

Ellendale Neighborhood Association, Inc.

c/o COMANCO, Inc.
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March 19, 2012

RE: Adopted Collection Policy

NOTICE

Dear Homeowner(s):

Attached, please find a copy of the Collection Policy adopted by the Board of Directors on March 7, 2012 and is effective as of May 1, 2012.

In an effort to lower the amount of delinquent Association fees, the Board of Directors has adopted this new policy. Association fees are due on the first of each month.

Please read it and keep it together with your other pertinent documents for the Association.

Should you have any questions regarding your account, please do not hesitate to contact Jan Grayson of COMANCO, Inc. on any of the numbers listed above, extension 110.

Respectfully,

Your Board of Directors
Ellendale Neighborhood
Association, Inc.

COLLECTION POLICY RESOLUTION
FOR
Ellendale Neighborhood Association, Inc.

WHEREAS the governing documents of Ellendale Neighborhood Association, Inc. provide that each owner shall make timely payment of the mandatory assessments, and

WHEREAS the Association depends upon timely payment of the mandatory assessments to meet its financial obligations, and

WHEREAS the governing documents provides the Association with certain remedies against an owner for non-payment of assessments, and

WHEREAS the Association has experienced assessment delinquencies in the past, and

WHEREAS the Board of Directors deems it necessary and desirable to establish a procedure for instituting collection action against delinquent owners

IT IS THEREFORE RESOLVED, this 7th day of March that the following policy and procedure be adopted and implemented:

1. An assessment is delinquent if not paid when it is due. If a unit owner fails to pay his or her assessment in a timely manner the managing agent will send a late payment letter to the unit owner explaining that his or her payment was not received. The notice should instruct the owner to mail the amount due upon receipt of the notice.
2. If the account remains delinquent on the sixtieth (60th) day from the initial assessment, the managing agent should send a formal demand for payment. This demand for payment should include the amount due and a statement that the total balance must be paid within ten days or the account will be referred to the Association's attorney for immediate collection action. The notice should provide a statement that the unit owner will be responsible for the costs of collection and attorneys fees.
3. If the unit owner fails to pay within the ten day period, the account should be turned over for immediate collection action.
4. Upon receiving the account for collection, the attorney should obtain and review the current title information for the property to verify ownership and mailing addresses. The attorney should also examine the civil docket for the county in which the property is located to determine if there is a pending foreclosure scheduled against the property. The attorney should verify that the unit owner is not currently in bankruptcy to avoid violating any automatic stay or discharge injunction.
5. Once the attorney has verified all of the information above, the unit owner should be served with a Notice of Intent to Create a Lien in accordance with the Association's governing

COLLECTION POLICY RESOLUTION

FOR

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documents and the Maryland Contract Lien Act. If the unit owner should fail to pay or propose an acceptable repayment plan, the lien should be recorded to secure the delinquent assessments. If the governing documents allow, the lien should also include an acceleration of the remaining annual assessment.

6. After recording the lien, the attorney should take into consideration all information obtained as a result of the previous collection action and prepare an evaluation of the available collection alternatives. The attorney should send a final warning to the debtor explaining that the lien has been recorded and that the Association may proceed with a foreclosure action or a civil lawsuit to collect the debt, if the debt is not paid (or if a reasonable payment plan is not reached) within ten (10) days. The attorney should forward his or her recommendation based upon the previous evaluation and request that the Board of Directors respond with its decision as soon as possible.

7. The attorney should then proceed with additional collection as instructed by the Board of Directors.

8. It is the goal of this policy to collect the delinquent assessments as efficiently as possible. Therefore, the Board of Directors and the Association's attorneys shall be permitted to deviate from the above regimen. Failure to follow the exact procedures outlined above shall in no way prejudice the rights of the Association or impair its right to collect delinquent accounts. The Association may elect to delay referral of accounts to collection until such time as the accounts have more than one assessment due, however it is not required to do so.



Director



Director

Director

Director

Director