

Resolution

Policy and Procedures for Collection of Unpaid Assessments

WHEREAS. The Southcoate Homeowners' Association for the Liberty Run Community is required by Association Covenants and Bylaws as well as the Virginia Code governing property associations to maintain fiscal solvency, and

WHEREAS. the Covenants and Bylaws of the Southcoate Homeowners' Association require payment of regular and special assessments by all the homeowners within said community in order to provides funds for payment of the expenses for upkeep, maintenance, and preservation of common areas therein, and for payment of the other expenses associated with the normal operation of said Association's business and affairs, and

WHEREAS. said Covenants and Bylaws provide the Association's Board of Directors with the power and authority to require regular and special assessments levied against homeowners within said community (all of whom are required to be members of the Association as a condition of ownership) to be fully and timely paid, and

WHEREAS. The Board of Directors deems it to be in the best interest of the Association and all the Association's members to establish policies and practices relative to the Association's rights and remedies in event of default in payment of the associations regular and special assessments by and of the Association's individual members.

NOW THEREFORE BE IT RESOLVED that the Association hereby adopts the following policy and procedure regarding the enforcement of its rights and remedies in the event of any default in the timely payment of the Association's regular or special assessments and the collection of unpaid assessments.

Policy:

1. Assessments shall be due and payable on the 1st day of the month. Any assessments which are not paid when due shall delinquent. Assessments or other charges not paid in full to the Association within 15 days of the due date shall he considered past due and delinquent and shall incur late fees and interest.
2. The Association shall impose on a monthly basis a \$15 late charge for each homeowner who fails to timely pay the monthly assessment within 15 days of the due date.
3. The late charge shall be the personal obligation of the homeowner of the lot for which such assessment is unpaid. All late charges shall be due and payable immediately, without notice.
4. In addition to any and all charges imposed under the Bylaws, Declaration, Articles of

Incorporation. rules and regulations of the Association, or this Resolution, a returned check fee shall be charged and assessed against any homeowner with insufficient funds to cover a check submitted to the Association. The return check fee and the original amount of the payment at was insufficient will be considered late if sufficient funds and late fee are not paid by the due date. Returned check charges shall be the obligation of the homeowner of the lot for which payment was tendered to the Association.

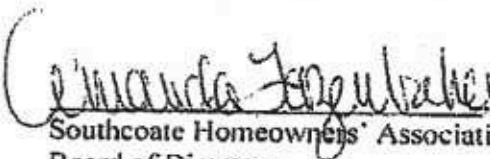
Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law.

5. In the event the Association incurs any type of service fee, regardless of what it is called, for the handling and processing of delinquent accounts on a per account basis, such fees will be the responsibility of the homeowner as such fee would not be incurred but for the delinquency of the homeowner. This includes any attorney's fee incurred by the Association for the collection of payment.
6. The following timeframe shall be followed for use in the collection of monthly assessments and other charges:

Due Date (date payment is due)	1 st day of the month
Past Due (date payment is late if not received on or before that date)	15 th of the month
First Notice (statement sent notifying homeowner that late charges and interest have accrued)	Any time after the 16 th of the month
Second Notice (statement and collection letter sent notifying that late charges and interest have accrued in addition to notice of the possibility of trash/recycling service being discontinued, and possibility of attorney involvement if no payment is received)	Any time after 60 days after due date
Trash and Recycling Service discontinued	Any time after 75 days after due date
Third Notice (Delinquent account turned over to attorney to pursue collection of past due payments.)	Any time after 85 days after due date
Demand Letter sent from attorney notifying homeowner that if no payment is received, a lien will be filed (Any attorney's fees will be added to the homeowner's account)	Any time after 90 days after due date
Lien Filed (The homeowner will be charged attorney/filing fees for the filing of the lien and any other additional expenses)	Any time after 100 days after due date

7. The association is hereby authorized to extend the time for filing of liens, or to otherwise modify the procedures contained herein, as the Association shall determine appropriate under the circumstances.
8. Any homeowner who becomes delinquent in the payment of assessments and whose account is not currently with the Association's attorney under a lien, may enter into a payment plan with the Association. Such payment plan shall be offered to each homeowner prior to the Association referring any account to an attorney. In the event the homeowner defaults or otherwise does not comply with the terms and conditions of the payment plan, including the payment of ongoing assessments of the Association, the Association may, without additional notice, refer the delinquent account to an attorney for collection action or may take such other action as it deems appropriate in relation to the delinquency. If a payment plan is approved, additional late fees from the homeowner will not accrue while the homeowner remains current under the terms of the payment plan. If the homeowner breaches an approved payment plan, the Association may resume its collection action from the time the payment plan was approved.
9. All payments received on a homeowner's account shall be applied in the following manner: first applied to assessments owed, and only after the assessments owed are paid in full, shall such payments be applied to late charges, other expenses/fees, unless the homeowner and Association enter into an agreement providing for payments to be applied in a different manner.
10. Homeowners may communicate with the Association in any manner they choose including email, ~~fax~~, phone, or in writing, when available. However, in doing so, the homeowner acknowledges that the Association and/or its agents may communicate via the same method unless otherwise advised.
11. Failure of the Association to comply with any provisions in this policy shall not be deemed a defense to payment of assessment fees or other charges, late charges, returned check fees, attorney fees, and or costs as described and imposed in this policy.
12. The Board may deviate from the procedure set forth in this Resolution if in its sole discretion such deviation is reasonable under circumstances.
13. The foregoing policy and procedure shall remain in force and effect until such time as they may be changed, modified, or amended in their entirety, by a duly adopted Resolution of the Board of Directors of Southcoate Homeowners Association.

This resolution was adopted on October 17, 2016 by a majority of Southcoate Homeowners' Association Members in attendance for a meeting called to consider this matter in accordance with authorities granted in Association Bylaws and Covenants.

 President
Southcoate Homeowners' Association
Board of Directors