

RESOLUTION F-04

DELINQUENT ASSESSMENTS

1. **Purpose.** To establish policy for the collection of delinquent annual charges (assessments).
2. **Authority.** The Association's Declarations of Restrictions and Articles of Restatement cite actions that the Board of Directors is authorized to take for the collection of delinquent annual charges (assessments) including the establishment of the annual rate of interest to be assessed on unpaid charges from the date of delinquency.
3. **Policy.** The Association, through its General Manager, will take the following actions to ensure delinquent annual charges are paid:

- a. **During First Year of Delinquency**

- (1) **By July 1.** As to members who have failed to pay annual dues in full, a letter will be sent by OPA notifying the member of delinquency with: i) demand for payment, which will include interest calculated at the annual rate established each year by the Board of Directors; ii) notice that continue non-payment could result in suspension of voting rights and/or rights to use amenities; and iii) notice that continued non-payment will also result in referral to legal counsel for collection and associated attorney's fees being added to account. The letter from OPA is signed by the Assessment Supervisor.

- (2) **By July 30,** either at the regular Board meeting, at a special meeting of the Board, or by unanimous consent of the Board without a meeting: the Board shall be informed by OPA staff, through a list by street address (but omitting owner names), of all delinquent accounts; the Board shall determine at that meeting whether to suspend the voting rights and/or amenity use rights of those delinquent owners, which suspension shall continue as long as the account remains delinquent; and OPA shall promptly provide written notice to all delinquent owners as to suspension of their voting rights and/or rights to use amenities. (Note: Consistent with Section 3.01(c) of the OPA Bylaws, owners/members whose voting rights are suspended, and who have not paid in full all dues and charges owing to OPA at least 35 days prior to the election voting deadline, will be ineligible to vote in the election.)

- (3) Members may request a payment plan for payment of assessments over time, in accordance with Ocean Pines payment plan policies. Although compliance with an approved payment plan may (in the discretion of the Board) allow a member to avoid suspension of amenity use rights and/or may (in the discretion of the GM and/or the Board) delay foreclosure of a lien, it will not alter the process of establishing a lien for non-payment, now will it render a member eligible to vote.

- (4) **By August 15,** if delinquency continues, a letter is sent by OPA notifying member that, if the account is not paid in full by September 15, the account will be referred to OPA legal counsel for collection and associated attorney's fees being added to account.

(5) **By October 31**, any accounts in continuing delinquency status will be referred to OPA legal counsel for collection. Legal counsel will promptly send to the owner(s) a notice of intent to claim a lien, consistent with the Maryland Contract Lien Act, and shall otherwise proceed to establish a lien against the property.

(6) **By March 1**. A review meeting including the Treasurer, a member of the Budget and Finance Advisory Committee, the General Manager, the Director of Finance and the Assessment Supervisor will take place to review the process to determine the effectiveness of the Association's current assessment collections strategy and determine what, if any, further actions should be taken by the Association. An update will be provided to the Board of Directors on the overall assessment status, and to make any recommendations to improve or change our policy.

b. **During Subsequent Years of Delinquency**. Legal counsel will foreclose on the properties of delinquent members except for those properties where the Association considers it in OPA's interest not to do so. This decision shall be made by the Board of Directors, in consultation with the GM and legal counsel. In regard to owners who continue to be delinquent from a prior year, and their arrearage increases based on non-payment of assessments (in whole or in part) in subsequent years, OPA will notify legal counsel as to such accounts/owners, so that updated notices of intent to claim a lien can be sent, and updated liens can be filed/recorded in land records (and when applicable, foreclosed upon).

4. **Effective Date:** June 15, 2024

Adopted by the Board of Directors on: June 15, 2024

President: [Signature] Attest: [Signature] [Signature] Secretary

Review History

General Manager: [Signature] Date: 8/15/24

Legal _____ Date: _____

By-Laws & Resolutions Adv. Committee: [Signature] Date: 6/21/24