

RIVER CREST HOMEOWNERS ASSOCIATION, INC.

SCHEDULE OF FINES

The Board of Directors of River Crest Homeowners Association, Inc. (the “Association”), in accordance with its rule making authority under the Association’s Articles of Incorporation, Bylaws, and Declaration of Covenants, Conditions, & Restrictions (hereinafter, “Association Documentation”), hereby adopts the following Schedule of Fines to be assessed, enforced and collected for the stated violations of the Association Documentation.

I. VEHICLE AND PARKING VIOLATIONS:

A. Imposition of Fine. After the Association has provided the Owner or any other occupant of a Completed Dwelling Unit (hereinafter, collectively the “Violator”) with written notice (“Violation Notice”) of the Vehicle Violation (as defined below), and the Violator has been given at least ten (10) days to cure or otherwise rectify the Vehicle Violation, and the opportunity to be heard by the Board of Directors (at a special or regularly scheduled meeting of the Board of Directors), then upon a resolution duly approved by the Board of Directors, the Violator shall be subject to a TWENTY-FIVE DOLLAR (\$25.00) fine for each day or fraction of a day that the Violator fails to cure or otherwise rectify the Vehicle Violation. For the purposes of imposing a fine on the Violator, the first day of the fine shall be the later of (i) the second day following the meeting of the Board of Directors at which the Violator was heard or which the Violator could have been heard if the Violator choose not to attend such meeting **or** (i) ten (10) days after the Violator has been served with the Violation Notice.

B. Multiple Violations. If the Association has served the Violator with two (2) Violation Notices pertaining to the same or similar Vehicle Violation (“Related Violation”) within a twelve (12) month period, then upon the service of the third Violation Notice (or the forth, fifth, or sixth, etc. Violation Notice as the case may be) pertaining to the Related Violation, the fine specified in Section I.A above shall be imposed as of the date the third (or forth, fifth, etc.) Violation Notice was served on the Violator. Notwithstanding the imposition of the fine on

the date set forth in this Section I.B, the Violator shall still be given the opportunity to be heard at the next meeting of the Board of Directors.

C. Vehicle Violation. For the purposes of this Section I.A through I.C, a Vehicle Violation shall be deemed to include any breach or violation of the following provisions of the Association's Declaration:

Article 4, Section 4.3 through 4.3.4

Article 7, Section 7.8.4

Article 7, Section 7.8.5.4

Article 7, Section 7.12

II. USE RESTRICTION VIOLATIONS:

A. Imposition of Fine. After the Association has provided the Owner or any other occupant of a Completed Dwelling Unit (hereinafter, collectively the "Violator") with written notice ("Violation Notice") of the Use Violation (as defined below), and the Violator has been given at least fifteen (15) days to cure or otherwise rectify the Use Violation, and the opportunity to be heard by the Board of Directors (at a special or regularly scheduled meeting of the Board of Directors), then upon a resolution duly approved by the Board of Directors, the Violator shall be subject to a TWENTY-FIVE DOLLAR (\$25.00) fine for each day or fraction of a day that the Violator fails to cure or otherwise rectify the Use Violation. For the purposes of imposing a fine on the Violator, the first day of the fine shall be the later of (i) the second day following the meeting of the Board of Director at which the Violator was heard or which the Violator could have been heard if the Violator choose not to attend such meeting **or** (i) fifteen (15) days after the Violator has been served with the Violation Notice. To the extent a Use Violation involves an issue upon which the Violator has a right to appeal pursuant to the provisions of Article 7, Section 7.7 of the Association's Declaration, and the Violator has timely filed its appeal as set forth in Article 7, Section 7.7 of the Association's Declaration, then no fine shall be imposed on the Violator during the period in which the Violator is pursuing such an

appeal. In such a case, the fine shall be imposed commencing on the second day following the Board of Directors' decision regarding the appeal.

B. Multiple Violations. If the Association has served the Violator with two (2) Violation Notices pertaining to the same or similar Use Violation ("Related Violation") within a twelve (12) month period, then upon the service of the third Violation Notice (or the fourth, fifth, or sixth, etc. Violation Notice as the case may be) pertaining to the Related Violation, the fine specified in Section II.A above shall be imposed as of the date the third (or fourth, fifth, etc.) Violation Notice was served on the Violator. Notwithstanding the imposition of the fine on the date set forth in this Section II.B, the Violator shall still be given the opportunity to be heard at the next meeting of the Board of Directors.

C. Use Violation. For the purposes of this Section II.A through II.C., a Use Violation shall be deemed to include any breach or violation of the following provisions of the Association's Declaration:

Article 7, Sections 7.1 and 7.3

Article 7, Sections 7.4 and 7.6

Article 7, Sections 7.8.1 through 7.8.3

Article 7, Sections 7.8.5 and 7.8.5.1

Article 7, Sections 7.8.5.3, and 7.8.5.5 through 7.8.5.11

Article 7, Section 7.8.5.12, but only to the extent that the Association is not prohibited from regulating the type of sign at issue by any Federal, State or local law or ordinance.

Article 7, Sections 7.8.5.13 and 7.8.5.14

Article 7, Sections 7.8.5.16

Article 1, Sections 7.9, 7.11 and 7.12

III. PET RESTRICTION VIOLATIONS:

A. Imposition of Fine. After the Association has provided the Owner or any other occupant of a Completed Dwelling Unit (hereinafter, collectively the “Violator”) with written notice (“Violation Notice”) of the Pet Violation (as defined below), and the Violator has been given at least ten (10) days to cure or otherwise rectify the Pet Violation, and the opportunity to be heard by the Board of Directors (at a special or regularly scheduled meeting of the Board of Directors), then upon a resolution duly approved by the Board of Directors, the Violator shall be subject to a TWENTY-FIVE DOLLAR (\$25.00) fine for each day or fraction of a day that the Violator fails to cure or otherwise rectify the Pet Violation. For the purposes of imposing a fine on the Violator, the first day of the fine shall be the later of (i) the second day following the meeting of the Board of Director at which the Violator was heard or which the Violator could have been heard if the Violator choose not to attend such meeting **or** (i) ten (10) days after the Violator has been served with the Violation Notice.

B. Multiple Violations. If the Association has served the Violator with two (2) Violation Notices pertaining to the same or similar Pet Violation (“Related Violation”) within a twelve (12) month period, then upon the service of the third Violation Notice (or the forth, fifth, or sixth, etc. Violation Notice as the case may be) pertaining to the Related Violation, the fine specified in Section II.A above shall be imposed as of the date the third (or forth, fifth, etc.) Violation Notice was served on the Violator. Notwithstanding the imposition of the fine on the date set forth in this Section II.B, the Violator shall still be given the opportunity to be heard at the next meeting of the Board of Directors.

C. Pet Violation. For the purposes of this Section III.A through III.C., a Pet Violation shall be deemed to include any breach or violation of the following provisions of the Association’s Declaration:

Article 7, Section 7.8.5.2

Article 7, Sections 7.8.5.2.1 through 7.8.5.2.5

IV. GENERAL PROVISIONS:

A. Violation Notices. The Violation Notice(s) set forth above shall be sent via certified mail, return receipt requested. If for any reason, the Association does not receive the return receipt of the certified mail back within ten (10) days after such notice was sent, then the Association may send the Violation Notice via regular mail and the Violator shall be deemed to have received such notice five (5) days after such notice was sent. The Association may also hand-deliver a Violation Notice, provided that the person delivering the Violation Notice certifies in writing that the Violation Notice was either hand delivered to the Violator and/or placed in the Violator's mailbox.

B. Collection of Fines. The imposition and collection of fines set forth above shall be completed in accordance with the provisions of Section 12.4 and other related provisions of the Association's Declaration, and all such fines shall act as a lien upon the Violator's Lot, and shall be collectable in accordance with the Association's Declaration, Maryland's Contract Lien Act, and/or any other matter provided by law or in equity.

C. Severability. If for any reason one or more of the provisions set forth in this Schedule of Fines is determined to be invalid or unenforceable by court with competent jurisdiction, such determination shall in no way affect the other provisions hereof, each of which shall remain in full force and affect.

D. Effective Date. This Schedule of Fines shall be effective as of the date that this document is duly approved by the Board of Directors of the Association, and recorded in the homeowner's depository among the Land Records of Frederick County, Maryland.

E. Purpose. This Schedule of Fines has been adopted by the Board of Directors in accordance with its powers and duties under the Association Documentation and its general powers under Maryland law. Moreover, this Schedule of Fines has been adopted for the purposes of enforcing the provisions of the Association Documentation, and to otherwise ensure the compliance thereof. Accordingly, the terms and condition set forth herein shall be liberally construed to effect such purposes.

F. Additional Remedies. The terms and conditions of this Schedule of Fines are in addition to, and not in place of, any other rights and/or remedies the Association may have to enforce the provisions of the Association Documentation, whether at law, in equity, and/or under the terms of the Association Documentation.

G. Definitions. Any word or phrase not specifically defined herein shall have the same meaning as set forth in the Association Documentation.