

# STONE RIDGE ASSOCIATION, INC.

## **Community Code No. 3** **Assessment Collection**

WHEREAS, the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Stone Ridge Association, Inc. (the "Declaration"), the Articles of Amendment and Restatement of Articles of Incorporation for Stone Ridge Association, Inc. (the "Articles") and the Amended, Restated Bylaws for Stone Ridge Association, Inc. (the "Bylaws"), as amended, and Community Codes collectively known as the Governing Documents, provide that the Lots are subject to the Governing Documents of Stone Ridge Association, Inc. (the "Association"); and

WHEREAS, the Declaration defines an Assessment as all General Assessments, Special Assessments, Limited Common Assessments and all other fees and charges and all installments of any of the foregoing, as may levied by the Association in accordance with the Governing Documents and Article V of the Declaration creates an Assessment obligation for Owners; and

WHEREAS, Article VI and Article XVI of the Declaration and Article IV, Section 4.1 of the Bylaws authorize the Board of Directors (the "Board"), to adopt Rules and Regulations and implement procedures for collection of the Assessments from the Owners; and

WHEREAS, Article V, Section 5.14 of the Declaration empowers the Board to establish the due dates for the payment of Assessments; and

WHEREAS, Article IV of the Articles and Article IV, Section 4.1 of the Bylaws provide that the Association shall have all of the powers conferred by the Virginia Nonstock Corporation Act, the Virginia Property Owners' Association Act (the "Act") and the Governing Documents, and may, pursuant to Article V, Section 5.3 of the Bylaws, delegate any such powers for collecting the Assessments subject to the terms of the Governing Documents; and

WHEREAS, Article VI, Section 6.1 and Article XVI, Section 16.2 of the Declaration empowers the Board to undertake collection action for any Assessments that remain unpaid for thirty (30) days; and

WHEREAS, Section 55-513 and Section 55-515 of the Act and Article XVI, Section 16.2 (a and i) and Article V, Section 5.1 of the Declaration provide that a delinquent Owner shall be responsible for the costs of collection including court costs, late fees and other administrative costs and reasonable attorney's fees; and

WHEREAS, Article VI, Section 6.1 of the Declaration authorizes the Board to establish a late charge if an Assessment is not paid within ten (10) days of the Due Date and to assess interest at a rate established from time to time by the Board that does not exceed the maximum, if any, rate of interest permitted under the laws of the Commonwealth of Virginia if an Assessment is not paid within thirty days of the Due Date. For purposes of this Resolution the interest rate shall by eighteen percent (18%) per annum; and

WHEREAS, Article VI, Section 6.3 and Article XVI, Section 16.2(h) of the Declaration authorize the Board to accelerate an Owner's Assessments for the current fiscal year if that Owner is in default of any two consecutive installments; and

WHEREAS, Article XVI, Section 16.2(g) of the Declaration and Article IV, Section 4.1(c) (12) of the Bylaws permit the Board, Managing Agent or Association Personnel to suspend a delinquent Owner's voting rights or use of the Community Property (including parking on Community Property) and recreational facilities; and

WHEREAS, Article XVI, Section 16.2(h) of the Declaration and Section 55-516 of the Act permit the Association to enforce a memorandum of lien for unpaid Assessments by foreclosure; and

WHEREAS, there is a need to establish orderly procedures for the billing and collection of Assessments;

NOW THEREFORE, it is hereby RESOLVED THAT Policy Resolution No. 2006-01 (Assessment Collection) is repealed in its entirety, and that the following Assessment collection procedures, collectively entitled Community Code No. 3, Assessment Collection, is hereby adopted:

#### I. Routine Collections

A. The Assessment shall be established by the Board annually. The Assessments shall be collected monthly, with payment due on the first day of each month (the "Due Date"). The fiscal year of the Association shall be the twelve (12) month period beginning January 1 and ending December 31.

B. Non-receipt of payment coupons, coupon books, notices, or other such documents relating to the payment of Assessments shall not excuse an Owner from the obligation to pay Assessments. Pursuant to Article V, Section 5.1 of the Declaration, no Owner may exempt himself from liability for Assessments by abandoning any Lot or by the abandonment of the use and enjoyment of the Community Property. Furthermore, no owner shall be entitled to any diminution, abatement or set-off of Assessments for any alleged failure of the Association to perform its duties or for any reduction in services or benefits by the Association.

C. Non-resident Owners must provide the Board with a telephone number and address, in writing, where the Owner can be contacted; otherwise, all notices shall be sent to the address of the Lot(s) owned by such Owner.

#### II. Remedies for Non-Payment of Assessments

A. Late Charge. If a monthly installment of the Assessment is not paid within ten (10) days of the Due Date, the account shall be considered delinquent and a late charge of twenty five dollars (\$25.00), or such other amount as the Board may determine from time to time, shall be imposed on the account and a Reminder Notice of the delinquent installment and late fee may be sent by the Managing Agent or the Association to the delinquent Owner by regular first class mail.

B. Delinquency Notice. If payment is not received by the Managing Agent or Association within thirty (30) days of the Due Date, a Delinquency Notice shall be sent by the Managing Agent or the Association to the delinquent Owner. This Delinquency Notice may be sent by certified mail, return receipt requested and may notify the delinquent Owner that if the payment, including the late fee(s), other legal or administrative fees and interest, is not made within ten (10) days from the date of the letter: the delinquent account shall be referred to legal

counsel for the pursuit of legal action. Owners may be warned in the letter of their responsibility for any attorney's fees, other legal and administrative costs, late charges, interest and costs of collection incurred by the Association for collection services.

C. Returned Check Charge. If the Association receives a check from an Owner which fails to clear the Owner's personal banking account, the Association or the Managing Agent shall charge the Owner a returned check charge of thirty five dollars (\$35.00), or such other amount as the Board may determine from time to time, not to exceed the maximum amount permissible by law.

D. Referral to Legal Counsel, Acceleration and Suspension of Privileges. Whenever any Owner fails to pay any portion of the Assessments, except as provided below, the Managing Agent or Association shall automatically take the following action:

1. The account shall be referred to legal counsel for immediate action.

2. Legal counsel is authorized, without further action of the Board, to take the following action: the entire balance of the Assessments for the remainder of the fiscal year may be automatically accelerated and declared due in full, when applicable, and a memorandum of lien for unpaid Assessments in the accelerated amount, interest, late charges, costs and attorney's fees shall be recorded against the title to the Lot. In addition, a civil action may be brought against the Owner for unpaid Assessments, late charges, interest, attorney's fees and other legal and administrative costs. Subject to any limitations contained herein, legal counsel is authorized to take action to collect the unpaid amounts.

3. The Board may choose to authorize legal counsel to foreclose a memorandum of lien for unpaid Assessments, pursuant to Article VI, Section 6.1 and Article XVI, Section 16.2 (h) (3) of the Declaration, in the manner provided by the laws of the Commonwealth of Virginia, including the Act.

4. The Board or the Covenants Committee may automatically suspend an Owner's rights, privileges and benefits of membership, without further action of the Board, pursuant to Article III, below. If imposed, the suspension shall continue until payment is received in full by the Association. Such suspension may include, but is not limited to, revocation of swimming pool, recreation and parking privileges, including parking on the Community Property.

E. Method of Crediting Payments. After an account becomes delinquent, payment received from an Owner will be credited in the following order of priority:

- a. Attorney's fees and other legal and administrative costs.
- b. Late fees.
- c. Interest accrued on the delinquent Assessments and or returned check charges.
- d. Delinquent Assessments and unpaid charges assessed as provided in the Declaration, the Bylaws or the Community Codes, oldest outstanding first.

### III. Suspension of Privileges

Pursuant to Article III, Section 3.1 and Section 3.2 of the Declaration and Article VII, Section 7.2 of the Articles, once an account is delinquent for sixty (60) days, the Owner shall no

longer be a Member in good standing of the Association. Such Owner may not be entitled to any of the rights and privileges of membership, including the right to vote at any meeting of the Association's membership, the right to be elected as a director and to serve as a director, or the right of general access to, and use of, the Community Property, recreational facilities or services of the Association. Suspension of the right to vote or serve on the Board shall not require a hearing. However, suspension of any other rights or privileges of membership in the Association is subject to the notice and hearing provisions of the Act as follows:

A. Before any suspension, the Owner shall be given an opportunity to be heard, to present witnesses and to be represented by counsel before the Board or the Covenants Committee.


B. Notice of the hearing shall be mailed by certified mail, return receipt requested to the Owner at the address of record with the Association, at least fourteen (14) days prior to the hearing or such other period of time allowed or required by law

C. The Notice of the hearing shall contain a description of the amount of the unpaid Assessments and the provisions of the Governing Documents and Community Codes of the Association alleged to have been violated.

D. Notice of the decision(s) made at the hearing shall be hand delivered or sent by certified mail, return receipt requested, to the Owner at the address of record with the Association within seven (7) days of the hearing or such other period of time allowed or required by law.

This Community Code is effective May 8, 2009. The Board directs that this Community Code shall be reasonably published or distributed to the Owners of the Association.

STONE RIDGE ASSOCIATION, INC.

BY:   
Denise Harrover, President

**STONE RIDGE ASSOCIATION, INC.**  
**Community Code Action Record**

Community Code No. 3  
**ASSESSMENT COLLECTION**

Resolution Type: Community Code Pertaining to: Assessment Collection

Duly adopted at a meeting of the Board of Directors held April 21, 2009.

Motion by: Mr. Edier

Seconded by: Mr. Rhodes

VOTE

	YES	NO	ABSTAIN	ABSENT
<u>Ms. Harrover, President</u>	<u>  X  </u>	<u>      </u>	<u>      </u>	<u>      </u>
<u>Ms. McCracken, Vice President</u>	<u>  X  </u>	<u>      </u>	<u>      </u>	<u>      </u>
<u>Mr. McIntosh, Secretary</u>	<u>  X  </u>	<u>      </u>	<u>      </u>	<u>      </u>
<u>Mr. Rhodes, Treasurer</u>	<u>  X  </u>	<u>      </u>	<u>      </u>	<u>      </u>
<u>Ms. Conner, Director</u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>  X  </u>
<u>Mr. Edier, Director</u>	<u>  X  </u>	<u>      </u>	<u>      </u>	<u>      </u>
<u>Mr. Deal, Director</u>	<u>  X  </u>	<u>      </u>	<u>      </u>	<u>      </u>

Resolution Effective Date: May 8, 2009

ATTEST: I hereby certify that a vote was duly taken and the Board of Directors adopted the above Resolution on the 21<sup>st</sup> day of April 2009.

  
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 Mark McIntosh, Secretary

May 19, 2009  
 Date

Book of Minutes No. 1

Meeting No. 46