

COLLECTION POLICY RESOLUTION FOR MAPLE WOOD HOMEOWNERS ASSOCIATION, INC.

WHEREAS, Article V, Section 1, of the Declaration creates an assessment obligation for the owners of lots in Maple Woods Homeowners Association, Inc. (hereinafter the "Association"), which is a continuing lien on the lot and the personal obligation of the owner; and

WHEREAS, Article V, Sections 5.10 and 5.11 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 lot for which assessments are not paid or bringing an action at law against the owner personally obligated to pay the same; and

WHEREAS, Article V, Section 5.11 of the Declaration authorizes the Association to charge interest at the rate of ten percent (10%) per annum and to charge a five dollar (\$5.00) late charge on all assessments not paid within fifteen (15) days; and

WHEREAS, Article V, Section 5.11 of the Declaration provides that each owner of a lot within the Association agrees to reimburse the Association for all attorney's fees and costs incurred by the Association to collect unpaid assessments; and

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

WHEREAS, the Board of Directors desires to establish these procedures in conformity with the Declaration, the Bylaws, the Maryland Homeowners Association 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 Maple Woods Homeowners Association, Inc., duly adopts the following assessment and collection procedures:

1. ASSESSMENTS. Each owner's annual assessment shall be due on the first day of January; however, for the convenience of owners, the assessment may be paid in equal monthly installments due on the first day of each ensuing 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's managing agent of any address change.

2. DELINQUENCY. An owner's account is delinquent if and when any monthly installment of the owner's assessment is not paid in full on the first day of each month.

3. INTEREST AND LATE FEES. Any account that is not paid in full within fifteen (15) days of the due date shall bear interest from the due date until paid in full at the rate of ten percent (10%) per annum.

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 delinquency notice to the owner by certified 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, 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 now accruing on the unpaid balance, that a late fee has been charged to the account, 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 thirty (30) 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 by means of certified mail, return receipt requested, and by first class mail to the owner's address on the Association's books.

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, 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.

If the delinquent owner does not sign for the copy of the Notice of Intent to Create a Lien which was forwarded to the owner by means of certified mail, return receipt requested, and the notice is returned as refused or unclaimed, the Notice of Intent to Create a Lien will either be personally served upon the owner by private process, or shall be posted in a conspicuous manner upon the owner's lot and mailed to the owner's last known address. The additional

costs incurred by the Association to serve the delinquent owner with the Notice of Intent to Create a Lien will be assessed to the delinquent owner's account.

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.

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, interest, costs of collection and attorney's fees.

b. Enforcement by Suit. A suit 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 Warning Letter will inform the delinquent owner of the amount of the outstanding balance, including all past due assessments, interest, costs of collection and attorney's fees.

Once a Suit Warning Letter has been mailed, the delinquent owner must, within ten (10) days of the date of the Suit 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, interest, costs of collection and attorney's fees.

6. PAYMENTS 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.

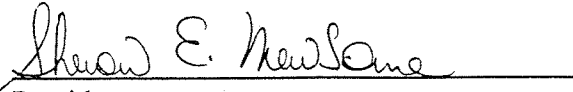
Once an account becomes delinquent, payment from the delinquent owner will not be accepted unless it is made by certified or cashier's check or by money order.

7. PARTIAL PAYMENTS. In the event an owner attempts to make a payment of less than all monies due and owing to the Association after collection proceedings have commenced, the Association's attorney or designated collection agent may 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 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.

Attest:

Maple Woods Homeowners Association, Inc.


Secretary


President

This Collection Policy becomes effective on 3/4/97.