

RESOLUTION
DERWOOD STATION HOMEOWNERS ASSOCIATION NO. 2, INC.
COLLECTION OF DELINQUENT ASSESSMENTS

WHEREAS, Article IV of the Derwood Station Homeowners Association No. 2, Inc. ("Association") Declaration of Covenants, Conditions and Restrictions establishes the power of the Association's Board of Directors to set and collect assessments and sets forth the remedies for their non-payment, including recovery of costs;

WHEREAS, there is a need to establish orderly procedures for the collection of delinquent assessments, which remain unpaid past their due date;

WHEREAS, Article VII Section 2.c(3) of the Association's Bylaws requires the Board to pursue lien and foreclosure or other applicable legal actions against the owner(s) of such delinquent lot(s); and

WHEREAS, it is the intent of Board to establish steps for the collection of delinquent assessments in accordance with the Maryland Contract Lien Act;

NOW THEREFORE, the Derwood Station Homeowners Associations No. 2, Inc., Board of Directors adopts the following resolution to ensure that there is an orderly procedure for the collection of delinquent assessments.

BE IT RESOLVED AND MADE A POLICY OF THIS ASSOCIATION, as follows:

1. Any assessment payment not received by the Association's management company by the due date shall be termed delinquent. The due date is defined as the first day of each calendar year. The management company shall keep a record of all costs incurred by the Association in the collection of delinquent assessments. The owner(s) of each such lot is(are) responsible for all such costs.
2. If the assessment payment is not received by the management company within fifteen (15) days after the due date, a NOTICE of Delinquency shall be mailed by the management company to the owner(s) of the property at the owner's last known address. The cost of these initial collection efforts shall be \$25.00, payable to the Association.
3. If the assessment payment and late charge are not received within forty five (45) days of the original due date, a NOTICE of Intention to Create a Lien shall be mailed by certified mail, return receipt requested, by the management company to the owner(s) of the property at the owner's last known address. The cost of the certified letter shall be \$10.00, payable to the management company. If the certified letter is returned by the Postal Service as unclaimed, then the management company's agent shall take such action in compliance with the Maryland Contract Lien Act as deemed necessary for the delivery of such NOTICE of Intention to Create a Lien.

The Certified NOTICE of Intention to Create a Lien shall include:

- The name and address of the party seeking to create the lien;
- A statement of intent to create a lien;
- An identification of the contract;
- The nature of the alleged breach;
- The amount of damages;

description of the property against which the lien is intended to be imposed sufficient to identify the property and stating the County or Counties in which property is located; and

statement that the party against whose property the lien is intended to be imposed has the right to a hearing under Subsection (c) of Section 14.203 of Maryland Contract Lien Act.

assessment payment, interest, and costs incurred in the collection are not received thirty (30) days of receipt of Certified Notice of Intent, a lien will be filed in accordance with the Maryland Contract Lien Act. The costs of filing the lien will be added to the costs of collection.

Upon the filing of a lien, the Board shall file suit or foreclosure on said lien or both. In the event of either or both foreclosure and filing of a suit for collection, interest, costs and reasonable attorney's fees shall be added to the amount of the assessment.

Interest shall be charged for each month or portion of a month that the assessment is not paid. Interest charges shall commence on the due date of the assessment. The rate for the assessment shall be 1.5% per month or portion of a month (18% per

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Richard F. Lindauer

President Richard F. Lindauer

Diana J. Taxter

Secretary DIANA J. TAXTER

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