

AMBER RIDGE AT MILESTONE COMMUNITY ASSOCIATION, INC.

PROCEDURES RELATIVE TO FINES
relating to the levying of fines and collection of fines payments

WHEREAS, Article V.2.2 of the Declaration of Covenants, Conditions and Restrictions states that The Community Association shall have powers “To enforce the provisions of this Declaration, the Community Articles and the Community Bylaws by appropriate means and carry out the obligations of the Community Association hereunder, including, without limitation, the expenditures of funds of the Community Association, the employment of legal counsel, the commencement of legal and/or equitable actions, the promulgations and enforcement of the Community Association Rules, the establishment of fines or penalties as provided for in this Declaration.”; and

WHEREAS, Article VI.4.4, of the Declaration of Covenants, Conditions and Restrictions establishes certain provisions for the levying and collection of Enforcement Assessments; and

WHEREAS, there is a need to establish orderly procedures for the levying of fines and collection of payments;

NOW, THEREFORE, BE IT RESOLVED THAT the following procedures for levying and collecting fines be adopted by the Board:

I. GENERAL

- A. The Association, recognizing that, in some cases, violations are not being resolved through other means, shall establish a procedure for levying fines, a fine schedule and a means of collecting assigned fines.
- B. The Board of Directors shall have the sole authority to levy fines in accordance with this Resolution.
- C. The Board shall consider all violations equally and shall not establish a weighted system in which some violations are deemed more severe than others.

- D. The levying of fines shall take place only when noted violations have not been corrected and the procedures for correcting the violations in accordance with the applicable Resolutions provided in the Declaration or Bylaws, have been exhausted.
- E. The levying of fines will not take the place of; but will be used in conjunction with all other means with which the Board has the authority to use to have violations corrected.

II. NOTICE OF FINES

- A. All decisions of the Board regarding the levying of fines shall be made at the regularly scheduled Board meeting at which there is a quorum of the Board present.
- B. In accordance with the By-Laws, the Board has the option of meeting in executive session to discuss issues regarding the levying of fines.
- C. A decision to levy a fine shall require a majority vote of the Board members present.
- D. The Board shall determine that the correct procedures in the applicable Resolutions contained in the Declaration or By-Laws, have been properly followed prior to levying a fine.
- E. The Board shall not levy a fine prior to sixty (60) days from the origination date of a noted violation.
- F. Once the Board has determined that a fine should be levied, the Management Agent shall notify the Owner, in writing, sent by regular mail, within five (5) days of the date of the meeting.
- G. The notice shall include the violation(s) and the amount of the fine(s) that will be levied, and shall also notify the Owner of their right to appeal the Board's decision in order to be heard prior to imposition of the fine.
- H. The fine will not be applied until thirty (30) days after the Board's decision in order to allow the Owner the opportunity to appeal.
- I. If no appeal has been received within the thirty (30) day period of time, the fine will be applied in accordance with the procedures of this Resolution.

III. APPEALS BEARING

- A. Owners may appeal the decision of the Board by notifying the Management Agent, in writing, of their intent to do so, no later than thirty (30) days from the date of the Board's decision.
- B. The Board shall hear the appeal at the next regularly scheduled Board meeting at which there is a quorum of the Board present, after the written request has been received.
- C. The Owner may present any pertinent information, present any witnesses or question the Board as to any information that was used to make a decision.
- D. The Board shall only render a decision to sustain or to reverse its previous decision to levy a fine.
- E. The Board shall render a decision to reverse its previous decision only if the evidence presented by the Owner is sufficient enough show that the violation has been completely corrected and no longer exist, or the Owner makes a compelling argument that the information that Board used to make its decision was incorrect.
- F. The decision of the Board shall require a majority vote of the Board members present. The Management Agent shall notify the Owner, in writing, sent by regular mail, within five (5) days of the date of the meeting.

IV. SCHEDULE OF FINES

- A. The Board shall levy fines equally against all noted violations. No one violation is to be considered more or less severe than another.
- B. The Board shall, after levying the initial fine, levy additional fines every sixty (60) days until such time that the owner notifies the Board that the violation has been corrected and is ready for re-inspection.

- C. The Board shall perform the re-inspection within ten (10) days from the date of receiving the notification that the violation has been corrected.
- D. The Board shall levy fines against each outstanding violation in the following amounts:
 - 1. Initial fine (Day 61): \$100.00 per violation
 - 2. Secondary Fine (Day 121) \$200.00per violation
 - 3. Third fine (Day 181): \$300.00per violation
 - 4. Every 60 days after Day 240: \$400.00 per violation
- E. The Management Agent shall notify the Owner, in writing, sent by regular mail, within five (5) days each time a fine is levied in accordance with the schedule above.

V. COLLECTION OF FINES PAYMENTS

- A. Once a fine has been levied for an outstanding violation, that amount shall be added to the Owner's financial account.
- B. Payment of fines is due within thirty (30) days of the date of the notice to the Owner.
- C. If payment in full, is not received by the Managing Agent within thirty (30) days of the date of the notice, the amount of the fine shall become subject to the collection process as set forth in the By-Laws.
- D. In accordance with the above, all charges incurred in the collection of the fines, including but not limited to, late charges, interest, cost of certified letters, legal fees, cost of lien and civil suit, and all other costs incurred by the collection process, shall be added to the Owner's financial account.
- E. If payment in full, including the cost of attorney's fees, filling charges, late fees, interest payments, delinquent fees, and accelerated fees, is not received by the Association's legal counsel within thirty (30) days from the date of filing of a lien, legal counsel is authorized to commence proceedings to foreclose upon the unit in accordance with the provisions of the Maryland Contract Lien Act.

The above Procedures Relative to Fines was adopted at a meeting of the Board of Directors duly called on _____, 2013.

President
Board of Directors
Amber Ridge Community Association Inc.

Secretary
Board of Directors
Amber Ridge Community Association Inc.