

**RESOLUTION OF THE
BOARD OF DIRECTORS
OF THE
CRESCENT AT CHERRY LANE HOMEOWNERS ASSOCIATION, INC.**

WHEREAS, Section 5.1 of the Declaration of Covenants, Conditions, and Restrictions (the "Covenants") of the Crescent at Cherry Lane Homeowners Association (the "Association"), as amended from time to time, imposes upon each homeowner a general maintenance assessment ("annual assessment"); and

WHEREAS, Section 5.2 of the Covenants imposes upon each homeowner an on-lot maintenance assessment ("lot maintenance assessment"); and

WHEREAS, Section 5.3 of the Covenants permits the Board of Directors ("the Board") of the Association to impose such special assessments as it deems necessary; and

WHEREAS, Section 6.1 of the Covenants imposes upon each owner of an alleyway lot an alleyway lot maintenance assessment ("alleyway maintenance assessment"); and

WHEREAS, Section 6.2 of the Covenants permits the Board to impose such special alleyway maintenance assessments as it deems necessary; and

WHEREAS, Section 7.1 of the Covenants permits the Association to levy interest, late charges, costs and attorneys' fees as well as to pursue legal action, and file liens in the event of any delinquent assessment payment, i.e., if assessments are not paid when due; and

WHEREAS, Section 7.1 of the Covenants further provides the Board with some discretion as to interest, late charges, and other actions that it deems to be helpful in the collection of delinquent amounts; and

WHEREAS, there are situations when it may be in the best interest of the Association for the Board and/or its President to waive certain charges on a homeowners account; and

WHEREAS, the Board desires to set forth the manner and procedure in which any and all assessments or other amounts due to the Association under the Covenant shall be collected.

NOW, THEREFORE, BE IT RESOLVED, that the attached Collections Policy shall be the Collections Policy of the Association.

**COLLECTIONS POLICY
OF THE
CRESCENT AT CHERRY LANE HOMEOWNERS ASSOCIATION, INC.**

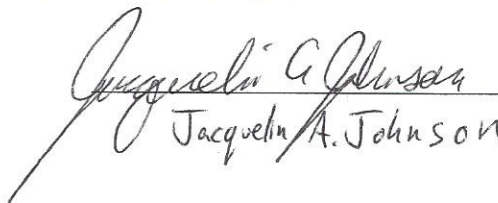
1. The Association or its agent shall send a notice of assessments to all homeowners at least 10 days before the due date of such assessment.
2. If payment of an assessment is 15 days late, it is delinquent and the Association or its agent will send a reminder of past due status. In addition, the Association will assess a late charge of Fifteen Dollars (\$15.00) or ten (10%) percent of the past-due assessment, or portion thereof, whichever is greater. Late charges are assessed separately upon each assessment due and owing by the homeowner. Upon the homeowner's request, late fees will be waived for assessments due on a single date provided that the homeowner has not been delinquent in paying his or her assessments in the preceding 12 months and the assessments are paid no more than 30 days after the due date.
3. At 30 days late, the Association or its agent will send a past due notice (*i.e.*, demand letter) demanding payment, including notification that if payment is not made within 30 days that the account will be turned over to attorneys for collection with the possibility that the Association may declare the entire balance of the assessment and accrued interest thereon to be immediately due and payable (*i.e.*, acceleration of assessment).
4. If payment is not received within 30 days of the demand letter, the Association or its Agent will turn over the past due accounts to collection attorneys for the Association, who will send a Notice of Intent to File Suit letter to begin a breach of contract action against the delinquent homeowner(s). Upon advice of attorneys, although the preferred method of collection is through a personal action against the homeowner, the Board may authorize a lien action under the Maryland Contract Lien Act. In either alternative collection method, the delinquent homeowner(s) will also be assessed all collection costs and attorneys' fees of not less than twenty percent (20%) of any and all outstanding assessments and charges. In addition, the Association or its agent will begin to accrue interest on the past due amount from the 15th day of the month in which the assessment was due at the rate of eighteen percent (18%) per annum.
5. For any homeowner whose account is referred to a collection attorney, the Association will accelerate the entire year's assessments.
6. In general, payments shall be applied to the oldest outstanding balance, however, the Association reserves the right, on a case by case basis only, to apply payments otherwise. Further, for any judgments, payments will be applied as required by law.

7. Interest, late charges attorneys' fees and/or accelerated portions of assessments may be waived, on a case-by-case basis only, by the Board if it believes that it is prudent to do so in order to incentivize homeowner payment and/or payment arrangements. In addition, the President of the Association, acting alone, may exercise such discretion, provided that the amount so waived for any homeowner does not exceed one percent (1%) of the Association's total budgeted income for the current year.
8. Liens may be released on a homeowner's property (other than for payment in full) by the Board of Directors, on a case-by-case basis only, if the debt is otherwise secured and if doing so enables a non-paying homeowner to short-sell his or her property. The goal in this measure is to have a paying homeowner in the community.
9. The Board of Directors reserves the right to amend this Collections Policy from time to time and reserves the right to take additional or different actions, on a case by case basis upon a majority vote of the Board of Directors.

SECRETARY'S CERTIFICATE

I, THE UNDERSIGNED, do hereby certify that I am the duly elected and acting Secretary of Crescent at Cherry Lane Homeowners Association, Inc., a Maryland corporation, and that the foregoing constitute a Resolution of the Board of Directors of the said Corporation, as duly adopted by the Board of Directors thereof on this 22nd day of July, 2014.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the Corporation this 6th day of October, 2014.

 (SEAL)
Jacquelin A. Johnson, Secretary

