

**COLLECTION POLICY OF WOODSTREAM EAST HOMEOWNERS ASSOCIATION**

**WHEREAS**, Article V, Section 1 of the Declaration of Covenants, Conditions and Restrictions of Woodstream East Homeowners Association (hereinafter referred to as the "Association") obligates each owner to pay the "assessments" assessed by the Board of Directors against his or her property;

**WHEREAS**, Article V, Section 6 of the Declaration of Covenants, Conditions and Restrictions provides that the Board of Directors shall establish the due date for the payment of the annual assessment;

**WHEREAS**, Article V, Section 5 of the Declaration of Covenants, Conditions and Restrictions provides that the annual installment may be collected on a monthly basis at the discretion of the Board of Directors;

**WHEREAS**, Article V, Section 1 of the Declaration of Covenants, Conditions and Restrictions provides that annual and special assessments, together with interest, costs of collection and reasonable attorney's fees shall be a continuing lien upon the property and shall also be the personal obligation of the property Owner if such assessment is not fully paid when due;

**WHEREAS**, the Board of Directors is granted the powers and duties necessary for the administration of the affairs of the Association;

**WHEREAS**, the Board of Directors desires to establish the means and methods of collecting assessments from the homeowners;

**NOW THEREFORE BE IT RESOLVED THAT** it is the intention of the Board of Directors of Woodstream East Homeowners Association to rescind any and all previously adopted collection policies and to establish a formal policy and procedure for the collection of homeowner assessments as follows:

I. The assessment due to the Association shall be an annual assessment due on the first (1<sup>st</sup>) day of the first (1<sup>st</sup>) month of the fiscal year. The Board may permit such annual assessment to be paid in monthly installments in which case the monthly installment payment is due on the first (1<sup>st</sup>) day of each month.

II. Any annual assessment payment not received by the Association in the office of the Management Company retained by the Association to manage its financial affairs (hereinafter referred to as the "Managing Agent") by the ninetieth (90<sup>th</sup>) day after the date due shall be deemed late and shall bear interest at the rate of six percent (6%) per annum which shall be added to the account and thereafter be a part of the continuing lien for assessments as provided for in the Declaration and the personal obligation of the owner, until all sums due, including interest, attorney's fees and collection costs shall have been paid in full. Any Board approved installment

plan payment not received by the tenth (10<sup>th</sup>) day of the month in which such installment is due shall be deemed late and shall bear interest from the date it was due at the rate of six percent (6%) per annum which shall be added to the account and thereafter be a part of the continuing lien for assessments as provided for in the Declaration, and personal obligation, until all sums due, including interest, attorney's fees and collection costs shall have been paid in full. In addition, any single late installment plan payment may result in the acceleration of all installment payments and the full amount of the annual assessment shall become due and payable at the discretion of the Board of Directors and/or the Management Agent.

III. If payment in full of the annual assessment, including interest, costs of collection incurred, and any applicable attorney's fees, as provided for in Article V, Section 1 of the Declaration, is not received in the office of the Managing Agent by the ninetieth (90th) day after an assessment is due, the account shall be referred to the Association's Attorney. If assessments are paid on a monthly installment basis, any account that becomes ninety (90) days past due (three (3) monthly installments) shall be referred to the Association's Attorney for collection.

IV. Upon referral of a delinquent account, the Association's Attorney shall serve the delinquent owner with a notice of intent to create a lien at the address reflected in the Association's records in accordance with the provisions of the Maryland Contract Lien Act, as may be amended from time to time. The notice shall state the Association's intent to file a lien against the owner's property and accelerate the balance of the assessment if the delinquent amount is not remitted within the time allotted. The notice may also provide that the Association can pursue other legal action before the expiration of the time allotted, including but not limited to the initiation of a personal suit against the owner for the accelerated assessments, collection costs, interest and attorney's fees.

V. The Association's Attorney is authorized to obtain service on the delinquent owner by personal delivery or certified mail, or if unsuccessful, by posting the notice of intent to create a lien in a conspicuous manner on the property by the private process server in the presence of a competent witness. The costs of the service via certified mail, personal service or posting shall be charged to the delinquent owner pursuant to Article V, Section 1 of the Declaration and such costs shall be a continuing lien against the unit and personal obligation. The service of a notice of intent to file a lien and the filing of such a lien shall be deemed part of actions by the Association at law or to foreclose to collect unpaid assessments.

VI. If the owner fails to remit full payment of the outstanding amounts due as reflected in the notice of intent to create a lien upon expiration of thirty (30) days after service of such notice, a statement of lien shall be recorded against the owner's property for the amount of the unpaid accelerated assessment, together with interest, attorney's fees, collection costs and, to the extent authorized by the Bylaws, any and all unpaid charges or fines.

VII. The Board of Directors may direct the Association's Attorney to take legal action to foreclose the lien or to file a personal suit against the owner to collect the unpaid assessments, interest, attorney's fees, collection costs and to the extent authorized by the Bylaws, any unpaid charges or fines.

VIII. A delinquent owner shall be liable for the payment of all collection costs, including legal and administrative expenses resulting from the owner's failure to pay assessments when due, regardless of whether personal suit or foreclosure is pursued.

IX. All payments shall be applied to the oldest owed amounts assessed to an owner's account according to the following order of priority:

1. Attorney's fees and collection costs;
2. Interest;
3. Fines and unpaid charges;
4. Special Assessments, if any;
5. Annual Assessments.

X. The Managing Agent shall provide the Association's Attorney with a delinquency report each month, on or about the 5<sup>th</sup> of each month. Such report shall contain all necessary account information including delinquent amounts and other charges as of the last day of the prior month as to all accounts that have been referred for collection.

XI. Non-receipt of an invoice or notice shall in no way relieve an owner of the obligation to remit the payment of any outstanding amounts due to the Association.

XII. In the event an owner remits a payment which is not honored by his or her bank for any reason, the owner may be assessed a collection cost of \$25.00. In addition, the Association, or its designated agent, may require such owner to remit subsequent payments in the form of a certified check or money order.

XIII. This Resolution shall be effective on May 8, 2002, and shall apply to collection of assessments due on or after such date.

Adopted by the Board of Directors this 8th day of May, 2002.

ATTEST:

Meissa R. Markey  
Secretary

Luis V. Salinas  
President