

## **ADMINISTRATION RESOLUTION FOR COLLECTION OF AMOUNTS DUE TO FERNSHIRE FARMS HOMEOWNERS ASSOCIATION**

1. The assessment for the Fernshire Farms Homeowners Association (Association) shall be an annual assessment collected in equal installments due on the first (1<sup>st</sup>) day of each calendar month. 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 9 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 for each late assessment. A late charge will not be imposed more than once for the same delinquent payment. Additionally, interest will automatically be charged 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 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 who is late in paying assessments. The late notice shall inform the owner that:
  - a. A late charge has automatically been assessed equal to \$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 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 then.

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- d. If the owner's account is delinquent during any fiscal year and remains delinquent into the succeeding fiscal year then the entire balance of all assessments due in the succeeding fiscal year will automatically be accelerated and become due immediately without further notice on the first day of the succeeding fiscal year.

All of the above without further action of the Board of Directors.

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 fees, interest and costs associated with collection proceedings as allowed by law and the association's governing documents including, if allowed, all legal fees incurred to collect any amounts due.
7. If the owner's account is delinquent during any fiscal year, remains delinquent into the succeeding fiscal year and the owner has been served the notice described in Paragraph 5, then the entire balance of all assessments due in the succeeding fiscal year will automatically be accelerated and become due immediately on the first day of the succeeding fiscal year without further notice or action of the Board of Directors. The association may take any action to collect the assessments for the succeeding fiscal year as well as to collect the assessments for any previous fiscal years that are due as allowed by law.
8. 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.
9. Priority of Payments – All payments made shall be allocated in the following priority order:
  - a. Charges for legal fees;
  - b. Court costs and other costs of collection;
  - c. All late fees and accrued interest;
  - d. Any outstanding unpaid fines;
  - e. Any special assessment or other charge levied against the owner or property;
  - f. The assessment amount (annual or supplemental) beginning with the oldest balance.

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10. The Board of Directors, either directly or through its management agent, may at any time turn a delinquent account over to legal counsel for collection in accordance with this policy.
11. 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.
12. The Association will enforce this policy in accordance with the governing documents and all applicable Federal, State and Local laws. If any provision is found to be unenforceable, that alone will not affect the enforceability of any remaining provisions.

Effective Date: 2/1/14

Adopted by Resolution of the Board of Directors on January 27, 2014, 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.