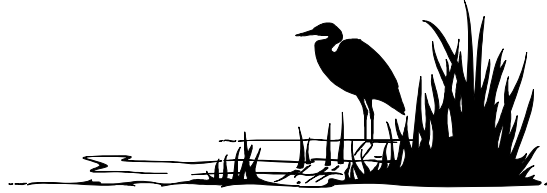


BETZ LANDING
HOME OWNER'S ASSOCIATION
P.O. BOX 422
HEATHSVILLE, VA 22473



March 5, 1999

PROCEDURE FOR ENFORCEMENT OF RULES

The purpose of this procedure is to provide the basis for enforcement of the requirements of the Declaration of Protective Covenants, the By Laws, the Architectural Guidelines and other Rules and Regulations of the Betz Landing Homeowners Association (BLHA).

This procedure is prepared to be consistent with the requirements of the Property Owners Association Act, Virginia Code Annotated, Section 55-508, et seq. effective July 1, 1998 and the Betz Landing Declaration of Protective Covenants, its By Laws and Regulations.

This procedure will be followed whenever a violation is reported to or observed by a Member of the Board of Directors. Direct contact in person or by telephone with the Property Owner to discuss the possible offense should be undertaken when possible, before the first step of this procedure is invoked.

Included in this Procedure are sample letters and templates to be sent at various specified steps in the process. These samples and templates may be modified as necessary to match the specific situation at the time.

Step 1. After direct contact, without positive results, an Officer of the Association, Architectural Control Committee Chairman or other responsible Committee Chairman sends a notice to a Property Owner reported to be in violation of the Protective Covenants, By Laws, Rules or Regulations of the Association. For an on-going offense, the notice shall request the Property Owner take remedial action by a specified date.

A sample letter is included as Attachment A to this procedure.

Step 2 If there is no response, or an inadequate response to the notice sent in Step 1, the President, after review of the situation shall send a letter to the Property Owner repeating the alleged violation and outlining the sanctions considered for the offense. If it is an on-going offense, the President again requests the Property Owner to take immediate remedial action and establishes a new date or

confirms the original date for corrective action by the Property Owner. Appropriate sanctions include restriction of access to the common property and/or a fine of not to exceed fifty dollars for a single or initial offense and ten dollars per day for any offense of a continuing nature. A copy of this Procedure shall be included with the letter.

In this step the Property Owner is also given the opportunity to use the Appeals Board to dispute the alleged violation.

A sample letter is included as Attachment B to this procedure. Costs incurred by the Association in proceeding past this step may be borne by the Property Owner

Step 3

If there is no response, or an inadequate response to the letter sent in Step 2, the President shall send a letter notifying the Property Owner of the suspension of member privileges and includes a Notice of Hearing to the Property Owner to appear before the Compliance and Hearing Committee.

Included with the Notice of Hearing is a "Notice of Defense" which presents the options and discusses the process.

At this Hearing, the Property Owner shall be heard and may be represented by counsel regarding the charges of violating the Protective Covenants, By Laws, Rules or Regulations of the Association.

The President of the Association shall name three persons to the Compliance and Hearing Committee. These persons shall be members of the Association in good standing who are not members of the Board of Directors. Each member of this Committee shall be provided an honorarium of \$75.00 to cover any time and personal expense incurred in providing these services.

If the Compliance and Hearing Committee finds the Property Owner to be in violation, the costs incurred by the Association will be billed to the Property Owner.

The Notice of Suspension of Member Privileges and the Notice of Hearing shall be in the form of Attachment C to this Procedure and the Notice of Defense is Attachment D. This Notice shall be hand delivered or mailed by registered or certified mail, return receipt requested, to the Property Owner at the address of record with the Association at least 14 days prior to the Hearing.

Step 4 Property Owner shall appear before the Compliance and Hearing Committee and present his or her defense of the charges. The Compliance and Hearing Committee shall hear the charge and the defense, deliberate, render a decision and make a written recommendation to the Board of Directors. The written recommendation shall be transmitted within five working days of the Hearing.

The Operating Procedure for the Compliance and Hearing Committee is enclosed as Attachment E.

Step 5 The Board of Directors shall meet and review the charges and the recommendation of the Compliance and Hearing Committee and notify the Property Owner of the decision and penalties (if any) to be applied.

If the charges are warranted, the matter will be turned over to the Association Attorney.

A sample letter to the property owner and to the Attorney are enclosed as Attachments F and G.

Step 6 The Association Attorney shall review the case and make a recommendation to the Board. The recommendations could include various alternatives, or combinations of alternatives, such as: to file a POAVA Lien; to seek a personal judgment; to seek injunctive relief, etc.

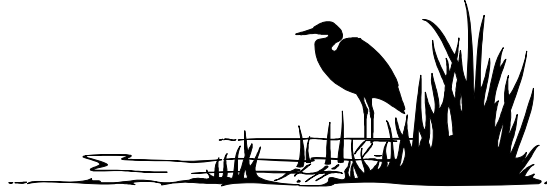
Step 7 Following the decision by the Board of Directors in Step 6, the Association Attorney shall proceed as directed.

It is noted that all costs, expenses and fines, including Attorney fees are the responsibility of the property owner determined to be in violation.

S A M P L E

Attachment A

BETZ LANDING
HOME OWNER'S ASSOCIATION
P.O. BOX 422
HEATHSVILLE, VA 22473
804 580 2166



NOTICE OF VIOLATION

October x, 19XX

Jonathan Property Owner
000 Steamboat Lane
Heathsville, VA 22473

Re: Lot Number x, Betz Landing

Dear Mr. Owner:

The Declaration of Protective Covenants of Betz Landing, Article II, Section 5 states that "no temporary structures other than those required for construction may be located on any lot in excess of 14 days". *[include appropriate reference]*

The trailer and other structures on your lot are in violation of the aforementioned requirements. *[include appropriate description of the violation]*

We recognize that you may have been unaware of or forgotten this requirement and request that you remove these structures by November x, 19xx or provide us with an alternate date and rationale if this date is inconvenient.

Thank you for your cooperation and assistance. Do not hesitate to contact me if you have any questions on (804) xxx-xxxx.

Sincerely,

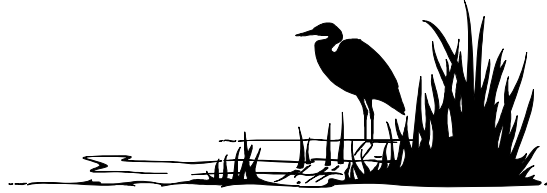
John Q. Officer
Chairman, Architectural Control Committee

cc: President

Attachment B

SAMPLE

BETZ LANDING
HOME OWNER'S ASSOCIATION
P.O. BOX 422
HEATHSVILLE, VA 22473
804 580 2166



NOTICE OF VIOLATION SECOND NOTICE

DATE: November x, 19XX

Jonathan Property Owner
000 Steamboat Lane
Heathsville, VA 22473

Re: Lot Number x, Betz Landing

Reference: Architectural Control Committee Chairman Letter dated October x, 199x

Dear Mr. Owner:

The reference letter indicated that you were in violation of Article II, Section 5 of the Declaration of Protective Covenants by having a temporary structure on your property. *[Include appropriate reference and description of the violation.]*

You were requested to correct this situation or to contact the Committee Chairperson if there were any questions. The Chairperson has indicated to me that there has been no contact nor has the violation been corrected.

The purpose of my letter is to bring to your attention the seriousness of the violation and to give you an additional time period by which to correct the situation.

The Declaration of Protective Covenants and the Virginia State Code provide the sanctions for violations to include restriction of access to the common property and/or a fine of not to exceed fifty dollars for a single offense or ten dollars per day for any offense of a continuing nature.

A copy of the Betz Landing Procedure for Enforcement of Rules is included with this letter.

If the situation is not corrected by December x, 19xx, we will be forced to suspend your member privileges and establish a date for a formal hearing to start the legal process to enforce compliance with the Protective Covenants. This process is described in the enclosed procedure. Please note that you will be

S A M P L E

required to pay the costs to the Association if we are forced to proceed with any adverse action.

If you disagree with our finding, you may appeal to the "Appeals Board" who will make an independent recommendation to the Board of Directors prior to any adverse action. Please contact the Association President prior to the date indicated above if you wish such a hearing.

Thank you for your cooperation and assistance. We hope this matter can be resolved promptly. Please do not hesitate to contact me if you have any questions on (804) xxx-xxxxy.

Sincerely,

Robert T. Officer
President

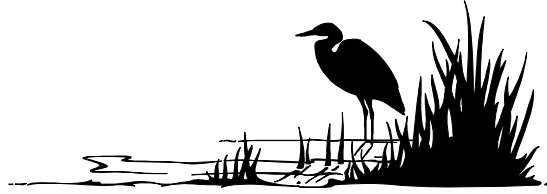
Attachment: Procedure for Enforcement of Rules

cc: Architectural Control Committee
etc.
File

SAMPLE

Attachment C

BETZ LANDING
HOME OWNER'S ASSOCIATION
P.O. BOX 422
HEATHSVILLE, VA 22473
804 580 2166



NOTICE OF SUSPENSION OF MEMBER PRIVILEGES

Date: December x, 199x

TO:

Jonathan Property Owner
000 Steamboat Lane
Heathsville, VA 22473

Since you have neither acknowledged our previous correspondence nor made any effort to resolve the problem of _____, you and your family, friends and visitors are hereby barred from using the Betz Landing common properties. This includes access to the boat ramp and boat dock and the boat parking area. No guests will be permitted to use these facilities under your name and lot number.

You will be permitted roadway access to and from your property only. All other member privileges are suspended until the problem is corrected. Notice of this suspension will be included in the next newsletter to all members. Should you attempt to circumvent these rules without correcting the problem, you will be charged with trespassing and the Sheriff notified.

If you believe this action is unwarranted, you may present your case at the hearing described below where your situation will be independently reviewed.

We are still hopeful that you will correct the problem as soon as possible thereby permitting full restoration of your member privileges.

Sincerely,

SAMPLE

NOTICE OF HEARING

1. SUMMONS. You are hereby summoned to appear at a formal hearing before the Compliance and Hearing Committee of the Betz Landing Homeowners Association. This hearing will be held in the meeting room of the Northumberland County Library on **December xx, 19xx at 7:00 p.m.**

2. CHARGE. You are specifically charged with the following violation:

Placing and occupying a house trailer on Lot x.[Describe violation]

A copy of the letters notifying you of this violation and the requests you take corrective action are attached for your information.

3. REFERENCE. You may refer to the following enclosed document for specific reference to the provision that you are being charged with violating.

Betz Landing Declaration of Protective Covenants: Article II, Section 5.

A copy of the "Procedure for Enforcement of Rules" is also attached for your guidance.

4. HEARING. This hearing will be conducted by the Compliance and Hearing Committee of the Betz Landing Homeowners Association. You have the right to be represented by legal counsel. If you fail to appear at this hearing, the Committee will proceed to hear the charge, deliberate, and render a decision without your presence.

5. PENALTIES. If the Compliance and Hearing Committee finds by clear and convincing evidence that you are guilty of the violation with which you are charged, you may receive a fine of \$50.00 for each violation and a fine of \$10.00 for each day the violation has been of a continuing nature. These and other penalties that may be appropriate to this proceeding are contained in the Procedure for Enforcement of Rules. Included are possible actions through the courts for an assessment against your property for purposes of collecting a monetary judgment, as well as authority to seek equitable relief to remedy any violation of Betz Landing Homeowners Association Declaration of Protective Covenants, Rules or Procedures.

6. NOTICE OF DEFENSE. Your attention is invited to the attached "Notice of Defense"

7. RESCHEDULE. If you can promptly show good cause as to why you cannot attend this hearing on the date scheduled, the Compliance and Hearing Committee will consider your written request to reschedule. If you request rescheduling, please submit your valid reason in writing by December 2x,

SAMPLE

199x, along with a proposed date and time when you can be available. If approved, you will be notified of a new date and time for the hearing if the Compliance and Hearing Committee believes, in its sole judgment, that you have shown good cause that justifies rescheduling.

If you have any questions, please call me at 804 xxx-xxxxy.

Sincerely,

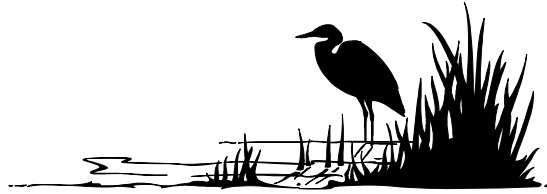
Robert T. Officer
President

cc: Architectural Control Committee
Compliance and Hearing Committee Members
etc.
File

SAMPLE

Attachment D

BETZ LANDING
HOME OWNER'S ASSOCIATION
P.O. BOX 422
HEATHSVILLE, VA 22473
804 580 2166



NOTICE OF DEFENSE

TO: Jonathan Property Owner
000 Steamboat Lane
Heathsville, VA 22473

Re: Violations of the Declaration of Protective Covenants on Lot x.

1. INTRODUCTION. The "Procedure for Enforcement of Rules" provides that each issued "Notice of Hearing" shall be accompanied by a written "Notice of Defense". As the respondent to the Notice of Hearing to which this Notice of Defense is attached, you have certain options as presented below.
2. RESPONDENT OPTIONS. In the matter cited in the Notice of Hearing, you have the following options:
 - a. Respond to the summons by admitting the violation and/or complaint, in whole or in part, and, if there is an on-going violation, the date certain by which the violation will cease or be corrected. In this event the Compliance and Hearing Committee will meet to determine the appropriate sanctions, if any, and you will be advised. You may appeal the Committee's decision to the Board of Directors.
 - b. Attend the scheduled hearing before the Compliance and Hearing Committee and present a defense at this matter. (In attending, you have a right to be represented by legal counsel and you have a right to appeal the decision of the Committee to the Board of Directors.)
 - c. Submit a written objection to the violation summons and/or complaint on the ground that it does not state the acts or omissions upon which the Committee may proceed.
 - d. Submit a written objection to the form of the complaint or violation summons on the ground that it is so indefinite or uncertain that you, the respondent, cannot identify the violating behavior or prepare a proper defense.

NOTICE OF DEFENSE (Continued)

S A M P L E

3. PROCESS. If you as respondent submit written objection under options 2c or 2d above, the Committee will respond within five (5) days of receipt. If the complaint or violation summons is found to be insufficient, the BLHA issuing party shall be afforded the opportunity to amend the complaint to make it sufficient. Once amended, the Notice of Hearing procedure will again be followed with respect to the amended complaint.

S A M P L E

Attachment E

THE OPERATING PROCEDURE FOR THE COMPLIANCE AND HEARING COMMITTEE

This is the operating procedure for the BLHA Compliance and Hearing Committee. The Committee is established by the Association President on a case-by-case basis. It provides a forum for property owners to present their case when charges are brought against a property owner by the Association.

The procedures to be followed by the Committee are as follows:

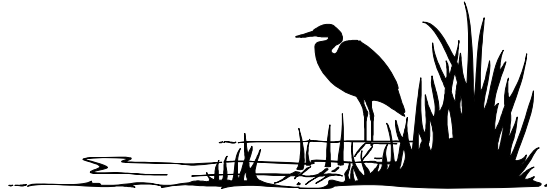
1. The three members shall meet and determine which member shall be the Chairman.
2. The Chairman shall coordinate the time and date and place of the proposed hearing with the other members of the Committee and with the Association President. If a rescheduling is necessary, the Chairman shall coordinate such rescheduling. The preferred location is the Northumberland County Library.
3. The Chairman shall assure that all members of the Committee have relevant documents including copies of the Procedure for Enforcement of Rules and copies of correspondence with the property owner charges with the violation.
4. The Committee shall appear at the designated date, time and place to hear the defense of the property owner.
5. The Chairman shall call the meeting to order at the designated time. A grace period of 20 minutes shall be provided to allow for travel delays.
6. The Chairman shall read the charges and shall provide the opportunity for the property owner to state his or her case.
7. The members of the Committee may ask questions of the property owner and the Association representative as necessary to understand the charges and the defense.
8. The Chairman shall excuse the property owner and the Committee shall discuss the issues in executive session.
9. The Committee shall determine the appropriate action by majority vote. The Chairman shall document this action in a memorandum to the President that is signed by all members of the Committee.

If the property owner does not show up for the meeting after having been duly notified, the Chairman shall proceed to step 9 above and prepare an appropriate memorandum.

S A M P L E

Attachment F

BETZ LANDING
HOME OWNER'S ASSOCIATION
P.O. BOX 422
HEATHSVILLE, VA 22473
804 580 2166



March xx, 19xx

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Jonathan Property Owner Lot No. xx
000 Steamboat Lane
Heathsville, VA 22473

Dear Mr. Owner:

You have been provided the opportunity to have a hearing and the results are that the BLHA Compliance and Hearing Committee has determined that you are in violation of the Declaration of Protective Covenants as charged.

The Board of Directors has reviewed the recommendation and concurs and hereby directs that situation be corrected by **March xx, 19xx**. A fine of \$50.00 is hereby levied if the situation is not corrected by that date and a continuing fine of \$10.00 per day is levied until the situation is corrected. You are reminded that the earlier suspension of the use of the Common Property continues in force.

The Board of Directors has also directed the Association Attorney to proceed with appropriate legal actions if the situation is not corrected by this final date.

Sincerely,

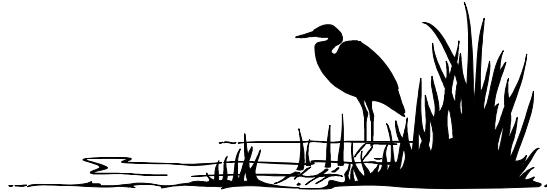
President

[Note: If the BLHA Compliance and Hearing Committee determines there is no violation or there is some other conclusion, this letter shall be appropriately revised. It is not intended that these sample letters pre-judge any outcome.]

SAMPLE

Attachment G

BETZ LANDING
HOME OWNER'S ASSOCIATION
P.O. BOX 422
HEATHSVILLE, VA 22473
804 580 2166



Date

Mr. Charles J. McKerns, Jr.
P.O. Box 188
Heathsville, VA 22473

Dear Mr. McKerns:

The property owner of Lot number _____ has been determined to be in violation of the Declaration of Protective Covenants and has been given every opportunity to correct the matter in accordance with our procedures.

The property owner has been given until _____ to correct the situation.

If the situation is not corrected, or if substantial progress toward correction has not occurred, we will provide you with the record and request that you review the case and make an appropriate recommendation to the Board regarding the method of proceeding from this point.

Your recommendation is requested as soon as practicable after the date mentioned above. Copies of the correspondence to date are enclosed.

Thank you for your attention to this matter.

Sincerely,

President