

WILSON'S GROVE HOMEOWNER'S ASSOCIATION, INC.

POLICY ON IMPOSITION OF FINES

Policy Resolution No. 2023- 412A

WHEREAS, Article 7, Section 7.1 of the Declaration of Covenants, Conditions and Restrictions ("Declaration") for Wilson's Grove Homeowner's Association, Inc. ("the Association") grants the Board of Directors ("the Board") the power to adopt and publish rules governing the use of the Common Area and any facilities situated thereon and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof; and,

WHEREAS, Article 7, Section 7.6 of the Declaration authorizes the Board to adopt, repeal and amend any reasonable rules consistent with the Declaration that the Board deems appropriate relating to the administration of the Association and the use of the Lots or Common Areas; and

WHEREAS, Article 13, Section 13.5 of the Declaration authorizes the Board to impose sanctions for violations of its Rules and Regulations; and

WHEREAS, Article 13, Section 13.6 of the Declaration authorizes the Board, after affording due process, to impose a fine against anyone who violates the Association's Rules or Covenants and restrictions; and

WHEREAS, the Board deems it desirable and in the best interest of the Community to establish a schedule of the presumptive costs to be included as a Fines against violators of Association Rules and Covenants (hereinafter "Fines"), and a standard procedure for the imposition of such Fines and other sanctions for violation of the Governing Documents.

NOW, THEREFORE, IT IS HEREBY RESOLVED THAT the Board duly adopts the following policy on the imposition of Fines:

- I. The foregoing recitals are incorporated herein and made substantive part of this Policy.
- II. **Definitions.** For purposes of this Policy on Imposition of Fines, the following terms shall have the meanings set forth herein:
 - A. **A non-continuing violation** is an action or inaction of an Owner or their family member, tenant, contractor, or guest which is a single occurrence and is not continuing or ongoing in nature and is a violation of the Association's Governing Documents. Examples of non-continuing violations include but are not limited to: (1) allowing pets to be on the common areas unattended or unleashed; (2) parking an unlicensed or inoperable vehicle in a common area parking spot; (3)

playing loud music which creates a nuisance to other Owners; (4) leaving trash bins on the curb outside of the times permitted by the Governing Documents. While such conduct may be performed again and again, the occurrences are not uninterrupted and therefore begin anew each time.

- B. A continuing violation is an action or inaction of an Owner or their family member, tenant, contractor, or guest which presents an ongoing uninterrupted violation of the Association's Governing Documents. Examples of continuing violations include, but are not limited to: (1) storing items for bulk trash removal on the exterior of the home outside of the times permitted by the Governing Documents; (2) parking a junk vehicle upon any Lot or in a common area; (3) installing items such as plants or signs or otherwise making changes to the common areas; and (4) making a change to the exterior of the home or landscaping without approval from the Architectural Review Board.

III. Procedure.

A. Rule Violations. No Fine shall be imposed for violation of any Rule until the following procedure set has been satisfied.

1. If a Default consists of the violation of a Rule only, and not a covenant established by the Declaration or Bylaws, ("Rule Violation"), the following conditions must be met:
 - a. A Default Notice shall have been served on the alleged violator which makes demand to cease and desist therefrom, and specifies the alleged Rule Violation; the action required to abate it; and either (i) if the Rule Violation is continuing, a period of time (which shall be at least 10 days after the Default Notice is given) during which it may be abated without further sanction, or (ii) if not continuing, a statement that any further Rule Violation of the same Rule may result in imposition of one or more sanctions after Notice and hearing.
 - b. (i) Either the Rule Violation continues past the period allowed in the Default Notice for abatement without penalty, or the alleged violator commits another Rule Violation of the same Rule, and (ii) within one year after the Default Notice is given to the alleged violator, the Board gives the alleged violator Notice of a hearing to be held by the Board at a Board Meeting in closed session, stating (1) the nature of the alleged Rule Violation; (2) the date, time and place of the hearing (which may be held not less than 10 days after the Notice is given); (3) an invitation to attend the hearing and produce any statement, evidence and witness on the alleged violator's behalf; and (4) the proposed sanction to be imposed.
 - c. A hearing shall have been held in closed session under the Notice (i) at which the alleged violator has the right to present evidence and present and cross-examine witnesses, and is afforded a reasonable opportunity to be heard, and (ii) at or after

the conclusion of which the Board determines that the Rule Violation occurred and that the other conditions listed in paragraph 13.3.1 of the Declaration of the Association are met.

2. **Proof of Notice.** Before a sanction imposed by the Board becomes effective, proof of Notice and the invitation to be heard shall be placed in the minutes of the Board Meeting. Proof shall be deemed adequate if a copy of the Notice, and a statement of the date and manner of its delivery, are entered by the Officer or Director who delivered it. The Notice requirement shall be deemed satisfied if the alleged violator appears at the Board Meeting. The minutes shall contain a statement of the results of the hearing and any sanction imposed.

B. Covenant Violations. Sanctions for violation of the Declaration or Bylaws ("Covenant Violations") may be imposed subject only to procedure as may be required by the subject Governing Document or applicable law.

C. Notice. Any notice, demand, consent, approval, request or other communication or document to be given hereunder to any Person by the Association ("Notice") shall be in writing, and be deemed given (a) on the 3rd Business Day after being deposited as first class mail (or, if required, as certified or registered mail) in the United States mails, postage prepaid, return receipt requested, or (b) on the next Business Day after being deposited (with instructions to delivery it on that Business Day) with a reputable overnight courier service, or (c) on being sent by telefax or another means of immediate electronic communication, in each case addressed to the following address (referred to herein as the Person's Notice Address): (i) if to the Association or any of its committees, to the address of the Association's resident agent or any other Current Address which the Association designates from time to time by Notice to the Owners; (ii) if to an Eligible Owner or Eligible Mortgagee, to its Current Address listed in the Association Roster; (iv) if to another Person, to a Current Address for the Person or its Lot; or (d) on actual hand or other delivery to the Person. Anything in the Governing Documents to the contrary notwithstanding, (a) the Association may provide notice of a Board Meeting or an Owner Meeting, or deliver information to an Owner, on the terms set forth in section 11B-113.1 of the Maryland Homeowners Association Act, and (b) the Owners may submit a Vote or proxy by electronic transmission on the terms set forth in section 11B-113.2 of the Maryland Homeowners Association Act.

IV. Increased Fines for Repeated Violations

A. Violations Which are Not Continuing in Nature.

If an owner has previously admitted to a violation and cured the violation prior to enactment of a Fine, or if the Board has determined after a hearing that violation exists but no Fine is warranted, then a second violation involving the same conduct, the Board of Directors will impose a Fine. The initial Fine imposed for a violation shall be as specified in the Schedule of Fines below. For a subsequent violation involving the same conduct, the Fine will be doubled. Upon a finding of further violations involving the same conduct, the matter will be referred to the Homeowner Association's attorneys for additional legal action. The Owner will

be responsible for any legal and other fees incurred by the Association. Fines will only increase for violations of the Architectural Review Standards when it involves the same conduct (e.g., planting unauthorized trees in March and doing so again in September). Fines for repeated violations will only be increased if the repeating conduct occurs by the same homeowner.

B. Violations Which are Continuing in Nature.

If the violation is continuing in nature, the Fine structure is the same, but there is also an opportunity to cure the violation. For the first instance of the violation, the Owner will receive a warning letter with a violation notice and an opportunity to cure the violation within 15-30 calendar days, depending on the type and/or severity of the violation. If the violation is not cured within that time, the Board of Directors will impose a Fine, as specified in the Schedule of Fines below. The Owner is then required to pay the Fine AND cure the violation within 30 calendar days. If the violation is not cured within that time, the Fine will be doubled. The Owner is then required to pay the doubled Fine AND cure the violation within 30 calendar days. If the violation is not cured within that time, the matter will be referred to the Homeowner Association's attorneys for additional legal action. The Owner will be responsible for any legal and other fees incurred by the Association. Fines for the second, third, and fourth violations will only be imposed if the repeating conduct has reoccurred. For any violations of the Architectural Review Standards, the Owner can submit a request at any time to receive retro-active approval for the change made to the exterior of their home or yard. If granted, the Owner will not have to pay any Fines or fees associated with the request except for any legal or other fees incurred by the Association as a result of referring the matter to the Association's attorneys.

V. Schedule of Fines

The following is a list of representative Fines for the most common violations of the Governing Documents. The Fines listed below shall be presumed to be the cost to the Association for each listed violation, including costs to the Association to cure the violation, the negative impact on the value of the Association or living conditions for the community, and the potential harm to the members and residents of the community. If the Board determines that any particular incident has resulted in a higher cost to the Association, the Fine may be increased accordingly. The types of violations listed are not all-inclusive but only intended to provide examples. Only the major violations listed below are subject to the higher Fine. Fines are for individual violations; if more than one violation occurs simultaneously, that will result in multiple Fines.

MINOR VIOLATIONS

Type of Violation	Amount of Fine
1 Trash, recycle bins, grills, etc. not properly stored	\$50.00
2 Unauthorized signage on property	\$50.00
3 Not properly disposing of pet waste	\$50.00
4 Installing signs, plants, plant boxes, or any other objects on common area property (any such items will also be subject to removal without notice)	\$50.00
5 Violation of parking rules that do not implicate safety concerns such as parking in the wrong direction, in an alley, or at the end of a driveway	\$100.00
6 Home or yard in need of minor repairs (e.g. mulching or cleaning)	\$100.00
7 Violation(s) of the Governing Documents not listed elsewhere	\$100.00

MAJOR VIOLATIONS

Type of Violation	Amount of Fine
1 Storing junk vehicles or debris in the exterior of the home	\$200.00
2 Unattended pet or walking pet without a leash	\$200.00
3 Yard or home exterior in need of significant repair (e.g. missing gutters, broken windows, dead or severely overgrown plants)	\$200.00
4 Violation of the parking rules that implicate safety concerns (i.e., parking in a fire lane, blocking a fire hydrant)	\$200.00
5 Making a change to the exterior of the home or landscaping (including planting trees) without approval from the Architectural Review Committee	\$200.00
6 Engaging in behavior that constitutes a Nuisance or fire hazard under the Governing Documents; or when they are detrimental to the well-being of other homeowners and occupants, or result in an emission of dust, sweepings, dirt, cinders, odors, or other substances into the atmosphere	\$250.00

Notwithstanding the Schedule of Fines, the Board of Directors maintains its discretion to lower or eliminate Fines on a case-by-case basis. For example, if an Owner receives a warning letter or is Fined for leaving trash bins on the curb outside of the times permitted by the Governing Documents, if that Owner submits documentation showing they were hospitalized during that period and no other Owner could move the trash bins, the Board of Directors can use that information in deciding to rescind any warning letters or Fines already issued.

The Schedule of Fines is intended to provide Members with notice for the penalties for violations of the community policies. It does not create new rules, regulations, or restrictions for the community. Details and authority for the violations listed herein are contained in the Governing Documents of the Association.

VI. Fine Collection

All Fines will be due by the end of the month following the violation. In addition to the initial Fines set forth above, Fines not paid by this time are subject to the same imposition of late fees that accrue to monthly association fees and can lead to a lien being placed on the property.

VII. Additional Rights

Nothing contained in this policy shall limit the right of the Association to impose any other sanction or pursue any other remedy authorized by the Governing Documents.

WILSON'S GROVE HOMEOWNER'S ASSOCIATION, INC.

**FINE SCHEDULE
ACTION SHEET**

Resolution No. 2023-__

Date of Adoption: _____

The Enforcement Policy was adopted by the Board of Directors as follows:

Signatures:

Vote: (Y/N)

Director

Director

Director

Director

Director

ATTEST:

Secretary

Date

WILSON'S GROVE HOMEOWNER'S ASSOCIATION, INC.

**FINE SCHEDULE
ACTION SHEET**

Resolution No. 2023-__

Date of Adoption: _____

The Enforcement Policy was adopted by the Board of Directors as follows:

Signatures:

Vote: (Y/N)

Kimberly Baise
Director

Y

Joe Zuriga
Director

Y

Julia Henry
Director

Y

Director

Director

ATTEST:

Secretary

Date