

COUNCIL OF UNIT OWNERS
Rock Creek Gardens Condominium
Silver Spring, Maryland
COMMUNITY RULES AND REGULATIONS

<i>Rule No.</i>	<i>Title</i>	<i>Effective Date:</i>	<i>Page</i>	<i>No of pages</i>
2	Assessments for Common Expenses	07/11/2019	1	3
<i>Bylaw Reference(s)</i>		<i>Maryland Condominium Act Reference(s)</i>		
Article VI Section 3(c); Article VIII		Sections 11-110 & 11-111(d)		

2-1. PURPOSE

This rule describes [assessments for common expenses](#) and defines the authority of the [Board of Directors](#) to levy such assessments, provide for installment payments of assessments due, establish a collection process, and take action to ensure collection of delinquent installments.

2-2. POLICY

- a. The [Council of Unit Owners](#), through the Board of Directors, will prepare and adopt a budget for each fiscal year that estimates income and projects expenses for the following categories, at a minimum:
 - (1) Management and administration
 - (2) Utilities not metered to specific units
 - (3) Casualty and liability insurance for the [general common elements](#)
 - (4) Maintenance and upkeep of the general common elements
 - (5) Reserves for replacements
 - (6) Legal fees
 - (7) Capital improvements
- b. The fiscal year coincides with the calendar year.
- c. Each annual budget will specify the pro-rata contribution payable by each unit owner that is needed to fund the budget. The pro-rata share is based on the [percentage interest](#) of each unit as established in the [Declaration](#), and is properly known the *Assessment for Common Expenses*, although it may informally be referred to as the “condominium fee.”
- d. In addition to the annual assessment, the Board of Directors may also levy [special assessments](#) for emergency or unforeseen common expenses not included in the annual budget, subject to approval by a majority of the percentage votes of the unit owners at a [special meeting](#) called for that purpose.
- e. Monthly assessment payments are payable for each owned unit, regardless of whether a unit is owner-occupied, leased, or vacant.
- f. Payment of assessments for common expenses is mandatory under the [Bylaws](#) and state law. No unit owner can create an exemption from this obligation by foregoing use of the general common elements or abandoning a unit.
- g. If the Board of Directors does not fix the amount of the annual assessment for the next fiscal year before the end of the current fiscal year, each unit owner must continue to remit monthly installments in the same amount as was paid during the current fiscal year. Such an omission or failure does not nullify or cancel a unit owner’s responsibility to continue to pay assessment installments at the last established level.
- h. Unit owners and institutional lenders have the right to request at any time, and the Council of Unit Owners, through the [management agent](#), must provide a written certificate verifying the status of an assessment, as described in the Bylaws. The certificate constitutes conclusive evidence of payment or non-payment of any assessment or installment described. Unit owners requesting a certificate may be charged a preparation fee of up to \$30 but no fee will be charged to institutional lenders.

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2-3. COLLECTIONS

- a. The annual assessment for common expenses and any duly enacted special assessments will be collected in equal monthly installments, payable in advance, that are due and payable on the first day of each month. Payments are collected by the [management agent](#) and may be made by either of the following methods:
 - (1) Electronic debit from an account designated by the unit owner.
 - (2) U.S. Mail, using the payment coupon and pre-addressed envelope provided for that purpose. Checks must be made payable to *Rock Creek Gardens*.
- b. Unit owners are encouraged to remit payment using the electronic debit option. This method ensures that payments are credited on the date due and eliminates the possibility of delinquencies caused by delayed delivery or lost mail.

2-4. DELINQUENT INSTALLMENTS

- a. Monthly installments of the annual assessment for common expenses and any [special assessments](#) are due and payable on the first day of each month. Any installment not paid when due is considered late, and is considered delinquent if it remains unpaid for more than 15 days.
- b. The Board of Directors has a duty under the Bylaws to ensure prompt payment of all duly enacted assessments and, upon resolution and delivery of written notice to the unit owner, may take any or all of the following actions should one or more late installments become delinquent:
 - (1) Assess a late charge equal to one-tenth of the amount owed for each installment payment that remains unpaid for more than 15 calendar days, beginning on the date the payment was originally due. The late charge may be imposed only once for each separate unpaid installment.
 - (2) Impose interest charges on the unpaid installment(s) at an annual rate of 18 percent.
 - (3) Accelerate payment of all remaining installments for the current fiscal year to become due and payable immediately if the delinquent installment(s) are not paid within 30 days from the date the written notice was received.
- c. Owners of units with installments that are delinquent for more than 60 days may not vote at the Annual Meeting or any special meeting of the Council of Unit Owners, nor may any Application for Architectural Change submitted under provisions of Rule 3 be accepted for consideration.
- d. As provided for in the Bylaws, the Board of Directors is obligated to notify any first mortgage holder of any delinquent installment continuing beyond 30 days. A continuing delinquency also constitutes a default on the mortgage itself and the mortgage holder will have the right, at its discretion, to cast any vote appurtenant to the mortgaged unit at the annual or any special meeting of the Council of Unit Owners. The absence of such language from the mortgage documents does not affect the mortgage lender's rights in this regard.

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<p>2-5. LIENS</p> <ul style="list-style-type: none"> a. The Board of Directors may direct the attorney for the Council of Unit Owners to place a lien for the amount of installment(s) that are delinquent for periods in excess of 90 days, in accordance with the Bylaws and applicable provisions of <i>The Maryland Contract Lien Act</i>. b. A lien that has been recorded as described above has priority as provided by law from the date a Statement of Lien is filed, except for liens, security interests, or other encumbrances with priority held by or otherwise for the benefit of the State of Maryland, Montgomery County, or any of their units or instrumentalities. c. A duly recorded lien against a unit, by law, has partial priority over any lien filed by the holder of any first mortgage on the property that was recorded after September 30, 2011. In this connection, the holder of any first mortgage may ask for additional written information about the lien filed by Council of Unit Owners. Failure to provide the requested information within thirty days will cause the lien filed by the Council of Unit Owners to lose its priority status. d. If a unit named in a duly recorded lien for any delinquent installment is foreclosed upon, the Board of Directors may charge a reasonable rent to any unit owner who continues to occupy a foreclosed unit and is entitled to appoint a receiver to collect the rent. 			

