

HVPOA Policy regarding DUES and LIENS
(March 1, 2002, amended February 4, 2016)

Dues

1. As the Covenants require, the dues amount is established at the Annual Meeting of the HVPOA and the dues are due no later than October 1st.
2. Each year, at the Annual Meeting, the dues amount will be established a year in advance, [e.g., the 2015 Annual Meeting will establish dues for the 2016-17 year.]
3. Notification of dues payment will be sent with the notification of the Annual Meeting, which is sent 21-45 days prior to the last Sunday in August.
4. Dues are paid annually in one, two, or four payments.
 - Annual Payment Plan: Your payment is due October 1st. After that date, a late fee will be applied to your account for every month it is overdue.
 - Semi-Annual Payment Plan:
 - a. The first payment is due October 1st. After that date, a late fee will be applied to your account for every month it is overdue.
 - b. The second payment is due March 1st. After that date, a late fee will be applied to your account for every month it is overdue.
 - Quarterly Payment Plan:
 - a. The first payment is due October 1st. After that date, a late fee will be applied to your account for every month it is overdue.
 - b. The second payment is due December 15st. After that date, a late fee will be applied to your account for every month it is overdue.
 - c. The third payment is due March 1st. After that date, a late fee will be applied to your account for every month it is overdue.
 - d. The fourth payment is due May 15st. After that date, a late fee will be applied to your account for every month it is overdue.
5. Interest will accrue on unpaid balances at a rate of .5% per month and not to exceed 6% per year.
6. Table: HVPOA Dues Payment Plans and their Due Dates.

Due Date	October 1	December 15	March 1	May 15
Annual Payment	X			
Semi-Annual Payment	X		X	
Quarterly Payment	X	X	X	X

Liens

1. The Covenants allow for the collection of dues by the employment of liens when necessary. The HVPOA will take action to obtain a judgment against the lot owner if the annual dues have not been paid by May 15 so long as the lot owner is not the debtor in an open bankruptcy case. HVPOA has the right to obtain a judgment against the lot owner for the amount of dues plus court fees and other association costs.
2. There are two methods of enforcing delinquent property owner's association dues, the Assessment Lien and a Judgment. The Board recommends the use of a Judgment.
 - a. Assessment Lien. The HVPOA could file a memorandum of assessment lien in the circuit court of Nelson County. This does not require an attorney and costs only the filing fee (\$21.00). There is no court process, simply filing of the lien. The memo of assessment is a lien on the HV lot only, not on other land owned by the lot owner in Nelson County. Benefit of filing a lien is that it is quick, inexpensive and has priority over all other liens on the property except the lien of taxes and a deed of trust (mortgage). If the property is sold during the 36 month period following filing, the lien must be paid and released. Downside of filing a property owner's association lien is that it must be enforced by filing suit against the land owner within 36 months (requires a lawyer) and that it will be wiped out by foreclosure of the lot owner's mortgage.
 - b. Judgment. Alternatively, the HVPOA could file a warrant in debt in the general district court and obtain a judgment against the lot owner. The filing fee is \$70.00 for two defendants (assuming property is owned by two people). The warrant in debt is served on the lot owner and a hearing date is set. A hearing is held in which both the president or treasurer of the HVPOA and the lot owners are present and the court enters a judgment against the lot owners for payment of the dues, plus fees incurred by the POA. An abstract of the judgment is then filed in the circuit court. It is a lien on the lot owner's property in HV and in all of Nelson County. Benefit of obtaining a judgment is that it is enforceable for 20 years (if property is sold within 20 years, the judgment will be paid), it is a lien on other property in Nelson, and can be enforced in other ways such as by selling personal property, etc. Downside of a judgment lien is that to obtain one is a lengthy process and requires going to court. Typically POAs will hire an attorney to go through this process, but it can be done by the treasurer or the president of the POA appearing in court and testifying to the dues owed. A judgment will be wiped out by foreclosure of a previously filed mortgage (same as a POA lien).
3. The Treasurer informs the Board of a delinquent lot owner. The Board instructs the Compliance Committee Chair to check the records of the U.S. Bankruptcy Court for the Western District of Virginia to ensure the lot owner is not the debtor in an open bankruptcy case, and if not, to send a certified letter of intent to obtain a judgment to the lot owner specifying the amount owed, including dues, late fees, and any appropriate court costs. The

lot owner has 30 days from receipt of the letter to pay dues, fees and costs before the judgment process begins.

4. If payment is not received within the 30-day period, the Board will ask the Compliance Committee Chair to (1) file a warrant in debt against the lot owner with the General District Court of Nelson County, and (2) send a letter to the lot owner notifying them of the filing of a warrant of debt.
 - The president or treasurer will complete the Warrant of Debt, which can be found at <http://www.courts.state.va.us/forms/district/dc412.pdf>. (Instructions are available at <http://www.courts.state.va.us/forms/district/dc402inst.pdf>.)
 - A representative of the Compliance Committee will take the warrant in debt to the Nelson County General District Court clerk's office.
 - The Compliance Committee representative should ask the Clerk of the Court to serve the lot owner with a subpoena at least 10 days in advance of the hearing date. The lot owner will be served with the subpoena and warrant, and will be notified of the hearing date. If the lot owner fails to answer the warrant, or fails to appear in court, a judgment may be granted against them by default.
5. The Compliance Committee will monitor the warrant and hearing process. If HVPOA obtains a judgment against a lot owner, then the following may happen:
 - If the lot owner refuses to pay but has not filed for bankruptcy and has not been foreclosed upon, he or she may still have assets. The Compliance Committee should request an abstract of judgment and file it in the circuit court. (<http://www.courts.state.va.us/forms/circuit/cc1464inst.pdf>) The clerk will complete this form. This creates a lien against any real property the lot owner owns in Nelson County.
 - If the lot owner makes the payment, the HVPOA must file a release of judgment in the circuit court (<http://www.courts.state.va.us/forms/circuit/cc1463.pdf>) and notify the lot owner of his or her renewed "good standing" in the Association and the attendant reestablishment of their HVPOA voting rights that were temporarily suspended during the time the dues were in default.
6. The Compliance Committee will report to the Board any and all results of their actions and make a report to all lot owners at the Annual Meeting.
7. This procedure is in effect as of September 1, 2001, clarified March 1, 2002 & January 1 2014 and amended February 4, 2016.