

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
The Council of Unit Owners of Lake Pointe at Town Center Condominium, Inc.**

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(Procedures Relative to Assessments, Collection of Routine and Special Assessments  
As well as Delinquent Payments)

**WHEREAS**, Article VIII Section 1 of the Bylaws states that: Each unit owner shall pay to the Council of Unit Owners assessments to meet annual expenses; and,

**WHEREAS**, Article VIII, Section 6 of the Bylaws states that: any assessment levied and any installment which is not paid on the date when due shall be delinquent and shall entitle the Council of Unit Owners to claim the amount of such assessment, together with interest thereon, late charges and the actual costs of collection and reasonable attorney's fees and to take action to file a lien on the condominium unit. In addition to the lien, the unit owner's failure to pay the assessment shall also be a personal obligation. The Association may file a lawsuit to recover a money judgment for nonpayment of any assessment, or any installment thereof, and the Association may foreclose to collect the debt; and,

**WHEREAS**, Article VIII, Section 9 of the Bylaws states that: Upon default in a timely payment of any one or more monthly installments of any annual assessment, the entire balance for the annual assessment may be accelerated and be declared due and payable in full, after the required legal notice; and,

**WHEREAS**, Article V, Section 3(b) of the Bylaws states that: the Board shall have the power to provide for the establishment, collection, use and expenditure of assessments and carrying charges from the unit owners and for the assessments, filing and enforcement of statements of condominium liens in a manner consistent with the law and the provisions of these Bylaws and the Declaration; and,

**WHEREAS**, there is a need to establish and clarify orderly procedures for the billing and collection of said assessments; and,

**WHEREAS**, the Board of Directors desires to establish these procedures in conformity with the Governing Documents and Maryland Law, and as otherwise provided by law.

**NOW, THEREFORE, BE IT RESOLVED THAT** with the foregoing incorporated herein, the Board of Directors, on behalf of the Association duly adopts the following assessment and collection procedures:

1. **ASSESSMENTS**: Each owner's monthly assessment (the use of the term "assessments" hereinafter may include: special assessments, and any other monetary charges) is due on the first day of the month. If the owner is delinquent at any time, the owner's entire annual assessments may become immediately due and payable at the Board of Director's discretion.

Notices, documents and all correspondence relating to assessments may be mailed to the address, which appears on the books of the Association or the address on file with the State Department of Assessment and Taxation. It is each owner's responsibility to inform the Association's managing agent, in writing, of any address change.

2. DELINQUENCY: If an owner chooses to pay the annual assessment by means of the monthly payment plan, an owner's account is delinquent if the installment is not received within fifteen days after the installment's due date.

3. INTEREST AND LATE CHARGE: A delinquent account which is not paid within thirty (30) days after the installment's due date may be assessed interest on the unpaid balance from the due date, until paid, at the rate of eighteen percent (18%) per annum and a "late charge" not exceeding the greater of \$15 or 10% of the delinquent assessment or installment. In addition, a \$35.00 returned check charge and any related bank charges may be assessed against the account of the Lot owner responsible for payment if the payment is returned.

4. LATE NOTICES: If full payment of an assessment is not received by the Association's managing agent within fifteen (15) days after the due date, the managing agent may send a late notice to the owner by first class mail requesting immediate payment, advising the owner of interest that may begin to accrue on the unpaid balance at the rate of eighteen percent (18%) per annum after thirty days delinquent and a "late charge" not exceeding the greater of \$15 or 10% of the delinquent assessment or installment. Such notice is to be sent at the sole discretion of the Board of Directors.

5. FIRST WARNING: If full payment of an assessment is not received by the Association's managing agent within forty-five (45) days after the due date, the managing agent may send a First Warning Notice to the owner by first class mail requesting immediate payment, advising the owner that interest may continue to accrue on the unpaid balance at the rate of eighteen percent (18%) per annum, a "late charge" not exceeding the greater of \$15 or 10% of the delinquent assessment or installment may be added to the account each month, and advising the owner of the possibility of accelerating the assessments for the entire year, and the possibility of a lien being filed against the property. Such notice is to be sent at the sole discretion of the Board of Directors.

6. SECOND WARNING: If full payment of an assessment is not received by the Association's managing agent within seventy-five (75) days after the due date, the managing agent may send a Second Warning Notice to the owner by first class mail requesting immediate payment, advising the owner (1) that interest may be accruing on the unpaid balance at the rate of eighteen percent (18%) per annum, (2) a "late charge" not exceeding the greater of \$15 or 10% of the delinquent assessment or installment may be added to the account each month (3) that the account may be accelerated such that the remaining annual balance becomes due and payable, (4) that a lien may be filed against the property and (5) that, after filing of the lien, the account may be turned over to an attorney for collection (collection may include the filing of a lawsuit, possible foreclosure or other appropriate legal remedies) and that any and all legal fees and costs will be added to their account. Such notice is to be sent at the sole discretion of the Board of Directors.

7. NOTICE OF INTENT TO CREATE LIEN AND ATTORNEY'S FEES: If full payment is not received within ninety (90) days, the managing agent or attorney may accelerate the assessments such that the remaining annual balance is due and may forward the account to the attorney for the filing of a lien. The attorney may send a Notice of Intent to Create a Lien to the delinquent owner by means of first class and certified or registered mail, return receipt requested to the owner's address on the Association's books or such other address as may be determined appropriate by the attorney or by personal delivery or as set forth in the Maryland Contract Lien Act.

The Notice of Intent to Create a Lien may inform the delinquent owner of the amount of the outstanding balance, including all past due assessments and the remaining accelerated annual

assessment, interest, costs of collection and all legal fees actually incurred. The Notice of Intent to Create a Lien will conform to the requirements of the Maryland Contract Lien Act and all other applicable laws.

8. LEGAL ACTION: Once a delinquent owner has been served with the Notice of Intent to Create a Lien, the delinquent owner must, within 30 days of service of the lien warning letter make payment in full, take legal action to prevent the lien from being filed, or get on an approved payment plan. If the delinquent owner does not forward full payment or take appropriate legal action or get on an approved payment plan, the Association may file a lien against the delinquent owner's property after the statutory waiting period has expired.

The Association's attorney may proceed with further legal action at any time, including prior to the filing of a lien, without notice to the owner, including, but not limited to, filing a lawsuit, against the owner, and/or foreclosing on the owner's property in order to collect the past due amounts owed the Association. All legal fees will be added to the owners account and the account will continue to earn interest, be assessed late charges and collection costs until the account is satisfied in full or until otherwise agreed upon in writing.

If payment is not received by the attorney, the attorney may pursue garnishment of the owners' bank accounts and/or wages and/or rent and take any other collection action(s) as deemed appropriate or necessary by the attorney.

The Association's attorney shall have the authority to arrange a payment plan for a delinquent owner, provided the payment plan does not exceed two years. The Association's attorney may, if necessary in protecting the best interest of the client, grant exceptions to the two year payment plan at their discretion. The Board may approve payment plans in excess of two years, but only upon the submission of specific written information as established by the Association's attorney or the Board.

9. PAYMENTS CREDITED: Payments received from an owner will be credited to the outstanding balance in the following order:

- a. Court costs, attorney's fees and other costs of collection.
- b. Accrued interest and late fees.
- c. Special assessments.
- d. Annual assessments.

10. PARTIAL PAYMENTS: In the event an owner attempts to make a payment of less than all monies due and owing to the Association after collection proceedings have commenced, the Association's attorney may, but need not, notify the owner that the payment was applied in accordance with Paragraph 9, hereof, and that his or her account remains delinquent as to all remaining monies owed to the Association. The Association's retention of the partial payment does not constitute a waiver of the Board's authority to foreclose on the owner's property or take further action against the owner to collect the outstanding balance.

11. TIMING AND SCOPE: This Resolution shall not limit the number or scope of possible collection actions that may be taken against delinquent owners. Similarly, this resolution shall not limit or restrict the time frames of any collection actions that are to be taken. No owner may consider or use this resolution as a defense to any collection action that was taken even if the

action taken was outside the time frames indicated in this resolution or if the action taken was not specified in this resolution.

12. TOWING: Article XV, Section (1) of the By-Laws of Lake Pointe at Towne Centre Condominium Inc., empowers the Board of Directors to promulgate and enforce reasonable rules and regulations with respect to parking and traffic control. Parking privileges may be suspended without notice, sixty (60) days after the assessment account becomes delinquent. Any delinquent homeowner's vehicle found parked in a suspended space or in any common area will be towed at the owner's expense.

13. MISCELLANEOUS: Any owner who becomes delinquent may have certain privileges such as parking, voting, running for the Board, and use of other common area facilities and equipment suspended. Furthermore, pursuant to Prince George's County law any homeowner who has a lien on their property may be ineligible for receiving a rental license number/certificate. Also, owners who currently have a rental license number/certificate and then have a lien placed on their property may have their rental license number/certificate revoked.

This Resolution may be amended from time to time as determined by the Board. This Resolution shall replace all earlier Resolutions recorded or adopted by the Board which relate to the collection of assessments.

AND, AFTER NOTICE TO OWNERS AT AN OPEN MEETING AND A VOTE OF THE BOARD, BE IT FURTHER RESOLVED THAT this Resolution is hereby adopted and shall be effective thirty (30) days after the date of its passage.

PASSED this 19 day of August, 2014.

Authorized Representative,  
Board of Directors

  
Signature

Name Printed:

Board President

  
Signature

Name Printed: Rafe R. Ellisor

Board Secretary/Treasurer

August 19, 2014  
Date

August 19, 2014  
Date