

**WORTHINGTON MEWS HOMEOWNERS
ASSOCIATION, INC.**

c/o COMANCO, Inc.
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September 7, 2001

NOTICE

RE: Adopted Collection Policy

Dear Homeowner(s):

Attached, please find a copy of the Association Collection Policy adopted at the Board of Directors meeting held on August 22, 2001 and is effective October 1, 2001.

In an effort to lower the amount of delinquent homeowner association fees, the Board of Directors has adopted a new collection policy. All fees will continue to be due on the FIRST of the month.

AN ASSOCIATION FEE NOT PAID WHEN DUE IS DELINQUENT.

Starting October 1, 2001, a unit owner whose account is delinquent on the 10th of the month will receive a notice of acceleration (the entire year's balance of assessments will be payable in full) at a cost of \$10.00 to the homeowner.

In addition, a unit owner whose account remains delinquent as of the 15th of the month will be responsible for paying a late charge in the amount of \$15.00, and applicable interest.

After implementing all notices, the account will be turned over to the Association's attorney at sixty (60) days (two months) for lien, possible judgement or foreclosure.

All costs of collection and attorney fees will be charged to the Unit Owner.

The above new collection policy will be strictly enforced. If there will be a problem making the monthly payment, unit owners are encouraged to contact COMANCO, Inc., in writing, and explain the situation, prior to the due date of payment. Payment Plans will be accepted as long as the current balance does not increase and is reduced.

Respectfully,

Your Board of Directors
Worthington Mews Homeowners
Association, Inc.

COLLECTION POLICY RESOLUTION FOR WORTHINGTON MEWS HOMEOWNERS ASSOCIATION, INC.

WHEREAS, Article XI, Sections 9.1 and 4, and Article XVII, Section 4, of the Declaration of Covenants, Condition and Restrictions creates an assessment obligation for the owners of units in Worthington Mews Homeowners Association, Inc. (hereinafter the "Association"), which is a continuing lien on the unit and the personal obligation of the owner; and

WHENEAS, Article XI, Section 9.3 (c), and Article XI, Section 9.6 and of the Declaration grant the Board of Directors the authority to fix the amount of the annual assessments, to determine its due date, and to enforce payment of said 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 IX, Section 9.9 (e) and 4 (c), of the Bylaws authorizes the Association to charge interest at the rate of eighteen percent (18%) per annum on any assessment not paid when due and to charge a fifteen dollar (\$15.00) late fee on any assessment not paid within fifteen (15) days; and

WHEREAS, there is a need to establish these procedures in conformity with the Declaration, the Bylaws, the Maryland Contract Lien Act, and as otherwise provided by law.

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Directors, on behalf of Worthington Homeowners Association, Inc. duly adopts the following assessment and collection procedures:

1. **ASSESSMENTS**: Each owner's annual assessment is due on the first day of January, however, for the convenience of owners, the annual assessment may be paid in equal monthly instalments due on the first day of every month, unless otherwise notified by the Board of Directors.

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

2. **DELINQUENCY**: An owner's account is delinquent if and when an assessment is not paid in full on the due date. If an owner chooses to pay the annual assessment by means of the monthly payment plan, an owner's account is delinquent if the monthly installment is not made on the fifteenth (15th) day of the month. Furthermore, if payment in full is not received within thirty (30) days of the due date, the owner will not be permitted to utilize the monthly payment plan for the remainder of the fiscal year, and in that event the entire balance of the owner's annual assessment will become immediately due and payable.
3. **INTEREST AND LATE FEES**: Any assessment which has not been paid in full when due shall bear interest from the due date until paid in full at the rate of eighteen (18%) percent per annum and shall be charged a fifteen (\$15.00) dollar late fee if not paid in full within fifteen (15) days of the due date.
4. **LATE NOTICES**: If full payment of an assessment is not received by the Association's managing agent within fifteen (15) days after the due date, the managing agent will send a courtesy reminder letter to the owner by first class mail requesting immediate payment and advising the owner that a late fee has been charged to the account. If full payment of an assessment is not received by the Association's managing agent within twenty-five (25) days after the due date, the managing agent will send a second delinquency notice to the

owner by first class mail requesting immediate payment and advising the owner that, if payment in full is not received within fifteen (15) days of the date of the letter, the owner will not be permitted to utilize the monthly payment plan for the remainder of the fiscal year and that the entire balance of the owner's annual assessment will become immediately due and payable. The late notice shall also inform the owner that interest is continuing to accrue on the unpaid balance, that a collection charge has been added to the account and that the account will be forwarded to the Association's attorney for collection if payment in full is not received within fifteen (15) days.

Once the account of a delinquent owner has been referred to the Association's attorney for collection, the owner shall direct all payments, queries, comments and correspondence regarding the account directly to the Association's attorney and the owner shall not attempt to or make any contact with the Board of Directors or the managing agent in this regard until such time as the account has either been brought current or the owner has been directed otherwise by the Association's attorney.

5. **FORMAL DEMAND:** If payment in full is not received within sixty (60) days after the due date, the account will be forwarded to the Association's attorney for collection. The Association's attorney shall pursue the following procedures:

a. **Enforcement By Lien:** A Notice of Intent to Create a Lien shall be forwarded to the delinquent owner. The Notice of Intent to Create a Lien will inform the delinquent owner of the amount of the outstanding balance, including all past due assessments, late fee, interest, costs of collection and attorney's fees. The Notice of Intent to Create a Lien will conform with the requirements of the Maryland Contract Lien Act and all other applicable laws.

The Notice of Intent to Create a Lien will be personally served upon the owner by private processor. If the process server is unable to serve the owner, then the process server shall post the Notice of Intent to Create a Lien in a conspicuous manner upon the owner's unit and shall mail a copy of said Notice to the owner's last known address.

Once a delinquent owner has been served with the Notice of Intent to Create a Lien, the delinquent owner must, within thirty (30) days of service of the Notice of Intent to Create a Lien, either forward payment in full or file a complaint in the Circuit Court for Baltimore County to determine whether probable cause exists for the Association to file a lien against the delinquent owner's property. If the delinquent owner does not forward full payment or file a complaint, the Association will file a lien against the delinquent owner's property after the thirty (30) day period has expired.

Once a lien has been filed, the Association's 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, interest, costs of collection and attorney's fees.

b. **Enforcement by Suit:** A Suit/Foreclosure Warning Letter shall be forwarded to the delinquent owner by means of first class mail to the owner's address on the Association's books. The Suit/Foreclosure Warning Letter will inform the delinquent owner of the amount of the outstanding balance, including all past due assessments, late fees, interest, costs of collection and attorney's fees.

Once a Suit/Foreclosure Warning Letter has been mailed, the delinquent owner must, within ten (10) days of the date of the Suit/Foreclosure Warning Letter, forward payment in full to the Association's attorney. If payment is not received

within ten (10) days, the Association's attorney will proceed with further legal action, including, but not limited to, filing a lawsuit against the owner in order to collect the owner's past due assessments, late fees, interest, costs of collection and attorney's fees.

6. PAYMENT CREDITED: Payments received from an owner will be credited to the oldest outstanding balance in the following order:
- a. Attorney's fees and other costs of collection.
 - b. Accrued interest.
 - c. Late fees.
 - d. Special assessments.
 - e. Annual assessments.

Once an account becomes delinquent, payment from the delinquent owner will not be accepted unless it is made by certified or cashier's check or by money order.

7. PARTIAL PAYMENTS: 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 Association's attorney will 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 a 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.

ATTEST:

Worthington Mews Homeowner's Association, Inc.

Rene' Cmer
Secretary

AOA
President

This Collection Policy becomes effective on the 22nd, day of August, 2001.