

Exeter Homeowners Association

Policy Resolution Regarding Delinquent Assessment Payments

WHEREAS, the Declaration of Covenants, Conditions and Restrictions of Exeter Homeowners Association (the "Declaration"), the By-Laws of Exeter Homeowners Association (the "By-Laws") and the Articles of Incorporation of Exeter Homeowners Association (the "Articles of Incorporation"), as amended, collectively known as the Governing Documents, provide that the Lots are subject to the Governing Documents and the rules and regulations of the Association; and

WHEREAS, Article VI, Section 1 of the recorded Declaration creates an Annual Assessment, Annual Service Assessment, Recreation Assessment and Special Assessment obligation for an Owner; and

WHEREAS, the Governing Documents and the rules and regulations of Exeter Homeowners Association (the "Association") provide that the Board of Directors (the "Board"), is empowered to implement procedures for collection of the assessments from the Owners; and;

WHEREAS, Article VI, Section 8 of the Declaration empowers the Board to establish the due dates for the payment of the Annual Assessment, Annual Service Assessment, Recreation Assessment or Special Assessment; and

WHEREAS, pursuant to Article VI, Section 8 and Article VI, Section 9 of the Declaration, the Board has determined that installments of the Annual Assessment are due monthly on the first day of each month (the "Due Date"), and that an Owner is in default if payment is not received by the first day of each month, and if not paid within thirty (30) days of the Due Date, shall accrue a late charge in the amount established by the Board; and

WHEREAS, the Board is authorized pursuant to Article VI, Section 9 of the Declaration to assess interest from the Due Date until paid if an Annual Assessment, Annual Service Assessment, Recreation Assessment or Special Assessment is not received within thirty (30) days of the Due Date; and

WHEREAS, pursuant to Article VI, Section 8 of the Declaration, the entire balance of any Annual Assessment, Annual Service Assessment, Recreation Assessment or Special Assessment may be declared due and payable in full if payment is not received within thirty (30) days of the Due Date; and

WHEREAS, Article XII, Section 1 of the Declaration and Article IX, Section 1 of the By-Laws and Article IV of the Articles of Incorporation provide that the Association shall have all of the powers conferred by the Virginia Property Owners' Association Act (the "POAA"), the Virginia Nonstock Corporation Act and the Governing Documents and may delegate any such powers to a Managing Agent unless expressly reserved to the Board; and

WHEREAS, Article VI, Section 1 of the Declaration and Section 55-513 and Section 55-515 of the POAA provide that a delinquent Owner shall be responsible for the costs of collection, including court costs, and reasonable attorney fees; and

WHEREAS, Article V, Section 1(e) of the Declaration and Section 55-513 of the POAA permit the Association or Managing Agent to suspend the delinquent Owner's voting rights or use of the Common Area and Recreation Area; and

WHEREAS, Article VI, Section 9 and Article XIV, Section 1 of the Declaration provide that the Board shall take legal action to collect the Annual Assessment, Recreation Assessment, Service Assessment or Special Assessment that remains unpaid, including foreclosure of the lien recorded against the Lot and;

WHEREAS, there is a need to establish orderly procedures for the billing and collection of the Annual Assessment, Annual Service Assessments, Recreation Assessments and Special Assessment;

NOW THEREFORE, it is hereby RESOLVED THAT the Board duly adopts the following assessment collection procedures:

I. Routine Collections

A. The amount of the Annual Assessment shall be established by the Board and collected monthly, in equal installments, with payment due on the first day of each month (the "Due Date"). There shall be no penalty for prepayment of an installment of the General Assessment. The fiscal year of the Association shall be the twelve (12) month period beginning January 1 and ending December 31.

B. Non-receipt of a payment coupon, coupon books, notices, or other such documents relating to the payment of the Annual Assessment, Recreation Assessment, Service Assessment or Special Assessment shall not excuse an Owner from the obligation to pay Annual Assessments or Special Assessments. Pursuant to Article VI, Section 9(b) of the Declaration, no Owner may exempt himself for liability for the Annual Assessment, Recreation Assessment, Service Assessment or Special Assessment by abandoning any Lot or by the abandonment of the use and enjoyment of the Common Area or Recreation Area.

C. Non-resident Owners must provide the Board with a telephone number and address, in writing, where the Owner can be contacted; otherwise, all notices shall be sent to the Lot address.

II. Remedies for Nonpayment of Assessments

A. Late Charge. If a monthly installment of the Annual Assessment, Annual Service Assessment, Recreation Assessment or Special Assessment is not paid and received within thirty (30) days of the Due Date, a late fee of ten dollars (\$10.00) shall be automatically imposed on the account by the Managing Agent and interest from the Due Date at the rate of six percent (6%) per annum. A Late Notice may be sent, by regular first class mail, by the Managing Agent to the delinquent Owner demanding payment of the Annual Assessment, Annual Service Assessment, Recreation Assessment or Special Assessment and the late fee.

B. Final Notice. If payment is not received by the Managing Agent within sixty (60) days of the Due Date, a Final Notice may be sent by certified mail, return receipt requested, by the Managing Agent to the delinquent Owner demanding payment of the assessment, late fee and interest from the Due Date at the rate of six percent (6%) per annum. The Final Notice may place the Owner on notice that if the payment, including the late fee and interest, is not made

within thirty (30) days from the date of the Final Notice the delinquent account shall be referred to legal counsel for the pursuit of legal action and the account will be accelerated and Owners may be warned in the Final Notice of the responsibility for any attorney fees and costs incurred by the Association for collection services. The management company upon turnover to legal counsel shall post an additional late fee of \$25.00 on the Owner's account to offset the additional administrative expense of collection cost. Once an Owner has been referred to legal counsel, the lockbox will be shut down and the Association will no longer accept payments mailed directly to the Association, rather than legal counsel. All correspondence will be through legal counsel.

C. Returned Check Charge. If the Association receives a check from an Owner which fails to clear the Owner's personal banking account, the Association or the Management Agent shall charge the Owner a returned check charge of fifty dollars (\$50.00), or the maximum amount permitted by law, whichever is greater. If the Association receives from any Owner, in any fiscal year, one or more returned checks for payment of an installment of the Annual Assessment, Recreation Assessment, Service Assessment or Special Assessment, the Managing Agent may require all future payments to be made by certified funds or cashier's check for the remainder of the fiscal year.

D. Referral to Legal Counsel, Acceleration and Suspension of Privileges. Whenever an Owner fails to pay any portion of the Annual Assessment, Annual Service Assessment, Recreation Assessment or Special Assessment, the Managing Agent, without any further action of the Board, shall automatically take the following action:

1. The account shall be referred to legal counsel for immediate action.
2. Legal counsel is authorized, without further action of the Board, to take the following action: upon notice to the Owner, the entire balance of the Annual Assessment, Annual Service Assessment, Recreation Assessment or Special Assessment for the remainder of the fiscal year shall automatically be declared due in full; a memorandum of lien for unpaid homeowner association assessments, the balance of the Annual Assessment, Annual Service Assessment, Recreation Assessment or Special Assessment for the remainder of the fiscal year and any accrued late fees may be recorded against the title to the Lot and a civil action for judgment may be brought against the Owner for the unpaid Annual Assessment, Annual Service Assessment, Recreation Assessment or Special Assessment interest, late fees attorney fees and costs. Legal counsel is authorized to take action to collect the unpaid Annual Assessment, Annual Service Assessment, Recreation Assessment or Special Assessment, interest, late fees attorney's fees and costs.
3. The Board may choose to authorize legal counsel to foreclose the memorandum of lien for unpaid homeowner association assessments, pursuant to the Declaration and in the manner provided by the laws of the Commonwealth of Virginia, including the POAA.
4. The Managing Agent may suspend an Owner's rights, privileges and benefits of membership, pursuant to Article III of this Resolution, below. If imposed, the suspension shall continue until payment is received in full by the Association. Such suspension may include, but is not limited to, revocation of recreation, pool and parking privileges.

E. Method of Crediting Payments. After an account becomes delinquent, payment received from an Owner will be credited to the account in the following order of priority:

- a. Charges for attorney's fees and court costs.

- b. Late fees, interest, management fees, resale disclosure packet fees and returned check charges.
- c. All other repair or maintenance assessments or charges (pursuant to Section 55-513 of the POAA) for violation by an Owner, his family, employees, agents, tenants or licensees of the Governing Documents and rules and regulations of the Association.
- d. Any and all Service Assessments, Recreation Assessments or Special Assessments.
- e. The installments of the Annual Assessment, oldest outstanding first.

III. Suspension of Privileges

A. Voting and Elections. Suspension of the right to vote is not addressed by the POAA. Pursuant to Article V, Section 1(e) of the Declaration, an Owner may not vote if payment of the assessment on the Lot is delinquent at the time of such meeting or election. Suspension of the right to vote does not require notice and a hearing.

B. Suspension of Use of Facilities and Services. Once an account is delinquent for sixty (60) days, the responsible Owner, Recreation Member or Optional Recreation Member shall no longer be a Member in good standing of the Association. Such Owner may not be entitled to any of the rights and privileges of membership, including the right to general access to, and use of, the Common Area, Recreation Area or services of the Association. Suspension, pursuant to Paragraph B, is subject to the notice and hearing provisions of the POAA as follows:

1. Before any suspension, the Owner shall be given an opportunity to be heard, to present witnesses and to be represented by counsel before the Board or other tribunal specified in the Governing Documents and rules and regulations of the Association.

2. Notice of the hearing shall be mailed by certified mail, return receipt requested to the Owner at the address of record with the Association, at least fourteen (14) days prior to the hearing.

3. The Notice of the hearing shall contain a description of the amount of the unpaid assessments and the provisions of the Governing Documents and rules and regulations of the Association alleged to have been violated.

4. The Board decision shall be hand delivered or mailed by certified mail, return receipt requested, to the Owner at the address of record with the Association within seven (7) days of the hearing.

This Resolution is effective 10/25/2012

Attested By:

The Board directs that this Policy Resolution Regarding Delinquent Assessment Payments shall be reasonably published or distributed to the Owners of the Association.

ATTEST:

Exeter Homeowners Association

By: [Signature]
President

[Signature]
Secretary

WITNESSED BY

[Signature] AS Agent for

Patrick Vasold, PMP
Manager