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April 28, 2014

Lot Owner

Tasker's Chance Homes Corporation

Frederick, Maryland

Re: Attached "Policies and Procedures for **Collection of Assessments**"

Dear Lot Owner:

This law firm represents Tasker's Chance Homes Corporation ("the Association"). The Association is governed by a Board of Directors elected by you to administer the affairs of community and to maintain the Association and its facilities for your benefit. It is important that the Association property is properly maintained and that the business affairs of the Association are prudently conducted. This does not come without cost. The annual assessment that you pay in monthly installments to the Association through its managing agent, Vanguard Management, is necessary to maintain the community. A budget is prepared and adopted annually to cover the expenses. **The Association is a non-profit Association and every penny budgeted is needed to pay for maintenance of the infrastructure of the property and administrative necessities, such as insurance, management and taxes,** among other things.

Your Board of Directors is made up of Lot Owners just like you. These individuals are not paid and have volunteered their time to assist the community as a whole. They put in countless volunteer hours for the betterment of the community to assure that it is safe and pleasant, and to protect, maintain and enhance property values. A well maintained Association will result in an increase in the property values, eventually putting money in your pocket. Unfortunately, all owners do not pay assessments timely. This causes hardship to the Association and creates an inability to fulfill the needs of the community. As such, the Board is faced with the unpleasant but necessary task of initiating legal action against some owners to assure that the assessment installments are paid in a timely manner. When this type of action becomes necessary, the recorded covenants for the community provide that **all assessment installments for the entire balance of the year can be accelerated and become due and payable at once.** The covenants further provide that the delinquent owner is responsible for late fees, interest, the costs of collection and attorney fees. This letter is written to advise you that **any account not paid within 15 days of the date due will be assessed a late fee of \$15.00 or 10% of the amount of the delinquent installment, whichever is greater,** and is subject to being forwarded to the Association's attorneys for collection as provided in the enclosed policy. The delinquent owner will be responsible for all assessment amounts due through the entire year, plus interest at 12%, late fees, costs of collection and attorneys' fees. These additional costs and fees may be in excess of \$500.

We trust that you will make every effort to pay your Association the amounts due to it in a timely manner so that it can use these funds to pay the Association's bills and enhance the community for everyone. Your cooperation will be appreciated.

Yours truly,
Kathleen M. Elmore, Esquire

TASKER'S CHANCE HOMES CORPORATION
2014 ADMINISTRATIVE RESOLUTION
POLICIES AND PROCEDURES FOR COLLECTION OF ASSESSMENTS

WHEREAS, Article V, Section 1 of the Tasker's Chance Homes Corporation ("the Association") Declaration of Covenants, Conditions and Restrictions Tasker's Chance Homes Corporation, dated September 13, 1991 (as from time to time thereafter amended) and recorded among the Land Records of Frederick County, Maryland at Book 1733, pages 548 *et seq*, creates an obligation for Lot Owners to pay to the Association, in advance, the common charges assessed by the Board of Directors; and

WHEREAS, the Board has determined that the annual assessment common charges shall be paid in monthly sums equal to one-twelfth of the Lot owner's proportionate share of the Association's annual expenses; and

WHEREAS, the Declaration and Bylaws for the Association sets forth certain remedies and options relative to non-payment of assessments; and

WHEREAS, Paragraph Third of the Articles of Incorporation of the Association, and the Declaration and Bylaws, provides that the Board of Directors has all of the powers and duties necessary for the administration of the affairs of the Association, including the collection of assessments; and

WHEREAS, the Board of Directors recognizes that there is a need to establish orderly policies and procedures for the collection of said assessments;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Tasker's Chance Homes Corporation hereby adopts the following assessment collection policy and procedure:

1. The annual common charges assessment shall be **payable in twelve equal monthly installments**, except as may be provided otherwise in this policy, by statute, or the Association's recorded covenants.

2. All monthly installments of common expense assessments shall be **due and payable in advance on the first day of the applicable month without demand**.

3. All documents, correspondence, and notices relating to the charges shall be **sent to the address of the owner of the Lot as such address appears on the books and records** of the Association as maintained by the Managing Agent from time to time. If the Lot owner has not designated in writing, a different address to be listed on the books and records, all such documents, correspondence and notices shall be sent to the Lot owner at the Lot address. Any mailing or E-mail address change shall be submitted in writing by an authorized person.

4. Lot owners are encouraged to set up **auto-payments** with the Managing Agent whenever possible.

5. If the Association receives from any Lot owner, in any accounting year, a check tendered for payment of assessment installments, which is returned as unpaid by the Lot owner's bank (**bounced check**), the Managing Agent or the Association's attorney may require that Lot owner to make payments by cash, certified check, cashier's check or money order. A handling fee will be assessed for any check returned unpaid by the bank.

6. **Partial payments** tendered either to the Association, its Managing Agent or its attorney may be accepted as may be required by law, but only payment in full will stop collection

proceedings, unless the Board of Directors, its agents or attorneys, expressly agree in writing otherwise. Unless otherwise specifically agreed in writing by the Board of Directors, its agents or attorneys, **unrestricted payments will be applied in the order first to last as follows: 1) attorneys' fees, 2) collection costs, 3) interest charges, 4) late fees, 5) other properly assessed fees and charges, 6) principal arrearage, and 7) current principal due (including accelerated principal due if any).**

7. The Association may **post the Lot owner's name, Lot address and amount of any open lien or judgment in the Association's newsletter and/or on the Association's website** once the lien and/or judgment is entered. Upon full satisfaction and release of the lien and/or judgment and receipt of notice of same, the website posting will be removed.

8. **Interest at the rate of 12% per annum** shall accrue on any unpaid assessment **from the date due until paid in full.** It is anticipated that the interest be charged to the account at such time as the delinquent account is sent to the attorney, at which time, it will be assessed from the date due forward until paid in full.

9. If payment of any assessment or other charge is not received in the office of the Association, or by its Managing Agent or attorney **before the 16th day of the month** when due:

a) **a late fee of \$15.00 or 10% of the delinquent installment, whichever is greater,** will be automatically added to the account to become part of the continuing lien for assessments and personal obligation of the Lot owner, until all sums due, including such late charges, have been paid in full; and

b) the Managing Agent will send to the Lot owner of record, **a notice of the Lot owner's delinquency and proposed acceleration of installments** as provided in this paragraph. The notice shall provide at least the following:

(1) A request for immediate payment and notice of late charge; and

(2) Notice that unless payment is received within fifteen (15) days from the date of the notice, the installments will be immediately accelerated through the fiscal year and be due and payable at once; and

(3) If the account is not current by the 15th day of the following month, the account will be forwarded to the Association's attorney for collection action and the Lot owner will be responsible for all additional costs of collection, including, but not limited to attorneys' fees and collection costs.

10. The Managing Agent will **forward to the attorney** the account of any Lot owner not paid in full by the **15th day of the second month (45 days)**, unless otherwise directed by the Board.

11. Information sent to the attorney will include:

a) the current information contained in the Association's official books and records, i.e., the Lot owner's name, mailing address, address of Lot owned, and a statement of account reflecting the total charges due and the date when assessed, as well as any partial payments made during the delinquency period; and

b) a copy of the acceleration notice mailed to the Lot owner.

12. Once a delinquent account has been referred to an attorney for collection, no further billing statements, or other correspondence relating to the delinquency, is to be sent directly to the Lot owner by the Managing Agent or the Board of Directors without first notifying the attorney of its nature and content, or without a statement of explanation to the Lot owner that the account is with the attorney and amounts as stated by the attorney are due. The Managing Agent shall promptly notify the attorney of any payments or other correspondence it receives on behalf of the delinquent Lot owner while the attorney is actively involved in the collection.

13. Promptly upon receipt of the delinquent account from the Managing Agent, the attorney may cause a title search to be conducted and shall either proceed with a lawsuit against the owner, and/or shall mail by certified-return receipt requested-restricted delivery mail, to each delinquent Lot owner, a Notice of Intent to Create a Association Lien pursuant to Maryland law. The attorney may or may not send a demand letter before a lawsuit is initiated. Any such letter will demand payment of all charges due, any accrued interest at 12% per annum, any applicable late charges, the costs of collection (including additional administrative costs incurred as a result of the delinquency), and reasonable attorneys' fees for services rendered by the attorney to process and collect the delinquent account, and any other duly assessed amount due. If the account is not already accelerated, the letter may also advise the Lot owner that, in the event the amount claimed is not paid within fifteen (15) days from the date of the letter, the Lot owner also will be responsible for payment of accelerated assessments through the remainder of the fiscal year. The letter shall contain any other information required by law.

14. The attorney may also **send notice of the delinquency to the Lot owner's lender** (the bank).

15. Upon entry of judgment in the public records, all **credit reporting agencies** will have access to, and it is anticipated will report, the judgment against the Lot owner thereby likely impacting his or her credit rating.

16. The attorney will take any and all reasonable legal action necessary to collect the debt and will promptly advise the Managing Agent of hearing dates and other pertinent events. Monthly written reports on the status of the account will be sent by the attorney to the Managing Agent. The Managing Agent will advise the attorney of any and all information available to it that pertains to the delinquent Lot owner, including place of employment, and bank account information if available. If a Court hearing is required, representatives of the Managing Agent or the Board of Directors shall be made available upon request by the attorney to testify on behalf of the Association concerning the legitimacy of all amounts claimed and concerning other matters as deemed appropriate by the attorney. In any court proceeding, the attorney shall request the Court to assess all legal expenses against the Lot owner as may be appropriate.

17. No action to foreclosure on any Association lien or conduct a Sheriff's sale of the property will be commenced, until the Board of Directors expressly approves such action. If an action is filed by the Association to foreclose or hold a Sheriff's sale, payment on the delinquent account will be accepted and applied in accordance with the provisions of this resolution at any time until completion of the **public auction of the unit**. However, **only full payment of all obligations** of the Lot owner then owing to the Association, including costs and expenses of the forced sale and all accrued attorney fees, **will stop the auction proceedings**.

18. If a personal judgment is obtained on behalf of the Association, the attorney may proceed with post judgment collection efforts as may be appropriate, including, but not limited to, garnishment of wages, bank accounts and personal property, and auction of the Lot and dwelling thereon.

19. The Board of Directors, its attorneys and agents may take any and all other lawful action deemed necessary or advisable to collect any charges due to the Association.

20. It is the intention of the Board of Directors that the least cumbersome, most cost effective method of collection be used at all times. In this regard, those employing this collection procedure are authorized to deviate from it when special circumstances indicate that such deviation is in the best interests of the Association. As such, the Board of Directors is empowered to grant a waiver of any provision herein upon a written request from a Lot owner alleging a compelling personal hardship.

21. This procedure shall serve only as a guideline and to manifest the Board of Director's intention and resolve to charge interest, late fees and to accelerate a delinquent owners account if not paid after notice. Non-compliance with any of these procedures by the Association, its Board of Directors, Managing Agent or its attorneys, shall not excuse payment of assessments when due.

22. This procedure will be reviewed periodically by the Board of Directors of the Association in consultation with the attorney and the Managing Agent to ensure that the procedure is effective and in compliance with current law.

Approved by not less than a majority of directors at a duly called and noticed open meeting of the Board of Directors on the 17th day of April, 2014:

4/17/2014
Date

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President

ATTEST:

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Secretary

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