

SEP 11 2008
JUL 17 2008

Terraces at South Mountain Homeowners Association, Inc. Rules Enforcement Procedures

In accordance with the authority under the Declaration, By Laws, and the Maryland Contract Lien Act, and in order to promote the general welfare of the Association, Terraces at South Mountain Homeowners Association adopts this day of July 12, 2008, the following procedure.

Whenever the Board of Directors determines that a violation of the Association's Declaration, By-Laws or approved Rules and Regulations exists and must be corrected, a letter ("notification letter") will be sent to the owner of record and/or tenant of the unit involved or the owner and/or tenant who is responsible for the violation. The unit owner will have thirty (30) days from the date of the notification letter to correct the violation before a written demand to cease and desist ("written demand") is sent.

If the violation is not corrected within thirty (30) days of the notification letter, the Board of Directors will serve a written demand on the alleged owner of record stating:

1. the alleged violation;
2. the action required to correct the violation;
3. the time period of not less than (10) days during which the violation may be corrected without fines being imposed on the unit owner;
4. notice that a hearing will be held on the alleged violation after fifteen (15) days from the service of the written demand;
5. the time and place of the hearing;
6. an invitation to the alleged violator to attend the hearing and produce any statement, evidence, and witnesses on his/her behalf;
7. the proposed fine for the violation.

RECORDING FEE	10.00
TOTAL	10.00
REC'D	10/17
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The hearing shall be held in Executive Session pursuant to the written demand and shall afford the alleged violator a reasonable opportunity to be heard. At the conclusion of the hearing, the Board will render a decision on the merits of the alleged violation. Prior to the effectiveness of any fine imposed hereunder, a copy of the written statement of the results of the hearing and any fine imposed shall be placed into the Minutes of the hearing.

If, after being duly served with the written demand, the unit owner does not appear, and/or the Board finds the unit owner has committed a violation and taken no corrective measures prior to the hearing, the Association will levy a fine according to the schedule set forth below. The \$25 fine shall be effective immediately notwithstanding subsequent corrective actions by the owner.

Furthermore, if additional violations occur after the effective date of the first fine or the violation continues unabated for seven (7) days from the date of the first fine (in case of a continuing violation), the additional fines will be levied according to the following schedule:

Lagett Enterprises, Inc.
20 W. Third St
... ..

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Per Violation	Fine	Continuing Violations
1 st violation	\$ 25	Initial violation
7 days	\$ 25	
14 days	\$ 50	

(Continued every seven (7) days of each violation)

If after thirty (30) days from the hearing, unless otherwise agreed to, the violation has not been corrected, the Board of Directors shall have the right to send an independent contractor to take corrective measures. The cost of the corrective measures shall be charged to the owner of the property in violation.

All payments received from the unit owner by the Association will be applied to the oldest delinquent balance, whether that balance is composed of fines or monthly assessments.

The fines should be secured by a lien against a property if a unit owner fails to pay the fines which are due for each month within ten (10) days after the end of the month. A unit owner will have the right to appeal any action taken by the Board to the Circuit Court for Frederick County.

Decisions by the Board will be made on a case-by-case basis, and appropriate action will be taken in accordance with the above-mentioned alternatives.

Exceptions:

Exceptions to these Rules Enforcement Procedures shall be as follows:

1. Illegally parked vehicles which can be towed without notice.
2. Infractions which, when deemed an immediate threat to life, safety or health of the community by the Board of Directors, or its assignee, may be corrected by an independent contractor acting on behalf of the Board of Directors. If this action is taken, the cost to correct, or at least bring the violation to the point of safety, shall be charged to the owner of the property that has caused the threat.

This procedure was adopted under the provisions of Article VII, Section 1. (a) of the By-Laws of the Terraces at South Mountain Homeowners Association.

7/12/08
Date

7/12/08
Date

Stephen Stone
Board Member

Shane Lind
Board Member