

**McCAULEY PARK PROPERTY OWNERS ASSOCIATION  
PROPERTY OWNERS' ASSOCIATION, INC.**

**COLLECTION OF ASSESSMENTS AND  
OTHER CHARGES OF THE ASSOCIATION  
POLICY RESOLUTION NO. 4**

WHEREAS, Article 2, 2.1 General Powers, of the Bylaws of McCauley Park Property Owners' Association, states that the affairs and business of the Association shall be managed by the Board of Directors; and

WHEREAS, the Board of Directors of McCauley Park Property Owners' Association, Inc., is empowered to make and enforce rules pursuant Section 55-513 of the Code of Virginia, as amended, and Article VIII, 8.04 Adoption and Enforcement of Rules of the Protective Covenants; and

WHEREAS, Article VIII, Funding Assessments, 8.05 of the Protective Covenants states, each owner by acceptance of a deed whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay annual assessments and special assessments to the Association as provided in this section, all such assessments to be established and collected as herein provided. All assessments, together with interest, costs and reasonable attorney's fees incurred in the collection thereof (collectively, the "Collection Costs"), shall be a charge on the land and shall be a lien upon the Lot against which such assessment is made as provided by and subject to the provisions of Section 8.06" Lien for Assessments "hereof. Each assessment, together with the Collection Costs appertaining thereto, shall also be the personal obligation of the persons or entities who are the Owners of such Lot at the time when the assessment falls due. The personal obligation for delinquent assessments shall not pass to successors in title unless expressly assumed by such successors; and

WHEREAS, the Board of Directors finds it in the best interest of the Association to establish a collection of assessments and other charges of the association that helps maintain the necessary cash flow and reduce financial losses from default on assessments and from time to time when property owners become delinquent in their payment of their assessment and fail to respond to demands from the Board to bring their accounts current; and

NOW THEREFORE, BE IT RESOLVED THAT the Board of Directors does hereby established and adopted the following procedures and policies for the collection of assessments and other charges of the association.

1. **Due Date, Late Fee and Interest:** The annual assessment as fixed by the Board of Directors and as allowed for in the declaration, articles of incorporation and bylaws shall be due and payable on or before July 15<sup>th</sup> (due date) of each billing year. When a closing occurs on a Lot, the assessment is pro-rated accordingly at time of initial closing. Thereafter, dues are payable annually.

The Association may, but shall not be required to, invoice an owner as a condition to an owner's obligation to pay assessments or other charges of the association. If the association provides an owner with an invoice for assessments, although invoices are not required, the invoice shall be

mailed or sent to the owner. Non-receipt of an invoice shall in no way relieve the owner of the obligation to pay the amount due by the due date.

Outstanding balances not paid in full, received and posted by the Association's bank, on or by the 20<sup>th</sup> (grace period) of the billing month (July) will be charged a late fee of \$35.00 per month and payable immediately.

Outstanding balances not paid in full by the 30th day of the billing month will be charged interest per annum at the judgment rate of interest in Virginia from such date until paid, or at the maximum lawful interest rate for such obligations, whichever is less and payable immediately.

2. **Return Check Charges:** In addition to any and all charges imposed under the declaration, articles of incorporation and bylaws, the rules and regulations of the association, or this resolution, a \$35.00 fee shall be assessed against an owner in the event *any* check or other instrument attributable to or payable for the benefit of such owner is not honored by the bank or is returned by the bank for *any* reason whatsoever, including but not limited to insufficient funds. Such return check charge shall be due and payable immediately, upon demand. Notwithstanding this provision, the association shall be entitled to all additional remedies as may be provided by applicable law. If two or more of an owner's checks are returned unpaid by the bank within any (fiscal) year, the association may require that all of the owner's future payments, for a period of one year, be made by certified check or money order.
3. **Attorney/Collection Agency Fees on Delinquent Accounts:** As an additional expense permitted under the declaration, articles of incorporation and bylaws and state statutes, the association shall be entitled to recover its reasonable attorney's fees and collection costs incurred in the collection of assessments or other charges due the association from a delinquent owner. The reasonable attorney's fees incurred by the association shall be due and payable immediately when incurred, upon demand.
4. **Payments Made:** Payments received from an owner will be credited in the following order:
  - a. Charges for legal fees, court costs, and other costs of collection
  - b. All late charges and interest accrued, as applicable
  - c. All other charges incurred by the association as a result of any violation by an owner, his/her family, guests or invitees, of the declaration, articles of incorporation, bylaws, rules and regulations or resolutions.
  - d. The annual assessment including any special assessment due, as applicable. Payments shall be applied toward the oldest assessment then owed.
5. **Collection Letters:** After an assessment or other charge due becomes delinquent past the due date, the association may, but shall not be required to, send a late notice to the lot owner. After an assessment or other charge due becomes forty-five (45) days past due, the Association may cause, but shall not be required to send, a "demand notice" to be sent to the lot owner who is delinquent in payment.

If payment in full is not received within the forty-five (45) days, the association may, but shall not be required to, send notice to the lot owner that it intends to refer the account to an attorney

or collection agency. In the event the association shall send a collection or demand letter or notices to a delinquent owner by regular mail, the association may also send, but shall not be required to send, an additional copy of the letter or notice by certified mail.

6. **Liens:** The association may file a notice of lien against the property of any delinquent owner in accordance with the terms and provisions of the declaration, articles of incorporation, and bylaws. A copy of the notice of lien shall be delivered per the Protective Covenants written notice requirement to the owner who is 45 days delinquent from the assessment due date. A copy of the lien shall be mailed to the owner and to the mortgage lender when applicable. The Lien Communication process and initial lien cost are as follows.

**a. Lien Process:**

The association may, but shall not be required to, refer delinquent accounts to an attorney or a collection agency for collection. Upon referral to the attorney or collection agency, the attorney or collection agency shall take all appropriate action to collect the accounts referred. If the delinquent account is sent to an attorney or collection agency for collection, all payments and communications for the debt shall be sent directly to the attorney or collection agency.

**b. Lien Cost:**

- i. Late Letter Reminder \$35
- ii. Lien Warning Letter \$50
- iii. Memorandum of Assessment Lien \$55
- iv. Certificate of Release \$45 - If the debt is paid in full by the delinquent party.
- v. Referral Fee to Attorney or Collection Agency \$35.

The Board of Directors shall have the authority to modify lien costs from time to time as the Board of Directors in its sole discretion seems necessary.

7. **Waiver of any Provision herein:** The association may, but not obligated, grant a waiver of any provision herein upon written petition by an owner showing a personal hardship. Such relief granted to an owner shall be appropriately documented in the files with the name of the person or persons representing the association granting the relief and the conditions of the relief. In addition, the association is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the association shall determine appropriate under the circumstances.

BE IT FURTHER RESOLVED that a copy of this resolution shall be included in the Disclosure Packet to all homeowners. Nothing in this resolution shall require the association to take specific actions other than to notify homeowners of the adoption of these policies and procedures. The association has the option and right to continue to evaluate each delinquency on a case-by-case basis.

This resolution was adopted by the Board of Directors on 8<sup>th</sup> day of March, 2022 and shall be effective on March 8, 2022.

**MCCAULEY PARK**

**RESOLUTION ACTION RECORD**

Resolution Type: Policy No. 4

Pertaining to: Collection of Assessments and Other Charges of the Association

Duly adopted by the Board of Directors of the Association on March 8, 2022.

Motion by: Viorica Horning                      Seconded by: Donna Crusoe-Grant

NAME	TITLE	YES	NO	ABSTAIN	ABSENT
Laura Edwards	Director	X			
Donna Crusoe-Grant	Director	X			
Viorica Horning	Director	X			
Melody Deshaies	Director				X
Anne Vassar	Director				X

Attest: \_\_\_\_\_  \_\_\_\_\_ (Secretary)

Date: March 8, 2022

**Resolution effective as of date of adoption.**