

ROSE HILL HOMEOWNERS ASSOCIATION, INC.

POLICY RESOLUTION NO. 01-16 (Regarding the Collection of Assessments)

WHEREAS, the Articles of Incorporation of the Rose Hill Homeowners Association, Inc. (“Association”) and Article VII, Section 2 (j) of the Association's Bylaws (“Bylaws”) authorizes the Board of Directors (“Board”) to establish, levy, assess and collect all assessments referred to or authorized in the Declaration of Covenants, Conditions and Restrictions (“Declaration”); and

WHEREAS, pursuant to Article III, Section 3.8 of the Declaration, any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the maximum interest rate allowed by Maryland law per annum and the Board of Directors shall have the right to assess a late fee and/or to declare the entire balance of the annual assessment and accrued interest thereon to be immediately due and payable; and

WHEREAS, Article III, Section 3.1 of the Declaration provides that the annual and special assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the Lot, and shall be a continuing lien upon the property against which each such assessment is made and shall be the personal obligation of the person who was the Owner of the Lot at the time when the assessment fell due; and

WHEREAS, Section 11B-112.1 of the Maryland Homeowners Association Act states that the declaration or bylaws of a homeowners association may provide for a late charge of fifteen dollars (\$15.00) or one-tenth (1/10) of the total amount of any delinquent assessment or installment, whichever is greater; and

WHEREAS, Article III, Section 3.8 of the Declaration authorizes the Association to bring any action at law against the Owner personally obligated to pay the same, or establish and foreclose the lien against the Property; and

WHEREAS, Article VI, Section 6.5 of the Declaration and Article VII, Section 1(a) of the Bylaws provide that the Board of Directors shall have the power to adopt, amend, publish and repeal Rules and Regulations governing the use of the HOA Area including any improvements and amenities located thereon, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof; and

WHEREAS, the Board deems it to be in the best interests of the Association to establish a policy and procedures for the collection of assessments.

NOW, THEREFORE, the Board of Directors hereby adopts the following policy, which replaces and supersedes any previously adopted policy related to the collection of assessments

1. The assessment for the Association shall be an annual assessment collected in equal monthly installments due on the first (1st) day of each month. Special

assessments shall be due in accordance with conditions set when they are adopted.

2. All payments received shall be applied in the order of priority established in Paragraph 8 below. Any balance remaining due after application of payments shall be collected as provided in this resolution.
3. If the owner's account is not paid in full within sixty (60) days from the due date of any assessment, then to collect any amounts due, the Association may take any action permitted by law, including but not limited, to the filing of a lien under the Maryland Contract Lien Act, as amended, or other applicable law, and/or the filing of a legal action in the appropriate Maryland courts. The Lot Owner shall be responsible for all legal fees, interest, charges and costs associated with collection proceedings as allowed by law and the Association's governing documents including, if allowed, all legal fees incurred to collect any amounts due.
4. For any assessment which remains unpaid on the thirtieth (30th) day after the due date, a late charge for each late assessment will be automatically assessed equal to \$15.00 or one-tenth (1/10) of the assessment, whichever is greater. A late charge will not be imposed more than once for the same delinquent payment. Additionally, if an assessment is not paid within thirty (30) days of its due date, interest will automatically be charged from the due date forward at the rate of six percent (6%) per annum or such other greater amount provided for under Maryland law until the account is brought current.
5. If the owner's account is not paid in full within thirty (30) days after the due date of any unpaid assessment, then the entire balance of all assessments due in the current fiscal year will automatically be accelerated and become due immediately without further action of the Board of Directors.
6. Any assessment which remains unpaid on the thirtieth (30th) day after the due date shall be considered late. The Association shall promptly send a "late notice" to each Lot Owner whose account is more than 30 days past due. The Association may, but is not required to, send more than one "late notice" to a Lot Owner whose account is delinquent. The late notice shall inform the Lot Owner that:
 - a. A late charge has automatically been assessed equal to \$15.00 or one-tenth of the amount of the assessment, whichever is greater;
 - b. Interest will be automatically charged on assessments at the rate of 6% per annum, or such greater amount if provided for under Maryland law, from the due date forward until the account is brought current;
 - c. The entire balance of all assessments due in the current fiscal year will automatically be accelerated and become due and payable in full thirty (30) days after the due date unless the account is brought current before that date;

- d. That failure to bring the account current by the deadline provided may result in the account being turned over to the Association's legal counsel for collection.

All of the above procedures may be taken without further action of the Board of Directors being required.

- 7. In accordance with the governing documents of the Association and applicable law, any lien or legal action may include a claim for assessments, interest, late fees, charges by the Managing Agent, legal fees, costs of collection, fines and any other sums due to the Association.
- 8. Priority of Payments. All payments made shall be allocated in the following order of priority:
 - a. Court costs, attorney's fees, late fees and other charges, including charges by the Managing Agent;
 - b. Accrued interest;
 - c. Special assessments and any outstanding unpaid fines or other charge levied against the lot owner or property;
 - d. Annual assessments beginning with the oldest balance.
- 9. The Board of Directors, either directly or through its Managing Agent, may at any time turn a delinquent account over to the Association's legal counsel for collection in accordance with this policy.
- 10. Legal counsel shall be authorized to file liens against the delinquent owner's lot which will prevent the owner from selling or refinancing without satisfying the lien; filing civil lawsuits against the owners to collect all delinquent sums and garnishing wages, bank accounts and personal property of delinquent owners to satisfy any judgments against such owners; and conduct a foreclosure sale of a delinquent owner's lot to satisfy Association liens (if approved by the Board);
- 11. If a Lot Owner submits a check to the Association which fails to clear the owners' account, the Association shall add to the account, whichever is greater, a \$35.00 charge or the banking fees incurred by the Association due to the check which does not clear the owner's account. Each returned check shall be assessed such fee. Repeated instances of "bad check" submittals by owners may result in the Association requiring that all future payments be made by money order, cashier's check or its equivalent.
- 12. If an Owner's account becomes more than sixty (60) days past due, the Association may suspend all of the Owners' rights and privileges, including, but not limited to, the right to use of recreational facilities or other common areas, the right to vote, and the right to serve on the Board or any committee. The suspension shall remain in effect until the member pays all amounts due. If any

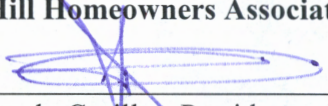
owner wants to contest a suspension or explain any matter relative to an account, the owner may request a hearing with the Board of Directors in writing.

13. This Resolution establishes the procedures for collection of any amounts due to the Association pursuant to its governing documents and/or applicable law including but not limited to assessments, late fees, interest, fines, costs, and legal fees.
14. The Association will enforce this policy in accordance with the governing documents and all applicable Federal, State and Local laws. If any provision is found to be unenforceable, that alone will not affect the enforceability of any remaining provisions.

Effective Date: JAN/01/2017


Adopted by Resolution of the Board of Directors on DEC/8/2016, 2016 at a meeting of the Board of Directors in accordance with Article VI, Section 6.5 of the Declaration.

Rose Hill Homeowners Association, Inc.

By: 
Ricardo Casillas, President

FOR ASSOCIATION RECORDS

I hereby certify that a copy of the foregoing Policy Resolution was mailed or hand-delivered to the members of the Rose Hill Homeowners Association, Inc. on this 19th day of December, 2016.



Adam Landsman, Property Manager