

SUMMERWOOD COMMUNITY HOMEOWNERS ASSOCIATION, INC.
POLICY RESOLUTION
COLLECTION OF ASSESSMENTS

WHEREAS, Article 5, Section 5.1 of the Declaration of Covenants, Conditions and Restrictions (the "Declaration") for the homeowners association known as Summerwood Community Homeowners Association, Inc. (the "Association") creates an assessment obligation of the owners of the lots within the Association, which assessments shall constitute a continuing lien on the lots and personal obligation of the owners of such lots;

WHEREAS, Article 5, Sections 5.7 and 5.8 of the Declaration set forth certain remedies and options relative to the non-payment of assessments; and

WHEREAS, the Board of Directors of the Association recognizes that there is a need to establish orderly policies and procedures for the collection of said assessments;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Summerwood Community Homeowners Association, Inc., hereby adopts the following policy and procedure for collection of assessments:

1. The annual assessment levied pursuant to the Declaration shall be payable in equal monthly installments, due in advance, on the first day of each month.
2. Special assessments levied pursuant to the Declaration shall be due and payable as provided by the Board of Directors.
3. A handling fee of not less than twenty-five dollars (\$25.00) will be assessed for any personal check returned unpaid by the Bank.
4. Non-receipt of an invoice or assessment notice shall in no way relieve a lot owner of the obligation to pay the amount due by the due date.
5. Any assessment levied pursuant to the Declaration, or any installment thereof, which is not paid within thirty (30) days after its due date, shall bear interest at a rate of ten percent (10%) per annum from the date of delinquency and will entitle the Association to impose a late charge of the greater of \$15.00 or ten percent (10%) of the delinquent assessment.
6. If payment of any assessment is not received by the Association, its Board of Directors or its managing agent within thirty (30) days after the due date, the Association, its Board of Directors or its managing agent shall send to the lot owner of record, a notice of the lot owner's delinquency. The notice shall request immediate payment of the delinquent balance and advise the lot owner of the total balance due. An administrative charge of a minimum of ten dollars (\$10.00) will be assessed by the management agent for this notice.

7. If payment in full, including interest, late fees, and costs of collection, are not received by the Association, its Board of Directors, or its managing agent by the sixtieth (60th) day after it is due, the account shall be referred for collection purposes to the Association's attorney. In addition, the lot owner will be responsible for all costs of collection, attorney's fees, interest, and late charges on delinquent assessments. An administrative charge of a minimum of \$50.00 will be assessed by the management agent for referral of the account to the Association's attorney.
8. All documents, correspondence, and notices relating to the charges shall be mailed to the address of the owner of the property as such address appears on the books and records of the Association. If the lot owner has not designated a different address to be listed on the books and records, all such documents, correspondence and notices shall be sent to the owner at the property address.
9. Non-receipt of any notice shall not relieve the owner of the obligation to remit the amount due in a timely manner.
10. Interest, late charges, costs of collection, and attorney's fees shall in all cases be added to the amount of each delinquent assessment and become part of the continuing lien and a personal obligation of the lot owner who owns the lot subject to the assessment.
11. Subject to all requirements set forth in the Declaration and established by applicable law, the Association may bring an action at law against the lot owner personally obligated to pay the delinquent assessment or foreclose on the lien against the lot to which the assessment or installments have been levied. In addition, upon delinquency of any portion of the annual assessment, the Association may, after notice, declare the entire balance of the annual assessment for the remainder of the assessment year immediately due and payable.
12. The attorney shall send a notice to each delinquent lot owner notifying them of the Association's intent to impose a lien for any assessment levied pursuant to the Declaration in accordance with the laws of the State of Maryland.
13. Unrestricted or un-designated partial payments tendered to either the Association, its Board of Directors, its managing agent, or its attorney may be accepted, but only payment in full will stop collection proceedings unless otherwise specified. Unless otherwise specifically agreed to in writing by the Board of Directors, unrestricted partial payments will be applied in the order first to last as follows: (1) attorney's fees, (2) costs of collection, including administrative fees (3) interest charges, (4) late fees and other properly assessed fees and charges, (5) principal arrearage, and (6) current principal due.

14. All lot owners who are delinquent shall be subject to the provisions of this Resolution and the provisions of the Declaration with respect to the non-payment of assessments. This Resolution is intended as a policy and guideline for the Association to facilitate its collection efforts. Failure of the Association to strictly adhere to the provisions herein shall not be deemed a waiver or abandonment of its right to collect assessments, costs of collection, interest, late charges, attorney's fees, and other properly assessed costs and fees from a delinquent lot owner.

THIS COLLECTION POLICY WAS DULY ADOPTED BY THE MEMBERS OF THE BOARD OF DIRECTORS THIS _____ DAY OF _____, 2011.

ATTEST:

Board Member

Marty Allen

Board Member

Jeff Allen

Board Member

Board Member

Board Member

Board Member