

**KINGSVIEW RIDGE COMMUNITY ASSOCIATION, INC.**

**POLICY RESOLUTION**

**(Regarding the Collection of Assessments)**

**WHEREAS**, Article V, Section 1 of the Association's Declaration of Covenants, Conditions and Restrictions ("Declaration") authorizes the Board of Directors ("Board") to levy and collect installments of the annual assessment on a quarterly basis; and

**WHEREAS**, Article VII, Section 1 of the Declaration provides that any assessment shall be due on the first (1st) day of the quarterly period and shall be delinquent if not paid on that date; and

**WHEREAS**, Article VII, Section 1 of the Declaration further provides that any delinquent assessment, together with interest, late charges, and costs of collection shall become a continuing lien upon a delinquent owner's lot and shall be the personal obligation of the delinquent owner; and

**WHEREAS**, Article VII, Section 1 of the Declaration further provides that any assessment not paid within ten days of its due date may bear interest at the maximum legal rate permitted under Maryland law and may be subject to a late charge in an amount as established by the Board from time to time, and that interest, costs and reasonable attorney's fees shall be added to the amount of each assessment; and

**WHEREAS**, Article VII, Section 1 of the Declaration authorizes the Association to take certain actions to collect unpaid assessments, including but not limited to, recording a lien against the property, foreclosing upon a lien and filing a lawsuit against an owner; and

**WHEREAS**, Article VII, Section 3 of the Declaration provides that upon default in the payment of any one or more installments of any assessment, the entire balance of the annual assessment may be accelerated and declared due and payable in full; 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 Kingsview Ridge Community Association, Inc. (Association) shall be an annual assessment collected in equal installments due on the first (1<sup>st</sup>) day of each quarter during the year (January 1, April 1, July 1, October 1). 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. Any assessment remaining unpaid on the fifteenth (15th) day after the due date will automatically be assessed a late charge equal to \$15.00, or such other amount as may be established by the Board from time to time, for each late assessment. A late charge will not be imposed more than once for the same delinquent payment. Additionally, if an assessment is not paid within fifteen (15) days of its due date, interest will automatically be charged at the maximum legal rate permitted under Maryland law from the due date forward until the account is brought current.
4. If the owner's account is not paid in full within sixty (60) 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 will become due immediately without further action of the Board of Directors.
5. Any assessment remaining unpaid on the fifteenth (15th) day after the due date shall be considered late. The Association shall promptly send a "late notice" to each owner whose account is more than 15 days past due. The Association may, but is not required to, send more than one "late notice" to an owner whose account is delinquent. The late notice shall inform the owner that:
  - a. A late charge has automatically been assessed to the account in the amount of \$15.00;
  - b. Interest will be automatically charged on assessments at the maximum legal rate permitted by the State of Maryland from the due date forward until the account is brought current;
  - c. On the sixtieth (60th) day after the due date, the entire balance of all assessments due in the current fiscal year will automatically be accelerated and become due immediately 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 being required.

6. 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 owner shall be responsible for all legal fees, late charges, interest and costs associated with

collection proceedings as allowed by law and by the Association's governing documents.

7. In accordance with the governing documents of the Association and as allowed by applicable law, any lien or legal action may include a claim for assessments, interest, late fees, legal fees, costs of collection, fines and any other sums due to the Association.
8. Priority of Payments – All payments made shall be applied in the following priority order:
  - a. Charges for legal fees;
  - b. Court costs and other costs of collection;
  - c. All accrued interest;
  - d. Any outstanding unpaid fines;
  - e. Any special assessment, late charge or other charge levied against the owner or property;
  - f. The assessment amount (annual or supplemental) beginning with the oldest balance.
9. The Board of Directors, either directly or through its management agent, may at any time turn a delinquent account over to the Association's legal counsel for collection in accordance with this policy.
10. 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, interest, fines, costs, and legal fees.
11. The Association will enforce this policy in accordance with the governing documents and all applicable Federal, State and Local laws. Any provision found to be unenforceable will not affect the enforceability of any remaining provisions.

Effective Date: 5/1/14

Adopted by Resolution of the Board of Directors on April 2, 2014 at a meeting of the Board of Directors at which a quorum was present and a majority of the quorum voted in favor of the Resolution.