

TARTAN RIDGE HOMEOWNERS ASSOCIATION

RESOLUTION

COLLECTION POLICY AND PROCEDURES

WHEREAS, the Articles of Incorporation of the Tartan Ridge Homeowners Association, Inc. (hereinafter "Association") at Article IV (b) directs the Association to fix, levy, collect and enforce payment of all charges and assessments provided under the terms of the Declaration for the Association; and,

WHEREAS, Article IV, Section 1 of the Declaration creates the personal obligation to pay assessments by each Owner; and,

WHEREAS, Article VII, Section 2 (c) of the Bylaws creates a duty for the Board of Directors to fix and collect annual assessment and to enforce the terms of the Declaration in the event of default in the payment of assessments by an Owner; and,

WHEREAS, the Board of Directors desires to create a uniform policy for the collection of unpaid assessments and to inform Owners of the procedures to be used to collect unpaid assessments.

WHEREFORE, after notice to the Owners and upon majority vote of the Board of Directors the following procedures were adopted and passed as a Resolution of the Association as evidenced by the signature of the President of the Association below.

RESOLUTION

1. Annual assessments for single family and townhomes shall be paid on a quarterly basis.
2. Payment shall be due on the first day of the first month of the quarter as determined by the Board of Directors.
3. Payment not received by the 15th day of the month in which payment is due will result in notice from the Association of the payment being overdue.
4. If the quarterly payment is not received by the 30th day after the due date then interest shall begin to accrue at the rate of one and one half percent (1 1/2%) per month on the outstanding balance.
5. If an Owner becomes two (2) or more quarterly assessments in arrears, the Owner's account shall be referred to legal counsel for the Association for collection. All assessments due for the fiscal year shall be accelerated as due and payable.

6. Legal counsel, upon receipt of a referred account, shall make written demand upon the Owner by way of a demand for payment letter and/or by way of notice of intent to create a lien pursuant to the Maryland Contract Lien Act. Each letter shall include the legal fees incurred by the Association.

7. If, after thirty (30) days from the date of demand, the Owner has failed to pay the amount demanded legal counsel shall file suit and/or place a lien against the real property located within the Association and owned by the Owner.

8. Payment or payments received from an Owner shall be applied to outstanding balances as follows:

1. Interest
2. Legal fees and costs (if applicable)
3. Assessments (applied to oldest assessment first)

WHEREUPON, after notice to all Owners of record, after an opportunity to comment and after discussion by the Board of Directors the above Resolution was passed on the 12th day of DECEMBER, 2001, by a majority vote of the Board of Directors of the Tartan Ridge Homeowners Association, Inc.

John E. Wright
Feb. 15, 2002, President