

SPRUCE HILL ESTATES HOMEOWNER'S ASSOCIATION, INC.
Policy Resolution P1-2017

PROCEDURES FOR COLLECTION OF ASSESSMENTS

WHEREAS, Article II, Section 2.2(a) of the Bylaws for SPRUCE HILL ESTATES HOMEOWNER'S ASSOCIATION, INC., ("Association") grants the Executive Board all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of the Bylaws, the Articles of Incorporation, or the Declaration of Conditions, Covenants, and Restrictions ("Covenants");

WHEREAS, Article V of the Covenants referred to or contained in the various deeds of the lots or plats of the subdivision establish annual assessments and Owners obligations thereto;

WHEREAS, Article V, Section 2 of the Covenants establishes a lien on any unit within the Association from the time the assessment becomes due and provides for the enforcement of said lien in accordance with Section 36B-3-116 of the West Virginia Uniform Common Interest Ownership Act; and

WHEREAS, the Executive Board deems it to be in the best interest of the Association to adopt uniform and consistent procedures for collection of delinquent accounts and in accordance with Section 36B-3-116 of the West Virginia Uniform Common Interest Ownership Act.

NOW THEREFORE, BE IT RESOLVED, the procedure for the collection of delinquent assessments shall be as follows:

1. All Assessments shall be due on the first (1st) day of January in the year in which they are due ("Due Date"). Any Assessment not received in full by the (1st) day of April of the year in which it is due shall be considered late ("Delinquent Date"). Payment of any special assessment shall be due and payable in accordance with the payment schedule established by the Executive Board. Annual Assessments and Special Assessments are hereinafter referred to as "Assessments."
2. All documents, correspondence, and notices relating to Assessments shall be mailed to the Owner's address that appears on the books of the Association or as modified in writing by the Owner, or as otherwise required by law. It is the responsibility of the Owner to notify the Association in writing of any changes in their address. Failure to do so in no way alleviates the Owner's responsibility to pay their Assessments in full and on time.
3. Any Assessment Installment (or installment payment as permitted by the Executive Board) not received in full by the last day of the month it is due ("Due Date") shall be considered late.
4. All Assessments shall be made payable to the Association.
5. For the Owner's convenience, the Association may supply a bill to be submitted with the payment. Non-receipt of a bill shall in no way relieve the Owner of the obligation to pay the amount due by the Due Date.
6. Notice of Delinquent Assessment.

(a) A "Notice of Delinquent Assessment" will be mailed after the 10th day following the Delinquent Date to the Owners who have not paid the Assessment amount in full, including interest and late fees.

(b) A "Second Notice of Delinquent Assessment" will be mailed after the 30th day following the Delinquent Date to the Owners who have not paid in full, including interest and late fees.

7. Late Fee and Interest. If payment is not received by the Delinquent Date, a late fee of \$25.00 and interest at the rate of ten percent per annum from the Due Date (in accordance with Article V, Section 2 of the Covenants) shall be added to the account and, thereafter, be a part of the continuing lien for assessments as provided for in the Covenants and Bylaws until all sums due, including late fees, interest, attorneys' fees, court costs, and collection costs, if any, shall have been paid in full.

8. Notice of Intention to File Lien (Civil Complaint). If payment in full, including late fees and interest, is not received in the office of the Managing Agent within 90 days after the Delinquent Date, the account may be referred to the Association's Attorney or the Board to file a Civil Complaint with the Magistrate.. Once an account is referred to the Association's Attorney, all communication regarding assessment must go through the attorney's office. If not referred to an Attorney, continue communication with the Board.

If an account is referred to the Association's Attorney, a Notice of Intention to File Lien or Civil Complaint in accordance with the requirements of law shall be forwarded to the Owners. This notice shall state the Association's to file a Civil Complaint and subsequently intend to file a lien and that the remaining monthly payments, if any, shall be accelerated if the delinquent amount is not paid within 30 days from the date of the Notice of Intention to File Lien, and other information required by law. The acceleration of assessments has the effect of making all Assessments for the year immediately due and payable in full, regardless of whether those payments are delinquent or not.

9. Filing of Liens. If payment in full, including late fees, interest, collection costs, court costs, and attorney fees, if any, is not received within thirty (30) days after proper service of the Civil Complaint or Notice of Intention to File Lien, a Statement of Lien shall be recorded against the property for the amount of unpaid accelerated Assessments, together with interest, late fees, any unpaid charges and collection costs, court costs, and attorneys' fees.

10. Suit. If payment in full, or a payment arrangement, is not made within thirty (30) days after a notice of lien is filed, the Executive Board on behalf of the Association may file suit against the Owner to obtain a money judgment and may take further legal action to collect Assessments and other charges that remain unpaid pursuant to the law of the state of West Virginia. The Board may alter the timing for the preparation and filing of the suit in its sole discretion.

11. Collection Costs. A delinquent Owner shall be liable for payment of all collection costs, including legal and administrative expenses (regardless of whether suits or liens are filed), resulting from the Owner's failure to pay Assessments when due.

12. Priority of Payments. Payments received from an Owner will be credited according to the following order of priority:

A. Attorney fees and collection costs;

- B. Late fees and interest;
- C. Special Assessments, if any; and
- D. Annual Assessments.

13. Payment Plans. The Executive Board in its sole discretion may, but is in no way obligated to, consider a payment plan or other resolution with a delinquent Owner, provided such a request is submitted in writing by the Owner for the Executive Board's consideration. The Executive Board may authorize the Associations designated Management Agent or the Association's attorney to accept payment plans at the sole discretion of the Executive Board.

Proposing a payment plan in no way alters the Owner's obligation to continue to pay all assessments when due. Submitting a written payment plan proposal may not stay collection action. The Executive Board reserves the right to alter, modify or deviate from the above criteria to accommodate the unique circumstances of each request for a payment plan, which shall be determined on a case-by-case basis.

14. Conflict. In the event of a conflict between the provisions contained herein and the Association's Bylaws, then the Association's Bylaws shall prevail. In the event of conflict between the provision herein and the Association's Covenants, the Association's Covenants shall prevail.

15. Waiver. Except as otherwise required by law or the Association's Covenants or Bylaws, the Board may, at its sole discretion, alter the timing and/or sequence of any of the above-described actions that it may take or authorize to collect unpaid assessments from delinquent Owners.

16. Effective Date. This Resolution shall be effective this the 10th day of January, 2017, and shall apply to collection of all assessments due on or after such date.

Adopted by the Executive Board this 10th day of January, 2017.

ATTEST:

**SPRUCE HILL ESTATES HOMEOWNER'S
ASSOCIATION, INC**

BY: _____

President

WITNESSED BY: _____