

**RESOLUTION 16-01 OF THE BOARD OF DIRECTORS OF
KING FARM CONDOMINIUM, INC.**

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

WHEREAS, Article 5, Section 5.5 of the Declaration of Covenants, Conditions and Restrictions creates an assessment obligation for the owners of units in King Farm Condominium, Inc. (hereafter the "Condominium"), which is a continuing lien on the unit and a personal obligation of the owner; and,

WHEREAS, Article 3, Section 3.1 of the Bylaws grants the Board of Directors the authority to enforce payment of assessments by means of, inter, alia, foreclosing the lien against any unit for which assessments are not paid or bringing an action at law against the owner personally obligated to pay the same; and,

WHEREAS, Article 3, Section 3.1 of the Bylaws provides that upon default in the payment of any one or more monthly installments, the Board of Directors may accelerate the entire unpaid balance for the remainder of the fiscal year; and,

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

WHEREAS, the collection of assessments in a timely fashion is an integral part of the operation of the Association:

WHEREAS, The Board of Directors desires to establish these procedures in conformity with the Declaration, the Bylaws, Title 11 of the Real Property Article of the Annotated Code of Maryland (hereinafter the "Maryland Condominium Act"), the Maryland Contract Lien Act, and as otherwise provided by law.

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Directors, on behalf of King Farm Condominium, Inc., duly adopts the following assessment and collection procedures:

1. 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 the time frames of any collection actions that are to be taken. No owner may consider or use the time frames suggested by this resolution as a defense to any collection action that was taken even if the action was outside the time frame indicated in this resolution.
2. Each owner's annual assessment is due on the 1st day of the fiscal year; however, for the convenience of owners, the annual assessment may be paid in equal monthly installments on the 1st day of each month, unless otherwise notified by the Board of Directors. There may also be additional fees due, including, but not limited to, special assessments, interest or fines, which are subject to this collection policy.

3. Notices, documents and all correspondence relating to assessments will be mailed to the address which appears on the records of the Condominium. It is each owner's responsibility to inform the Condominium management Agent, in writing, of any address change. An owner's account is delinquent if any balance is not paid in full on the due date.

4. If at the close of business on the 15th of the month, there is a balance due on an owner's account, a late fee of \$10, shall be added to their account. A late fee shall be charged on the monthly assessment each month that the account remains delinquent. Management Agent is authorized to waive one late fee per fiscal year at owner's request based on the owner's good payment history.

5. On or about the 25th day of the month, the Management Agent will mail a notice to delinquent owners advising that their fee has still not been received and that in 30 days their account will be turned over to the association's attorney for lien filing, lawsuit and/or foreclosure.

6. On or about the 30th day of the second month of delinquency, the Management Agent will turn over all delinquent owner accounts not paid by that date over to the association's attorney for collection action. Once the account has been turned over to the attorney, all correspondence with the owners regarding their account must be between the owners and the attorney.

7. On or about the 5th day of the third month of delinquency, the association's attorney will send each delinquent owner a Notice of Intent to File a Lien (NOI) and to accelerate fees.

8. Between the 30th and 45th day after the NOI has been served upon the owners, the association's attorney will file the lien against the owner, provided that payment was not received in full, no written signed payment agreement was entered into or that the unit owner does not file a complaint in the Circuit Court for probable cause.

9. On or about the 120th day of delinquency, the attorney will proceed with further legal action, including, but not limited to, foreclosing on the owner's property, or filing a lawsuit, or both, against the owner in order to collect the owner's past due assessments, late fees, fines, costs of collection and attorney's fees.

10. All charges for collection action will be charged to the homeowner, including, but not limited to Management Agent/Attorney fees and costs, postage, private process server fees, interest, lien recording and releasing fees.

11. All checks returned unpaid must be replaced with a cashier's check or money order and will incur an administrative charge.

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

- Court costs, attorney's fees and other costs related to collections

- Fines, late fees or accrued interest, as applicable
- Special assessments
- Annual assessments

13. In the event an owner attempts to make a payment of less than all monies due and owing the association after collection proceedings have commenced, the payment is to be applied in accordance with the Paragraph 12 hereof, and 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 action against the owner to collect the outstanding balance.

01/24/2017
DATE

Robert Fitch
PRESIDENT

I hereby certify this Policy Resolution was duly adopted by the Board of Directors on _____ and thereafter, that I caused this Resolution to be mailed, or hand delivered to the Unit Owners of King Farm Condominium, Inc.

This policy resolution shall become effective on _____

ATTEST:

DATE

NOTARY