fund to the Repair and Replacement Reserve Fund.
   d. By a two thirds vote, the Board of Directors may designate, for a given year, less than the full 1/10th of the 10 year forecasted Repair and Replacement expenditure appropriation to the Repair and Replacement Reserve Fund.
   e. No other provision in this Resolution shall limit the Board of Directors from funding Capital Asset repair and replacement expenditures by borrowing.

4. **Minimum Annual Repair and Replacement Reserve Fund Balance.**
   a. The minimum balance level for the Repair and Replacement Reserve Fund shall be evaluated each biennial budget cycle to ensure that the minimum annual Repair and Replacement Reserve Fund Balance shall equal the average annual planned repair and replacement capital expenditure over the next 10 year period plus a reserve for contingencies of a minimum of 10 percent of the average Repair and Replacement Reserve Fund spending over the ensuing ten years.
   b. The balance in the Repair and Replacement Reserve Fund shall be evaluated each budget cycle to ensure the continuing adequacy of the Repair and Replacement Reserve Fund.
such evaluation, the Board of Directors, upon advice from the Fiscal Committee and staff, shall base its evaluation on the following:

i. The current Repair and Replacement Reserve Fund Balance;
ii. Projected spending based on the most recent Association Reserve Fund Study and the 10 Year Repair and Replacement of Capital Assets Forecast prepared by staff; and
iii. Projected appropriation of Association Assessment Revenues,

5. Repair and Replacement Reserve Fund Management.

Repair and Replacement Reserve Fund assets shall be:

a. Segregated from the Operating Fund and the Capital Asset Acquisition Reserve Fund;
b. Maintained in a separate investment account; and
c. Invested in accordance with Assessments & Finance Resolution 6 - Reston Association’s Investment Policy.
d. Carried forward from one year to the next until spent or otherwise re-designated by the Board of Directors.

ATTEST: Resolution was adopted at a Regular Meeting of the Reston Association Board of Directors held on June 22, 2006; October 25, 2007; and amended on December 13, 2012; and amended on March 14, 2013.

Cate L. Fulkerson

________________________________________
Assistant Secretary
WHEREAS, the Board of Directors is responsible for the administration and operation of the Association consistent with the amended provisions of the Reston Documents; and

WHEREAS, Section III.2(a) of the First Amendment to the Deed of Amendment to the Deeds of Dedication of Reston (“Amended Reston Deed”) delineates that it is a purpose of the Association to interpret, administer, and enforce the protective covenants and restrictions of the Deed; and

WHEREAS, Section III.2(c) of the Amended Reston Deed delineates that it is a purpose of the Association to assess, collect, and disburse the Assessments and charges authorized by the Deed; and

WHEREAS, Section III.5(e) of the Amended Reston Deed provides the Board of Directors with all powers necessary and appropriate for carrying out the purposes of the Association which are enabled by law or the Reston Documents.

NOW, THEREFORE, BE IT RESOLVED, that the Association shall implement Amended Reston Deed Section V.12 regarding the Transfer Fee and Transfer Fee Credit in the following manner:

1. **Effective Date**

   Effective June 1, 2006, the Association shall implement and enforce Section V.12 of the Reston Deed. All purchasers of a Lot shall, henceforth, be responsible for paying the specified Transfer Fee.

2. **Amount**

   The amount of the Transfer Fee shall be, and is hereby set, initially at $255 and may be increased annually by the Board of Directors to an amount not to exceed the Percentage Change in the Employment Cost Index for such year. The Board shall set the Transfer Fee contemporaneously with the Annual Assessment each year.

3. **Notice**

   Reston Association shall provide notice of the “Transfer Fee” in all Association Resale Disclosure Packets and post the notice on the Association’s website www.reston.org. Such notice shall state the purpose of the Transfer Fee, define which purchasers are eligible for a Transfer Fee Credit, and outline the process for making application for such credit as reflected in Addendum A to this Resolution.

4. **Application for Transfer Fee Credit**
Within twelve months (12) months of the date of settlement on a purchased Lot, a purchaser may request a credit in the amount of that year’s Transfer Fee by completing the Application for Transfer Fee Credit (Addendum B), which shall be applied against the next fiscal year’s Annual Assessment rate if, the purchaser can show written proof that at the time of purchase of the currently owned lot he:

a. owned, occupied another Lot and was a Member of the Reston Association;
b. sold such other Lot in order to purchase the purchased Lot;
c. now owns and occupies the purchased Lot; and
d. does not own any other Lot in Reston. Such credit is not available to individuals who lease any Lot, including any purchased Lot.

Purchasers are to send their completed Application for Transfer Fee Credit to the following address:

Reston Association  
Transfer Fee Credit Request  
12001 Sunrise Valley Drive  
Reston, Virginia 20191-3404

Any Transfer Fee Credit Request received after twelve (12) months of the date of settlement shall not be considered and shall not be eligible for credit against the next fiscal year’s Annual Assessment rate.

5. **Acknowledgement**

Once received, the Reston Association will acknowledge receipt of this signed Application within seven business days after receipt and will advise the applicant within sixty days after receipt of whether or not the credit was awarded.

**BE IT FURTHER RESOLVED**, that this Emergency Resolution on Transfer Fees & Transfer Fee Credits shall be incorporated as one of the Association’s Resolutions, Rules & Regulations, with such other existing resolutions regarding the Association’s fiscal operations which are being updated to conform to the Amended Reston Documents.

**ATTEST:** Resolution was adopted at a Regular Meeting of the Reston Association Board of Directors held on June 22, 2006.

_Cate L. Fulkerson_

________________________________________
Assistant Secretary
Addendum A

Notice Transfer Fee Credit

As per Reston Deed Section V.12(b), each purchaser of a Lot shall pay to the Association at the time of settlement a “Transfer Fee” initially in the amount of two hundred-fifty dollars ($250.00). Funds from these fees, at the discretion of the Board of Directors, shall be used for any expenditure incurred by the Association.

Transfer Fee Credit. Within twelve months (12) months of the date of settlement on a Lot, a purchaser may request, by completing the attached application, a credit in the amount of that year’s Transfer Fee, which shall be applied against the next fiscal year’s Annual Assessment rate if, the purchaser can show written proof that at the time of purchase he:

e. owned, occupied another Lot and was a Member of the Reston Association;
f. sold such other Lot in order to purchase the purchased Lot;
g. now owns and occupies the purchased Lot; and
h. does not own any other Lot in Reston. Such credit is not available to individuals who lease any Lot, including any purchased Lot.

Proof shall include either a HUD 1 from the sale /purchase of a Lot; or a certified copy of the deed of the Lot sold and/or purchased.

Purchasers are to send their completed Application for Transfer Fee Credit to the following address:

         Reston Association
         Transfer Fee Credit Request
         12001 Sunrise Valley Drive
         Reston, Virginia 20191-3404

Any Transfer Fee Credit Request received after twelve (12) months of the date of settlement shall not be considered and shall not be eligible for credit against the next fiscal year’s Annual Assessment rate.
Addendum B

Application for Transfer Fee Credit

As eligible under Reston Deed Section V.12(b), I [property owner name], the new Owner of the Lot located at [property address], which was purchased on ___/___/20___, as evidenced by the attached, required proof*, do hereby formally request that the Reston Association issue a credit to my Membership account which will be applied against the next fiscal year’s Annual Assessment rate.

By signing this application I certify that:

- I do not own any other residential property in Reston other than the property indicated above.
- At the time of purchase I: (a) owned and occupied another Lot in Reston located at [property address] and was a member of Reston Association; (b) sold such other Lot in order to purchase the purchased Lot; (c) now own and occupy the purchased Lot located at [property address]; and (d) do not own any other Lot(s) in Reston.
- The information provided in this application is true and accurate. I understand that falsifying such information will result in the immediate revocation of the credit.

____________________________________________________________  ________
Property Owner Printed Name(s)        Date

____________________________________________________________
Property Owner Signature(s)

____________________________________________________________
Email Address

Thank you for completing this Application for Transfer Fee Credit. Please mail this Application to: Reston Association, Transfer Fee Credit Application, 12001 Sunrise Valley Drive, Reston, Virginia 20190. Once received, the Reston Association will acknowledge receipt of this signed Application within seven business days after receipt.

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1 Lot shall mean and refer to: (1) any plot or parcel of land shown upon any recorded subdivision plat of the Property, with the exception of the Common Area, Cluster Common Area, and parcels designated for public or commercial use; (2) any residential Condominium Unit created under the Virginia Condominium Act, or any predecessor or successor statute; (3) any residential unit within a cooperative housing organization created under the Virginia Real Estate Cooperative Act or any predecessor or successor statute; and (4) any other residential unit, except Apartment Units.

2 Proof shall include either a HUD 1 from the sale/purchase of a Lot, or a certified copy of the deed of the Lot sold and/or purchased.
WHEREAS, the Board of Directors is responsible for the administration and operation of the Association consistent with the amended provisions of the Reston Documents; and

WHEREAS, Section III.2(a) of the First Amendment to the Deed of Amendment to the Deeds of Dedication of Reston (“Amended Reston Deed”) delineates that it is a purpose of the Association to interpret, administer, and enforce the protective covenants and restrictions of the Deed; and

WHEREAS, Section III.2(c) of the Amended Reston Deed delineates that it is a purpose of the Association to assess, collect, and disburse the Assessments and charges authorized by the Deed; and

WHEREAS, Section III.5(e) of the Amended Reston Deed provides the Board of Directors with all powers necessary and appropriate for carrying out the purposes of the Association which are enabled by law or the Reston Documents;

WHEREAS, Section III.5(f) of the Amended Reston Deed authorizes the Association to exercise the powers now or hereafter conferred by law on Virginia nonstock corporations as may be necessary or desirable to accomplish the purposes of the Association; and

WHEREAS, the Virginia Nonstock Corporation Act (Va. Code Ann. §13.1-826) provides general powers to nonstock corporations.

NOW, THEREFORE, BE IT RESOLVED, that the Association shall establish bank accounts, including checking, for the Association and that all checks, drafts, notes or orders drawn against said accounts be signed by the signatory parties below:

1. Either the President or the Chief Executive Officer or any Acting Chief Executive Officer appointed by the Board of Directors; and
2. The Chief Financial Officer

When any one person holds any more than one of those offices, two separate signatures are required.

BE IT FURTHER RESOLVED, that any two of the signatory parties are authorized to withdraw money in the name of the corporation from the depository institutions authorized herein.
BE IT FURTHER RESOLVED, that invested funds of principal in any bank, thrift or savings and loan shall not exceed one hundred thousand dollars ($100,000.00), with the exception of bank sweep investments and bank trust department investments, and that said financial institutions be and they hereby are authorized to pay withdrawals, until further written notice to it, signed by the signatory parties above.

BE IT FURTHER RESOLVED, that any such financial institution chosen may rely on a signed resolution executed by the Secretary or designated Assistant Secretary of the Association, identifying the persons authorized to act hereunder when delivered to said financial institution or in any similar subsequent certificate, until written notice to the contrary is duly served on said institution.

ATTEST: Resolution was adopted at a Regular Meeting of the Reston Association Board of Directors held on June 22, 2006; and amended on September 23, 2013.

Sabrina Faubert

__________________________________________
Assistant Secretary
WHEREAS, the Board of Directors is responsible for the administration and operation of the Association consistent with the amended provisions of the Reston Documents; and

WHEREAS, Section III.2(a) of the First Amendment to the Deed of Amendment to the Deeds of Dedication of Reston ("Amended Reston Deed") delineates that it is a purpose of the Association to interpret, administer, and enforce the protective covenants and restrictions of the Deed; and

WHEREAS, Section III.2(c) of the Amended Reston Deed delineates that it is a purpose of the Association to assess, collect, and disburse the Assessments and charges authorized by the Deed; and

WHEREAS, Section III.5(e) of the Amended Reston Deed provides the Board of Directors with all powers necessary and appropriate for carrying out the purposes of the Association which are enabled by law or the Reston Documents; and

WHEREAS, Section III.5(f) of the Amended Reston Deed authorizes the Association to exercise the powers now or hereafter conferred by law on Virginia nonstock corporations as may be necessary or desirable to accomplish the purposes of the Association; and

WHEREAS, the Board of Directors deems it to be prudent to adopt a policy framework for the investment of its assets; and

WHEREAS, the foremost objective of the Association's investment policy is safety of principal in the overall investment portfolio, investments shall be undertaken to mitigate credit risk and interest rate risk; and

WHEREAS, the Board of Directors wish to maintain appropriate levels of review and approval, and to delegate investment authority.

NOW, THEREFORE, BE IT RESOLVED, that the following investment policies will be applied to all Reston Association investments. Further, a copy of these policies will be provided to all parties making investments on behalf of the Association, the receipt of which shall be confirmed in writing.

Reston Association Investment Policies

1. Procedures.

   a. The Association’s Investment Policies shall be reviewed annually, and as otherwise necessary, by the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), and the Fiscal Committee, to ensure that investments are consistent and appropriate for the Reston Association’s current financial condition. Recommendations regarding any revisions or modifications to the Investment Policies will be made by the Fiscal Committee to the Board of Directors for approval. In carrying out these duties the Association may contract with a Money Manager, as hereinafter described and
defined in subparagraph 1.c, infra, of this resolution. It will be the responsibility of the Money
Manager to identify specific investments to implement as delineated in the investment policies of
this resolution, and to initiate trades to achieve the investment results contemplated herein using
his/her best efforts consistent with the standard of care customary to his/her industry.

b. To provide oversight on the investments, and to ensure compliance with the investment policies,
the following procedures will be followed:

i. Investments greater than $1,000,000, with the exceptions of authorized money market
accounts and investments made in conjunction with bank sweep accounts, and deposits fully
insured by the FDIC, the CFO will obtain the prior written approval of the CEO.

ii. Duplicate confirmations of all securities purchased, with the exceptions of authorized money
market accounts and investments made in conjunction with bank sweep accounts, will be sent
directly to the Treasurer of the Reston Association by the firm(s) selected in accordance with
the procedures identified in Section 1.d of this Resolution.

iii. Periodically, a report will be provided to the Board of Directors, which should include, if
appropriate, the information specified in the "Reporting Requirements" section of this
Investment Policy.

c. The following procedures will be used to select securities brokerage firms and registered
investment advisory firms (hereinabove and/or hereinafter individually or collectively referred to as
(“Money Manager”), who will be authorized to place securities trades and will be authorized to
take custody of securities and monies of the Association:

i. The CFO and the CEO will coordinate proposed recommendations to the Fiscal Committee
regarding the number and types of firms to be used to implement the Association’s investment
policy.

ii. The Fiscal Committee shall then recommend to the Board of Directors the firm(s) to be
retained. The Board of Directors shall have final approval on all firms authorized to conduct
investment business with and on behalf of the Association, and the terms and conditions upon
which they are hired.

2. General Investment Objectives.
The goal of the Reston Association is to have sufficient dollars and other assets to meet its current and
future obligations. As such, dollars and other assets required to meet current expenses and cash flow
needs should be invested with Short-term Investment Objectives, as defined in Section 3 of this
Resolution. Dollars and other assets not needed to meet obligations in the next twenty four (24)
months may be invested with Long-term Investment Objectives, as defined in Section 5 of this
Resolution.

The investment objectives of the Reston Association short-term investment portfolio are to:

a. minimize risk consistent with the preservation of capital;
b. provide liquidity;
c. provide adequate diversification; and
d. optimize the investment return within the constraints of this policy.
4. **Allowable Short-term Investments.**
   The CFO shall be authorized to invest the Reston Association Funds as follows:
   
   a. Cash and cash equivalents;
   b. Banker’s acceptances issued by banks rated B/C or above by Fitch Ratings or a comparable rating with a comparable rating service;
   c. Certificates of deposit that are fully insured by the Federal Deposit Insurance Corporation (FDIC);
   d. Open-ended money market funds that seek to stabilize the net asset value of the shares at $1.00;
   e. Investments made in conjunction with bank sweep accounts;
   f. U.S. Government Treasury Bills, Treasury Notes and Treasury Bonds;
   g. Any debenture issued by the United States Government or any agency thereof;
   h. Repurchase Agreements collateralized by obligations of the U.S. Government and U.S. Government sponsored agencies and enterprises;
   i. Floating Rate or adjustable rate securities permitted by this investment policy;
   j. Commercial paper rated A-1/P-1 by Standard & Poor’s and/or Moody’s;
   k. Corporate notes and bonds rated investment grade or better by Standard & Poor’s and/or Moody’s.
   l. Debt instruments of state and local government agencies rated “A”, or better by Standard & Poor’s, Fitch and/or Moody’s; and
   m. Mutual funds investing exclusively in the above.

5. **Long-Term Investment Objectives.**
   The investment objectives of the Reston Association’s long-term investment portfolio are:
   
   a. To foster long-term growth;
   
   b. To achieve sufficient diversification of asset classes and diversification within each asset class within the portfolio. While not required, it is expected that diversified mutual funds and exchange traded funds shall be the primary vehicles used, rather than individually-owned securities; and
   
   c. To attain a return equal to or greater than market returns as measured by generally accepted indices over market cycles of three to five years. Such indices may include but are not limited to the Standard & Poor’s 500, Russell 1000 and 2000, Barclays Aggregate Bond, and Morgan Stanley EurAsia Far East (EAFE) Indices.

6. **Allowable Long-term Asset Classes.**
   
   a. Cash and Cash equivalents
   c. Fixed Income – international Bonds.
   d. Equities - U.S.
   e. Equities - Global and International.
   f. Real Estate Investment Trusts (REITs)
   g. Managed Futures
   h. Alternative Strategies – Diversified Strategies, including Arbitrage, Global Macro, Event Driven M&A
   i. Alternative Strategies – Hedged Equities
   j. Alternative Strategies – Long/Short Equities
   k. Master Limited Partnerships (MLPs)- IA 40 Registered energy sector MLP that trade publicly on the exchange.
7. **Permitted Security Types.**
   
   a. Preferred Stock  
   b. Common stock  
   c. Convertible bonds  
   d. Government bonds  
   e. Corporate bonds  
   f. Mortgage-backed securities  
   g. International bonds - government and investment grade corporate debt  
   h. Emerging market bonds - government and investment grade corporate debt  
   i. Mutual Funds  
   j. Exchange – Trade Funds (ETFs)  
   k. Options –Utilized for hedging and within actively managed strategies  
   l. Hedge Funds – low volatility, no or very low leverage funds only  
   m. Money market funds  
   n. Certificates of deposits  
   o. Certificates of Deposit Account Registry Services (CDARs)  
   p. Separately Managed Funds (SMAs)  

   Individual stocks must be traded on a global public stock exchange such as NYSE or NASDAQ stock exchanges.

   Individual bonds must be investment grade or higher (BBB) with exception of smaller portion or overall fixed income allocation permitted to be specifically dedicated to high yield securities (<= 5%).

8. **Diversification.** No more than 5% of the portfolio combined may be in the securities of any one issuer with the exception of obligations of the US Government and its agencies, and federally insured instruments.

   No more than 20% of the portfolio combined may be in the securities of a particular industry.

   The equity side of the portfolio will reflect a diversified allocation globally (U.S. and International equity), of market capitalization (Large, Mid, Small) and style (Value, Blend, Growth.) The allocation to international equity will also include exposure to both developed and emerging markets. The fixed income side of the portfolio will target a weighted average maturity of no greater than eight years and will have global exposure.

9. **Prohibited Investments.**
   
   a. Precious Metals  
   b. Venture capital  
   c. Letter Stock or direct placements  
   d. Naked option trading  
   e. Common stock in non-public corporations  
   f. Direct placement mortgages on real property or private notes, except in conjunction with Reston Association owned real estate  
   g. Bonds or credit instruments where there is difficulty obtaining market pricing and liquidity  
   h. Credit Default Swaps – Individual CDS securities

The Short Term portfolio is to be invested in a diversified mix of fixed income. The reserve requires a minimum average credit quality AA and a weighted average maturity of three years or less.

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<thead>
<tr>
<th>Long Term Reserve Asset Allocation</th>
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<tr>
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<tr>
<td>Equity</td>
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<tr>
<td>Fixed Income</td>
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</tbody>
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The Long Term Reserve has an allowable range of 10 percentage points above or below the target for equity and fixed income.

Every three years the portfolio’s goals and risk level will be reviewed. The RA Board and Fiscal Committee will complete a survey to determine these factors and the Investment Advisor will provide a recommendation on whether a change in the Investment Policy Statement is warranted. The Board will then make a final decision about any changes to the policy.

The Money Manager shall invest in sub asset classes in accordance with the broad asset allocation direction using its own best judgment, with consideration for economic and market conditions.

10. Reporting Requirements.

The money manager will provide a quarterly report to the Association’s Fiscal Committee no more than 45 days following the end of a calendar quarter.

The reports should provide an overview of the entire portfolio, short-term investments and long-term investments, as well as pertinent information on each fixed income security and investment type. The reports will assist in understanding the composition and structure of the portfolio; strengths and weaknesses of the portfolio; and the extent to which the performance of the portfolio will meet the financial goals of the Association.

The following are examples of the information that will be provided, at least annually, to the Board of Directors:

a. Portfolio Investment Summary:
   i. Current allocations to all asset classes within the portfolio compared to target allocation;
   ii. Average interest rate;
   iii. Average maturity;
   iv. Bond ratings of each security;
   v. Cost and market value of each security;
   vi. Portfolio performance is to be compared against a benchmark that is weighted based on the target asset allocation of the portfolio; and
   vii. Individual investments will be compared to benchmarks that match their style and/or market capitalization.
b. Portfolio Credit Quality Analysis will summarize the portfolio holdings by bond rating category.

c. Portfolio Maturity Analysis will provide an overview of the portfolio maturity structure.

**ATTEST:** Resolution was adopted at a Regular Meeting of the Reston Association Board of Directors held on June 22, 2006; December 18, 2008; and amended on November 19, 2009; and amended on December 13, 2012; and amended on January 23, 2014.

_Sabrina Faubert_

________________________________________
Assistant Secretary
Assessment & Finance Resolution 7;
Procurement and Purchasing

WHEREAS, the Board of Directors ("Board") is responsible for the administration and operation of the Reston Association ("Association") consistent with the amended provisions of the Reston Governing Documents; and

WHEREAS, Section III.2(f) of the First Amendment to the Deed of Amendment to the Deeds of Dedication of Reston ("Amended Reston Deed") delineates that it is a purpose of the Association to exercise the powers now or hereafter conferred by law on Virginia nonstock corporations and the Property Owners Association Act ("POAA"), as may be necessary or desirable to accomplish the purposes of the Association; and

WHEREAS, Section III.5(e) of the Amended Reston Deed provides the Board with all powers necessary and appropriate for carrying out the purposes of the Association which are enabled by law or the Reston Documents; and

WHEREAS, Section VI.7 of the Amended Bylaws of Reston Association ("Amended Bylaws") provides the Chief Executive Officer ("CEO"), as well as the President of the Board, with the authority to execute all deeds, contracts, or other documents on behalf of the Association; and

WHEREAS, the Board deems it to be prudent to adopt an administrative policy for the procurement of goods and services for the Association.

NOW, THEREFORE, BE IT RESOLVED, that the following policies will govern the manner in which the Association solicits and processes all purchases of goods (tangible items such as article, commodity, material, merchandise, supply, wares) and purchases of services (intangible products such as accounting, banking, cleaning, construction, consultancy, insurance, expertise, etc.) including, but not limited to, those transactions involving a written agreement (hereinafter a "Contract").

1. Procurement Rules.

   a. All procurement transactions will be conducted in a manner that provides open and free competition.

   b. A solicitation for goods and services in excess of Nine Thousand Dine Hundred Ninety-Ninte Dollars ($9,999) must come in the form of a Request for Proposal (hereinafter a "RFP") which must provide for all of the following:

      1. A clear and accurate description of the technical requirements for the material, product or service to be procured. In competitive procurements as outlined in section 2 of this Resolution, such description shall not contain features that unduly restrict competition unless in the best interest of the Association.

      2. A description of technical requirements including the range of acceptable characteristics or minimum acceptable standards.
3. Specific requirements or features such as “brand name or equal” descriptions that bidders are required to meet when such items are included in the solicitation.

4. List of references of clients from the entity providing the goods or services and a description of experience with the type of work being requested.

5. Preferences, to the extent practical and feasible, for products and services that conserve natural resources and protect the environment and are energy efficient.

c. Procurement selection procedures shall be written before the project or service is bid, including all factors to be used in evaluating bids or proposals where the expected cost, in aggregate, will exceed $10,000.

d. Included with any Contract shall be a conflict of interest statement whereby the entity providing the goods or services (hereinafter the “Vendor”) shall represent and warrant to the Association that it is under no agreement, or obligation, nor will the Vendor enter into any agreement or assume an obligation during the performance of the agreement that will, in any manner interfere or represent a conflict of interest with contractor’s or firms duties in connection with performance of the work for the Association. Further, the Vendor shall disclose any financial, business, or other relationship that may have an impact upon the outcome of the service agreement with the Association.

e. Any Contract with the Association shall require that the Vendor to obey the requirements of Title VII of the United States Civil Right Act of 1964.

f. Written standards of conduct must be maintained regarding the performance of Association employees engaged in the award and administration of Contracts. Any Association staff associated with the procurement of a particular good or service shall disclose, in writing, any financial or personal interest in any Vendor bidding or providing such good or service and shall not be permitted to participate in such procurement.

g. The Association shall administer Contracts to ensure that Vendors perform in accordance with the terms, conditions, and specifications of their Contract or purchase order (“PO”).

h. Where appropriate, an analysis will be made of lease and purchase alternatives to determine which method would result in the most economical and practical procurement for the Association. The analysis will be provided as a part of the PO documentation packet to the Association’s Finance Department.

i. Subject to the terms of this Resolution, Contracts will be total dollar value or “fixed fee”, time and materials and not-to-exceed contracts using the Association’s agreements and approved by the Association’s Legal Counsel.

j. All original documents pertaining to the procurement will be held in the related project file in accordance Board & Association Operations Resolution 12; Record Retention & Destruction Policy. Such records shall include bids/quotes, presentation materials and scoring sheets used to make vendor selections.
k. The Association shall not, generally, execute contractor-supplied proposals or agreements, unless special circumstances, as outlined in writing in the PO and a descriptive memorandum which are compatible with the best interests of the Association, necessitate otherwise.

1. The Association will check to ensure that services and items purchased are not unnecessary or duplicative in nature.


The table below illustrates the requirements as outlined in sections 2(a) through 2(g) of this Resolution broken down by expenditure thresholds (hereinafter a “Review Category”).

<table>
<thead>
<tr>
<th>Review Category</th>
<th>Under 1,000</th>
<th>$1,000 to $4,999</th>
<th>$5,000 to $9,999</th>
<th>$10,000 to $49,999</th>
<th>$50,000 to $100,000</th>
<th>Over $100,000</th>
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</thead>
<tbody>
<tr>
<td>Memorandum Stating Service/Goods Need</td>
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<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
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<tr>
<td>Two Written Quotations</td>
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<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
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<tr>
<td>Three Written Quotations</td>
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<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Request for Proposal (RFP) Required</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Contract (As needed)</td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Legal Review of Contract</td>
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<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
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<td>Purchase Order</td>
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<tr>
<td>PFO Approval</td>
<td></td>
<td>X</td>
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<td></td>
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<tr>
<td>CEO Approval</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Board Procurement &amp; Purchasing Review Panel*</td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Board of Directors Approval</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

*The Board Procurement & Purchasing Review Panel comprises the Association’s Treasurer, President, Vice President and the Board’s Liaison to the Fiscal Committee

a. A purchase of goods or services under $1,000, that does not have an associated written contract may be approved by the budget manager responsible for that cost center (the “Budget Manager”). In such instances where a written contract is present, the Contract shall be reviewed by the Association’s Legal Counsel and subsequently ratified first by the Vendor then by the CEO.

b. A purchase of goods or services between $1,000 and $4,999, that does not have an associated written contract may be approved by the appropriate Department Director. In such instances where a written contract is present, the Contract shall be reviewed by the Association’s Legal Counsel and subsequently ratified first by the Vendor then by the CEO. The Association will not use this procurement methodology if the total of purchases, in any calendar year, from that individual vendor or service provider is anticipated or expected to potentially exceed $4,999.

Reston Association Assessments & Finance Resolution 7; Procurement and Purchasing
June 27, 2019
c. A purchase of goods or services between $5,000 and $9,999 requires: 1) a memorandum delineating need for certain services or products; 2) at least two written quotations from competitive sources; 3) a Contract that has been reviewed by the Association’s Legal Counsel, ratified first by the Vendor then by the CEO; and 4) a PO that has been signed by the Department Director, Principal Financial Officer (‘PFO”), and CEO.

d. A purchase of goods or services between $10,000 and $49,999 requires: 1) the issuance of proposal (RFP); 2) at least three written bids from competitive sources; 2) a memorandum delineating need for certain services or products; 3) at least three written quotations from competitive sources; 4) a Contract that has been reviewed by the Association’s Legal Counsel, ratified first by the Vendor then by the CEO; and, 5) a PO that has been signed by the Department Director, PFO, and CEO.

e. A purchase of goods or services between $50,000 and $100,000 requires: 1) the issuance of proposal (RFP); 2) at least three written bids from competitive sources; 3) at least three written quotations from competitive sources; 4) a Contract that has been reviewed by the Association’s Legal Counsel, ratified first by the Vendor then by the CEO; 5) review and written approval by a majority of the Board’s Board Procurement & Purchasing Review Panel, comprising the Association’s Treasurer, President, Vice President and the Board’s Liaison to the Fiscal Committee (hereinafter “Review Panel”), this approval may be done electronically; and, 6) a PO that has been signed by the Department Director, PFO, and CEO.

f. A purchase of goods or services equal to or greater than $100,000 requires: 1) the issuance of proposal (RFP); 2) at least three written bids from competitive sources; 3) a memorandum delineating need for certain services or products; 4) a Contract that has been reviewed by the Association’s Legal Counsel, ratified first by the Vendor then by the CEO; 5) review and approval by majority vote of those members of the Board voting at a meeting at which a quorum is in attendance. The bidding process information shall be presented to the Board in executive session to protect scope and pricing negotiations with bidding finalists. Approval of final contract award scope and pricing shall be conducted by the Board in an open session meeting of the Board; and, 7) a PO that has been signed by the Department Director, PFO, and CEO.

g. Purchases of vehicles and equipment specifically approved by the Board as part of the overall capital budget approval do not need further approvals unless an increase in the purchase cost exceeds 15% of the budgeted amount.

3. Re-competing for Services. The Association shall re-compete Contracts in excess of $100,000 at least every three (3) years. Proposal requests for such services falling at or above this amount shall be considered by the Fiscal Committee and ratified by the Board.

4. Sole Source Provider Rule.
   a. In the event that there is only one person or company that can provide a good or service required by the Association, (hereinafter “Sole Source Provider”) whereby any attempt to obtain bids would only result in that person or company bidding on it; then the Association shall document such fact based on a justification that only one known source exists or that only one single supplier can fulfill the requirements.
b. It is acknowledged that the Association has work performed that is highly technical in nature (e.g. engineering, environmental monitoring) where long-term data collection and interpretation is important for making management decisions. These situations, with explanation, may be candidates for using a Sole Source Provider that has the data, history and specialty knowledge of the asset or resource on a case-by-case basis.

5. **Change Orders.** Amendments to Contracts which increase the pre-approved total value of the Contract due to a specific change to the approved Scope of Work (hereinafter a “Change Order”) will be addressed per the subsections below.

   a. Change Orders which cause the current total Contract value to exceed its current Review Category must be submitted to the relevant, higher Review Category and comply with all requirements thereof.

   b. Change Orders which do not cause the current total Contract value to exceed its current Review Category but do cause the total Contract value to increase by ten percent (10%) or more shall be required to be reviewed again pursuant to their current Review Category.

6. **Emergencies.** In emergency situations, as determined by the CEO, the CEO is authorized, with written, contemporaneous notice to the Board President, to suspend the purchasing rules for the purposes of addressing the emergency situation, up to a total cost of $100,000. The CEO shall promptly notify the Board of such emergency and the expenditure.

   a. “Emergency” shall mean a situation requiring immediate attention and remedial action. Involves injury, loss of life, damage to the property, or catastrophic interference with the normal activities. A sudden, unexpected, or impending situation.

BE IT FURTHER RESOLVED, that no person not authorized by this resolution may commit Association funds to purchase goods or services. If an unauthorized person attempts to commit Association funds, the Association may: 1) consider the acquisition effort null and void and decline to pay any invoice that might be issued; and, 2) hold the unauthorized person personally liable for any damages sustained by the Association. Association employees including the CEO, PFO, and Department Directors, may refuse to ratify such transactions. In such a case, the supplier may look to the individual placing the order for payment or reimbursement.

BE IT FURTHER RESOLVED, that the Fiscal Committee in conjunction with the PFO shall annually review all of the Association’s Contracts by dollar category and report to the Board their recommendations as to whether any adjustments to this policy resolution are warranted.

**ATTEST:** Resolution was adopted at a Regular Meeting of the Reston Association Board of Directors held on June 22, 2006; amended on September 28, 2006; and amended on February 23, 2012; and amended on March 22, 2018; and amended on May 23, 2019; and amended on June 27, 2019.

Assistant Secretary
WHEREAS, the Board of Directors is responsible for the administration and operation of the Association consistent with the amended provisions of the Reston Documents; and

WHEREAS, Section III.2(a) of the First Amendment to the Deed of Amendment to the Deeds of Dedication of Reston (“Amended Reston Deed”) delineates that it is a purpose of the Association to interpret, administer, and enforce the protective covenants and restrictions of the Deed; and

WHEREAS, Section III.2(c) of the Amended Reston Deed delineates that it is a purpose of the Association to assess, collect, and disburse the Assessments and charges authorized by the Deed; and

WHEREAS, Section III.5(e) of the Amended Reston Deed provides the Board of Directors with all powers necessary and appropriate for carrying out the purposes of the Association which are enabled by law or the Reston Documents;

WHEREAS, Section III.5(f) of the Amended Reston Deed authorizes the Association to exercise the powers now or hereafter conferred by law on Virginia nonstock corporations as may be necessary or desirable to accomplish the purposes of the Association; and

WHEREAS, Section VI.7 of the Amended Reston Bylaws confer upon the Chief Executive Officer (“CEO”) the responsibility for any monies of the Association coming into the CEO’s possession, for keeping accounting records, for preparation of financial statements and reports;

WHEREAS, Section VI.9 of the Amended Reston Bylaws mandates that, in coordination with the Association’s staff and the Association’s independent certified public accountants, the Treasurer shall: monitor and report to the Board of Directors, as needed, with respect to Association funds and securities; ensure that full and accurate financial records and books of account showing all receipts and disbursements are kept and that all required financial data, including the Statement of Common Expenses required by Deed Section V.11 are prepared; and

WHEREAS, the Board of Directors and CEO deems it to be prudent to have an independent audit of the Association’s financial books and records.

NOW, THEREFORE, BE IT RESOLVED, that the Association's books and records of accounts shall be audited annually by an independent Certified Public Accountant (“CPA”) who shall prepare a report and render an opinion thereon. The Association Board shall appoint the CPA, after consideration of a recommendation by the Board’s Fiscal Committee.

ATTEST: Resolution was adopted at a Regular Meeting of the Reston Association Board of Directors held on June 22, 2006.

Cate L. Fulkerson
Assistant Secretary
WHEREAS, the Board of Directors is responsible for the administration and operation of the Association consistent with the amended provisions of the Reston Documents; and

WHEREAS, Section III.2(a) of the First Amendment to the Deed of Amendment to the Deeds of Dedication of Reston (“Amended Reston Deed”) delineates that it is a purpose of the Association to interpret, administer, and enforce the protective covenants and restrictions of the Deed; and

WHEREAS, Section III.2(c) of the Amended Reston Deed delineates that it is a purpose of the Association to assess, collect, and disburse the Assessments and charges authorized by the Deed; and

WHEREAS, Section III.2(b) of the Amended Reston Deed authorizes the Association, for the benefit of the Members, to acquire, own, sell, mortgage, convey, encumber, and lease property, real or personal, and to improve, administer, and maintain such property in neat and good order; and

WHEREAS, Section III.5(e) of the Amended Reston Deed provides the Board of Directors with all powers necessary and appropriate for carrying out the purposes of the Association which are enabled by law or the Reston Documents and which are not specifically reserved to Members or the DRB; and

WHEREAS, Section III.5(f) of the Amended Reston Deed authorizes the Association to exercise the powers now or hereafter conferred by law on Virginia nonstock corporations as may be necessary or desirable to accomplish the purposes of the Association; and

WHEREAS, Section I.1(i) of the Amended Reston Deed defines the term “Capital Asset” as Common Area or property components that have a useful life of more than three years, including but not limited to swimming pools, tennis courts, community buildings, lakes, pathways, parking areas, multipurpose courts, ballfields, tot lots, vehicles, and other equipment owned by the Association; and

WHEREAS, Section V.15(a) of the Amended Reston Deed delineates that any amount accumulated in excess of the amount required for actual expenses and reserves shall, at the discretion of the Board of Directors: (1) be placed in reserve accounts; or (2) be expended solely for the general welfare of the Owners; and

WHEREAS, the Board of Directors desires to establish a separate reserve fund for the purpose of acquiring new capital assets for and on behalf of the Reston Association.

NOW, THEREFORE, BE IT RESOLVED, that a Capital Asset Acquisition Reserve Fund be established for the purpose of providing a source of funding for the acquisition of new Capital Assets in accordance with the following terms and conditions:

1. **Funding Sources**, 

Reston Association Assessments & Finance Resolution 9; Capital Asset Acquisition Reserve Fund

December 13, 2012
The Board of Directors may allocate dollars to the Capital Asset Acquisition Reserve Fund through the following means:

a. Designate a portion of the anticipated biennial budgeted revenues.
b. Designate, in any fiscal year, any cash surpluses.

2. **Fund Use.**

a. The acquisition of any new Capital Assets may be funded through the Capital Assets Acquisition Fund.
b. No funds from the Capital Assets Acquisitions Reserve Fund shall be used for operating expenses or repair and replacement of current capital assets unless specifically authorized by a majority vote of the Board of Directors.

3. **Fund Oversight and Management.**

a. Capital Assets Acquisition Fund assets shall be:

   i. Segregated from Operating Fund and the Repair and Replacement Reserve Fund;
   ii. Maintained in a separate investment account; and
   iii. Invested in accordance with guidelines in the section of the Assessments & Finance Resolution 6 - Reston Association’s Investment Policy covering short-term investments.

b. The Board of Directors shall:

   i. Review the adequacy of the Capital Asset Acquisition Reserve Fund on an annual basis to determine if the dollars are sufficient.
   ii. Make any adjustments the Board of Directors deems necessary in the Capital Asset Acquisition Fund as appropriate.
   iii. Designate, to the extent necessary, additional funds to the Capital Asset Acquisition Fund.

c. In evaluating the adequacy of the Capital Asset Acquisition Reserve Fund, the Board of Directors may base its evaluation on the following factors:

   i. Current Capital Asset Acquisition Fund Balance;
   ii. Projected interest and investment income;
   iii. Projected appropriation of Association revenues; and
   iv. Projected future new capital asset acquisitions.

4. Nothing in this Resolution shall limit the Board of Directors from borrowing to fund new capital asset acquisitions.

**ATTEST:** Resolution was adopted at a Regular Meeting of the Reston Association Board of Directors held on December 13, 2012.

**Cate L. Fulkerson**

______________________________
Assistant Secretary
WHEREAS, the Board of Directors is responsible for the administration and operation of the Association consistent with the amended provisions of the Reston Documents;

WHEREAS, Section III.2(a) of the First Amendment to the Deed of Amendment to the Deeds of Dedication of Reston (“Amended Reston Deed”) delineates that it is a purpose of the Association to interpret, administer, and enforce the protective covenants and restrictions of the Deed; and

WHEREAS, Section III.2(c) of the Amended Reston Deed delineates that it is a purpose of the Association to assess, collect, and disburse the Assessments and charges authorized by the Deed; and

WHEREAS, Section III.5(e) of the Amended Reston Deed provides the Board of Directors with all powers necessary and appropriate for carrying out the purposes of the Association which are enabled by law or the Reston Documents; and

WHEREAS, Section V.13 of the Amended Reston Deed requires the Board of Directors to adopt, after Notice, pursuant to Amended Reston Deed Section I.1(bb)(1), and hearing, a budget for the Association on a biennial basis containing an estimate of the total amount considered necessary for the ensuing two fiscal years; and

WHEREAS, Section V.13(d) of the Amended Reston Deed requires the Board of Directors, by a two-thirds vote, to approve the commitment of all funds in excess of the budgeted amount.

NOW, THEREFORE, BE IT RESOLVED, that if Member demand or other circumstances necessitate a change in how dollars should be spent, and the Chief Executive Officer (“CEO”) believes such a change will significantly alter the Board of Directors’ original intent when it approved the budget, the CEO will present a budget amendment proposal to the Board of Directors, for approval by the Board.

BE IT FURTHER RESOLVED, that when a service is commissioned by the Association through a contract or purchase order, the budgeted dollars to pay for that service will be automatically encumbered or "set aside". If encumbered dollars have not been fully expensed by December 31, the dollars will automatically be "carried over" to the next year, to be used for only the
specific purpose for which they were encumbered. The Board of Directors will be notified by the CEO no later than the December Board of Directors meeting if any encumbered dollars will be carried over.

**BE IT FURTHER RESOLVED,** that, in cases of emergency, the CEO is authorized to commit up to one half of one percent over the annual budgeted Operating Fund expenses or Repair and Replacement Reserve Fund expenditures. Any such expenses or expenditure shall be reported to the Board of Directors at its next meeting. In addition, if a cost center produces fee revenue and the fee revenues exceed the budgeted revenues due to the offering of additional services, the CEO is authorized to exceed the budgeted direct cost to provide the additional services to the extent that the gross margin on the additional services is the same as the gross margin for those same services, as budgeted.

**ATTEST:** Resolution was adopted at a Regular Meeting of the Reston Association’s Board of Directors held on December 13, 2012.

_Cate L. Fulkerson_

________________________________________
Assistant Secretary
WHEREAS, the Board of Directors is responsible for the administration and operation of the
Association consistent with the amended provisions of the Reston Documents; and

WHEREAS, Section III.2(e) of the First Amendment to the Deed of Amendment to the Deeds of
Dedication of Reston ("Amended Reston Deed") delineates that it is a purpose of the
Association to do any and all lawful things and acts that it, in its discretion, may deem to be for
the benefit of the Property and the Owners and inhabitants thereof; and

WHEREAS, Section III.2(f) of the Amended Reston Deed delineates that it is a purpose of the
Association to exercise the powers now or hereafter conferred by law on Virginia nonstock
corporations and the Property Owners Association Act ("POAA"), as may be necessary or
desirable to accomplish the purposes set forth above; and

WHEREAS, Section VI.3(c) of the Amended Reston Deed delineates that the Board of Directors
shall, upon request from a contract seller of a Lot, and upon payment of the applicable fee,
furnish an Association Disclosure Packet (hereinafter "Disclosure Documents") as required by
applicable Virginia law and a Statement of Common Expenses in accordance with Deed Section
V.11.

NOW, THEREFORE, BE IT RESOLVED, that the fees for the administration and preparation of
Disclosure Documents shall be as follows:

Disclosure Document Fee Chart:

<table>
<thead>
<tr>
<th>VA Authorized Chargeable Item</th>
<th>Reston Association Fees for Resale Disclosure Documents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exterior inspection of the lot/unit as necessary and authorized</td>
<td>$117.37</td>
</tr>
<tr>
<td>Preparation and delivery of Disclosure Documents in electronic format</td>
<td>$146.71 (up to 5 copies)</td>
</tr>
<tr>
<td>Preparation and delivery of Disclosure Documents in paper/CD format</td>
<td>$176.05 (up to 2 copies)</td>
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<tr>
<td>Additional CD/Hard Copies</td>
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<tr>
<td>Post-Closing and Processing Fees</td>
<td>$58.69</td>
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<tr>
<td>Updates (All Versions)</td>
<td>$58.69</td>
</tr>
<tr>
<td>Additional Inspection of the lot/unit (optional at request of purchaser/agent)</td>
<td>$117.37</td>
</tr>
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</table>
Reston Association’s Disclosure Document Fee Schedule:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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<tbody>
<tr>
<td>Electronic</td>
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<td>Paper/CD</td>
<td>$293.42</td>
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**ATTEST:** Resolution was adopted at a Regular Meeting of the Reston Association’s Board of Directors held on June 26, 2008, amended on October 23, 2014, and on July 26, 2018.

Secretary

[Signature]

Date

7/31/18

Assessments & Finance Resolution 11
POAA Disclosure Document Fees
July 26, 2018
WHEREAS, the Board of Directors is responsible for the administration and operation of the Association consistent with the amended provisions of the Reston Documents; and

WHEREAS, from time to time, RA is requested by lenders and others to provide information regarding the Association for their consideration in underwriting a loan or loans, such requests oftentimes coming in the form of a questionnaire (“HOA/PUD Questionnaire” or “Questionnaire”); and

WHEREAS, RA has determined that it would be appropriate in order to streamline the process to develop and provide, as necessary and requested, a standardized response (“Questionnaire Response”) to such written lender Questionnaires which would substantially respond to the inquires made by individual lenders, rather than responding individually to every request made by every lender; and

WHEREAS, RA wishes to adopt such a Questionnaire Response and to offer it to lenders interested in obtaining the information contained therein.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors on behalf of RA adopts the Questionnaire Response attached hereto as Exhibit A and incorporated by reference herein, as the response offered to lenders requesting information pertaining to the Association; and

BE IT RESOLVED, that the fee for the administration and preparation of a Questionnaire Response shall be one hundred and fifty-five dollars ($155) per requested issuance. Should a customized response be requested which differs from Exhibit A, the fee shall be two hundred thirty dollars ($230) per requested issuance; and

PROVIDED FURTHER, that RA staff is directed to update the pertinent information contained in the Standard Response Questionnaire Response as necessary and appropriate from time to time.

ATTEST: Resolution was adopted at a Regular Meeting of the Reston Association’s Board of Directors held on November 20, 2014 and amended on May 23, 2019.

_______________________________________________________
Assistant Secretary

_______________________________________________________
Date

6/3/2019
The below form is Reston Association’s standard HOA/PUD Questionnaire and should provide information typically required by mortgage/title companies. The information provided below concerns the Reston Association only as the master (umbrella) association. If the property is a condominium or located in a town home cluster, you should also contact the condo or cluster association directly.

It is the policy of Reston Association to provide all information and documents required by the Association’s Governing Documents and the Virginia Property Owners’ Association Act (POAA) upon the sale of a property. This information is available for purchase through our website: www.reston.org.

**Project Name and Address:**

Reston Association  
12001 Sunrise Valley Drive  
Reston, VA 20191  
(703) 435-6530, fax: (703) 435-6516

1. Reston Association is a Planned Residential Community (“PRC”).

2. Voting control of the Board of Directors was turned over from the builder/developer in 1981.

3. Each Lot Owner’s membership in the Reston Association is automatic and mandatory.

4. Each Lot Owner owns his/her lot.

5. As originally conceived, all Lots and Common Areas are complete.

6. The Association is not a conversion of an existing building.

7. As of the date of the issuance of this questionnaire, the Association is not aware of or involved with any material litigation, other than assessment collection and covenant enforcement actions.

8. The Association owns all common area/facilities.

9. Lot Owners have a conditional easement right to use the Common Area/Project Facilities.

10. No single investor or entity owns more than ten percent (10%) of the total units in the project.

11. The current annual assessment for 2019 is $693.

12. The current transfer fee is $297.

13. There are currently no planned special assessments.

14. The Association does not operate as a hotel/motel.

15. No more than twenty (20%) of the project’s total space is used for non-residential purposes.
WHEREAS, the Board of Directors ("Board") is responsible for the administration and operation of the Reston Association ("RA") consistent with the amended provisions of the Reston Documents; and,

WHEREAS, Section III.2(c) of the First Amendment to the Deed of Amendment to the Deeds of Dedication of Reston ("Amended Reston Deed") delineates that it is a purpose of the Association to assess, collect, and disburse the Assessments and charges authorized by the Deed; and,

WHEREAS, Section III.3 of the Amended Reston Deed defines and delineates the Membership categories of the Association; and,

WHEREAS, Section IV.2(d) of the Amended Reston Deed provides the Board of Directors with the right to establish different Member and non-Member fees for the use of the recreational facilities of the Association and other Common Area; and,

WHEREAS, the Board of Directors desires staff to set fees that are reasonable and are at or near current market value.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the following terms and policies shall govern the manner in which Member and Non-Member Service, Program & Facility User Fees are established by RA Staff:

A. Terms
   1. **Member Rates** shall mean rates charged to persons owning or occupying any Lot subject to the Amended Reston Deed.
   2. **Non-Resident Member Rates** shall apply to all others not subject to Member rates.

B. Policies
   1. Continuously, Staff shall collect market rate data from area public, private, and non-profit organizations offering similar services and compare them to current Reston Association fees.
   2. Staff shall, on an annual basis, set fees inclusive of RA administrative service expenses that are reasonable and compare favorably to market rates charged by other local organizations. Such information shall be presented to the Board each Fall and the proposed fees shall apply unless otherwise affirmatively changed by the Board.
   3. At any time during the calendar year, fees can be reduced or increased by Staff by no more than 10 percent of the then current base fee as a result of a change to market conditions.
   4. Quarterly, staff shall present facility use information, as well as program and service participation sales data to the Board.
   5. The Association shall charge Non-Resident Members more than Members for all service, recreational programs and facility rentals. The premium to be charged to Non-Resident Members will be dependent on the applicable market conditions.
   6. Where program or service quantities are limited, Members will be given priority over Non-Resident Members.

ATTEST: Resolution was adopted at a Regular Meeting of the Reston Association’s Board of Directors held on July 30, 2015.

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Assistant Secretary