

**PROPHECY HOMEOWNERS ASSOCIATIONS, INC.  
POLICY RESOLUTION NO. 2011-1**

**SECOND AMENDED PROCEDURES FOR THE COLLECTION OF  
DELINQUENT ASSESSMENTS**

WHEREAS, Article VI, Section 1 of the Bylaws for the Prophecy Homeowners Association ("Association") provides that the Board of Directors shall manage the affairs of the Association; and

WHEREAS, Article III, Section 2 of the Bylaws and Article V of the Amended Declaration of Covenants, Conditions and Restrictions ("Declaration") for the Association expressly provides that the rights of every member of the Association are subject to payment of annual and special assessments levied by the Board of Directors; and

WHEREAS, Article V, Section 7 of the Declaration states that the due dates for annual and special assessments shall be established by the Board of Directors; and

WHEREAS, Section V of the Association's Reference Guide, as amended by Policy Resolution No. 2006-1, outlines the procedures used by the Association to levy assessments and collect delinquent and seriously delinquent assessments; and

WHEREAS, the Board of Directors deems it necessary and desirable to supplement said Policy Resolution No. 2006-1 to memorialize the Association's policy and right to accelerate assessments owed by members with delinquent accounts; and

NOW, THEREFORE, it is resolved that the Association's Section V of the Reference Guide, as amended by Policy Resolution No. 2006-1, shall now read as follows; **with the new language highlighted in bold:**

V. Assessments

In order to maintain contracts and to pay other association costs, assessments are levied by the association against each homeowner. The assessments you pay are used in part for the operation, improvement, maintenance and repair of the common areas. They are also used for the payment of any taxes, insurance, and the promotion of the health, recreation, safety and welfare of Prophecy residents. Assessments are payable to the Prophecy Homeowner's Association on a quarterly basis. Payments are due on January 1, April 1, July 1, and October 1 of any given year, **subject to the Association's right to accelerate said payments as set forth in paragraph 1 herein below.**

Each homeowner should receive a quarterly bill by mail, but in the event that you do not, your assessments are always due by the due date. If for some reason you do not receive a bill, please contact the Management Agent. Your assessments should be mailed to the following address:

Prophecy Homeowners Association  
P.O. Box 44557  
Fort Washington, Maryland 20749

Checks should be made payable to Prophecy Homeowner's Association.

The amount for assessments is set by the Board of Directors, based on the operating expenses of the association.

Assessments that are paid late are immediately placed in an aggressive collections procedure; which may result in a lien placed against your home, attorneys fees assessed on your balance, and the ultimate foreclosure on your home. It is the intent of the Board of Directors to insure that every homeowners pays their assessments. Remember these assessments are used for the maintenance, improvement, and preservation of the association, and the association consists of each Prophecy homeowner. By working together, we all benefit from the enjoyment, safety, and gratification in which these assessments provide.

#### PROCEDURES FOR COLLECTION OF DELINQUENT ASSESSMENTS

1. If an Owner fails to pay his/her assessments after the thirty-first (31) day of the assessment's quarter, the owner is deemed delinquent, the assessment shall bear interest at six percent (6%) per annum, along with costs, attorney fees incurred by the Association, and a late fee of Fifteen Dollars (\$15.00) for each delinquent assessment shall automatically be added to the account. **In addition, upon default in the payment of any one or more installments of any assessment, the entire balance of the assessments owed for that entire year will be accelerated and be declared immediately due and payable in full at that time.**
2. Fifteen (15) days after the owner becomes delinquent, the Management Agent will mail a LATE NOTICE, by regular first class mail, to the owner of the property at the Owner's last known address. The letter will state the amount of delinquent assessments and will advise that the matter will be referred to counsel.
3. If the Owner fails to respond to the late notice within fifteen (15) days, the Management Agent will turnover the delinquent Owner's account to the Association's Legal Counsel for the collection of the delinquent assessments. All costs associated with, but not limited to, attorneys' fees and/or collection fees will be added to the delinquent Owner's account.
4. Upon the receipt of the delinquent account, Legal Counsel will mail, via Certified Mail, Return Receipt Requested, a "Notice of Intent to File Lien," to the Owner at the address listed on the books of the Association, and legal fees will be added to the Owner's account..

5. If payment in full of the past-due assessments, interest charges, late fees, attorneys fees, and any other collection charges, is not received by Legal Counsel within thirty (30) days after the "Notice of Intent to File Lien" has been issued, then a Statement of Lien may be filed by Counsel. The Owner shall be so notified with a copy of the Statement of Lien. The cost of filing the Statement of Lien, including, but not limited to, attorney's fees and/or collection fees and filing fees, will be added to the account.
6. If, within fifteen (15) days after filing the Lien, the account still remains delinquent, Legal Counsel shall take other appropriate legal action to collect the account, including, but not limited to, filing suit and/or instituting foreclosure proceedings. All legal fees, collection costs and filing fees incurred in any such action will be added to the Owner's account.
7. Miscellaneous.
  - a. If any check is not honored, and is returned, a Thirty Five-Dollar (\$35.00) returned check charge will be added to the Owner's account.
  - b. If the Association receives from any Owner, in any accounting year, two or more returned checks for payments of assessments, the Board may require all future payments to be made by certified check or money order for the remainder of the fiscal year. The Thirty-Five Dollar (\$35.00) charge will be made for every returned check.
  - c. All Owners who are delinquent shall be subject to the provision of this Resolution and to the provisions of the other governing documents of the Association.

IN WITNESS WHEREOF, the undersigned has executed this instrument this 24<sup>th</sup> day of January, 2012

**PROPHECY HOMEOWNERS ASSOCIATION, INC.**

By: Mary McDosh  
President

This is to certify that a meeting of the Board of Directors for the Prophecy Homeowners Association, Inc. was duly called on January 24, 2012, and a majority of the Board voted in favor of this rule at the time of said meeting.

By: Lona Butler  
Secretary

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**PROPHECY HOMEOWNERS ASSOCIATIONS, INC.  
POLICY RESOLUTION NO. 2006-1**

**AMENDED PROCEDURES FOR THE COLLECTION OF  
DELINQUENT ASSESSMENTS**

WHEREAS, Article VI, Section 1 of the Bylaws for the Prophecy Homeowners Association ("Association") provides that the Board of Directors shall manage the affairs of the Association; and

WHEREAS, the Board of Directors adopted a Reference Guide to the Bylaws, which contains, in part, an overview of the operations of the Association; and

WHEREAS, Section V of the Reference Guide outlines the procedures used by the Association to collect delinquent and seriously delinquent assessments; and

WHEREAS, the Board of Directors deems it necessary and desirable to modify Section V of the Reference Guide.

NOW, THEREFORE, it is resolved that Section V of the Reference Guide for the Association shall be amended to read as follows:

**V. Assessments**

In order to maintain contracts and to pay other association costs, assessments are levied by the association against each homeowner. The assessments you pay are used in part for the operation, improvement, maintenance and repair of the common areas. They are also used for the payment of any taxes, insurance, and the promotion of the health, recreation, safety and welfare of Prophecy residents. Assessments are payable to the Prophecy Homeowner's Association on a quarterly basis. Payments are due on January 1, April 1, July 1, and October 1 of any given year. Each homeowner should receive a quarterly bill by mail, but in the event that you do not, your assessments are always due by the due date. If for some reason you do not receive a bill, please contact the Management Agent. Your assessments should be mailed to the following address:

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P.O. Box 44557  
Fort Washington, Maryland 20749

Checks should be made payable to Prophecy Homeowner's Association.

The amount for assessments is set by the Board of Directors, based on the operating expenses of the association.

Assessments that are paid late are immediately placed in an aggressive collections procedure; which may result in a lien placed against your home, attorneys fees assessed

THE LAW OFFICES OF  
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on your balance, and the ultimate foreclosure on your home. It is the intent of the Board of Directors to insure that every homeowner pays their assessments. Remember these assessments are used for the maintenance, improvement, and preservation of the association, and the association consists of each Prophecy homeowner. By working together, we all benefit from the enjoyment, safety, and gratification in which these assessments provide.

**(Modified Language)**

**PROCEDURES FOR COLLECTION OF DELINQUENT ASSESSMENTS**

1. If an Owner fails to pay his/her assessments after the thirty-first (31) day of the assessment's quarter, the owner is deemed delinquent, the assessment shall bear interest at six percent (6%) per annum, along with costs, attorney fees incurred by the Association, and a late fee of Fifteen Dollars (\$15.00) for each delinquent assessment shall automatically be added to the account.
2. Fifteen (15) days after the owner becomes delinquent, the Management Agent will mail a LATE NOTICE, by regular first class mail, to the owner of the property at the Owner's last known address. The letter will state the amount of delinquent assessments and will advise that the matter will be referred to counsel.
3. If the Owner fails to respond to the late notice within fifteen (15) days, the Management Agent will turnover the delinquent Owner's account to the Association's Legal Counsel for the collection of the delinquent assessments. All costs associated with, but not limited to, attorneys' fees and/or collection fees will be added to the delinquent Owner's account.
4. Upon the receipt of the delinquent account, Legal Counsel will mail, via Certified Mail, Return Receipt Requested, a "Notice of Intent to File Lien," to the Owner at the address listed on the books of the Association, and legal fees will be added to the Owner's account.
5. If payment in full of the past-due assessments, interest charges, late fees, attorneys fees, and any other collection charges, is not received by Legal Counsel within thirty (30) days after the "Notice of Intent to File Lien" has been issued, then a Statement of Lien may be filed by Counsel. The Owner shall be so notified with a copy of the Statement of Lien. The cost of filing the Statement of Lien, including, but not limited to, attorney's fees and/or collection fees and filing fees, will be added to the account.
6. If, within fifteen (15) days after filing the Lien, the account still remains delinquent, Legal Counsel shall take other appropriate legal action to collect

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the account, including, but not limited to, filing suit and/or instituting foreclosure proceedings. All legal fees, collection costs and filing fees incurred in any such action will be added to the Owner's account.

7. Miscellaneous.

- a. If any check is not honored, and is returned, a Thirty Five-Dollar (\$35.00) returned check charge will be added to the Owner's account.
- b. If the Association receives from any Owner, in any accounting year, two or more returned checks for payments of assessments, the Board may require all future payments to be made by certified check or money order for the remainder of the fiscal year. The Thirty-Five Dollar (\$35.00) charge will be made for every returned check.
- c. All Owners who are delinquent shall be subject to the provision of this Resolution and to the provisions of the other governing documents of the Association.

IN WITNESS WHEREOF, the undersigned has executed this instrument this 9<sup>th</sup> day of June, 2006.

**PROPHECY HOMEOWNERS ASSOCIATION, INC.**

By: May McIneris  
President

This is to certify that a meeting of the Board of Directors for the Prophecy Homeowners Association, Inc. was duly called on 10-24-05, and a majority of the Board voted in favor of this rule at the time of said meeting.

By: Therese Smith  
Secretary

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