

SUGARLAND RUN HOMEOWNERS ASSOCIATION, INC.

POLICY RESOLUTION

ASSESSMENT COLLECTION

Procedure Relative to Assessment Collection

WHEREAS, Article V, Section 1 of the Declaration of Sugarland Run Homeowners Association, Inc. (hereinafter referred to as the "Declaration") creates an assessment obligation for the Owners; and

WHEREAS, Article V, Section 1 of the Declaration and Article XIII of the Bylaws authorizes the assessment of interest, costs, and attorney's fees as a personal obligation of the delinquent Owner; and

WHEREAS, Article III, Section 1 of the Bylaws authorizes the Board to suspend any person from membership in the Association during any period of time when such person is in default of any of his obligations under the Declaration;

WHEREAS, there is a need to establish orderly procedures for the billings and collection of said assessments.

NOW, THEREFORE, BE IT RESOLVED THAT the Board duly adopt the following assessment collection procedures:

I. ROUTINE COLLECTIONS

- A. All installments of the annual assessments shall be due and payable on the first day of the applicable month; all special assessments shall be due as specified in the notice of special assessment.
- B. All documents, correspondence and notices relating to the charges shall be mailed to the address which appears on the books of the Association or to such other address as is designated in writing by the Owner. Non-Resident Owners shall furnish the Board of Directors with an address where mail shall be promptly received by the Owner.
- C. Non-receipt of payment coupons, billing statements, or such other devices shall in no way relieve the Owner of the obligation to pay the amount due by the due date.

II. REMEDIES FOR NON-PAYMENT OF ASSESSMENTS

- A. The assessments shall be paid monthly and due the first day of each month. Any assessment that is not paid by the due date shall be delinquent.

- B. The failure of any Owner to pay any monthly assessment within thirty (30) days from the due date shall result in the assessment bearing interest from the date of delinquency at the rate of eight percent (8%) per annum.
- C. In any instance where a check is returned dishonored, a (\$25.00) twenty five dollar returned check charge shall be assessed against the account of the Owner responsible for payment.
- D. Any delinquent account may be referred to legal counsel for collection. Pursuant to Article XIII of the Bylaws, all attorney's fees incurred by the Association in connection with the collection of the delinquent account shall be assessed against the Owners account. Counsel shall initiate appropriate legal action, which may include the filing of a lien and/or suit to collect all sums due the Association, and/or the initiation of a foreclosure on the lien.
- E. After an account becomes delinquent, payment received from an Owner will be credited in the following order of priority:
 - 1. Charges for attorney's fees and court costs;
 - 2. Interest and returned check charges;
 - 3. All other charges and fees incurred by the Association as a result of any violation by an Owner his family, employees, agents, tenants or licensees of the governing instruments of the Sugarland Run Homeowners Association, Inc.;
 - 4. Any and all special assessments;
 - 5. The annual assessment.

III. SUSPENSION OF PRIVILEGES

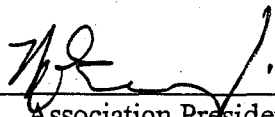
After an account becomes delinquent and after written notice of such default, provided the default has continued uncured for a period of (10) ten days after written notice thereof to such member, the responsible Owner shall no longer be a member in good standing of the Association and shall not be entitled to any of the rights and privileges of membership, including general access and use of the common elements of the Association; with the exception that the right to vote at a meeting of the Association's membership may be suspended at the discretion of the Board of Directors.

IV. EFFECTIVE DATE OF RESOLUTION

This Policy Resolution on Assessment Collection supersedes the Policy Resolution on Assessment Collection that was effective February 7, 2001. The effective date of this resolution is December 1, 2004.

BOARD OF DIRECTORS OF
SUGARLAND RUN HOMEOWNERS ASSOCIATION, INC.

1/5/05
Date

By: 
Association President

This Resolution was reasonably published or circulated throughout the development pursuant to Va. Code Ann. Sec. 55-513, on the 1st day of December, 2004.

RESOLUTION OF THE BOARD OF DIRECTORS
OF SUGARLAND RUN HOMEOWNERS ASSOCIATION

(Policies and Procedures Regarding Violation of Governing Documents)

WHEREAS, Article VI, Section 1(a) of the Association By-Laws grants the Board of Directors the power to adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof; and

WHEREAS, Section 55-513 (B) of the Virginia Property Owners' Association Act provides the Association with the power to suspend a member's right to use facilities or services and to assess charges against members for violations of the governing documents

WHEREAS, the Board of Directors deems it necessary and in the best interests of the Association to establish orderly procedures for the suspension of privileges and the assessment charges against Members for violations of the governing documents.

NOW, THEREFORE, BE IT RESOLVED THAT the following procedures shall be adopted to enforce violations of the governing documents.

I. ACTIONS PRIOR TO INITIATION OF FORMAL RESOLUTION PROCESS

A. Any Member, Owner or Agent of the Association has the authority to request that a Member, Owner or their family members, guests or invitees cease or correct any act or omission which appears to be in violation of the governing documents.

B. Upon receipt of a written complaint, a committee member, the Managing Agent or a member of the Board of Directors may make a preliminary investigation as to the validity of the complaint.

C. The Board of Directors, an Association Committee or the Managing Agent may make initial attempts to secure compliance through correspondence.

II. DEMAND

A. If the preliminary investigation indicates the need for further action, then the Board of Directors or a Committee shall send a written demand letter to the Member at the address which the Member has provided to the Association or to the property address if no other address has been provided. A copy may be sent to the tenant if there is a tenant.

B. The demand letter shall specify the alleged violation, the action required to abate the violation and a date, usually not less than ten (10) days after the date of the demand letter, by which the alleged violation must be remedied. Provided, however, when the violation may constitute a health or safety hazard, demand may be made to remedy the violation within twenty-four (24) hours.

C. If the violation is not remedied by the date set forth in the initial demand letter and second demand letter may be sent. The second demand letter shall state that if the violation is not remedied, the alleged violator must request in writing a hearing to avoid the imposition of charges. The letter shall also state that if no hearing is requested, the Member will be deemed to have waived the opportunity for a hearing and violation charges may be assessed. Notwithstanding the foregoing, the Association may establish a hearing date and hold a hearing to determine the validity of the complaint.

III. NOTICE OF HEARING

A. If the alleged violation is not remedied within the date or time specified in the second demand letter and the Member requests a hearing or if the Board or a Committee determines a hearing is necessary, a notice of hearing shall be sent. The Board of Directors or a Committee shall serve a Notice of Hearing on the charged Member at least fourteen (14) days prior to the hearing by hand delivery or certified mail, return receipt requested, at the address of record with the Association.

B. The Notice of Hearing shall be substantially in the following form, but may include other information.

You are hereby notified that a hearing will be held before the Board at _____ (place) _____ on _____ (date) _____, 199____, at _____ (time) _____ the charge that you are in violation of _____ of the governing documents / architectural guidelines. You may be present at hearing, may be represented by counsel, and may present any relevant evidence regarding the alleged violation. If the Association finds that a violation has occurred or has not been remedied, you may be assessed up to fifty dollars (\$50.00) for a single offense or ten dollars (\$10.00) per day for any offense of a continuing nature.

C. If the charged member advises the Association that they cannot attend the hearing on the scheduled date and indicates times and dates when they would be available, the Association may reschedule the hearing and deliver notice of the new hearing date and time.

IV. HEARING

A. 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 with an opportunity to be heard and to be represented by counsel.

- B. The hearing shall be conducted in private.
- C. At the hearing, the charged party may do the following:
 - (a) make an opening statement;
 - (b) introduce evidence, testimony and witnesses;
 - (c) rebut evidence and testimony;
 - (d) make a closing statement.

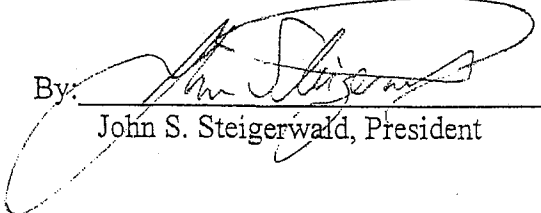
D. Within thirty (30) days of the hearing, the Association shall notify the alleged violator of its decision, the assessment of any charges, and the date from which those charges shall accrue and be due, which date shall not be earlier than the date of the first demand letter or the notice of hearing.

V. SANCTIONS

Disciplinary action imposed by the Association may include, but is not limited to (a) the assessment of charges against the Member in accordance with Section 55-513 (B) of the Virginia Property Owners Association Act and (b) the suspension of the Member's right to use the Association's facilities and services in accordance with Section 55-513 (B) of the Virginia Property Owners Association Act.

This resolution was duly adopted by the Board of Directors this 2nd day of September, 1998.

Sugarland Run Homeowners Association, Inc.

By: 
John S. Steigerwald, President

AMENDMENT TO BY-LAWS OF
SUGARLAND RUN HOMEOWNERS ASSOCIATION
(Annual Meeting Date)

THIS AMENDMENT to the By-Laws of Sugarland Run Homeowners Association, Inc., made and entered into this 7th day of April, 1999, by

W I T N E S S E T H :

WHEREAS, Sugarland Run Homeowners Association (the "Association") is the Association for Sugarland Run, a residential community described in its Declaration, located entirely within the boundaries of the County of Loudoun, Virginia, and recorded in Deed Book 524 at Page 140 among the land records of Loudoun County, Virginia; and

WHEREAS, the Bylaws of Sugarland Run provide that the Annual Meeting shall be held on July 1st of each year; and

WHEREAS, the Board of Directors believes that more members of the Association would be willing and able to attend the Annual Meeting if it were not held so close to Independence Day; and

WHEREAS, one less than one-hundred percent of the members of the Board have voted at a Board Meeting where more than five Board members were present in the affirmative to approve an Amendment to the By-Laws of Sugarland Run Homeowners Association changing the Annual Meeting date from July 1st of each year to the 2nd Wednesday of November each year, pursuant to Article XV, Section 1 of the Bylaws,

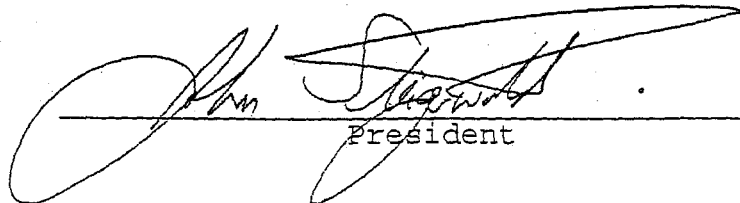
NOW THEREFORE, the By-Laws of Sugarland Run Homeowners Association are hereby amended as follows:

1. Article IV, Section 1 of the Bylaws is hereby modified as follows:

Section 1. Annual meeting. The annual meeting of the members shall be held on the 2nd Wednesday of November of each year commencing with November 10, 1999. Such annual meetings shall be held for the purpose of electing directors and/or for the transaction of such other business as may come before the meeting. If the date fixed for the annual meeting shall be a legal holiday in the place where the meeting is to be held, such meeting shall be held on the next succeeding business day.

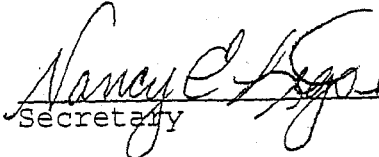
This Amendment shall become effective on April 7, 1999. Any current member of the Board of Directors or elected member of the Architectural Committee whose term was due to expire at the July 1, 1999 Annual Meeting, shall continue to serve as a "holdover" member until the Annual Meeting on November 10, 1999.

IN WITNESS WHEREOF, and further, in certification that one less than one-hundred percent of the members of the Board have voted at a Board Meeting where more than five Board members were present in the affirmative to approve an Amendment to By-Laws of Sugarland Run Homeowners Association changing the Annual Meeting date from July 1st of each year to the 2nd Wednesday of November each year the foregoing Amendment is executed by the President and the Secretary of Sugarland Run Homeowners Association on this 7th day of April, 1999.



President

ATTEST:

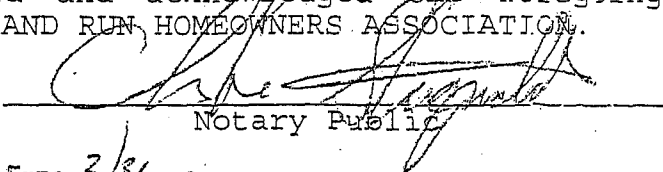


Secretary

STATE OF VIRGINIA

COUNTY OF LOUDOUN, to wit,

I, the undersigned Notary Public, in and for the jurisdiction aforesaid, do hereby certify that John Steigewald, President of Sugarland Run Homeowners Association personally appeared before me in the jurisdiction aforesaid and acknowledged the foregoing AMENDMENT TO BY-LAWS OF SUGARLAND RUN HOMEOWNERS ASSOCIATION.



Notary Public

My Commission Expires: My Comm. Exps. 3/31, 2000

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