

MCLEAN PROVINCE HOMEOWNERS ASSOCIATION, INC.

Policy Resolution No. 10-8-19

(Policy and Procedures Concerning the Collection of Charges, Fees and Assessments)

WHEREAS, Article VII, Section 1 of the Bylaws grants to the Board of Directors all powers and duties necessary for the administration of the affairs of the Association, including the adoption of rules and regulations; and

WHEREAS, Article V, Section 2 of the Consolidated and Amended Declaration of Covenants And Restrictions ("Declaration") obligates the Board of Directors to establish the amount of such assessment against each Lot and the dates on which such assessments shall come due; and

WHEREAS, Article V, Section 1 of the Declaration obligates owners to pay assessments as established by the Board; and

WHEREAS, Article V, Section 5(a) of the Declaration directs that action be taken to collect any assessment that remains unpaid for 30 days from the due date; and

WHEREAS, Article V, Section 5(a) of the Declaration also provides that a late charge of ten percent (10%) of a delinquent installment, or such other amount as established by the Board of Directors, may be charged on any installment not paid within thirty (30) days after the due date; and

WHEREAS, Article V, Section 5(d) of the Bylaws authorizes the Association to seek recovery of its costs incurred and its attorney's fees incurred in pursuing collection of a delinquent account; and

WHEREAS, Article V, Section 5(a) of the Declaration authorizes the Association to charge interest at a percentage rate as set by the Board of Directors for each assessment period; and

WHEREAS, there is a need to establish orderly procedures for the billing and collection of said assessments and the Board believes that it is in the best interests of the Association to adopt a policy establishing a uniform set of procedures for the collection of assessments and delinquent accounts.

NOW THEREFORE, the Board of Directors duly adopts the following assessment procedures which supersede and replace all prior resolutions and policies regarding the collection and enforcement of assessments.

I. Regular & Special Assessments. Unless otherwise determined by the Board, the Annual Assessment shall be due on January 1st of each calendar year (hereinafter, the "Due Date"). All other assessments (i.e., Special Assessments) shall be due as determined by the Board of Directors or as directed in the Association documents.

II. Notice. Non-resident Owners shall be responsible for notifying the Association's management company, in writing, of any alternate address they want the Association to use

for notices (including email addresses, if any). Otherwise, management and the Board shall consider the Lot address to be the Owner's address of record. Non-receipt of any notice shall not excuse the Owner from his or her obligation to ensure timely payment of any assessment or installment thereof, nor shall it relieve him or her from any late charge assessed to the account due to non-receipt of notice. All Owners are under a legal duty to ensure that assessments are paid on time and to seek out information about the annual assessment if they do not receive the Association's notice.

A. Late Notice. Management shall send a "Late Notice" to Owners who assessment account is delinquent for more than thirty (30) days after the Due Date. The Late Notice shall advise the Owner of the current balance due, including any late fees, interest or other charges.

B. Demand Letter. For any assessment account that remains unpaid more than sixty (60) days from the Due Date, management shall send a "Demand Letter" via certified mail. The Demand Letter shall give the Owner a final period to remit payment and may generally advise the Owner that: (i) a lien may be recorded against the Owner's Lot; (ii) the Owner's right to vote, run for or hold office in the Association may be suspended; (iii) the account will be referred to the Association's legal counsel for collection and the Owner will be held liable for the legal fees and costs incurred in the collection of the account.

III. Late Fees. A late fee of \$88.00 (or such other fee as from time to time established by the Board) shall be imposed on any assessment, or installment thereof, not paid within the thirty (30) days after the Due Date.

IV. Interest. After a period of thirty (30) days from the Due Date, interest shall be imposed on any unpaid balance at the rate of eighteen percent (18%) per annum from the Due Date until paid in full.

V. Referral to Counsel. If an owner's account remains delinquent for more than seventy-five (75) days after the Due Date, the Association shall send the account to legal counsel for collection.

VI. Legal Action. Counsel shall be authorized to record liens and file suits on behalf of the Association in order to collect the unpaid assessments. The Board may also authorize counsel to foreclose on any of the liens recorded against an Owner's Lot.

VII. Returned Checks. If a check is not honored, and is returned due to insufficient funds in the Owner's account, the payment shall be deemed late and a late fee shall be added. In addition, the owner shall also be responsible for any returned check and/or insufficient funds fee charged by the bank.

If an owner has two (2) or more checks returned for insufficient funds during any twelve (12) month period, the Association may require that all future payments be remitted by money orders or cashier's checks.

VIII. Costs and Attorney's Fees.

A. Costs. Pursuant to Article V, Section 5(d) of the Bylaws, "Costs" shall be defined to include any expense incurred by the Association in the collection of an Owner's account. Such costs shall include, but are not limited to, administrative expenses charged to the Association by the managing agent, court costs and expenses incurred by counsel, and any other expenses incurred by other parties as part of the collections process.

B. Attorney's Fees. As provided by Article V, Section 5(d) of the Bylaws, the Association shall claim all legal fees incurred in the collection of an Owner's account unless or until a specified amount of legal fees is awarded to the Association by a court of competent jurisdiction. The Association's claim for attorney's fees shall include, but is not limited to, formal requests for payment, the preparation and filing of lawsuits and/or liens and all other necessary and related actions until the account is paid in full.

IX. Application of Payments. Once an account has been referred to counsel for collection, payments received will be credited to the Owner's account in the following priority:

- a. Charges for attorneys' fees and costs;
- b. Late fees;
- c. All other charges incurred by the Association as a result of any violation of the Declaration, By-Laws, Rules and Regulations or Resolutions, by an Owner, his family, employees, agents or licensees;
- d. All costs of collection and interest;
- e. All interest accrued;
- f. The assessment(s) due for each Lot, including any special assessments.

This policy was approved on this 19 day of August, 2010.

**MCLEAN PROVINCE HOMEOWNERS
ASSOCIATION, INC.**

By: 
President

RESOLUTION ACTION RECORD

Duly adopted at a meeting of the Board of Directors held August 19,

2010.

Motion by: Sue Adams Seconded by: Ron McCready

| | VOTE: | | | |
|---|-------------------------------------|--------------------------|--------------------------|-------------------------------------|
| | YES | NO | ABSTAIN | ABSENT |
| <u>Susan J Adams</u> President | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <u>OLIVER RICHARD</u> Vice President | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <u>KURT McMillan</u> Secretary/Treasurer | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

ATTEST:

Ronald D. McCready STE D Meyer