

*Although we believe the following to be a true and faithful rendering of Policy Resolution No 3 of the Heritage Harbour Community Association, Inc., in the case of any conflict, the copy recorded in the Homeowners Depository of the Circuit Court of Anne Arundel County shall prevail.*

## HERITAGE HARBOUR COMMUNITY ASSOCIATION

### POLICY RESOLUTION NO. 3

#### IMPOSITION OF SANCTIONS (Including Amendments 1, 2 and 3)

#### **I. Assessments or Charges Due the Association.**

##### **A. Responsibilities for Payment of Assessments or Other Charges.**

1. Owners of Lots or Units in Heritage Harbour agree to the payment of assessments as a condition of ownership in the Community. Article VI of the Declaration states, in part, that:

"Each person, group of persons, corporation, trust or other legal entity, or any combination thereof, who becomes an owner of a Lot or Unit, by acceptance of a deed thereof, ... shall agree to pay the Association, in advance, a monthly sum ... equal to one-twelfth (1/12) of the member's proportionate share of the sum required by the Association ... to meet its annual expenses... "

2. Assessments are due and payable, in advance, on the first day of each month. Other charges are due and payable when billed.

3. Payments shall be submitted to the Management Agent in the form and manner established by the Management Agent. Any questions concerning payments should be addressed to the Management Agent by calling the Association office.

**B. Responsibilities of the Management Agent.** The Management Agent shall be responsible for the billing and collection of all payments due the Association.

1. The Management Agent shall advise members of the assessment established by the Board of Directors and provide forms and instructions for submitting payment of the monthly assessment.

2. The Management Agent shall, without further approval by the Board of Directors, take the following actions with members whose payments are past due.

a. If the account has a debit balance on the fifteenth day of the current month, send a reminder letter to the member requesting payment in full and advising that a late charge has been added to the amount due. The amount of the late charge shall be ten per cent (10%) of the amount due, rounded to the nearest dollar.

b. If the account has a debit balance on the fifteenth day of the following month, send a demand notice to the member advising that an additional collection fee has been added to the amount due and that the account will be referred to an attorney for collection without further notice if not paid in full by the end of the current month. The amount of the collection fee shall be equal to the amount charged by the Management Agent for issuing the demand notice. As provided in the Declaration and in accordance with state and county law, the attorney may proceed to file a lien on the property and the member will be responsible for interest from the due date and all costs and fees associated with collection.

C. Sanctions for Non-payment.

1. Any member more than 60 days delinquent in any payment due the Association, as of the date that votes are taken, shall be ineligible to vote in any meeting of Association members, in any election of Directors, or any balloting of members.

2. In addition, the Board of Directors may impose any of the following sanctions.

a. Prohibit the use of Community Facilities by the member or by the associate member who has been extended the member's privileges, to include the rights to provide inputs to the Heritage Harbour TV and Harbour Lights.

b. Prohibit the member from being heard at meetings of the Board of Directors.

c. Require the member to surrender his/her membership card.

d. Publish the member's name in Harbour Lights or post the member's name in a prominent place in the Lodge.

**II. Compliance with Covenants and Regulations.**

A. Responsibilities of Members.

1. Members are responsible for compliance with the covenants contained in the Declaration, including the Architectural and Environmental Committee (AERC) requirements, rules and regulations established by the Board of Directors. Non-resident owners shall be responsible for the actions of their tenants.

2. Members may report suspected non-compliance with the covenants contained in the Declaration, including the AERC requirements, rules and regulations established by the Board of Directors. Members should call the On-Site General Manager at the Association office.

B. Responsibility of the Architectural and Environmental Review Committee (AERC).

1. The AERC shall, within its authority provided by the Declaration and in accordance with its guidelines, monitor actions proposed or taken by members or others.
2. The AERC shall investigate any alleged action of non-compliance with its requirements, and make efforts to obtain voluntary compliance to resolve the case in accordance with established AERC procedures.
3. If voluntary compliance cannot be achieved, the AERC shall refer the case, with recommendation, to the Board of Directors.

C. Responsibility of the Management Agent.

1. The Management Agent is responsible for investigating alleged cases of non-compliance. If necessary, the Management Agent may consult with appropriate committee chairpersons. In cases involving issues within the authority of the AERC, the Management Agent shall refer those cases to the Chairperson of the AERC.
2. If the Management Agent finds a member in non-compliance, the agent shall make efforts to obtain voluntary compliance to resolve the case.
3. If voluntary compliance cannot be achieved, the Management Agent shall refer the case, with recommendation, to the Board of Directors.

D. Sanctions for Non-Compliance.

1. The Board of Directors will consider non-compliance cases at a hearing during a closed meeting called for that purpose. The member in non-compliance shall be given an opportunity to address the Board at that meeting. By majority vote, the Board may impose any or all of the sanctions for non-payment and, in addition, may take the following actions.
  - a. The Board may direct that the Association correct any unapproved construction or alteration, and bill the owner for the cost of the correction.
  - b. If the case involves a domestic pet, the Board may determine that the pet is a nuisance and require its removal.
  - c. The Board may request the Association's attorney to initiate a civil action under State and County laws.