

STONE RIDGE ASSOCIATION, INC.

POLICY RESOLUTION NO. 2006-02

**(Creation of Procedures to Ensure
Due Process in Enforcement Cases)**

WHEREAS, Article III, Section 3.4 of the Declaration of Covenants, Conditions and Restrictions (“Declaration”) of the Stone Ridge Association (“Association”) states that unless otherwise specifically provided in the Virginia Nonstock Corporation Act (“Act”) or the Articles of Incorporation, the Bylaws and the Declaration (“Association Documents”), all rights, powers, easements, obligations and duties of the Association may be performed by the Board of Directors (“Board”) on behalf of 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 (4) and (6) of the Bylaws permit the Board to adopt and amend any reasonable rules and regulations not inconsistent with the Association Documents, and to enforce the provisions of the Association Documents, respectively; and

WHEREAS, Section 55-515 of the Virginia Property Owners’ Association Act, Code of Virginia (1950, as amended) (“POAA”) requires that all lot owners and their tenants, guests and invitees comply with the Association Declaration and all provisions of the POAA; and

WHEREAS, Article XI, Section 11.1 of the Declaration and Section 55-513 of the POAA give the Board the authority to take certain actions for violations of any Rules and Regulations or breach of any provision of the Association Documents, including the power to assess monetary charges and to suspend an owner’s rights to use facilities or services, including utility services, provided directly through the Association for nonpayment of assessments which are more than thirty (30) days past due, to the extent that access to the lot through the common areas is not precluded and provided that such suspension shall not endanger the health, safety, or property of any owner, tenant or occupant; and;

WHEREAS, Article XI, Section 11.1 of the Declaration and Section 55-513 of the POAA require the Board to afford basic due process rights to a Person in violation or breach of the Declaration, the Rules and Regulations and the POAA before imposing monetary charges and suspending use rights; and

WHEREAS, for the benefit and protection of all owners, the Board deems it desirable to formally adopt a policy resolution to enact the statutory powers to assess monetary charges, to suspend an owner’s privileges and to establish a procedure for enforcement of the Association Documents and Rules & Regulations which are consistent with principles of due process and Virginia law as it has been amended from time to time by the Virginia General Assembly.

NOW, THEREFORE, BE IT RESOLVED THAT:


1. On behalf of the Association, the Board may issue a citation to any owner whose behavior or use of the property does not conform to the Association Documents and Rules and Regulations (“Governing Documents”). For purposes of this Resolution the term “owner” shall include family members, guests, visitors, tenants, and invitees, and all owners are responsible for actions of such family members, guests, visitors, tenants, and invitees.
2. The Board shall send a first notice of citation in writing and deliver it personally or by ordinary first class mail, to the owner at his/her address listed in the Association’s records, and to the property address, if the owner’s listed address is different from the property address. The first notice of citation shall generally advise the owner of the nature of the offense, cite the specific provision within the Governing Documents which has allegedly been violated, specify the remedy required, and state the number of days within which the owner must complete corrective action. Notwithstanding the provisions in this paragraph, the Board is not required to provide a first citation letter as set forth in this paragraph if the Board or the Association Manager in its discretion determines that a more expedited handling of the allegations will better serve the interests of the residents of the Association. In such a case, the Board shall send an initial citation letter that shall be consistent in form to the second citation as set forth in paragraph 4.
3. If the owner does not remedy the offense within the number of days requested in the notice of citation, the Board reserves the power to issue a second notice of citation, which shall follow the basic form of the first notice of citation and include any additional information deemed important by the Board concerning the offense.
4. The second citation shall also advise the owner of the Board’s power to impose monetary charges (including the amount of the charges to be levied) and to suspend privileges for violations of the Governing Documents and shall inform the owner of his/her right to request a hearing before the Board to contest the citation. The notice of citation shall request the owner to confirm in writing by a certain date (“Hearing Confirmation Date”) his/her desire for a hearing to contest the citation.
5. The Board shall deliver the second notice of citation by Registered or Certified Mail, Return Receipt Requested, and via ordinary first class mail, postage pre-paid, to the owner at his/her address listed in the Association’s records, and to the property address, if the owner’s listed address is different from the property address. Notification will be deemed effective if any owner fails or refuses to sign for any certified mailing from the Association.
6. If the owner does not remedy the offense within the number of days requested in the second notice of citation, and the owner has not requested a hearing in writing by the Hearing Confirmation Date, the owner shall be deemed to have waived the right to a hearing and the Board shall have the power to impose monetary charges pursuant to the authority granted in Section 55-513 of the Act and the Governing Documents. The Board

shall not be required to conduct a hearing unless the owner formally requests a hearing in writing by or before the deadline set forth in the second notice of citation.

7. When a hearing is requested by the owner in writing by or before the deadline, the Board shall set the time, date and place of the hearing at its discretion. Written notice of the time, date and place of the hearing shall be mailed to the owner by Registered or Certified Mail, Return Receipt Requested, and via ordinary first class mail, postage pre-paid, to the owner at least fourteen (14) days in advance of the hearing date. At the hearing, the Board shall provide the owner with a reasonable amount of time to present any defenses or other information related to the alleged violation. The owner may have counsel present at the hearing. The Board has the discretion to hold the hearing in executive session.
8. Following the hearing, the Board shall meet in closed session to discuss whether satisfactory proof of the alleged violation was presented, and if so, whether to impose sanctions, including but not limited to monetary charges and/or suspension of privileges. The Board shall then exit closed session to vote in open session on whether to impose sanctions or take other action to address the violation in question, including but not limited to monetary charges, and/or suspension of privileges.
9. If it determines that a violation has occurred, the Board may impose monetary charges as an assessment against the owner's lot or suspend the owner's privileges. Monetary charges may not exceed \$50.00 for a single offense or \$10.00 per day for a maximum of ninety (90) days for any offense of a continuing nature, or the maximum amount allowed at any given time by law. An offense of a continuing nature is defined as a violation of the Governing Documents, which, by its nature, remains a violation continuously for more than twenty-four (24) hours unless corrected by the owner. The Board shall treat monetary charges as an assessment against the owner's lot to be collected in accordance with the Declaration.
10. The Board shall deliver notice of its decision to the owner by Registered or Certified Mail, Return Receipt Requested, and via first class mail, postage pre-paid, at the owner's address of record with the Association within seven (7) days of the date of the hearing, or such other period allowed at any given time by law.
11. The procedures outlined in this Resolution may be applied to all violations of the Governing Documents, but do not preclude the Association from exercising other enforcement procedures and remedies authorized by the Governing Documents, including, but not limited to, the initiation of suit or self-help remedies.

The effective date of this Resolution shall be May 25, 2006.

STONE RIDGE ASSOCIATION, INC.



Denise Harrover, President

**STONE RIDGE ASSOCIATION, INC.
Resolution Action Record**

POLICY RESOLUTION No. 2006-02

**CREATION OF PROCEDURES TO ENSURE
DUE PROCESS IN ENFORCEMENT CASES**

Resolution Type: Policy Resolution No. 2006-02 Pertaining to: Due Process

Duly adopted at a meeting of the Board of Directors held April 18, 2006.

Motion by: Ms. McCracken

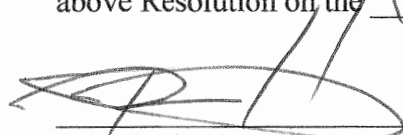
Seconded by: Mr. Shackson

VOTE

	YES	NO	ABSTAIN	ABSENT
<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 18th day of April, 2006



Rick Herwig, Secretary

5/8/06

Date

Book of Minutes No. 1

Meeting No. 14