

STONE RIDGE ASSOCIATION, INC.

Community Code No. 4
**PROCEDURES RELATING TO DUE PROCESS AND FOR
ENFORCEMENT OF REMEDIES RELATING TO VIOLATIONS**

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"), the Amended and 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, Article IV, Section 4.1 of the Bylaws of the Association states that the business and affairs of the Association shall be managed by the Board of Directors appointed by the Declarant or elected in accordance with the Articles of Incorporation and the Bylaws; and

WHEREAS, Article IV, Section 4.1 C(4) and (6) of the Bylaws permit the Board to adopt and amend any Community Codes not inconsistent with the Governing Documents, and to enforce the provisions of the Governing Documents, respectively; and

WHEREAS, Article VIII, Section 8.1 of the Declaration establishes the authority of the Covenants Committee; and

WHEREAS, Section 55-515 of the Virginia Property Owners' Association Act, Code of Virginia (1950, as amended) ("POAA"), and provisions of the Declaration and Bylaws require that all Lot Owners (hereinafter "Members") and their tenants, guests and invitees comply with the Governing Documents and all provisions of the POAA; and

WHEREAS, Article VIII, Section 8.1 and Article XVI, Section 16.2 of the Declaration, and Section 55-513 of the POAA provide the Association, through its Board and Covenants Committee, the authority to take certain actions for violations of the Governing Documents, including the power to assess monetary charges and to suspend a Member's rights to use facilities or services, as well as that Member's household members, tenants, invitees, guests, or licensees, as applicable; and

WHEREAS, for the benefit and protection of all Members, the Board deems it desirable to formally adopt a Community Code to enact the statutory powers to assess monetary charges, to suspend a Member's privileges and to establish a procedure for enforcement of the Governing Documents that are consistent with principles of due process and Virginia law as it has been amended from time to time.

THEREFORE, it is hereby RESOLVED THAT Policy Resolution No. 2006-02 (Creation of Procedures to Ensure Due Process in Enforcement Cases) is repealed in its entirety, and that the following due process procedures, collectively entitled Community Code No. 4, Procedures Relating to Due Process and for Enforcement of Remedies Relating to Violations, is hereby adopted:

I. Complaint Discovery of Violation

- A. Violations. Alleged violations of the Governing Documents (which shall include but not be limited to the Design and Maintenance Standards), shall be made by written complaint or report by either a Member, the Board or Covenants Committee, or the Managing Agent or Association Personnel (together, "Manager").
- B. Complaints by Members. Upon review of a complaint filed by a Member, the Manager shall initially review the complaint to determine whether it appears the matter complained of is a violation. If the Manager determines that there appears to have been a violation as described in the Complaint, Manager shall undertake the Violations Procedure described herein in Paragraph II.
- C. Complaints or Discovery of Violation noted by the Covenants Committee or Manager. If the Covenants Committee or Manager determines that a Member has violated the Governing Documents, the Manager shall undertake the Violations Procedure described in Paragraph II.

II. Violation Procedures

A. First Notice of Violation.

In accordance with the procedures in Section I above, the Manager shall issue a First Notice of Violation to the relevant Member via first class mail or hand delivery at the Member's address as listed in the Association's records, and to the property address, if the Member's listed address is different from the property address. The First Notice of Violation shall generally advise the Member of the nature of the violation, the provision of the Governing Documents which has allegedly been violated, the remedy required, and state that the Member must complete corrective action within 14 days. Notwithstanding the provisions in this paragraph, the Association is not required to provide a First Notice of Violation as set forth in this paragraph if the Board or the Manager in its discretion determines that a more expedited handling of the allegations will better serve the interests of the Association (*see Section II, Paragraph C. v. below*) or if the violation complained of is of a type which cannot be corrected.

B. Second Notice of Violation.

(1) If the Member does not remedy the violation within the time period required in the First Notice of Violation, the Association may issue a Second Notice of Violation, which shall follow the basic form of the First Notice of Violation and include any additional information or requirements deemed important by the Manager concerning the violation.

(2) The Second Notice of Violation shall provide another compliance deadline of 14 days and inform the Member that if the violation is not timely cured, violation charges of \$50 per non-recurring violation or \$10 per day for violations of a continuing nature may be assessed (or such other charges as may be allowed by the POAA, as amended). At the Manager's discretion, the Second Notice may be combined with notice of hearing if the violation is of a serious nature or if the Covenants Committee or Manager otherwise wish to hold a hearing about the matter.

(3) The Manager shall deliver the Second Notice of Violation by Registered or Certified Mail, Return Receipt Requested, and via first class mail, postage pre-paid or hand delivery, to the Member at his/her address listed in the Association's records, and to the property address, if the Member's listed address is different from the property address. Notification will be deemed effective even if any Member fails or refuses to sign for any certified mailing from the Association.

(4) If the Member does not remedy the violation by the deadline required in the Second Notice of Violation, a Notice of Hearing may be issued if not already issued.

C. Notice of Hearing.

The Notice of Hearing shall be issued under the following circumstances:

- (1) If the Member has not remedied the relevant violation within the time period required in the First or Second Notices of Violation.
- (2) The relevant violation continues.

The Notice of Hearing shall describe the violation, cite the provision of the Governing Documents which is being violated and shall describe the charges which may be levied or other action which may be taken by the Association if the violation is not remedied by the date set forth in the Notice. The Notice shall further state that a hearing will be held by the Covenants Committee or Board regarding the alleged violation and shall state:

- i. the time, date, and place of the hearing;
- ii. that the affected Member shall be given an opportunity to be heard, to be represented by counsel and to present witnesses before the Board;
- iii. the alleged violation, citing pertinent provisions of the Governing Documents;
- iv. that charges for violation of the Governing Documents may include an assessment of up to fifty dollars (\$50) for a non-recurring violation or ten dollars (\$10) per day for up to ninety (90) days or the maximum amount of time allowed by law, for any violation of a continuing nature or such greater amounts as may be authorized by the POAA.
- v. that other sanctions may be imposed, such as the suspension of the right to use facilities and services provided directly through the Association, injunctive relief, and or entry onto the property by an agent of the Association to abate the violation.

The Notice of Hearing shall be delivered by Registered or Certified Mail, Return Receipt Requested, and via first class mail, postage pre-paid or hand delivery, to the Member at his her address listed in the Association's records, and to the property address, if the Member's listed address is different from the property address, at least fourteen (14) days in advance of the hearing, or within such other time as may be required by the POAA. Any Notice of Violation letter referenced in Section II may be combined with the notice of hearing.

D. Violator Not A Member. Even if the violator is a tenant, household members, guest or other invitee, and not a Member, the Member is ultimately

responsible for all assessed charges. The Member is responsible for all violations regarding the Lot or caused by the occupants thereof at the time the violation occurs.

E. Emergencies. When the alleged violation constitutes a health, safety or fire hazard or is the type described in Section IV hereof, any compliance deadline described in any of the Violation notices may be reduced to twenty-four (24) hours or such other time frame the Board, Covenants Committee or Manager deems appropriate. The grace period for abatement may be adjusted by the Board, Covenants Committee or Manager as circumstances require.

F. Extenuating Situations. If the violation is of a nature that it cannot be abated or cured, the Manager or Covenants Committee, in its discretion, may issue a Notice of Hearing (as described in Paragraph C above) without issuing First and Second Notices of Violation, and charges may be assessed against the Member for said violation(s), subject to the hearing requirements of this Community Code, the Governing Documents and the POAA.

G. Repeat Violations. If a Member commits the same or similar violations more than once within twelve (12) months of the First Notice of Violation, the violation charge assessment process may proceed without first or second Violation Notices, and the matter may be referred directly to the Board of Directors.

H. Assessed Charges. Any violation charges imposed will be assessed against the Member for violations for which the Member, his or her household members, tenants, guests, or other invitees are responsible. The charge will be assessed against the Member regardless of whether the offender is the Member, a household member, a tenant, a guest, or other invitee. The payment of a violation charge assessment does not relieve the Member of the obligation of correcting the violation. In accordance with Article V, Section 5.6 and Article XVI, Section 16.2 of the Declaration assessed charges shall be collectible as any other Assessment.

III. Hearing

A. Schedule. Hearings, whether before the Covenants Committee or the Board, shall be scheduled at a reasonable and convenient time and place within the Board or Committee's discretion. The Committee or Board, within its sole discretion, may grant continuances. If the Member for whom a hearing is scheduled requests a continuance to a different time or date, and the request is granted, no further formal notices to the Member regarding the hearing shall be required.

B. Closed Session. The hearing shall be conducted in closed or executive session of the Board or Committee Meeting unless the alleged violator requests that the hearing be open to Members and further provided that the chair of the hearing body may impose a reasonable limit on the number of such persons who can be accommodated in the hearing room. During the course of any hearing held, the Board or Committee, within its discretion, may afford those persons involved with the dispute or violation an opportunity to be heard within reasonable time limits.

- C. Procedures. The hearing need not be conducted according to technical rules of evidence applied in a court of law. The hearing shall provide the alleged violator to be heard, to present witnesses and to be represented by counsel. The Board or Committee may set reasonable time limits on the hearing in its discretion.
- D. Evidence. The Manager, Member, tenant, any person lodging a complaint, and members of the hearing body shall have the right to (a) call, examine, and cross-examine witnesses; (b) introduce testimony and evidence; and (c) rebut testimony and evidence, all within reasonable time limits imposed by the Board or chairperson of the hearing body.
- E. Assessment of Charges. After proper notice has been given, if the Member fails to appear at the hearing, the hearing or meeting will continue as scheduled. The Committee or Board may assess charges from the compliance deadline date noted in any of the Notices of Violation sent to the Member or take such other action as may be authorized by the Association's Governing Documents or by law.
- F. Notice of Decision. Within seven (7) days of the hearing, or such other time as permitted or required by law, the Board or Covenants Committee shall notify the alleged violator of its decision, the assessment of any violation charges and any other sanctions imposed and the date that any violation charges shall accrue from and be due, which shall not be earlier than the date given in the First Notice of Violation by which the violation must cease. In the case of a repeat violation as in situations applicable to Section II. G above, the date from which assessments shall accrue shall be stated in the Hearing Notice or other notice applicable to the repeated violation.

IV. Violations Requiring Immediate or Prompt Abatement By The Association: Self Help

A. Definition of Violations Requiring Immediate Abatement.

As noted above, notwithstanding the foregoing procedures set forth in this resolution, some violations require immediate or timely abatement by the Member. In such cases, the Association may take action as set forth below to secure compliance. Violations of this nature include, but are not limited to, the following:

1. Overgrown grass, landscaping, weeds or other maintenance violations which significantly detract from the property's appearance;
2. Water leaks and or improper drainage;
3. Conditions that pose a potential health or safety hazard to persons or property;
4. Violations that have been repeated more than three (3) times.

To the extent the Board of Directors has adopted separate procedures regarding the curing of certain violations, such as yard or lawn maintenance, the Board may follow those procedures instead of those set forth herein.

B. Immediate Abatement Procedure.

1. First Notice of Violation Requiring Immediate Abatement.

a. The Association recognizes that the nature of the above described violations requires immediate abatement. Accordingly, the Manager shall timely deliver a Notice of Violation Requiring Immediate Abatement ("Notice") to the Member at his or her address or record with the Association and to the property address, if the Member's listed address is different from the property address. This Notice shall describe the relevant violation, and shall give a time period from the date of the Notice, within which the Member must abate the violation, or otherwise request a hearing regarding the violation in writing.

b. This Notice shall also describe possible actions that the Association may undertake to abate or otherwise address this violation if the Member does not respond to the Notice or abate the violation within of the time period specified in the Notice. Such actions may include entry by the Association and/or its Contractor upon the Member's lot and abatement or correcting of the violation at the Member's expense.

2. If the Member fails to abate the violation within the deadline specified in the first notice, and the Board, Covenants Committee or Manager deems it necessary and appropriate to resort to self-help to correct the violation at the Member's expense, a Second Notice of Violation Requiring Immediate Abatement may be issued which confirms that the Association may resort to self-help to correct the violation at the Member's expense. The Manager shall post this Second Notice of Violation Requiring Immediate Abatement ("Second Notice") on the front door of the lot in question. This Second Notice shall state what action the Association intends to take in order to abate the relevant violation.

V. Records

The Board or Manager shall keep copies of all correspondence relative to violations in the Member's file or in a separate file as to violations. Minutes of each hearing or meeting and a record of the results of the hearing or meeting shall be kept in the appropriate Association files.

VI. Assessment of Charges

Pursuant to Section 55-513 of the POAA, any charges assessed for violation of the Governing Documents after notice and hearing shall be in amounts authorized by the POAA (even if different than those stated herein) and shall be treated as an assessment against such Member's property for the purpose of Section 55-513 of the POAA regarding liens. Such amounts shall be the personal obligation of the Member. In addition, the Member may be held liable for all costs, expenses and attorney's fees incurred in connection with the collection of said assessed charges, as well as in seeking the compliance of the Member.

VII. Other Remedies

This Community Code shall not prevent the Association from exercising any other remedies authorized or available under the POAA, the Governing Documents, or by law, and shall not constitute an election of remedies. Technical noncompliance with any provision hereof shall not

be grounds for reversing or overturning any assessed charge or action taken by the Association as long as the charge or action would otherwise comply with the procedures required by law.

The effective date of this Community Code shall be May 19, 2009.

STONE RIDGE ASSOCIATION, INC.



Denise Harrover, President

STONE RIDGE ASSOCIATION, INC.
Community Code Action Record

Community Code No. 4
CREATION OF PROCEDURES TO ENSURE
DUE PROCESS IN ENFORCEMENT CASES

Resolution Type: Community Code Pertaining to: Due Process

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

Motion by: Mr. Deal

Seconded by: Mr. Edier

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 21st day of April 2009.



Mark McIntosh, Secretary

May 19, 2009
Date

Book of Minutes No. 1

Meeting No. 46