

**RULES AND REGULATIONS
FOR
COLLECTION OF ASSESSMENTS
WATERS EDGE AT WOODS LANDING HOMEOWNERS ASSOCIATION**

WHEREAS, Article IV of the Declaration of Covenants, Conditions and Restrictions filed in the Land Records Office of Anne Arundel County, Liber 8290, folio 539 ("Declaration") creates an assessment obligation for the Owners of the Lots located within Waters Edge at Woods Landing Homeowners Association, which is a continuing lien on the Lot and a personal obligation of the Owner;

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

WHEREAS, the Board of Directors of the Waters Edge at Woods Landing Homeowners Association, Inc. ("Association") desires to establish these procedures in conformity with the Declaration, as well as the By-Laws of the Association and the Maryland Contract Lien Act, Md. Ann. Code, Real Prop. Art., Sec. 14-201, *et seq.* and as otherwise provided by law.

NOW, THEREFORE, be it resolved that the Association duly adopts the following assessments and collection procedures:

1. Assessments - Each Owner's monthly assessment for their Lot is due and payable on the first of each month.

2. Notices - Notices, documents and all correspondence relating to assessments shall be mailed to the mailing address of the Owner of the Lot, which appears on the books of the Association. It is each Owner's responsibility to inform the Association of any change in the mailing address.

3. Delinquency - An Owner's account is delinquent if an assessment is not paid in full by the 30th of the month it is owed.

4. Late Fees - A late fee of \$10.00 per installment shall be assessed to an Owner's account if full payment of the installment is not received by the 30th of the month it is owed.

5. Delinquency Notice - If full payment of an assessment is not received by the Association within 40 days after the due date, a delinquency notice shall be sent to the Owner by first class mail to include the assessment and late fee, as well as a \$10.00 collection charge. If payment is not received within ten (10) days of the delinquency notice, the remaining total of the unpaid installments of such assessments may be accelerated at the option of the Board of Directors.

6. Notice of Intent to Create Lien and Attorney's Fees - Whether a delinquency notice is sent under Section 5 above or not, if no payment is received within 60 days of the date due, the account subject to the Board's discretion may be turned over to the Association's attorney to proceed with collection action pursuant to the Maryland Contract Lien Act. An additional collection charge of \$25.00 will be charged to cover the costs incurred in turning the account over to the Association's attorney for collection. The action by the Association's attorney shall include the mailing of a "Notice of Intention to Create a Lien" ("Notice") by certified mail, return

RECORDING FEE 58.00
TOTAL 58.00
REC'D MAIL ROOM 7/29/03 9:55:30
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JUL 29, 2003 08:38 am

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receipt requested, and first class mail to the Owner's mailing address. The Notice will inform the Owner of the amount of the outstanding balance, including all past due assessments, late fees and costs of collection, as well as any acceleration of the payments of installments. The Notice will conform to the requirements of the Maryland Contract Lien Act and all other applicable law. If service by certified mail cannot be effectuated, the Notice will be posted on the Unit. All costs incurred by the Association to serve the Owner with the Notice will be assessed to the Owner's account, including attorney's fees.

7. Legal Action - Upon service of the Notice and pursuant to the Maryland Contract Lien Act, the Owner must, within thirty (30) days of service, either forward payment in full to the Association's attorney or file a complaint in the Circuit Court for Anne Arundel County to determine whether probable cause exists for the Association to file a lien against the Owner's property. If the Owner does not forward payment or file a complaint, the Association's attorney may file a lien against the Unit after the thirty (30) day period has expired. The Owner shall be liable for all costs of filing the lien including attorney's fees, as well as releasing the lien.

Upon filing a lien and written approval of the Board, the Association's attorney may proceed with further legal action including, but not limited to, foreclosing on the Lot, or filing a lawsuit against the Owner personally, in order to collect the past due assessments, late fees, interest, costs of collection and attorney's fees.

8. Interest - Interest will be charged for all delinquent assessments if not paid within 30 days of the date due at 10% per annum pursuant to Art. IV, Sec. 10 of the Declaration.

9. Payments Credited - Payments received from the Owner will be credited to the oldest outstanding balance in the following order:

1. Court costs, attorneys fees and other costs of collection;
2. Late fees and/or accrued interest, as applicable;
3. Special assessments; and
4. Annual assessments.

10. Partial Payments - In the event the Owner makes payment of less than all monies due and owing the Association after the Association's attorney has started collection proceedings, the Association's attorney shall send a letter by first class mail to the Owner advising the owner that his or her account remains delinquent as to all remaining monies owed to the Association. The Association's retention of any partial payment does not constitute a waiver of the Board's authority to lien the Lot or to take other legal action to collect the outstanding balance.

DATE:

July 9, 2003

Kathy Ambic-Wain, HOA Board President

M. Bean, HOA Treasurer

Dana Malone, Secretary

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