

Stone Ridge Association, Inc.
Policy Resolution No. 2006-01
Assessment Collection

WHEREAS, the Declaration of Covenants, Conditions and Restrictions for Stone Ridge (the "Declaration"), the Articles of Incorporation for Stone Ridge Association, Inc. (the "Articles of Incorporation") and the Bylaws for Stone Ridge Association, Inc. (the "Bylaws"), as amended, collectively known as the Association Documents, provide that the Lots are subject to the Association Documents and the Rules and Regulations of Stone Ridge Association, Inc. (the "Association"); and

WHEREAS, Article VI of the Declaration creates an Assessment obligation for Owners; and

WHEREAS, Article VI and Article XI of the Declaration and Section 4.1(4) 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, Section 6.5 and Section 11.2(b) of the Declaration empower the Board to establish the due dates for the payment of Assessments; and

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

WHEREAS, Section 6.5 of the Declaration provides that the Board shall take prompt action to collect assessments that remain unpaid for 30 days; and

WHEREAS, Section 55-513 and Section 55-515 of the POAA and Section 11.1(a) of the Declaration provide that a delinquent Owner shall be responsible for the costs of collection including court costs, and reasonable attorney's fees; and

WHEREAS, Section 6.5 of the Declaration authorizes the Board to establish a late charge and assess interest at eighteen percent per annum if an Assessment is not paid within ten days of the Due Date; and

WHEREAS, Section 11.2(b) of the Declaration authorizes 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, Section 11.1(f) of the Declaration and Section 3.2(d) and Section 4.1(12) of the Bylaws permit the Association or Managing Agent to suspend the delinquent Owner's voting rights or use of the Common Area and recreational facilities; and

WHEREAS, Section 11.2(c) of the Declaration and Section 55-516 of the POAA permits the Association to enforce a memorandum of lien for unpaid homeowner association 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 the Board cancels Policy Resolution No. 1 (Late Fee Collection Policy) and duly adopts the following Assessment collection procedures:

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 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 Section 6.4 of the Declaration, no Owner may exempt himself for liability for Assessments by abandoning any Lot or by the abandonment of the use and enjoyment of the Common Area.

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 Lot address.

II. Remedies for Non-Payment of Assessments

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

B. Final Notice. If payment is not received by the Managing Agent or Association within 45 days of the Due Date, a final demand letter shall be sent by the Managing Agent or the Association to the delinquent Owner. The Final Notice shall notify the Owner that if the payment, including the late fee(s), Management Agent fees and interest, is not made within 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 fees, late charges, interest and costs of collection incurred by the Association for collection services. The letter may be sent by certified mail, return receipt requested.

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 Management Agent shall charge the Owner a returned check charge of \$35.00, or 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 shall automatically take the following action:

1. The account may 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, and subsequently, a separate notice of the acceleration provided to the Owner; a memorandum of lien for unpaid homeowner association 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 shall be brought against the Owner for unpaid Assessments, late charges, interest, attorney's fees and costs. 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 IV of the Bylaws and Article XI, Section 11.1(e) of the Declaration, in the manner provided by the laws of the Commonwealth of Virginia, including the POAA.

4. The Board, or a subcommittee of 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.

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. Charges for attorney's fees and costs, including court costs.
- b. Late fees, Management Agent fees, interest and returned check charges.
- c. All other repair or Maintenance Assessments or charges (pursuant to Section 55-513 of the POAA, Section 11.1(a) of the Declaration and the Rules and Regulations of the Association) for violation by an Owner, his family, employees, agents, tenants or licensees of the Association Documents and Rules and Regulations of the Association.
- d. Any Individual Assessments.
- e. Any and all Special Assessments, Additional Assessments, or Limited Common Expenses.
- f. The Assessments, paid monthly, oldest outstanding first.

III. Suspension of Privileges

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 or the right to general access to, and use of, the Common Area, recreational facilities or services of the Association. Suspension of the right to vote 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 POAA 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 a subcommittee of 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.

C. The Notice of the hearing shall contain a description of the amount of the unpaid assessments and the provisions of the Association Documents and Rules and Regulations of the Association alleged to have been violated.

D. The decision 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 Resolution is effective MAY 25, 2006. The Board directs that this Resolution shall be reasonably published or distributed to the Owners of the Association.

STONE RIDGE ASSOCIATION, INC.

BY: 
Denise Harrover, President

STONE RIDGE ASSOCIATION, INC.

Resolution Action Record

POLICY RESOLUTION No. 2006-01

ASSESSMENT COLLECTION

Resolution Type: Policy Resolution No. 2006-01 Pertaining to: Assessment Collection

Duly adopted on MAY 8, 2006 by unanimous action of the Board of Directors in lieu of a regular meeting.

Motion by: Mr. Shackson

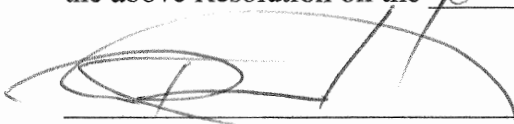
Seconded by: Ms. McCracken

VOTE

ABSENT	YES	NO	ABSTAIN
<u>Ms. Harrover</u>	<u>X</u>	_____	_____
<u>Mr. Herwig</u>	<u>X</u>	_____	_____
<u>Ms. McCracken</u>	<u>X</u>	_____	_____
<u>Mr. Shackson</u>	<u>X</u>	_____	_____

Resolution Effective Date: MAY 25, 2006

ATTEST: I hereby certify that a vote was duly taken and the Board of Directors adopted the above Resolution on the 8th day of MAY, 2006.


Rick Herwig, Secretary

5/8/06
Date

Book of Minutes No. 1

Meeting No. 15