

THE VILLAS AT CATTAIL CREEK CONDOMINIUM, INC.
PROCEDURE FOR COLLECTION OF ASSESSMENTS

WHEREAS, Article IX, Section 1 of the By-Laws of The Villas at Cattail Creek Condominium, Inc. ("Association") obligates each Unit Owner to pay certain common charges ("Assessments") imposed by the Board of Directors;

WHEREAS, Article IX, Sections 7, 8 and 10 of the Association's By-Laws establishes certain remedies for non-payment of Assessments, including acceleration, the imposition of interest, costs of collection and attorneys' fees, foreclosure of the lien against the Unit, obtaining a money judgment, and other appropriate actions or steps; and

WHEREAS, the Board of Directors desires to implement a standard procedure for the collection of Assessments and other allowable charges in accordance with the By-Laws, as the same have been interpreted from time to time.

NOW, THEREFORE, BE IT RESOLVED that any previously adopted collection policy is hereby rescinded, and the Board of Directors hereby resolves to promulgate the following procedures and guidelines for the collection of delinquent Assessments ("Collection Policy") in accordance with the Association's Declaration and By-Laws:

I. DUE DATE/INSTALLMENTS

All Assessments levied by the Board of Directors shall be payable in twelve (12) monthly installments ("Installments"), which are due in advance, on the first (1st) day of each month ("Due Date"). The Board will determine the Due Date and payment schedule for any Special Assessment or Facility Assessment so assessed. All fines will be collectible in the same manner as Assessments and will be due on the date imposed or on a schedule to be determined by the Board of Directors.

Pursuant to 11-114(g)(2)(iii) of the Maryland Condominium Act, if the cause of any damage to or destruction of any portion of the condominium originates from a unit, the owner of the unit where the cause of the damage originated is responsible for the property insurance deductible not to exceed \$5,000. All deductibles owed pursuant to 11-114(g)(2)(iii) will be collectible in the same manner as Assessments and will be due on the date imposed by the Board of Directors.

II. REMEDIES FOR NON-PAYMENT OF ASSESSMENTS

A. Late Charge and Interest.

If any Installment due from the Unit Owner is not received by the Association by the fifteenth (15th) day of the month the Installment is due, the Unit Owner's account shall be deemed late and 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 interest at



eighteen percent (18%) per annum, accruing from the Due Date, will be imposed and shall be added to the Unit Owner's account and thereafter be a part of the continuing lien for Assessments and shall be the personal obligation of the Unit Owner until all sums due shall have been paid in full.

B. Delinquency Notification.

Any time after the account is fifteen (15) days past due, a "Late Notice" requesting payment of past due Assessments, interest, expenses of collection and other allowable charges may be sent by first-class mail to any Unit Owner whose account is delinquent. The costs of the Late Notice and any subsequent Late Notice are deemed reasonable expenses of collection.

C. Acceleration.

In the event that any Installment is deemed late, the Unit Owner loses the privilege of payment of the balance of the Assessments in installments and the remaining Installments may be accelerated and declared due and payable, pursuant to Article IX, Section 10 of the By-Laws.

D. Referral to Attorney for Further Collection.

If the Unit Owner's account is over sixty (60) days past due, or when otherwise determined appropriate by the Board of Directors, the delinquent account may be referred to the Association's attorney to proceed with further legal action, which may include the filing of a lien against the Unit and/or the filing of a civil suit against the Unit Owner.

E. Demand Letter.

Once the account is turned over to the Association's attorney, the attorney may forward the Unit Owner an initial demand letter ("Demand Letter") informing the Unit Owner of the outstanding amount owed and the possible consequences of continued non-payment. The Association's attorney and/or the Board of Directors, as either determines appropriate, may forego sending the Demand Letter and proceed directly with the preparation of a Notice of Intent to Create a Lien and/or filing of a civil suit. The cost incurred in the preparation and mailing of the Demand Letter is deemed to be a reasonable expense of collection.

F. Notice of Intent to Create Lien.

The Association's attorney may forward a Notice of Acceleration/Intention to Create a Lien ("NOI") to the delinquent unit Owner in accordance with the provisions and procedures set forth in the Maryland Contract Lien Act and any additional costs incurred shall become the responsibility of the Unit Owner as reasonable expenses of collection.



G. Filing of Lien.

(1) Timing. If payment in full, as stated in the NOI, including interest, expenses of collection and other allowable charges incurred, is not received by the Association, its Management Agent or the Association's attorney within thirty (30) days after the NOI is served upon the delinquent Unit Owner, the Management Agent or the Association's attorney may file a Statement of Condominium Lien ("Lien") in the Land Records of Howard County against the Unit, in accordance with the Maryland Contract Lien Act.

(2) Fees. The Lien shall be filed for and include the amount of unpaid accelerated Assessments, together with late fees, interest at eighteen percent (18%) per annum, actual expenses of collection, including the costs of preparing a Demand Letter, the costs of preparing and serving the NOI and the preparation for the Lien and attorneys' fees, and any charges and/or fines assessed against the Unit Owner. The Unit Owner is also responsible for all fees incurred in the filing and releasing of a recorded lien, including, but not limited to, filing fees and recordation taxes. No lien will be released until the full amount owed on the account is paid, including outstanding attorneys' fees, late charges, interest, and other charges.

H. Collection Suit.

(1) Filing of Civil Suit. Legal counsel for the Association may file a civil suit in the appropriate Howard County court against the delinquent Unit Owner on the basis of the Unit Owner's personal contractual obligation to pay Assessments, late fees, interest and other costs and fees. The civil suit will seek a judgment for all charges and fees included in the lien, plus additional charges that may become due after the filing of the lien.

(2) Unit Owner's Responsibility for all Expenses of Collections. All expenses of collections, including, but not limited to, the costs of the preparation of any notices prepared by the attorney, all filing fees, private process server costs and reasonable attorneys' fees, will be added to the delinquent Unit Owner's account and are the personal obligation of the Unit Owner.

(3) Execution Upon Judgment. Upon entry of judgment against the Unit Owner, the Association may commence execution upon the judgment, including, but not limited to, garnishing wages, garnishing non-wage assets, attaching the Unit Owner's real and personal property, filing a judgment lien, instituting a sheriff's sale foreclosing on the judgment lien, and recording the judgment in another state. If the Unit is a rental property, the Association may garnish the rents from the tenant to pay the judgment owed to the Association.

I. Foreclosure.

(1) The Association may, pursuant to Article IX, Section 7 of the By-Laws, authorize its attorney to commence proceedings to enforce and foreclose upon the Lien placed against a Unit owned by the delinquent Unit Owner in accordance with the



provisions of the Maryland Contract Lien Act.

(2) The Unit Owner shall be responsible for all costs and fees incurred in the foreclosure proceeding.

(3) Under the authority provided by the Maryland Contract Lien Act and the governing documents of the Association, the delinquent Unit Owner may have his Unit sold at foreclosure and the Unit Owner evicted from the Unit.

J. Returned Checks.

(1) If the Association receives from any Unit Owner, in any fiscal year, two (2) or more returned checks for payment of Assessments, the Board of Directors may require all future payments to be made by certified check, cashier's check or money order for the remainder of the fiscal year.

(2) BAD CHECK FEE. The Unit Owner shall be levied and obligated for a thirty-five dollar (\$35) charge or the maximum permitted by law, if greater, for any check or any payment from any payment method authorized by the Board of Directors is returned by the drawee for "insufficient funds," which fee shall be posted to the Unit Owner's account.

(3) Criminal Prosecution. Additionally, the Association reserves the right to criminally prosecute any Unit Owner for the passing of "bad checks" under the Maryland Bad Check Statute.

K. Financial Hardship.

(1) The Board of Directors may, in its sole discretion, but is in no way obligated to, grant a waiver of any provision herein upon written request by a Unit Owner alleging a personal or financial hardship.

(2) Such relief granted shall be appropriately documented in the records of the Association. Such documentation shall include, without limitation, the basis for taking such action.

L. Communications.

Once the delinquent account is turned over to the Association's attorney for collection, all communication from the delinquent Unit Owner regarding his or her account shall be directed by the Board of Directors and the Management Agent to the Association's attorney.

III. REVOCAION OF RIGHTS

A. Suspension of Voting Rights and Right to Be Elected to an Office or the Association Board. In accordance with Article IV, Section 7 of the By-Laws, no Unit Owner shall be



eligible to vote at any annual or special meeting of the Association, or be elected to an office or to the Association's Board of Directors if the Association has recorded a Lien against said Unit Owner (his Unit) and the amount necessary to release the Lien has not been paid at the time of the meeting.

B. Board Term Termination. In accordance with Article V, Section 6 of the By-Laws, the term of any Director who has an unreleased Lien recorded against his property shall be automatically terminated.

IV. PRIORITY OF PAYMENTS

Payments received from a Unit Owner will be credited to the Unit Owner's account according to the following order of priority:

1. Attorneys' fees and other legal and collection expenses
2. Late Charges
3. Interest
4. Special Assessments
5. Assessments
6. Other Assessments
7. Fines and other unpaid charges

V. MISCELLANEOUS

A. Payment Methods.

For the Unit Owner's convenience, the Board of Directors may authorize payment of Assessments through direct debit, credit card, or via electronic transfer from the Unit Owner's bank account ("Automatic Payments"). Should a Unit Owner elect to use Automatic Payments, it remains the obligation of the Unit Owner to ensure that the Installments are paid when due. If, for any reason, payment is not submitted via Automatic Payment, the Unit Owner is obligated to make the payment and if the Unit Owner fails to do so, the Installment will be deemed unpaid.

B. Coupon Book.

The Association may provide each Unit Owner a coupon book or monthly bill indicating the amount of Assessment or Installment due. Non-receipt by a Unit Owner of a bill or coupon book for payment shall in no way relieve a Unit Owner of the obligation to pay the Assessment or Installment amount due by the Due Date.



Continuing and Non-Continuing Violations Maximum Fine

Class A Violation	\$100.00
Class B Violation	\$50.00
Class C Violation	\$25.00

WHEREAS, the Board of Directors for the Villas at Cattail Creek Condominium
These fines and subsequent occurrences of same/similar violations shall be cumulative.
Continuing violations shall be assessed a fine each day that the violation continues beyond the
deadline set forth in the initial cease and desist letter.

The three classes of violations include, but are not limited to, the following:

1. CLASS A VIOLATIONS

- Failure to Obtain Approval of Proposed Improvements
- Lease Violations – Failure to submit copy of lease
- Removal of Solid Pet Waste Violations
- ~~Violation of Junk Vehicles/Boat/RVs~~ ~~Bylaws and/or any adopted Rules and Regulations~~
- Unregistered Vehicles
- Commercial Vehicles
- Failure to properly maintain property

2. CLASS B VIOLATIONS

- ~~Operation of recreational vehicles on common elements which are not roadways~~
- Failure to repair damages caused by operation of vehicles on common elements which are not roadways
- Excess number of vehicles per unit
- Noxious or Offensive Activities
- Violations of other Pet Rules

3. CLASS C VIOLATIONS

- Occupants under 18 years of age
- Trash violations
- Parking Rules requiring all vehicles to be stored in unit garages or on unit driveways
- Outside Clothes Drying

The above list is not intended to be all inclusive. Other rule violations shall be assigned a "Class" by the Board of Directors as the need arises.

F. Collection of Fines. The Board of Directors shall collect all fines in the amounts outlined above and as authorized by the governing documents. All fines are treated as assessments pursuant to the Bylaws and any unpaid fines shall constitute a lien against the Unit and may be enforced and collected in the same manner as unpaid assessments pursuant to the Maryland Contract Lien Act, including foreclosure of the lien. All monies collected by the Association from a Unit Owner for any reason, including monies collected for regular and



G. Effective Date.

This Collection Policy shall be effective thirty (30) days from the date of adoption, shall apply to collection of Assessments, Special Assessments and Installments due on or after such date, and shall remain in effect until otherwise rescinded, modified or amended by the majority of the Board of Directors.

H. Severability.

The provisions of this Collection Policy are severable, so that, if any provision or provisions hereof shall be held to be unreasonable, unlawful, or unenforceable, such holding shall not impair the remaining provisions. If any provision hereof is held to be too broad or unreasonable in duration, scope, or character of restriction to be enforced, such provision shall be modified to the extent necessary in order that any such provision or portion thereof shall be legally enforceable to the fullest extent permitted by law.

This resolution was adopted this, the _____ day of _____, 2014, in compliance with Section 11-111 of the Maryland Condominium Act.

Witness: _____
Renee Parcover, President

Attest: _____
Jack Moskowitz, Secretary

