

**SNOWDENS MILL HOMEOWNERS ASSOCIATION, INC.**

**POLICY RESOLUTION NO. 2013-03**

(Policy Relating to the Collection of Assessments)

**WHEREAS**, Article IV of the Declaration of Covenants, Conditions and Restrictions of the Snowdens Mill Homeowners Association, Inc. (the "Declaration") as recorded among the land records of Montgomery County, Maryland in Liber 5338 at Folio 462, *et seq.* empowers the Snowdens Mill Homeowners Association, Inc. ("Association"), through its Board of Directors, to fix annual assessments or charges and special assessments; and

**WHEREAS**, Article VII, Section 1(c) of the Association's By-Laws provide that the Board of Directors is empowered to exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by the Association's governing documents; and

**WHEREAS**, Article IV, Section 1 of the Declaration obligates each Owner to pay all assessments levied by the Board of Directors against his or her Lot; and

**WHEREAS**, Article IV, Section 1 of the Declaration further provides that each assessment, together with interest, costs and reasonable attorney's fees, shall be a continuing lien upon the Lot and shall be the personal obligation of the Owner of the Lot; and

**WHEREAS**, Article XIV of the By-Laws provides that interest, costs and reasonable attorney's fees shall be added to the amount of any assessment for actions taken against Owners or their Lots for the collection of assessments; and

**WHEREAS**, Article IV, Section 8 of the Declaration authorizes the Board of Directors to take action to collect unpaid assessments and that any assessment not paid within thirty (30) days of its due date shall bear interest at a rate of six percent (6%) per annum; and

**WHEREAS**, Article II, Section 1(b) of the Declaration states that Board of Directors shall have the right to suspend an Owner's voting rights and right to use the recreational facilities for any period of time during which an assessment against the Owner's Lot remains unpaid; and

**WHEREAS**, Article VI, Section 11 of the Declaration provides that all Owners must abide by any rules and regulations adopted by the Association; and

**WHEREAS**, the Board of Directors has determined that it is in the best interest of the Association to adopt a formal collection policy and to establish orderly procedures for the billing and collection of said assessments.

**NOW THEREFORE, BE IT RESOLVED THAT** the Board of Directors duly adopts the following assessment procedures:

## **I. ROUTINE COLLECTION PROCEDURES**

A. The Annual Assessment for each fiscal year shall be established at least thirty (30) days in advance of the next fiscal year, or as soon thereafter as is possible.

B. The Annual Assessment shall be payable in a single installment due on or before the 1<sup>st</sup> day of the fiscal year, or in such monthly or quarterly installments as may be established by the Board of Directors from time to time. All installments of any special or additional assessments shall be due and payable on the date or dates specified in the notice of such special or additional assessment delivered or mailed to the Owners (collectively "Due Date"). Owners are responsible for insuring that all assessments are paid on or before the Due Date. The Board of Directors shall retain authority to permit the payment of any special or additional assessment on a monthly, quarterly, or annual basis or other convenient installments.

C. All documents, correspondence, and notices relating to regular or special or additional assessments or other charges shall be mailed to the address which appears on the Association's roster or to such other address as is designated in writing by the applicable Owner. All Owners are required to notify the Association in writing when they change their mailing address. Notice of any special or additional assessment shall be sent to each Owner by first class mail. Each non-resident Owner shall furnish the Board of Directors with an address where the Owner promptly and regularly receives mail.

D. Non-receipt of invoices shall in no way relieve an Owner of the obligation to pay the amount of any assessment by the applicable Due Date. Each Owner has a legal duty to seek out information on assessments. Additionally, any failure by an Owner to claim a regular, certified or registered mailing sent by the Board of Directors will not invalidate the notice issued by the Board within such a mailing.

## **II. REMEDIES FOR NON-PAYMENT OF ASSESSMENTS**

A. Any assessment, or installment thereof, not paid within thirty (30) days after the Due Date shall bear interest from the Due Date at the rate of six percent (6%) per annum.

B. Management shall generally issue a "Late Notice" to any Owner who has not paid any assessment in full by the Due Date and such notice shall be sent on or after the 30<sup>th</sup> day after the Due Date. The Late Notice shall be delivered personally or by regular first-class mail at the address listed on the Association's roster, or other address as furnished by the Owner. The Late Notice shall advise the Owner that he or she has fifteen (15) days to pay the balance in full. Failure to provide such notices in strict accordance with these guidelines shall not relieve any Owner of his or her obligations or invalidate any collection action.

C. If the account is not paid in full within sixty (60) days after the Due Date, the account may be referred to counsel for legal action to collect the delinquent assessments.

D. The Association, through its Management or Counsel, may send a "Notice of Intent to Create a Lien" to the Owner at the address listed on the Association's roster, or other

address as furnished by the Owner, via certified mail, return receipt requested. The Notice shall be sent and served in accordance with the Maryland Contract Lien Act.

E. If payment in full of any assessment, including any special or additional assessment payable in installments, plus all associated interest, cost of collection charges, are not received within the time frame stated in the "Notice of Intent to Create a Lien," the Association, through its Management or Counsel, may proceed with legal action to collect the assessments, including but not limited to the recording of a lien against the Lot and/or the filing of a lawsuit against the Owner personally. The Association may, through its Management or Counsel, take further steps to collect the sums due. These steps may include, but are not necessarily limited to, obtaining a judgment against the Owner, garnishing the Owner's salary or wages, attaching assets, and foreclosing the lien upon the Lot.

F. All legal fees, costs and interest shall be added to the Owner's account and shall be part of the continuing lien against the Lot.

G. If an Owner's check is not honored for any reason and is returned to the Association, a returned check charge equal to the amount charged to the Association by the Association's bank shall be assessed against such Owner's account. This returned check charge shall be in addition to any applicable interest and cost of collection charges.

H. If the Owner does not pay the account in full after any delinquency notice is sent to the Owner, the Board of Directors may authorize the Association's Counsel to foreclose on the Association's lien(s).

I. If the Board receives from any Owner, in any accounting year, a returned check or electronic payment for payments of such Owner's assessments or other sums due, the Board may require all future payments to be made by certified check, cashier's check or money order for the remainder of such accounting year as well as the duration of the subsequent accounting year.

J. Pursuant to the authority granted under Article IX, Section 8 of the Declaration, the Board of Directors reserves the right to notify or cause to be notified the holder of a first mortgage on any Lot for which an assessment or other sum owed remains unpaid more than thirty (30) days following its Due Date.

K. The Board will consider, at its sole discretion, payment plan proposals from Owners to cure the delinquency. The proposals must be submitted in writing and must address payment of the entire balance due on the account, including, but not limited to, any legal fees, court costs, costs of collection or interest that has accrued. The Board President shall have the authority to grant or deny payment plan proposals. In addition, the payment plan proposal may be approved subject to the execution of a Confessed Judgment Promissory Note or other legal document to secure the payment plan.

L. Payments received from an Owner towards the account will be credited in the following order of priority:

1. Charges for attorney's fees and other legal and collection costs, if any;
2. All interest accrued;
3. Any assessment due for each Lot, including any special or additional assessment thereon, with the oldest assessment being paid first.

M. At any time, the Board of Directors may exercise its discretion and direct the Association's Management or Counsel to modify these procedures with respect to an individual Owner's account if the Board deems it is appropriate under the circumstances.

N. This Resolution shall not preclude the Board of Directors from taking or causing to be taken any other actions permitted by law for the collection of delinquent assessments or other sums due by Owners.

O. This Resolution shall apply to all Owners who are delinquent at the time this Resolution is adopted and to any Owner who becomes delinquent subsequent to the adoption of this Resolution.

P. This Resolution supersedes all previously adopted Resolutions and practices governing the collection of routine and delinquent accounts.

The effective date of this Resolution shall be August 20, 2013.

**SNOWDENS MILL HOMEOWNERS ASSOCIATION, INC.**



By: Everett Casey, President

SNOWDENS MILL HOMEOWNERS ASSOCIATION, INC.

POLICY RESOLUTION NO. 2013-03

RESOLUTION ACTION RECORD

Duly adopted at a meeting of the Board of Directors held August 20, 2013.

Motion by: Patricia Brockway Seconded by: Luann Mostello

	VOTE:			
	YES	NO	ABSTAIN	ABSENT
<u>Everett F. Casey</u> Everett F. Casey, President	X	_____	_____	_____
<u>Joseph Tahan</u> Joseph Tahan, Vice President	X	_____	_____	_____
<u>Luann Mostello</u> Luann Mostello, Treasurer	X	_____	_____	_____
<u>Patricia Brockway</u> Patricia Brockway, Secretary	X	_____	_____	_____
_____	_____	_____	_____	X
Dennis Holden, Director	_____	_____	_____	_____
_____	_____	_____	_____	X
Carlos Iraheta, Director	_____	_____	_____	_____
<u>Kassa Kebede</u> Kassa Kebede, Director	X	_____	_____	_____

ATTEST:

Patricia Brockway  
Patricia Brockway, Secretary

August 20, 2013  
Date

Resolution effective: August 20, 2013.