STAFFORD OAKS ASSOCIATION, INC.



RULES AND REGULATIONS FOR OWNERS AND TENANTS

April 19, 2015

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WELCOME HOME ©

We are pleased to have you as a resident and encourage you to get outside and enjoy the common areas throughout the community.

The Board of Directors of the Stafford Oaks Homeowners Association (HOA) serves in a volunteer capacity, acts as the management company in conducting day-to-day business of the Association and to the community at large. This includes, but is not limited to:

- tracking owners and their properties
- collecting assessment dues and any violations fees
- · establishing and maintaining the yearly operating budget
- enforcing laws, codes, ordinances, policies, rules, and Bylaw covenants
- providing business administrative support
- inspecting properties and issuing violations for noncompliance
- attending Stafford County Court on behalf of the Association
- organizing and attending Board Meetings (Annual and Special)
- processing resident complaints and work requests
- prepare and solicit contractor bids for community common areas
- work with local, state and federal officials
- are the single point of contact for the Association with all owners, tenants, realtors, external management companies, and our HOA attorney

With all of these responsibilities, we remain volunteers serving this community. This Association is a legal entity created to help preserve the integrity of our community. It is important that we be considerate of our neighbors. We ask that you read and become familiar with the HOA Rules and Regulations as these policies are the rules of the community in general and check out our website for additional forms and information.

As an <u>Owner</u>, you become an automatic joint and equal member of the Association, subject to the Covenants, Rules and Regulations, and other governing the Association. You are responsible for the timely payment of your homeowner's assessments and ensure any violations are mitigated within 30 days of notice to avoid fines against your account. Should your tenants commit any violations, you are ultimately responsible to mitigate and pay any assessed fines against the property. Please ensure any tenants receive a copy of this HOA Rules and Regulations for their awareness to the rules and regulations to ensure you are not fined due to their actions or lack thereof.

As a <u>Tenant</u>, you are held to the same standard of compliance and to the same rules and regulations of the Association. Any violations that you create will automatically go to the owner of the property to mitigate and pay any fines associated. Most owners will pass these fines right back down to the tenant, so please be mindful of your responsibilities contained herein.

The Board of Directors must be owners. Without exception, they provide endless hours to help preserve the community as unpaid volunteers. We are always looking for volunteers and community committee members to assist to bring positive change to our community.

Current Board of Directors:

Ken Austin, Board President Simon Baldwin, Board Vice President Theresa Baker, Board Secretary/Treasurer Ken Austin, ACC Chairman Linda Lipscomb, Consultant/HOA Website Coordinator

To reach a Board Member, please call (540) 300-2188 and leave a message, or email staffordoakshoa@gmail.com.

Should you have any questions, comments, or concerns about this HOA Rules and Regulations, please contact us. If you would like an electronic version of this document to be able to use the hyperlinks in the Table of Contents for easy access, please email us.

Sincerely,

The Board of Directors
Stafford Oaks Homeowners Association

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RULES AND REGULATIONS OF THE STAFFORD OAKS HOMEOWNERS ASSOCIATION, INC.

SUMMARY AND OTHER PASSED MOTIONS

This below summary is to help you understand that rules and regulations existing within the Stafford Oaks community and shall be followed to protect the community, prevent future problems, and to promote goodwill between neighbors.

The overarching baseline authority of this Homeowners Association shall be the latest version of the Code of Virginia, Title 55, Property and Conveyances, and Chapter 26, Property Owners' Association Act located online at https://leg1.state.va.us/lis.htm

Any conflicts or discrepancies located within this Rules and Regulations against the Code of Virginia, the Code of Virginia shall have precedence. However, the Association may initiate more stringent Rules and Regulations for and upon the Association. These Codes are now contained within these Rules and Regulations.

All previous Association Rules and Regulations are invalid and void. This version is the legal and authoritative Rules and Regulations for the Association.

Motions passed with owner's majority vote of those present:

• On October 26, 2014, the Owners present, voted and passed by majority vote that In the original Declaration of Covenants, Conditions and Restrictions dated October 5, 1972, Article V, Architectural Control, "No parking of campers, boats, trailer, trucks other than pick-up trucks shall be allowed except in areas so designated in the southwest quadrant of Community Area #6.". Since this area is the Basketball Court, this passed resolution is to permanently dismiss this area and all other areas within Association property to be a storage lot and that no storage lot will be done. All above items shall remain parking on the public street, as already contained within the Rules and Regulations under "Parking Regulations".

ARTICLE I

NAME AND LOCATION:

The name of the corporation is Stafford Oaks Homeowners Association, hereinafter referred to as the "Association". The principal office of the corporation shall be located in Stafford Virginia, 75 Chestnut Drive, Stafford, Virginia 22554, however, meetings with the Members and the Board of Directors will be held at various locations within Stafford County since the Association does not have an office location. Locations will be determined by the Board of Directors with notification to the Members of such date, time, and location address.

ARTICLE II

APPLICABILITY AND DEFINITIONS:

§ 55-508. Applicability.

A. This chapter shall apply to developments subject to a declaration, as defined herein, initially recorded after January 1, 1959, associations incorporated or otherwise organized after such date,

and all subdivisions created under the former Subdivided Land Sales Act (§ <u>55-336</u> et seq.). For the purposes of this chapter, as used in the former Subdivided Land Sales Act, the terms:

"Covenants," "deed restrictions "or" other recorded instruments" for the management, regulation and control of a development shall be deemed to correspond with the term "declaration";

"Developer" shall be deemed to correspond with the term "declarant";

"Lot" shall be deemed to correspond with the term "lot"; and

"Subdivision" shall be deemed to correspond with the term "development."

This chapter shall be deemed to supersede the former Subdivided Land Sales Act (§ <u>55-336</u> et seq.), and no development shall be established under the latter on or after July 1, 1998. This chapter shall not be construed to affect the validity of any provision of any declaration recorded prior to July 1, 1998; however, any development established prior to the enactment of the former Subdivided Land Sales Act may specifically provide for the applicability of the provisions of this chapter.

This chapter shall not be construed to affect the validity of any provision of any prior declaration; however, to the extent the declaration is silent, the provisions of this chapter shall apply. If any one lot in a development is subject to the provisions of this chapter, all lots in the development shall be subject to the provisions of this chapter notwithstanding the fact that such lots would otherwise be excluded from the provisions of this chapter. Notwithstanding any provisions of this chapter, a declaration may specifically provide for the applicability of the provisions of this chapter. The granting of rights in this chapter shall not be construed to imply that such rights did not exist with respect to any development created in the Commonwealth before July 1, 1989.

B. This chapter shall not apply to the (i) provisions of documents of, (ii) operations of any association governing, or (iii) relationship of a member to any association governing condominiums created pursuant to the Condominium Act (§ 55-79.39 et seq.), cooperatives created pursuant to the Virginia Real Estate Cooperative Act (§ 55-424 et seq.), time-shares created pursuant to the Virginia Real Estate Time-Share Act (§ 55-360 et seq.), or membership campgrounds created pursuant to the Virginia Membership Camping Act (§ 59.1-311 et seq.). This chapter shall not apply to any nonstock, nonprofit, taxable corporation with nonmandatory membership which, as its primary function, makes available golf, ski and other recreational facilities both to its members and the general public.

§ 55-509. Definitions.

As used in this chapter, unless the context requires a different meaning:

"Act" means the Virginia Property Owners' Association Act.

"Association" means the property owners' association.

"Board of directors" means the executive body of a property owners' association, or a committee which is exercising the power of the executive body by resolution or bylaw.

"Capital components" means those items, whether or not a part of the common area, for which the association has the obligation for repair, replacement or restoration and for which the board of directors determines funding is necessary.

"Common area" means property within a development which is owned, leased or required by the declaration to be maintained or operated by a property owners' association for the use of its members and designated as common area in the declaration.

"Common interest community" means the same as that term is defined in § 55-528.

"Common interest community manager" means the same as that term is defined in § 54.1-2345.

"Declarant" means the person or entity signing the declaration and its successors or assigns who may submit property to a declaration.

"Declaration" means any instrument, however denominated, recorded among the land records of the county or city in which the development or any part thereof is located, that either (i) imposes on the association maintenance or operational responsibilities for the common area or (ii) creates the authority in the association to impose on lots, or on the owners or occupants of such lots, or on any other entity any mandatory payment of money in connection with the provision of maintenance and/or services for the benefit of some or all of the lots, the owners or occupants of the lots, or the common area. "Declaration" includes any amendment or supplement to the instruments described in this definition. "Declaration" shall not include a declaration of a condominium, real estate cooperative, time-share project or campground.

"Development" means real property located within this Commonwealth subject to a declaration which contains both lots, at least some of which are residential or are occupied for recreational purposes, and common areas with respect to which any person, by virtue of ownership of a lot, is a member of an association and is obligated to pay assessments provided for in a declaration.

"Disclosure packet update" means an update of the financial information referenced in subdivisions A 2 through A 9 of § 55-509.5. The update shall include a copy of the original disclosure packet.

"Financial update" means an update of the financial information referenced in subdivisions A 2 through A 7 of § 55-509.5.

"Lot" means (i) any plot or parcel of land designated for separate ownership or occupancy shown on a recorded subdivision plat for a development or the boundaries of which are described in the declaration or in a recorded instrument referred to or expressly contemplated by the declaration, other than a common area, and (ii) a unit in a condominium association or a unit in a real estate cooperative if the condominium or cooperative is a part of a development.

"Meeting" or "meetings" means the formal gathering of the board of directors where the business of the association is discussed or transacted.

"Professionally managed" means a common interest community that has engaged (i) a common interest community manager to provide management services to the community or (ii) a person as an employee for compensation to provide management services to the community, other than a resident of the community who provides bookkeeping, billing, or recordkeeping services for that community.

"Property owners' association" or "association" means an incorporated or unincorporated entity upon which responsibilities are imposed and to which authority is granted in the declaration.

"Settlement agent" means the same as that term is defined in § 55-525.16.

Section 1. "Properties" shall mean and refer to that certain real estate property herein described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of any obligation.

Section 3. "Member" shall mean those who own property within the Stafford Oaks Homeowners Association, Inc.

Section 4. "Board of Directors" shall mean the executive body of a property owners' association, or a committee which is exercising the power of the executive body by resolution or bylaw.

ARTICLE III

MEETING WITH THE MEMBERS AND NOTIFICATION:

§ 55-510. Access to association records; association meetings; notice.

F. Meetings of the association shall be held in accordance with the provisions of the bylaws at least once each year after the formation of the association. The bylaws shall specify an officer or his agent who shall, at least 14 days in advance of any annual or regularly scheduled meeting, and at least seven days in advance of any other meeting, send to each member notice of the time, place, and purposes of such meeting. In the event of cancellation of any annual meeting of the association at which directors are elected, the seven-day notice of any subsequent meeting scheduled to elect such directors shall include a statement that the meeting is scheduled for the purpose of the election of directors.

Notice shall be sent by United States mail to all members at the address of their respective lots unless the member has provided to such officer or his agent an address other than the address of the member's lot; or notice may be hand delivered by the officer or his agent, provided the officer or his agent certifies in writing that notice was delivered to the member. Except as provided in subdivision C 7, draft minutes of the board of directors shall be open for inspection and copying (i) within 60 days from the conclusion of the meeting to which such minutes appertain or (ii) when such minutes are distributed to board members as part of an agenda package for the next meeting of the board of directors, whichever occurs first.

Section 1. Annual Meeting. It shall be the duty of the President to call the Annual Meeting with all owners, residents, management companies, and the Board of Directors, during the month of <u>April</u>, and each subsequent year thereafter. It shall be the duty of the Board of Directors to mail a written notice via first class postage, to the owners stating the date, time and location of the meeting. The written notice shall be done <u>at least fourteen (14) days prior</u> to the Annual Meeting. Other forms of notifications may also be done via email, door notices, website, etc.

Section 2. Regularly Scheduled Special Meeting. It shall be the duty of the President to call the Annual Meeting with all owners, residents, management companies, and the Board of Directors, during the month of **October**, and each subsequent year thereafter. It shall be the duty of the Board

of Directors to mail a written notice via first class postage, to the owners stating the date, time and location of the meeting. The written notice shall be done <u>at least fourteen (14) days prior</u> to the Annual Meeting. Other forms of notifications may also be done via email, door notices, website, etc.

Section 3. Other Special Called Meetings. Additional meetings may be requested by the Board of Directors or by written petition of the owners indicating the nature of the request and attaching owner signatures. This request shall be submitted to the Board of Directors who will then schedule a Special Meeting within thirty (30) days. It shall be the duty of the Board of Directors to mail a written notice via first class postage, to the owners stating the date, time and location of the Special Meeting. The written notice shall be done <u>at least seven (7) days prior</u> to the Special Meeting. Other forms of notifications may also be done via email, door notices, website, etc.

Section 4. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, will be two-thirds (2/3rd) of the votes consisting of those Members present and in good standing and shall constitute a quorum for any action needed in the Articles of Incorporation, the Declaration, or these Rules and Regulations. If, however, such quorum shall not be present or represented at any meeting, the President will adjourn the meeting until a quorum is present.

Section 5. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Members shall request a proxy upon notification of a meeting and shall be revocable and automatically cease upon conveyance by the Member of his Lot. Management companies and/or Tenants may be given proxy by the Owner to be represented.

ARTICLE IV

BOARD OF DIRECTORS:

Section 1. Number. A Board of Directors shall consist with a maximum of four (4) members, (President, Vice President, Secretary, and Treasurer) and shall manage the affairs of this Association, must be a Member owning property within the Association, and in good financial standing.

Tenants are not considered Members, cannot serve on the Board, and do not have a vote at any meetings. However, Tenants may voice their concerns and be part of a committee serving the community at large.

Section 2. Term of Office. The members have elected to have no more than four (4) Board Directors for an indefinite term, unless proper and legal cause for removal (i.e. lack of personal or financial integrity, criminal activities, etc.) Each director shall hold office indefinitely until his/her successor has been elected at a Special meeting called for a determination of replacing a Director for just cause and the election of his or her replacement.

Nomination or Request for Removal. Request for nomination or removal of existing Board of Directors, shall be made in writing by any property owner within the Association, members in good financial standing, and including signatures from at least two-thirds (2/3rds) of the homeowners. This request shall be presented to the Board of Directors who will call a Special Meeting within thirty (30) days for such purpose where a majority vote will need to be passed and documented for official record. If passed, the nomination or dismissal shall be immediate.

Section 3. Appointment and Removal. The existing Board of Directors shall in the event of death, resignation, or removal of a Director, have the authority to pursue and accept by majority vote additional Board of Directors. Any Director may resign at any time or may be removed by the with proper and legal cause for removal (i.e. lack of personal or financial integrity, criminal activities, lack of participation, etc.) by a majority vote of the Board of Directors.

Section 4. Election. On October 26, 2014, the Owners present, voted and passed by majority vote that all previous Board of Directors not brought to them prior for reasons of death, resignation or removal, are now considered no longer part of nor on the Board of Directors. In addition, Owners voted and passed by majority vote, officially accepting those currently serving as Board of Directors Ken Austin-President, Simon Baldwin-Vice President, Linda Lipscomb-Treasurer, and Theresa Baker-Secretary) to be empowered and serve as the Association Board of Directors.

Election to the Board of Directors shall be by a majority vote of the Homeowners present at an Annual or Special meeting. At such election, only Members or a notarized proxy, in good financial standing with the Association, may cast a valid vote commensurate to the number of properties they own within the Association. With respect to each vacancy, a majority vote from the Members of the Association shall be made. Upon a passed majority vote, an investigation of the individual's state and local police records, county court records, and personal interviews confirming personal, financial, and legal reputation will be conducted. If still acceptable, the existing Board of Directors will accept the majority vote and install the new member to the Board of Directors immediately.

Section 5. Vacancies. Vacancies on the Board may be filled by appointment of the remaining Board members even though they may constitute less than a quorum.

Section 6. Compensation. The Board of Directors nor any committee member shall receive compensation for any service he/she may render to the Association. However, may be reimbursed for their Board approved expenses incurred in the performance of their duties.

Section 7. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of holding a physical meeting, deemed as an emergency and needing immediate attention, be by any electronic or other communication means available.

Section 8. Indemnification. Each Director of the Association, in consideration of his/her services as such, shall be indemnified by the Association to the extent permitted by law against expenses and liabilities reasonably incurred by him/her in connection with the defense of any action, suit or proceeding, civil or criminal, to which he/she may be a party by reason of his past or present role in the association, unless such action was a result of gross neglect or willful misconduct.

Section 9. Duties of Officers. The duties of the officers are as follows:

President: The President shall preside at all meetings of the Board of Directors; shall see that orders and resolution of the Board are carried out; may sign all leases, mortgages, deeds and other written instruments and may sign or co-sign all checks and promissory notes.

Vice President: The Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other

duties as may be required of him/her by the Board and may sign or co-sign all checks and promissory notes.

Secretary: The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of the meetings of the Board and of the Members; keep appropriate current records showing the Members of the association, together with their addresses, and shall perform duties as required by the Board and may sign or cosign all checks and promissory notes.

Treasurer: The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; may sign or co-sign all checks and promissory notes; shall keep proper books of account; may cause an annual audit of the Association books to be made by an outside source at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular Annual meeting, and deliver a copy of each to the members.

ARTICLE V

MEETINGS OF DIRECTORS:

Regular Meetings. Meetings with the Board of Directors shall be at least monthly at a date, time, and location know by the owners and tenants to attend should they desire. However, during the latter part of the meeting, the Board of Directors will go into an executive session where personal matters will be discussed and will not be open to anyone other than the Board of Directors due to the personal and financial information discussed regarding owners, property financial accounts, legal action, or otherwise deemed sensitive and protected under the Privacy Act of 1974.

Quorum. A majority of those Directors present shall constitute a quorum for the transaction of business. Every act or decision made by a majority vote of the Directors present shall be regarded as the act of the Board and votes documented.

§ 55-510.1. Meetings of the board of directors.

A. All meetings of the board of directors, including any subcommittee or other committee thereof, shall be open to all members of record. The board of directors shall not use work sessions or other informal gatherings of the board of directors to circumvent the open meeting requirements of this section. Minutes of the meetings of the board of directors shall be recorded and shall be available as provided in subsection B of § 55-510.

B. Notice of the time, date and place of each meeting of the board of directors or of any subcommittee or other committee thereof shall be published where it is reasonably calculated to be available to a majority of the lot owners.

A lot owner may make a request to be notified on a continual basis of any such meetings which request shall be made at least once a year in writing and include the lot owners' name, address, zip code, and any e-mail address as appropriate. Notice of the time, date, and place shall be sent to any lot owner requesting notice (i) by first-class mail or e-mail in the case of meetings of the board of

directors or (ii) by e-mail in the case of meetings of any subcommittee or other committee of the board of directors.

Notice, reasonable under the circumstances, of special or emergency meetings shall be given contemporaneously with the notice provided members of the association's board of directors or any subcommittee or other committee thereof conducting the meeting.

Unless otherwise exempt as relating to an executive session pursuant to subsection C, at least one copy of all agenda packets and materials furnished to members of an association's board of directors or subcommittee or other committee thereof for a meeting shall be made available for inspection by the membership of the association at the same time such documents are furnished to the members of the board of directors or any subcommittee or committee thereof.

Any member may record any portion of a meeting required to be open. The board of directors or subcommittee or other committee thereof conducting the meeting may adopt rules (i) governing the placement and use of equipment necessary for recording a meeting to prevent interference with the proceedings and (ii) requiring the member recording the meeting to provide notice that the meeting is being recorded.

If a meeting is conducted by telephone conference or video conference or similar electronic means, at least two members of the board of directors shall be physically present at the meeting place included in the notice. The audio equipment shall be sufficient for any member in attendance to hear what is said by any member of the board of directors participating in the meeting who is not physically present.

Voting by secret or written ballot in an open meeting shall be a violation of this chapter except for the election of officers.

- C. The board of directors or any subcommittee or other committee thereof may convene in executive session to consider personnel matters; consult with legal counsel; discuss and consider contracts, pending or probable litigation and matters involving violations of the declaration or rules and regulations adopted pursuant thereto for which a member, his family members, tenants, guests or other invitees are responsible; or discuss and consider the personal liability of members to the association, upon the affirmative vote in an open meeting to assemble in executive session. The motion shall state specifically the purpose for the executive session. Reference to the motion and the stated purpose for the executive session shall be included in the minutes. The board of directors shall restrict the consideration of matters during such portions of meetings to only those purposes specifically exempted and stated in the motion. No contract, motion or other action adopted, passed or agreed to in executive session shall become effective unless the board of directors or subcommittee or other committee thereof, following the executive session, reconvenes in open meeting and takes a vote on such contract, motion or other action which shall have its substance reasonably identified in the open meeting. The requirements of this section shall not require the disclosure of information in violation of law.
- D. Subject to reasonable rules adopted by the board of directors, the board of directors shall provide a designated period of time during a meeting to allow members an opportunity to comment on any matter relating to the association. During a meeting at which the agenda is limited to specific topics or at a special meeting, the board of directors may limit the comments of members to the topics listed on the meeting agenda.

§ 55-510.2. Distribution of information by members.

The board of directors shall establish a reasonable, effective, and free method, appropriate to the size and nature of the association, for lot owners to communicate among themselves and with the board of directors regarding any matter concerning the association.

§ 55-515.3. Use of technology.

- A. Unless the declaration expressly provides otherwise, (i) any notice required to be sent or received or (ii) any signature, vote, consent, or approval required to be obtained under any declaration or bylaw provision or any provision of this chapter may be accomplished using the most advanced technology available at that time if such use is a generally accepted business practice. This section shall govern the use of technology in implementing the provisions of any declaration or bylaw provision or any provision of this chapter dealing with notices, signatures, votes, consents, or approvals.
- B. Electronic transmission and other equivalent methods. The association, lot owners, and those entitled to occupy a lot may perform any obligation or exercise any right under any declaration or bylaw provision or any provision of this chapter by use of any technological means providing sufficient security, reliability, identification, and verifiability. "Acceptable technological means" shall include without limitation electronic transmission over the Internet, or the community or other network, whether by direct connection, intranet, telecopier, or electronic mail.
- C. Signature requirements. An electronic signature meeting the requirements of applicable law shall satisfy any requirement for a signature under any declaration or bylaw provision or any provision of this chapter.
- D. Voting rights. Voting, consent to and approval of any matter under any declaration or bylaw provision or any provision of this chapter may be accomplished by electronic transmission or other equivalent technological means provided that a record is created as evidence thereof and maintained as long as such record would be required to be maintained in nonelectronic form.
- E. Acknowledgment not required. Subject to other provisions of law, no action required or permitted by any declaration or bylaw provision or any provision of this chapter need be acknowledged before a notary public if the identity and signature of such person can otherwise be authenticated to the satisfaction of the executive organ.
- F. Nontechnology alternatives. If any person does not have the capability or desire to conduct business using electronic transmission or other equivalent technological means, the association shall make reasonable accommodation, at its expense, for such person to conduct business with the association without use of such electronic or other means.
- G. This section shall not apply to any notice related to an enforcement action by the association, an assessment lien, or foreclosure proceedings in enforcement of an assessment lien.

ARTICLE VI

POWERS AND DUTIES OF THE BOARD OF DIRECTORS:

Section 1. Powers and Duties. The Board of Directors shall have power to:

On October 26, 2014, the Owners present, voted and passed by majority vote that any new items to be purchased or installed on the Common Grounds will require discussion at an Annual or Special meeting with a majority vote of the Owners, and before the Board of Directors may take executive action.

On October 26, 2014, the Owners present, voted and passed by majority vote that the existing items already placed or installed within the Common Grounds are to be considered now "maintenance related" meaning that the Board of Directors will continue to maintain these items without further voting required.

On October 26, 2014, the Owners present, voted and passed by majority vote that the Board of Directors shall continue to have all other authorities, without the Owners vote, to perform administrative and financial duties of the Association as done today. This includes paying Association bills and contracting services for the Association.

§ 55-513. Adoption and enforcement of rules.

- A. Except as otherwise provided in this chapter, the board of directors shall have the power to establish, adopt, and enforce rules and regulations with respect to use of the common areas and with respect to such other areas of responsibility assigned to the association by the declaration, except where expressly reserved by the declaration to the members. Rules and regulations may be adopted by resolution and shall be reasonably published or distributed throughout the development. A majority of votes cast, in person or by proxy, at a meeting convened in accordance with the provisions of the association's Rules and Regulations and called for that purpose shall repeal or amend any rule or regulation adopted by the board of directors. Rules and regulations may be enforced by any method normally available to the owner of private property in Virginia, including, but not limited to, application for injunctive relief or actual damages, during which the court may award to the prevailing party court costs and reasonable attorney fees.
- B. The board of directors shall also have the power, to the extent the declaration or rules and regulations duly adopted pursuant thereto expressly so provide, to (i) suspend a member's right to use facilities or services, including utility services, provided directly through the association for nonpayment of assessments which are more than 60 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 (ii) assess charges against any member for any violation of the declaration or rules and regulations for which the member or his family members, tenants, guests, or other invitees are responsible.
- C. Before any action authorized in this section is taken, the member shall be given a reasonable opportunity to correct the alleged violation after written notice of the alleged violation to the member at the address required for notices of meetings pursuant to § <u>55-510</u>. If the violation remains

uncorrected, the member shall be given an opportunity to be heard and to be represented by counsel before the board of directors or other tribunal specified in the documents.

Notice of a hearing, including the actions that may be taken by the association in accordance with this section, shall be hand delivered or mailed by registered or certified mail, return receipt requested, to the member at the address of record with the association at least 14 days prior to the hearing. Within seven days of the hearing, the hearing result shall be hand delivered or mailed by registered or certified mail, return receipt requested, to the member at the address of record with the association.

- D. The amount of any charges so assessed shall not be limited to the expense or damage to the association caused by the violation, but shall not exceed \$50 for a single offense or \$10 per day for any offense of a continuing nature and shall be treated as an assessment against the member's lot for the purposes of § <u>55-516</u>. However, the total charges for any offense of a continuing nature shall not be assessed for a period exceeding 90 days.
- E. The board of directors may file or defend legal action in general district or circuit court that seeks relief, including injunctive relief arising from any violation of the declaration or duly adopted rules and regulations.
- F. After the date a lawsuit is filed in the general district or circuit court by (i) the association, by and through its counsel, to collect the charges or obtain injunctive relief and correct the violation or (ii) the lot owner challenging any such charges, no additional charges shall accrue. If the court rules in favor of the association, it shall be entitled to collect such charges from the date the action was filed as well as all other charges assessed pursuant to this section against the lot owner prior to the action. In addition, if the court finds that the violation remains uncorrected, the court may order the unit owner to abate or remedy the violation.
- G. In any suit filed in general district court pursuant to this section, the court may enter default judgment against the lot owner on the association's sworn affidavit.
 - a. The board of directors shall establish a reasonable, effective, and free method, appropriate to the size and nature of the association, for lot owners to communicate among themselves and with the board of directors regarding any matter concerning the association.
- Exercise for the Association all powers, duties, and authority vested in or delegated to this
 Association and not reserved to the membership by other provisions of these Rules and
 Regulations, the Articles of Incorporation, or the Declaration.
- The Board of Directors shall have the authority and oversight of all needed maintenance and repair, community lighting and utilities, asphalt and concrete, designated common areas, basketball court, mailbox pavilion, playground, and all existing or future improvements made within the Association and to pay all Association debts associated.
- Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors, to receive resignations, and to perform removals from the Board of Directors.
- Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

- Keep a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the Annual meeting of the Members, or at any Special meeting when a simple majority of the Members who are entitled to vote requests such statement in writing.
- Supervise all Officers, agents, and employees of this Association, and to see that their duties are properly performed.
- Procure and maintains adequate liability and hazard insurance on property owned by the Association.
- Cause all offices or employees having fiscal responsibility to be bonded, as it may deem
 appropriate; and, if deemed appropriate, secure officers and directors errors and omissions
 insurance. All such insurance to be paid for by the "Association".

§ 55-510. Access to association records; association meetings; notice.

- A. The association shall keep detailed records of receipts and expenditures affecting the operation and administration of the association. All financial books and records shall be kept in accordance with generally accepted accounting practices.
- B. Subject to the provisions of subsection C and so long as the request is for a proper purpose related to his membership in the association, all books and records kept by or on behalf of the association, shall be available for examination and copying by a member in good standing or his authorized agent including but not limited to:
- 1. The association's membership list and addresses, which shall not be used for purposes of pecuniary gain or commercial solicitation; and
- 2. The actual salary of the six highest compensated employees of the association earning over \$75,000 and aggregate salary information of all other employees of the association; however, individual salary information shall not be available for examination and copying during the declarant control period.

Notwithstanding any provision of law to the contrary, this right of examination shall exist without reference to the duration of membership and may be exercised (i) only during reasonable business hours or at a mutually convenient time and location and (ii) upon five business days' written notice for an association managed by a common interest community manager and 10 business days' written notice for a self-managed association, which notice reasonably identifies the purpose for the request and the specific books and records of the association requested.

- C. Books and records kept by or on behalf of an association may be withheld from inspection and copying to the extent that they concern:
- 1. Personnel matters relating to specific, identified persons or a person's medical records;
- 2. Contracts, leases, and other commercial transactions to purchase or provide goods or services, currently in or under negotiation;
- 3. Pending or probable litigation. Probable litigation means those instances where there has been a specific threat of litigation from a party or the legal counsel of a party;

- 4. Matters involving state or local administrative or other formal proceedings before a government tribunal for enforcement of the association documents or rules and regulations promulgated pursuant to § 55-513;
- 5. Communications with legal counsel that relate to subdivisions 1 through 4 or that are protected by the attorney-client privilege or the attorney work product doctrine;
- 6. Disclosure of information in violation of law;
- 7. Meeting minutes or other confidential records of an executive session of the board of directors held in accordance with subsection C of § 55-510.1;
- 8. Documentation, correspondence or management or board reports compiled for or on behalf of the association or the board by its agents or committees for consideration by the board in executive session; or
- 9. Individual unit owner or member files, other than those of the requesting lot owner, including any individual lot owner's or member's files kept by or on behalf of the association.
- D. Prior to providing copies of any books and records to a member in good standing under this section, the association may impose and collect a charge, reflecting the reasonable costs of materials and labor, not to exceed the actual costs thereof. Charges may be imposed only in accordance with a cost schedule adopted by the board of directors in accordance with this subsection. The cost schedule shall (i) specify the charges for materials and labor, (ii) apply equally to all members in good standing, and (iii) be provided to such requesting member at the time the request is made.
- E. Notwithstanding the provisions of subsections B and C, all books and records of the association, including individual salary information for all employees and payments to independent contractors, shall be available for examination and copying upon request by a member of the board of directors in the discharge of his duties as a director.
- F. Meetings of the association shall be held in accordance with the provisions of the Rules and Regulations at least once each year after the formation of the association. The Rules and Regulations shall specify an officer or his agent who shall, at least 14 days in advance of any annual or regularly scheduled meeting, and at least seven days in advance of any other meeting, send to each member notice of the time, place, and purposes of such meeting. In the event of cancellation of any annual meeting of the association at which directors are elected, the seven-day notice of any subsequent meeting scheduled to elect such directors shall include a statement that the meeting is scheduled for the purpose of the election of directors.

Notice shall be sent by United States mail to all members at the address of their respective lots unless the member has provided to such officer or his agent an address other than the address of the member's lot; or notice may be hand delivered by the officer or his agent, provided the officer or his agent certifies in writing that notice was delivered to the member. Except as provided in subdivision C 7, draft minutes of the board of directors shall be open for inspection and copying (i) within 60 days from the conclusion of the meeting to which such minutes appertain or (ii) when such minutes are distributed to board members as part of an agenda package for the next meeting of the board of directors, whichever occurs first.

§ 55-516.1. Annual report by association.

- A. The association shall file an annual report in a form and at such time as prescribed by regulations of the Common Interest Community Board. The annual report shall be accompanied by a fixed fee in an amount established by the Board.
- B. The Common Interest Community Board may accept copies of forms submitted to other state agencies to satisfy the requirements of this section if such forms contain substantially the same information required by the Common Interest Community Board.
- C. The association shall also remit to the agency an annual payment as follows:
- 1. The lesser of:
- a. \$1,000 or such other amount as established by agency regulation; or
- b. Five hundredths of one percent (0.05%) of the association's gross assessment income during the preceding year.
- 2. For the purposes of subdivision 1 b, no minimum payment shall be less than \$10.00.
- D. The annual payment shall be remitted to the State Treasurer and shall be placed to the credit of the Common Interest Community Management Fund established pursuant to § <u>55-529</u>.

§ 55-516.2. Condemnation of common area; procedure.

When any portion of the common area is taken or damaged under the power of eminent domain, any award or payment therefor shall be paid to the association, which shall be a party in interest in the condemnation proceeding.

Except to the extent the declaration or any rules and regulations duly adopted pursuant thereto otherwise provide, the board of directors shall have the authority to negotiate with the condemning authority, agree to an award or payment amount with the condemning authority without instituting condemnation proceedings and, upon such agreement, convey the subject common area to the condemning authority. Thereafter, the president of the association may unilaterally execute and record the deed of conveyance to the condemning authority.

A member of the association, by virtue of his membership, shall be estopped from contesting the action of the association in any proceeding held pursuant to this section.

Section 2. Assignment to Management Company. The Board of Directors, at its discretion, may employ a manager, a management company, or other such independent contractor or employee, as it deems necessary, for the purposes of operating the day-to-day business of the Association, or to assign certain of its duties.

ARTICLE VII

COMMITTEES:

The Association may appoint an Architectural Control Committee (ACC), as provided in the Declaration; a Maintenance Committee; a General Rules Committee; a Parking Control Committee; and a Nominating Committee, as provided by these Rules and Regulations. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE VIII

FISCAL YEAR, BOOKS AND RECORDS:

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December every year, except that the first fiscal year shall begin on the date of incorporation.

The books, records, and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the articles of Incorporation, and the Rules and Regulations of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE IX

RENTAL PROPERTY AND LEASES:

No Lot shall be rented for transient or hotel purposes or for an initial period of less than six months. No portion of any Lot, other than the entire Lot, shall be leased for any period. Any lease or other agreement, whether oral or written, between a Member and a lessee or other occupant shall be deemed to include, and shall be subject to, provisions which:

- a. require the lessee or other occupant to comply with the Association instruments and Rules and Regulations; and
- b. provide that failure to comply constitutes a default under the lease or other agreement; and
- c. provide that the Board of Directors may terminate the lease or occupancy agreement and bring summary proceedings to evict the lessee or other occupant in the name of the Member after forty-five (45) days prior written notice to such Member for any such instance of non-compliance by the lessee or other occupant.

The Board of Directors may require a standard form lease for use by Members. The foregoing provisions of this paragraph, except the restriction against use for hotel or transient purposes, shall not apply to the Declarant or to a Mortgagee in possession of a Lot because of foreclosure, judicial sale, or in proceeding in lieu of foreclosure.

ARTICLE X

OWNER ADOPTION AND ENFORCEMENT OF RULES AND FINANCIAL ASSESSMENTS:

As more fully provided in the Declaration and Assessment Resolution, each Member is obligated to pay to the Association annual and special assessments, which are secured by a continuing lien upon the property against which the assessment is made. Yearly assessments for homeowners will be mailed by the end of the month of January and payment in full will be due by March 15 on a yearly

basis. Assessments will increase 3% each year to accommodate rising association utilities and contractor fees. All assessments not paid by March 15, shall be deemed delinquent. If the assessment is not paid within thirty (30) days of the due date in full, including any ACC fines or otherwise authorized, the assessment shall incur an accounting penalty fee of \$20.00 every month until paid in full. The Association may bring an action at law against the owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, late fees and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his/her Lot

§ 55-509.3. Association charges.

Except as expressly authorized in this chapter, in the declaration, or otherwise provided by law, no association may (i) make an assessment or impose a charge against a lot or a lot owner unless the charge is a fee for services provided or related to use of the common area or (ii) charge a fee related to the provisions set out in § 55-509.6 or 55-509.7 that is not expressly authorized in those sections. Nothing in this chapter shall be construed to authorize an association or common interest community manager to charge an inspection fee for an unimproved or improved lot except as provided in § 55-509.6 or 55-509.7.

§ 55-513. Adoption and enforcement of rules.

- A. Except as otherwise provided in this chapter, the board of directors shall have the power to establish, adopt, and enforce rules and regulations with respect to use of the common areas and with respect to such other areas of responsibility assigned to the association by the declaration, except where expressly reserved by the declaration to the members. Rules and regulations may be adopted by resolution and shall be reasonably published or distributed throughout the development. A majority of votes cast, in person or by proxy, at a meeting convened in accordance with the provisions of the association's Rules and Regulations and called for that purpose shall repeal or amend any rule or regulation adopted by the board of directors. Rules and regulations may be enforced by any method normally available to the owner of private property in Virginia, including, but not limited to, application for injunctive relief or actual damages, during which the court may award to the prevailing party court costs and reasonable attorney fees.
- B. The board of directors shall also have the power, to the extent the declaration or rules and regulations duly adopted pursuant thereto expressly so provide, to (i) suspend a member's right to use facilities or services, including utility services, provided directly through the association for nonpayment of assessments which are more than 60 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 (ii) assess charges against any member for any violation of the declaration or rules and regulations for which the member or his family members, tenants, guests, or other invitees are responsible.
- C. Before any action authorized in this section is taken, the member shall be given a reasonable opportunity to correct the alleged violation after written notice of the alleged violation to the member at the address required for notices of meetings pursuant to § <u>55-510</u>. If the violation remains uncorrected, the member shall be given an opportunity to be heard and to be represented by counsel before the board of directors or other tribunal specified in the documents.

Notice of a hearing, including the actions that may be taken by the association in accordance with this section, shall be hand delivered or mailed by registered or certified mail, return receipt requested, to the member at the address of record with the association at least 14 days prior to the hearing. Within seven days of the hearing, the hearing result shall be hand delivered or mailed by registered or certified mail, return receipt requested, to the member at the address of record with the association.

- D. The amount of any charges so assessed shall not be limited to the expense or damage to the association caused by the violation, but shall not exceed \$50 for a single offense or \$10 per day for any offense of a continuing nature and shall be treated as an assessment against the member's lot for the purposes of § <u>55-516</u>. However, the total charges for any offense of a continuing nature shall not be assessed for a period exceeding 90 days.
- E. The board of directors may file or defend legal action in general district or circuit court that seeks relief, including injunctive relief arising from any violation of the declaration or duly adopted rules and regulations.
- F. After the date a lawsuit is filed in the general district or circuit court by (i) the association, by and through its counsel, to collect the charges or obtain injunctive relief and correct the violation or (ii) the lot owner challenging any such charges, no additional charges shall accrue. If the court rules in favor of the association, it shall be entitled to collect such charges from the date the action was filed as well as all other charges assessed pursuant to this section against the lot owner prior to the action. In addition, if the court finds that the violation remains uncorrected, the court may order the unit owner to abate or remedy the violation.
- G. In any suit filed in general district court pursuant to this section, the court may enter default judgment against the lot owner on the association's sworn affidavit.

§ 55-513.3. Assessments; late fees.

Except to the extent that the declaration or any rules or regulations promulgated pursuant thereto provides otherwise, the board may impose a late fee for, not to exceed the penalty provided in § 58.1-3915, any assessment or installment thereof that is not paid within 60 days of the due date for payment of such assessment.

§ 55-514. Authority to levy special assessments.

A. In addition to all other assessments which are authorized in the declaration, the board of directors shall have the power to levy a special assessment against its members if the purpose in so doing is found by the board to be in the best interests of the association and the proceeds of the assessment are used primarily for the maintenance and upkeep of the common area and such other areas of association responsibility expressly provided for in the declaration, including capital expenditures. A majority of votes cast, in person or by proxy, at a meeting of the membership convened in accordance with the provisions of the association's Rules and Regulations within 60 days of promulgation of the notice of the assessment shall rescind or reduce the special assessment. No director or officer of the association shall be liable for failure to perform his fiduciary duty if a special assessment for the funds necessary for the director or officer to perform his fiduciary duty is rescinded by the owners pursuant to this section, and the association shall indemnify such director or officer against any damage resulting from any claimed breach of fiduciary duty arising therefrom.

- B. The failure of a member to pay the special assessment allowed by subsection A shall entitle the association to the lien provided by § 55-516 as well as any other rights afforded a creditor under law.
- C. The failure of a member to pay the special assessment allowed by subsection A will provide the association with the right to deny the member access to any or all of the common areas. Notwithstanding the immediately preceding sentence, direct access to the member's lot over any road within the development which is a common area shall not be denied the member.

§ 55-514.1. Reserves for capital components.

- A. Except to the extent otherwise provided in the declaration and unless the declaration imposes more stringent requirements, the board of directors shall:
- 1. Conduct at least once every five years a study to determine the necessity and amount of reserves required to repair, replace and restore the capital components;
- 2. Review the results of that study at least annually to determine if reserves are sufficient; and
- 3. Make any adjustments the board of directors deems necessary to maintain reserves, as appropriate.
- B. To the extent that the reserve study conducted in accordance with this section indicates a need to budget for reserves, the association budget shall include, without limitation:
- 1. The current estimated replacement cost, estimated remaining life and estimated useful life of the capital components;
- 2. As of the beginning of the fiscal year for which the budget is prepared, the current amount of accumulated cash reserves set aside, to repair, replace or restore capital components and the amount of the expected contribution to the reserve fund for that year; and
- 3. A general statement describing the procedures used for the estimation and accumulation of cash reserves pursuant to this section and the extent to which the association is funding its reserve obligations consistent with the study currently in effect.

§ 55-514.2. Deposit of funds; fidelity bond.

- A. All funds deposited with a managing agent shall be handled in a fiduciary capacity and shall be kept in a fiduciary trust account in a federally insured financial institution separate from other assets of the managing agent. The funds shall be the property of the association and shall be segregated for each account in the records of the managing agent in a manner that permits the funds to be identified on an individual association basis.
- B. Any association collecting assessments for common expenses shall obtain and maintain a blanket fidelity bond or employee dishonesty insurance policy insuring the association against losses resulting from theft or dishonesty committed by the officers, directors, or persons employed by the association, or committed by any managing agent or employees of the managing agent. Such bond or insurance policy shall provide coverage in an amount equal to the lesser of \$1 million or the amount of the reserve balances of the association plus one-fourth of the aggregate annual

assessment income of such association. The minimum coverage amount shall be \$10,000. The board of directors or managing agent may obtain such bond or insurance on behalf of the association.

§ 55-515. Compliance with declaration.

- A. Every lot owner, and all those entitled to occupy a lot shall comply with all lawful provisions of this chapter and all provisions of the declaration. Any lack of such compliance shall be grounds for an action or suit to recover sums due, for damages or injunctive relief, or for any other remedy available at law or in equity, maintainable by the association, or by its board of directors or any managing agent on behalf of such association, or in any proper case, by one or more aggrieved lot owners on their own behalf or as a class action. Except as provided in subsection B, the prevailing party shall be entitled to recover reasonable attorney fees, costs expended in the matter, and interest on the judgment as provided in § 8.01-382. This section shall not preclude an action against the association and authorizes the recovery, by the prevailing party in any such action, of reasonable attorney fees, costs expended in the matter, and interest on the judgment as provided in § 8.01-382 in such actions.
- B. In actions against a lot owner for nonpayment of assessments in which the lot owner has failed to pay assessments levied by the association on more than one lot or such lot owner has had legal actions taken against him for nonpayment of any prior assessment and the prevailing party is the association or its board of directors or any managing agent on behalf of the association, the prevailing party shall be awarded reasonable attorney fees, costs expended in the matter, and interest on the judgment as provided in subsection A, even if the proceeding is settled prior to judgment. The delinquent owner shall be personally responsible for reasonable attorney fees and costs expended in the matter by the association, whether any judicial proceedings are filed.
- C. A declaration may provide for arbitration of disputes or other means of alternative dispute resolution. Any such arbitration held in accordance with this subsection shall be consistent with the provisions of this chapter and Chapter 21 (§ 8.01-577 et seq.) of Title 8.01. The place of any such arbitration or alternative dispute resolution shall be in the county or city in which the development is located, or as mutually agreed to by the parties.

§ 55-516. Lien for assessments.

- A. Once perfected, the association shall have a lien on every lot for unpaid assessments levied against that lot in accordance with the provisions of this chapter and all lawful provisions of the declaration. The lien, once perfected, shall be prior to all other subsequent liens and encumbrances except (i) real estate tax liens on that lot, (ii) liens and encumbrances recorded prior to the recordation of the declaration, and (iii) sums unpaid on and owing under any mortgage or deed of trust recorded prior to the perfection of said lien. The provisions of this subsection shall not affect the priority of mechanics' and materialmen's liens. Notice of a memorandum of lien to a holder of a credit line deed of trust under § 55-58.2 shall be given in the same fashion as if the association's lien were a judgment.
- B. The association, in order to perfect the lien given by this section, shall file before the expiration of 12 months from the time the first such assessment became due and payable in the clerk's office of the circuit court in the county or city in which such development is situated, a memorandum, verified by the oath of the principal officer of the association, or such other officer or officers as the declaration may specify, which contains the following:

- 1. The name of the development;
- 2. A description of the lot;
- 3. The name or names of the persons constituting the owners of that lot;
- 4. The amount of unpaid assessments currently due or past due relative to such lot together with the date when each fell due:
- 5. The date of issuance of the memorandum:
- 6. The name of the association and the name and current address of the person to contact to arrange for payment or release of the lien; and
- 7. A statement that the association is obtaining a lien in accordance with the provisions of the Virginia Property Owners' Association Act as set forth in Chapter 26 (§ 55-508 et seq.) of Title 55.

It shall be the duty of the clerk in whose office such memorandum is filed as hereinafter provided to record and index the same as provided in subsection D, in the names of the persons identified therein as well as in the name of the association. The cost of recording and releasing the memorandum shall be taxed against the person found liable in any judgment or decree enforcing such lien.

- C. Prior to filing a memorandum of lien, a written notice shall be sent to the property owner by certified mail, at the property owner's last known address, informing the property owner that a memorandum of lien will be filed in the circuit court clerk's office of the applicable city or county. The notice shall be sent at least 10 days before the actual filing date of the memorandum of lien.
- D. Notwithstanding any other provision of this section, or any other provision of law requiring documents to be recorded in the miscellaneous lien books or the deed books in the clerk's office of any court, on or after July 1, 1989, all memoranda of liens arising under this section shall be recorded in the deed books in the clerk's office. Any memorandum shall be indexed in the general index to deeds, and the general index shall identify the lien as a lien for lot assessments.
- E. No suit to enforce any lien perfected under subsection B shall be brought or action to foreclose any lien perfected under subsection I shall be initiated after 36 months from the time when the memorandum of lien was recorded; however, the filing of a petition to enforce any such lien in any suit wherein the petition may be properly filed shall be regarded as the institution of a suit under this section. Nothing herein shall extend the time within which any such lien may be perfected.
- F. The judgment or decree in an action brought pursuant to this section shall include, without limitation, reimbursement for costs and reasonable attorneys' fees of the prevailing party. If the association prevails, it may also recover interest at the legal rate for the sums secured by the lien from the time each such sum became due and payable.
- G. When payment or satisfaction is made of a debt secured by the lien perfected by subsection B hereof, the lien shall be released in accordance with the provisions of § <u>55-66.3</u>. Any lien which is not so released shall subject the lien creditor to the penalty set forth in subdivision A 1 of § <u>55-66.3</u>. For the purposes of § <u>55-66.3</u>, the principal officer of the association, or any other officer or officers as the declaration may specify, shall be deemed the duly authorized agent of the lien creditor.

- H. Nothing in this section shall be construed to prohibit actions at law to recover sums for which subsection A hereof creates a lien, maintainable pursuant to § 55-515.
- I. At any time after perfecting the lien pursuant to this section, the property owners' association may sell the lot at public sale, subject to prior liens. For purposes of this section, the association shall have the power both to sell and convey the lot and shall be deemed the lot owner's statutory agent for the purpose of transferring title to the lot. A nonjudicial foreclosure sale shall be conducted in compliance with the following:
- 1. The association shall give notice to the lot owner prior to advertisement required by subdivision 4. The notice shall specify (i) the debt secured by the perfected lien; (ii) the action required to satisfy the debt secured by the perfected lien; (iii) the date, not less than 60 days from the date the notice is given to the lot owner, by which the debt secured by the lien must be satisfied; and (iv) that failure to satisfy the debt secured by the lien on or before the date specified in the notice may result in the sale of the lot. The notice shall further inform the lot owner of the right to bring a court action in the circuit court of the county or city where the lot is located to assert the nonexistence of a debt or any other defense of the lot owner to the sale.
- 2. After expiration of the 60-day notice period specified in subdivision 1, the association may appoint a trustee to conduct the sale. The appointment of the trustee shall be filed in the clerk's office of the circuit court in the county or city in which such development is situated. It shall be the duty of the clerk in whose office such appointment is filed to record and index the same as provided in subsection D, in the names of the persons identified therein as well as in the name of the association. The association, at its option, may from time to time remove the trustee and appoint a successor trustee.
- 3. If the lot owner meets the conditions specified in this subdivision prior to the date of the foreclosure sale, the lot owner shall have the right to have enforcement of the perfected lien discontinued prior to the sale of the lot. Those conditions are that the lot owner: (i) satisfy the debt secured by lien that is the subject of the nonjudicial foreclosure sale and (ii) pays all expenses and costs incurred in perfecting and enforcing the lien, including but not limited to advertising costs and reasonable attorneys' fees.
- 4. In addition to the advertisement required by subdivision 5, the association shall give written notice of the time, date and place of any proposed sale in execution of the lien, and including the name, address and telephone number of the trustee, by personal delivery or by mail to (i) the present owner of the property to be sold at his last known address as such owner and address appear in the records of the association, (ii) any lienholder who holds a note against the property secured by a deed of trust recorded at least 30 days prior to the proposed sale and whose address is recorded with the deed of trust, and (iii) any assignee of such a note secured by a deed of trust provided the assignment and address of the assignee are likewise recorded at least 30 days prior to the proposed sale. Mailing a copy of the advertisement or the notice containing the same information to the owner by certified or registered mail no less than 14 days prior to such sale and to lienholders and their assigns, at the addresses noted in the memorandum of lien, by ordinary mail no less than 14 days prior to such sale, shall be a sufficient compliance with the requirement of notice.
- 5. The advertisement of sale by the association shall be in a newspaper having a general circulation in the city or county wherein the property to be sold, or any portion thereof, lies pursuant to the following provisions:

- a. The association shall advertise once a week for four successive weeks; however, if the property or some portion thereof is located in a city or in a county immediately contiguous to a city, publication of the advertisement five different days, which may be consecutive days, shall be deemed adequate. The sale shall be held on any day following the day of the last advertisement which is no earlier than eight days following the first advertisement nor more than 30 days following the last advertisement.
- b. Such advertisement shall be placed in that section of the newspaper where legal notices appear or where the type of property being sold is generally advertised for sale. The advertisement of sale, in addition to such other matters as the association finds appropriate, shall set forth a description of the property to be sold, which description need not be as extensive as that contained in the deed of trust, but shall identify the property by street address, if any, or, if none, shall give the general location of the property with reference to streets, routes, or known landmarks. Where available, tax map identification may be used but is not required. The advertisement shall also include the date, time, place, and terms of sale and the name of the association. It shall set forth the name, address and telephone number of the representative, agent, or attorney who may be able to respond to inquiries concerning the sale.
- c. In addition to the advertisement required by subdivisions a and b above, the association may give such other further and different advertisement as the association finds appropriate.
- 6. In the event of postponement of sale, which postponement shall be at the discretion of the association, advertisement of such postponed sale shall be in the same manner as the original advertisement of sale.
- 7. Failure to comply with the requirements for advertisement contained in this section shall, upon petition, render a sale of the property voidable by the court.
- 8. In the event of a sale, the association shall have the following powers and duties:
- a. Written one-price bids may be made and shall be received by the trustee from the association or any person for entry by announcement at the sale. Any person other than the trustee may bid at the foreclosure sale, including a person who has submitted a written one-price bid. Upon request to the trustee, any other bidder in attendance at a foreclosure sale shall be permitted to inspect written bids. Unless otherwise provided in the declaration, the association may bid to purchase the lot at a foreclosure sale. The association may own, lease, encumber, exchange, sell or convey the lot. Whenever the written bid of the association is the highest bid submitted at the sale, such written bid shall be filed by the trustee with his account of sale required under subdivision I 10 of this section and § 64.2-1309. The written bid submitted pursuant to this subsection may be prepared by the association, its agent or attorney.
- b. The association may require of any bidder at any sale a cash deposit of as much as 10 percent of the sale price before his bid is received, which shall be refunded to him if the property is not sold to him. The deposit of the successful bidder shall be applied to his credit at settlement, or if such bidder fails to complete his purchase promptly, the deposit shall be applied to pay the costs and expenses of the sale, and the balance, if any, shall be retained by the association in connection with that sale.
- c. The property owners' association shall receive and receipt for the proceeds of sale, no purchaser being required to see to the application of the proceeds, and apply the same in the following order: first, to the reasonable expenses of sale, including attorneys' fees; second, to the satisfaction of all

taxes, levies and assessments, with costs and interest; third, to the satisfaction of the lien for the owners' assessments; fourth, to the satisfaction in the order of priority of any remaining inferior claims of record; and fifth, to pay the residue of the proceeds to the owner or his assigns; provided, however, that the association as to such residue shall not be bound by any inheritance, devise, conveyance, assignment or lien of or upon the owner's equity, without actual notice thereof prior to distribution.

- 9. The trustee shall deliver to the purchaser a trustee's deed conveying the lot with special warranty of title. The trustee shall not be required to take possession of the property prior to the sale thereof or to deliver possession of the lot to the purchaser at the sale.
- 10. The trustee shall file an accounting of the sale with the commissioner of accounts pursuant to § 64.2-1309 and every account of a sale shall be recorded pursuant to § 64.2-1310. In addition, the accounting shall be made available for inspection and copying pursuant to § 55-510 upon the written request of the prior lot owner, current lot owner or any holder of a recorded lien against the lot at the time of the sale. The association shall maintain a copy of the accounting for at least 12 months following the foreclosure sale.
- 11. If the sale of a lot is made pursuant to subsection I and the accounting is made by the trustee, the title of the purchaser at such sale shall not be disturbed unless within 12 months from the confirmation of the accounting by the commissioner of accounts, the sale is set aside by the court or an appeal is allowed by the Supreme Court of Virginia, and a decree is therein entered requiring such sale to be set aside.

ARTICLE XI

CORPORATE SEAL:

The Association may have a seal in circular form having within its circumference the words: "Stafford Oaks Association, Inc."

ARTICLE XII

DECLARATION AMENDMENTS:

§ 55-515.1. Amendment to declaration and Rules and Regulations; consent of mortgagee.

A. In the event that any provision in the declaration requires the written consent of a mortgagee in order to amend the Rules and Regulations or the declaration, the association shall be deemed to have received the written consent of a mortgagee if the association sends the text of the proposed amendment by certified mail, return receipt requested, or by regular mail with proof of mailing to the mortgagee at the address supplied by such mortgagee in a written request to the association to receive notice of proposed amendments to the declaration and receives no written objection to the adoption of the amendment from the mortgagee within 60 days of the date that the notice of amendment is sent by the association, unless the declaration expressly provides otherwise. If the mortgagee has not supplied an address to the association, the association shall be deemed to have received the written consent of a mortgagee if the association sends the text of the proposed amendment by certified mail, return receipt requested, to the mortgagee at the address filed in the land records or with the local tax assessor's office, and receives no written objection to the adoption of the amendment from the mortgagee within 60 days of the date that the notice of amendment is sent by the association, unless the declaration expressly provides otherwise.

- B. Subsection A shall not apply to amendments which alter the priority of the lien of the mortgagee or which materially impair or affect a lot as collateral or the right of the mortgagee to foreclose on a lot as collateral.
- C. Where the declaration is silent on the need for mortgagee consent, no mortgagee consent shall be required if the amendment to the declaration does not specifically affect mortgagee rights.
- D. A declaration may be amended by a two-thirds vote of the owners. This subsection may be applied to an association subject to a declaration recorded prior to July 1, 1999, if the declaration is silent on how it may be amended or upon the amendment of that declaration in accordance with its requirements.
- E. An action to challenge the validity of an amendment adopted by the association may not be brought more than one year after the amendment is effective.
- F. Agreement of the required majority of lot owners to any amendment of the declaration shall be evidenced by their execution of the amendment, or ratifications thereof, and the same shall become effective when a copy of the amendment is recorded together with a certification, signed by the principal officer of the association or by such other officer or officers as the declaration may specify, that the requisite majority of the lot owners signed the amendment or ratifications thereof.

§ 55-515.2. Validity of declaration; corrective amendments.

- A. All provisions of a declaration shall be deemed severable, and any unlawful provision thereof shall be void.
- B. No provision of a declaration shall be deemed void by reason of the rule against perpetuities.
- C. No restraint on alienation shall discriminate or be used to discriminate on any basis prohibited under the Virginia Fair Housing Law (§ 36-96.1 et seq.).
- D. Subject to the provisions of subsection C, the rule of property law known as the rule restricting unreasonable restraints on alienation shall not be applied to defeat any provision of a declaration restraining the alienation of lots other than such lots as may be restricted to residential use only.
- E. The rule of property law known as the doctrine of merger shall not apply to any easement included in or granted pursuant to a right reserved in a declaration.
- F. The declarant may unilaterally execute and record a corrective amendment or supplement to the declaration to correct a mathematical mistake, an inconsistency or a scrivener's error, or clarify an ambiguity in the declaration with respect to an objectively verifiable fact (including without limitation recalculating the liability for assessments or the number of votes in the association appertaining to a lot), within five years after the recordation of the declaration containing or creating such mistake, inconsistency, error or ambiguity. No such amendment or supplement may materially reduce what the obligations of the declarant would have been if the mistake, inconsistency, error or ambiguity had not occurred. Regardless of the date of recordation of the declaration, the principal officer of the association may also unilaterally execute and record such a corrective amendment or supplement upon a vote of two-thirds of the members of the board of directors. All corrective amendments and

supplements recorded prior to July 1, 1997, are hereby validated to the extent that such corrective amendments and supplements would have been permitted by this subsection.

§ 55-515.2:1. Reformation of declaration; judicial procedure.

- A. An association may petition the circuit court in the county or city wherein the development or the greater part thereof is located to reform a declaration where the association, acting through its board of directors, has attempted to amend the declaration regarding ownership of legal title of the common areas or real property using provisions outlined therein to resolve (i) ambiguities or inconsistencies in the declaration that are the source of legal and other disputes pertaining to the legal rights and responsibilities of the association or individual lot owners or (ii) scrivener's errors, including incorrectly identifying the association, incorrectly identifying an entity other than the association, or errors arising from oversight or from an inadvertent omission or mathematical mistake.
- B. The court shall have jurisdiction over matters set forth in subsection A regarding ownership of legal title of the common areas or real property to:
- 1. Reform, in whole or in part, any provision of a declaration; and
- 2. Correct mistakes or any other error in the declaration that may exist with respect to the declaration for any other purpose.
- C. A petition filed by the association with the court setting forth any inconsistency or error made in the declaration, or the necessity for any change therein, shall be deemed sufficient basis for the reformation, in whole or in part, of the declaration, provided that:
- 1. The association has made three good faith attempts to convene a duly called meeting of the association to present for consideration amendments to the declaration for the reasons specified in subsection A, which attempts have proven unsuccessful as evidenced by an affidavit verified by oath of the principal officer of the association;
- 2. There is no adequate remedy at law as practical and effective to attain the ends of justice as may be accomplished in the circuit court;
- 3. Where the declarant of the development still owns a lot or other property in the development, the declarant joins in the petition of the association;
- 4. A copy of the petition is sent to all owners at least 30 days before the petition is filed as evidenced by an affidavit verified by oath of the principal officer of the association; and
- 5. A copy of the petition is sent to all mortgagees at least 30 days before the petition is filed as evidenced by an affidavit verified by oath of the principal officer of the association.
- D. Any mortgagee of a lot in the development shall have standing to participate in the reformation proceedings before the court. No reformation pursuant to this section shall affect mortgagee rights, alter the priority of the lien of any mortgage, materially impair or affect any lot as collateral for a mortgage, or affect a mortgagee's right to foreclose on a lot as collateral without the prior written consent of the mortgagee. Consent of a mortgagee required by this section may be deemed received pursuant to § 55-515.1.

ARTICLE XIII

PESTICIDES, DISPLAY OF FLAG, AND HOME BUSINESSES:

§ 55-510.3. Common areas; notice of pesticide application.

The association shall post notice of all pesticide applications in or upon the common areas. Such notice shall consist of conspicuous signs placed in or upon the common areas where the pesticide will be applied at least 48 hours prior to the application.

§ 55-513.1. Display of the flag of the United States; necessary supporting structures; affirmative defense.

A. In accordance with the federal Freedom to Display the American Flag Act of 2005, no association shall prohibit any lot owner from displaying upon property to which the lot owner has a separate ownership interest or a right to exclusive possession or use the flag of the United States whenever such display is in compliance with Chapter 1 of Title 4 of the United States Code, or any rule or custom pertaining to the proper display of the flag. The association may, however, establish reasonable restrictions as to the size, place, duration, and manner of placement or display of the flag on such property provided such restrictions are necessary to protect a substantial interest of the association.

- B. The association may restrict the display of such flag in the common areas.
- C. In any action brought by the association under § <u>55-513</u> for violation of a flag restriction, the association shall bear the burden of proof that the restrictions as to the size, place, duration, and manner of placement or display of such flag are necessary to protect a substantial interest of the association.
- D. In any action brought by the association under § <u>55-513</u>, the lot owner shall be entitled to assert as an affirmative defense that the required disclosure of any limitations pertaining to the display of flags or any flagpole or similar structure necessary to display such flags was not contained in the disclosure packet required pursuant to § <u>55-509.5</u>.

§ 55-513.2. Home-based businesses permitted; compliance with local ordinances.

Except to the extent the declaration provides otherwise, no association shall prohibit any lot owner from operating a home-based business within his personal residence. The association may, however, establish (i) reasonable restrictions as to the time, place, and manner of the operation of a home-based business and (ii) reasonable restrictions as to the size, place, duration, and manner of the placement or display of any signs on the owner's lot related to such home-based business. Any home-based business shall comply with all applicable local ordinances.

ARTICLE XIV

CONTRACT DISCLOSURE STATEMENT; RIGHT OF CANCELLATION.

§ 55-509.4. Contract disclosure statement; right of cancellation.

A. Subject to the provisions of subsection A of § 55-509.10, a person selling a lot shall disclose in the contract that (i) the lot is located within a development that is subject to the Virginia Property Owners' Association Act (§ 55-508 et seq.); (ii) the Act requires the seller to obtain from the property owners' association an association disclosure packet and provide it to the purchaser; (iii) the purchaser may cancel the contract within three days after receiving the association disclosure packet or being notified that the association disclosure packet will not be available; (iv) if the purchaser has received the association disclosure packet, the purchaser has a right to request an update of such disclosure packet in accordance with subsection H of § 55-509.6 or subsection C of § 55-509.7, as appropriate; and (v) the right to receive the association disclosure packet and the right to cancel the contract are waived conclusively if not exercised before settlement.

For purposes of clause (iii), the association disclosure packet shall be deemed not to be available if (a) a current annual report has not been filed by the association with either the State Corporation Commission pursuant to § 13.1-936 or with the Common Interest Community Board pursuant to § 55-516.1, (b) the seller has made a written request to the association that the packet be provided and no such packet has been received within 14 days in accordance with subsection A of § 55-509.5, or (c) written notice has been provided by the association that a packet is not available.

- B. If the contract does not contain the disclosure required by subsection A, the purchaser's sole remedy is to cancel the contract prior to settlement.
- C. The information contained in the association disclosure packet shall be current as of a date specified on the association disclosure packet prepared in accordance with this section; however, a disclosure packet update or financial update may be requested in accordance with subsection G of § 55-509.6 or subsection C of § 55-509.7, as appropriate. The purchaser may cancel the contract: (i) within three days after the date of the contract, if on or before the date that the purchaser signs the contract, the purchaser receives the association disclosure packet or is notified that the association disclosure packet will not be available; (ii) within three days after receiving the association disclosure packet if the association disclosure packet or notice that the association disclosure packet will not be available is hand delivered, delivered by electronic means, or delivered by a commercial overnight delivery service or the United Parcel Service, and a receipt obtained; or (iii) within six days after the postmark date if the association disclosure packet or notice that the association disclosure packet will not be available is sent to the purchaser by United States mail. The purchaser may also cancel the contract at any time prior to settlement if the purchaser has not been notified that the association disclosure packet will not be available and the association disclosure packet is not delivered to the purchaser. Notice of cancellation shall be provided to the lot owner or his agent by one of the following methods:
- 1. Hand delivery;
- 2. United States mail, postage prepaid, provided the sender retains sufficient proof of mailing, which may be either a United States postal certificate of mailing or a certificate of service prepared by the sender confirming such mailing;

- 3. Electronic means provided the sender retains sufficient proof of the electronic delivery, which may be an electronic receipt of delivery, a confirmation that the notice was sent by facsimile, or a certificate of service prepared by the sender confirming the electronic delivery; or
- 4. Overnight delivery using a commercial service or the United States Postal Service.

In the event of a dispute, the sender shall have the burden to demonstrate delivery of the notice of cancellation. Such cancellation shall be without penalty, and the seller shall cause any deposit to be returned promptly to the purchaser.

- D. Whenever any contract is canceled based on a failure to comply with subsection A or C or pursuant to subsection B, any deposit or escrowed funds shall be returned within 30 days of the cancellation, unless the parties to the contract specify in writing a shorter period.
- E. Any rights of the purchaser to cancel the contract provided by this chapter are waived conclusively if not exercised prior to settlement.
- F. Except as expressly provided in this chapter, the provisions of this section and § <u>55-509.5</u> may not be varied by agreement, and the rights conferred by this section and § <u>55-509.5</u> may not be waived.

ARTICLE XV

DISCLOSURE PACKETS AND FEES:

§ 55-509.5. Contents of association disclosure packet; delivery of packet.

- a. The association shall deliver, within 14 days after receipt of a written request and instructions by a seller or his authorized agent, an association disclosure packet as directed in the written request. The information contained in the association disclosure packet shall be current as of a date specified on the association disclosure packet. If hand or electronically delivered, the written request is deemed received on the date of delivery. If sent by United States mail, the request is deemed received six days after the postmark date. An association disclosure packet shall contain the following:
 - a. The name of the association and, if incorporated, the state in which the association is incorporated and the name and address of its registered agent in Virginia;
 - b. A statement of any expenditure of funds approved by the association or the board of directors that shall require an assessment in addition to the regular assessment during the current year or the immediately succeeding fiscal year;
 - c. A statement, including the amount of all assessments and any other mandatory fees or charges currently imposed by the association, together with any post-closing fee charged by the common interest community manager, if any, and associated with the purchase, disposition, and maintenance of the lot and to the right of use of common areas, and the status of the account;
 - d. A statement of whether there is any other entity or facility to which the lot owner may be liable for fees or other charges;
 - e. The current reserve study report or summary thereof, a statement of the status and amount of any reserve or replacement fund, and any portion of the fund allocated by the board of directors for a specified project;

- f. A copy of the association's current budget or a summary thereof prepared by the association, and a copy of its statement of income and expenses or statement of its financial position (balance sheet) for the last fiscal year for which such statement is available, including a statement of the balance due of any outstanding loans of the association:
- g. A statement of the nature and status of any pending suit or unpaid judgment to which the association is a party and that either could or would have a material impact on the association or its members or that relates to the lot being purchased;
- h. A statement setting forth what insurance coverage is provided for all lot owners by the association, including the fidelity bond maintained by the association, and what additional insurance would normally be secured by each individual lot owner;
- i. A statement that any improvement or alteration made to the lot, or uses made of the lot or common area assigned thereto are or are not in violation of the declaration, Rules and Regulations, rules and regulations, architectural guidelines and articles of incorporation, if any, of the association;
- j. A statement setting forth any restriction, limitation, or prohibition on the right of a lot owner to place a sign on the owner's lot advertising the lot for sale;
- k. A statement setting forth any restriction, limitation, or prohibition on the right of a lot owner to display any flag on the owner's lot, including but not limited to reasonable restrictions as to the size, place, and manner of placement or display of such flag and the installation of any flagpole or similar structure necessary to display such flag;
- I. A statement setting forth any restriction, limitation, or prohibition on the right of a lot owner to install or use solar energy collection devices on the owner's property;
- m. A copy of the current declaration, the association's articles of incorporation and Rules and Regulations, and any rules and regulations or architectural guidelines adopted by the association;
- A copy of any approved minutes of the board of directors and association meetings for the six calendar months preceding the request for the disclosure packet;
- o. A copy of the notice given to the lot owner by the association of any current or pending rule or architectural violation;
- p. A copy of the fully completed one-page cover sheet developed by the Common Interest Community Board pursuant to § 54.1-2350;
- q. Certification that the association has filed with the Common Interest Community Board the annual report required by § <u>55-516.1</u>, which certification shall indicate the filing number assigned by the Common Interest Community Board, and the expiration date of such filing; and
- r. A statement indicating any known project approvals currently in effect issued by secondary mortgage market agencies.
- b. Failure to receive copies of an association disclosure packet shall not excuse any failure to comply with the provisions of the declaration, articles of incorporation, Rules and Regulations, or rules or regulations.
- c. The disclosure packet shall be delivered in accordance with the written request and instructions of the seller or his authorized agent, including whether the disclosure packet shall be delivered electronically or in hard copy and shall specify the complete contact information for the parties to whom the disclosure packet shall be delivered. The disclosure packet required by this section, shall not, in and of itself, be deemed a security within the meaning of § 13.1-501.
- d. The seller or his authorized agent may request that the disclosure packet be provided in hard copy or in electronic form. An association or common interest community manager may

provide the disclosure packet electronically; however, the seller or his authorized agent shall have the right to request that the association disclosure packet be provided in hard copy. The seller or his authorized agent shall continue to have the right to request a hard copy of the disclosure packet in person at the principal place of business of the association. If the seller or his authorized agent requests that the disclosure packet be provided in electronic format, neither the association nor its common interest community manager may require the seller or his authorized agent to pay any fees to use the provider's electronic network or system. If the seller or his authorized agent asks that the disclosure packet be provided in electronic format, the seller or his authorized agent may designate no more than two additional recipients to receive the disclosure packet in electronic format at no additional charge.

§ 55-509.7. Fees for disclosure packet; associations not professionally managed.

- a. An association that is not professionally managed may charge a fee for the preparation and issuance of the association disclosure packet required by § 55-509.5. Any fee shall reflect the actual cost of the preparation of the association disclosure packet, but shall not exceed \$0.10 per page of copying costs or a total of \$100 for all costs incurred in preparing the association disclosure packet. The seller or his authorized agent shall specify whether the association disclosure packet shall be delivered electronically or in hard copy and shall specify the complete contact information of the parties to whom the disclosure packet shall be delivered. If the seller or his authorized agent specifies that delivery shall be made to the purchaser or his authorized agent, the preparer shall provide the disclosure packet directly to the designated persons, at the same time it is delivered to the seller or his authorized agent. The association shall advise the requestor if electronic delivery of the disclosure packet or the disclosure packet update or financial update is not available, if electronic delivery has been requested by the seller or his authorized agent.
- b. No fees other than those specified in this section shall be charged by the association for compliance with its duties and responsibilities under this section. Any fees charged pursuant to this section shall be collected at the time of delivery of the disclosure packet. If unpaid, any such fees shall be an assessment against the lot and collectible as any other assessment in accordance with the provisions of the declaration and § <u>55-516</u>. The seller may pay the association by cash, check, certified funds, or credit card, if credit card payment is an option offered by the association.
- c. If an association disclosure packet has been issued for a lot within the preceding 12-month period, a person specified in the written instructions of the seller or his authorized agent, including the seller or his authorized agent, or the purchaser or his authorized agent may request a disclosure packet update. The requestor shall specify whether the disclosure packet update shall be delivered electronically or in hard copy and shall specify the complete contact information of the parties to whom the specified update shall be delivered. The disclosure packet update shall be delivered within 10 days of the written request therefor.
- d. The settlement agent may request a financial update. The requestor shall specify whether the financial update shall be delivered electronically or in hard copy, and shall specify the complete contact information of the parties to whom the update shall be delivered. The financial update shall be delivered within three business days of the written request therefor.
- e. A reasonable fee for the disclosure packet update or a financial update may be charged by the preparer not to exceed **\$50**. At the option of the purchaser or his authorized agent, the requestor may request that the association perform an additional inspection of the exterior of the dwelling unit and the lot, as authorized in the declaration, for a fee not to exceed \$50. Any fees charged for the specified update shall be collected at the time of delivery of the update.

- The association shall not require cash, check, certified funds, or credit card payments at the time the request is made for the disclosure packet update. The requestor may request that the specified update be provided in hard copy or in electronic form.
- f. No association may require the requestor to request the specified update electronically. The seller or his authorized agent shall continue to have the right to request a hard copy of the specified update in person at the principal place of business of the association. If the requestor asks that the specified update be provided in electronic format, the association shall not require the requester to pay any fees to use the provider's electronic network or system. If the requestor asks that the specified update be provided in electronic format, the requestor may designate no more than two additional recipients to receive the specified update in electronic format at no additional charge. A copy of the specified update shall be provided to the seller or his authorized agent.
- g. When a disclosure packet has been delivered as required by § <u>55-509.5</u>, the association shall, as to the purchaser, be bound by the statements set forth therein as to the status of the assessment account and the status of the lot with respect to any violation of the declaration, bylaws, rules and regulations, architectural guidelines and articles of incorporation, if any, of the association as of the date of the statement unless the purchaser had actual knowledge that the contents of the disclosure packet were in error.
- h. If the association has been requested to furnish the association disclosure packet required by this section, failure to provide the association disclosure packet substantially in the form provided in this section shall be deemed a waiver of any claim for delinquent assessments or of any violation of the declaration, bylaws, rules and regulations, or architectural guidelines existing as of the date of the request with respect to the subject lot. The association shall be liable to the seller in an amount equal to the actual damages sustained by the seller in an amount not to exceed \$500. The purchaser shall nevertheless be obligated to abide by the declaration, bylaws, rules and regulations, and architectural guidelines of the association as to all matters arising after the date of the settlement of the sale.
- i. The fee that the Association will charge for a disclosure package is \$150.00. This package will be prepared once the Association receives notice of a home being sold or any other transfer of ownership, regardless if the owner has requested such package or not. This is to ensure that the property is inspected and the financial account has been considered and given to the settlement company. Any properties sold or transferred with a balance due the Association, will be the sellers responsility to pay regardless, before or after sold or transferred and will be enforced legally.

§ 55-509.9. Requests by settlement agents.

- A. The settlement agent may request a financial update from the preparer of the disclosure packet. The preparer of the disclosure packet shall, upon request from the settlement agent, provide the settlement agent with written escrow instructions directing the amount of any funds to be paid from the settlement proceeds to the association or the common interest community manager. There shall be no fees charged for a response by the association or its common interest community manager to a request from the settlement agent for written escrow instructions, however a fee may be charged for a financial update pursuant to this chapter.
- B. The settlement agent, when transmitting funds to the association or the common interest community manager, shall, unless otherwise directed in writing, provide the preparer of the disclosure packet with (i) the complete record name of the seller, (ii) the address of the subject lot, (iii) the complete name of the purchaser, (iv) the date of settlement, and (v) a brief

explanation of the application of any funds transmitted or by providing a copy of a settlement statement, unless otherwise prohibited.

§ 55-509.10. Exceptions to disclosure requirements.

- A. The contract disclosures required by § <u>55-509.4</u> and the association disclosure packet required by § <u>55-509.5</u> shall not be provided in the case of:
- 1. A disposition of a lot by gift;
- 2. A disposition of a lot pursuant to court order if the court so directs;
- 3. A disposition of a lot by foreclosure or deed in lieu of foreclosure;
- 4. A disposition of a lot by a sale at an auction, where the association disclosure packet was made available as part of an auction package for prospective purchasers prior to the auction sale; or
- 5. A disposition of a lot to a person or entity who is not acquiring the lot for his own residence or for the construction thereon of a dwelling unit to be occupied as his own residence, unless requested by such person or entity. If such disclosures are not requested, a statement in the contract of sale that the purchaser is not acquiring the lot for such purpose shall be conclusive and may be relied upon by the seller of the lot. The person or entity acquiring the lot shall nevertheless be obligated to abide by the declaration, Rules and Regulations, rules and regulations, and architectural guidelines of the association as to all matters.
- B. In any transaction in which an association disclosure packet is required and a trustee acts as the seller in the sale or resale of a lot, the trustee shall obtain the association disclosure packet from the association and provide the packet to the purchaser.
- C. In the case of an initial disposition of a lot by the declarant, the association disclosure packet required by § <u>55-509.5</u> need not include the information referenced in subdivisions A 2, A 3, A 5 nor A 9 of § <u>55-509.5</u>, and it shall include the information referenced in subdivision A 17 of § <u>55-509.5</u> only if the association has filed an annual report prior to the date of such disclosure packet.

ARCHITECTURAL CONTROL REGULATIONS:

SECTION 1 ARCHITECTURAL REGULATIONS:

All owners and their homes located within the jurisdiction of Stafford Oaks Association, Inc., are held by and protected by the Rules and Regulations of Stafford Oaks Homeowners Association, Inc. Owned property is recorded in the Land Records of Stafford County, Virginia.

The Architectural Control Committee (ACC), is comprised of selected residents of the community not part of the Board of Directors, but are charged with the responsibility for overseeing that the Rules and Regulations pertaining to architectural items via home inspections are held in compliance. The Association has oversight and authority over anything within the Association that can be "seen", "touched", "smelled", or "heard".

MEMBERSHIP: The ACC shall consist of **a minimum of one homeowner** appointed by the Stafford Oaks Association, Inc., Board of Directors (herein after known as the Board). The number of ACC members shall not exceed five.

OFFICERS: The ACC shall be head by a Chairperson whose function shall be to steer the ACC in the performance of its duties. The Chairperson shall be appointed by the Board and shall serve at the Board's pleasure.

SECTION 2 ACC STANDARD OPERATING PROCEDURES:

PURPOSE: To provide a systematic and uniform method of conducting business under the purview of the Architectural Control Committee.

OWNER APPROVAL PROCESS: All exterior changes or modifications must have prior approval of the Association Board of Directors. All owner submitted requests must be in writing on an "<u>Architectural Modification Request Form</u>". This form will be reviewed by the Board of Directors. If approved, the owner will be notified that modifications may be made. If disapproved, the Board of Directors will notify the owner that the request has been denied and the reason. The owner may wish to submit an updated request and will follow the same process for approval.

AUTHORITY: These regulations are contained within the Rules and Regulations have been approved by the Owners and the Board of Directors.

CHAIRPERSON SCOPE: The ACC Chairperson shall be the presiding officer of the ACC, and as such, shall be vested with no extraordinary authority, but shall assume the responsibility for:

- a. Conducting periodic inspections on homes within the community.
- b. Ensure that all violations, when known, are documented within seven (7) calendar days and delivered to the Board of Directors for immediate action.
- c. Act promptly on any requests from owners.
- d. Keep sufficient records to adequately deliver periodic summary reports to the Board of Directors as may be required.
- e. Conduct annual inspections of all homes as to the condition and any needed maintenance.
- f. Deliver a written report of these inspection findings to the Board of Directors. The report shall contain a listing of violations of these Rules and Regulations and be contained within the approved ACC Template.
- g. The Board of Directors will determine if the violation is in conflict with the Rules and Regulations and will process accordingly to the following Code of Virginia:

§ 55-513. Adoption and enforcement of rules.

A. Except as otherwise provided in this chapter, the board of directors shall have the power to establish, adopt, and enforce rules and regulations with respect to use of the common areas and with respect to such other areas of responsibility assigned to the association by the declaration, except where expressly reserved by the declaration to the members. Rules and regulations may be adopted by resolution and shall be reasonably published or distributed throughout the development. A majority of votes cast, in person or by proxy, at a meeting convened in accordance with the provisions of the association's Rules and Regulations and called for that purpose shall repeal or amend any rule or regulation adopted by the board of directors. Rules and regulations may be enforced by any method

normally available to the owner of private property in Virginia, including, but not limited to, application for injunctive relief or actual damages, during which the court may award to the prevailing party court costs and reasonable attorney fees.

- B. The board of directors shall also have the power, to the extent the declaration or rules and regulations duly adopted pursuant thereto expressly so provide, to (i) suspend a member's right to use facilities or services, including utility services, provided directly through the association for nonpayment of assessments which are more than 60 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 (ii) assess charges against any member for any violation of the declaration or rules and regulations for which the member or his family members, tenants, guests, or other invitees are responsible.
- C. Before any action authorized in this section is taken, the member shall be given a reasonable opportunity to correct the alleged violation after written notice of the alleged violation to the member at the address required for notices of meetings pursuant to § <u>55-510</u>. If the violation remains uncorrected, the member shall be given an opportunity to be heard and to be represented by counsel before the board of directors or other tribunal specified in the documents.

Notice of a hearing, including the actions that may be taken by the association in accordance with this section, shall be hand delivered or mailed by registered or certified mail, return receipt requested, to the member at the address of record with the association at least 14 days prior to the hearing. Within seven days of the hearing, the hearing result shall be hand delivered or mailed by registered or certified mail, return receipt requested, to the member at the address of record with the association.

- D. The amount of any charges so assessed shall not be limited to the expense or damage to the association caused by the violation, but shall not exceed \$50 for a single offense or \$10 per day for any offense of a continuing nature and shall be treated as an assessment against the member's lot for the purposes of § <u>55-516</u>. However, the total charges for any offense of a continuing nature shall not be assessed for a period exceeding 90 days.
 - h. Follow-up may be requested by the Board of Directors with a status of the violations.
 - i. Once violations are mitigated, the ACC will re-inspect and report to the Board of Directors.

SECTION 3 COUNTY ZONING AND PERMIT APPROVAL FOR ACC ITEMS:

It is the property owner's responsibility to secure any required building permits prior to commencement of any work on any property. The Association's only concern is the aesthetics of the work in general, the safety, and the quality as it relates to the overall community.

SECTION 4 OWNER REQUESTS/APPROVALS:

- a. Any exterior construction or alterations that are covered under these Rules and Regulations and regulations shall require the homeowner to submit in writing to the ACC seeking approval prior to any commencement of any work.
- b. Written requests may be mailed, faxed, or emailed. Work shall not be commenced until written approval from the Board of Directors is received.

c. At such time when alterations are proposed to a property that are not covered herein, the ACC will advise the owner in writing on procedures that must be followed to attain approval.

SECTION 5 ENFORCEMENT:

The Board of Directors will follow the Code of Virginia process for notification, appeals, charges, and due process for each member. Complete records of all enforcement activity shall be kept for future reference. Each member shall be treated equally under the process.

SECTION 6 CHARGE SCHEDULE FOR VIOLATIONS:

The Association reserves the right to levy charges under the Code of Virginia for all violations. These charges are as follows:

- \$50.00 per offense or \$10.00 per day for a continuing condition, up to 90 days per violation.
- Cost of repairs/maintenance, plus \$50.00 per offense or \$10.00 per day for a continuing condition, up to 90 days per violation.

SECTION 7 REGULATIONS:

HOME EXTERIOR VISUAL INSPECTIONS:

- a) All homes must be properly maintained to preserve the property value and enhancement of the community as a whole.
- b) Regular exterior Inspections are conducted by the HOA to ensure compliance to the Rules and Regulations.
- c) Inspections may be conducted if a suspected violation is reported to the HOA, due to a random inspection, or part of scheduled inspections. In any case, if a resident is found in violation, fines may be assessed against the property according to the Code of Virginia, Section 55, Chapter 26.
- d) Prior approval is required for any exterior modification, change, or addition. Inside modifications are not generally subject to Association review. However, visible interior changes, which are offensive and visible to the outside, may be subject to Architectural review/approval.
- e) All yards are required to be properly maintained, cleaned, and presentable.
- f) Front yards may not be used for storage of any kind (i.e., trashcans, toys, auto parts, grills, stoves, fire pits, building material, etc.).
- g) Rear yards must be clean, maintained, and free from open storage of items.
- h) All architectural enforcement is done on a case-by-case or house-by-house notification basis.
- i) All properties having a rear fence shall have a rear gate at least 36 inches wide providing access to the rear/side of the property or alleyway in case of emergency, fire, evacuation or otherwise. In addition, those properties whom have a fence but no gate currently shall have a gate professionally installed upon change of ownership, repair needed, or installation of a new fence.

LAWNS/PRUNING/LANDSCAPING:

All yards must have a properly maintained, full and relatively weed free, ground cover of an approved bluegrass, perennial rye, or hard fescue grass seed. Commercial blends of these

varieties are acceptable. Bare areas are not acceptable and must be repaired. Private front and rear lawns shall be neatly cut and trimmed at all times, and shall not exceed 6 inches in height. All excessive or clumped grass clippings shall be removed immediately. Ground cover other than grass may be allowed depending on the selection and how it blends with the total community.

Trees, shrubs, and hedges, which restrict sight lines for vehicular traffic, shall be cut back or removed. Under no circumstances shall trees or shrubs be allowed to interfere with pedestrian walkways or vehicular traffic. All plantings must be kept properly trimmed to enhance the home and community. All specimens must be kept within the property lines of the respective home.

Minor landscaping work and minor planting in general do not require approval of the ACC; however, major landscaping and plantings, i.e. modifications that would affect land contours or drainage, do require prior ACC approval. Removing or planting of any plant matter that has a trunk diameter of 4 inches or greater (measured two feet above ground level) requires prior approval of the ACC. Lawn edgings to be installed above ground must be constructed of high quality pressure-treated lumber, brick, or stone. Temporary barriers erected for seeding or planting purpose shall not require prior approval, providing the temporary barrier is of a safe design and poses no hazard, but the barrier shall not remain in place for more than one month. Any deviation from this standard requires ACC approval.

ATTIC FANS:

Attic fans shall be located to the rear of the roof peak and shall not be visible at ground level from the front of the unit. Professional installation of attic fans is strongly encouraged.

STOOPS, STEPS, AND SIDEWALKS:

All stoops (the concrete pad in front your front door) steps and sidewalks shall maintain the original design, appearance, and integrity.

PATIOS/DECKS:

Construction of any kind of patio or deck or replacement of such, shall require ACC approval with proposed plans being approved by the ACC. The owner shall comply with all building code ordinances of Stafford County, as required, and submit a copy of the County-approved plans for ACC review.

EXTERIOR ENERGY SAVING DEVICES:

Requests for installation of exterior energy savings devices will be considered on a case-bycase basis. If approved, all such devices must be placed on or at the rear of dwellings.

FIREWOOD STACKS:

Firewood shall be neatly stacked in the rear yard as inconspicuously as possible, with individual stacks not to exceed four feet in height. Firewood must be stacked inside the property line and not allowed to lean on fences. To prevent rot, insect and rodent infestations, firewood stacks must be elevated at least 6 inches and not more than 12 inches above the ground.

TRASH CONTAINERS:

- a. Trash containers shall be covered with a tight fitting lid.
- b. Trash containers may not be set out for collection prior to dusk the evening before collection day.
- c. Empty trash containers must be returned to the backyard as soon as possible the same day trash is picked up and no later than that evening.
- d. Trash containers are required to be stored in the backyard and must be neat and clean.
- e. Dumping of household items on the curbs or other community common areas are in violation of Stafford County Code of Ordinance (Section 17-22.1.2) and will be reported to the Sheriff's Department for ticketing.
- f. Do not place trash containers on the median or on the grassed areas. Trashcans are to be placed in HOA designated areas only.
- g. Trash bins found not being taken back to their respective home backyards will receive a \$50 violation fee assessed.
- h. There are several homes that have been given a permament waiver due to those houses not having an ample alley or is located on a steep rear hill, causing them to not be able to use their back fence gate to store their trash cans, enter and exit. These homes are located at 25-40 Maple Drive and 79-94 Chestnut Drive. These properties are allowed to store their trashcans neatly and clean-like at the front of their property. They must not be stored on the curb or street.

CLOTHES LINE:

Under no circumstances will clothesline or drying be allowed in front or side yards. Clotheslines are allowed in the rear of the home and must be removed or retracted after use and may not be attached to any fence or tree.

SIGNS:

No sign of any kind larger than one foot square (12" x 12") shall be displayed to the public view except realtor signs temporarily while the home is on the market for rent or sale. Realtor signs must be removed on the day the property goes to settlement or a rental contract signed.

AIR CONDITIONERS:

Window air conditioning units of any type may not be installed in any home window or door. Only central units are allowed. Should a window unit be found, a violation will be written. Should window units be found and not taken out, the Association has the right to hire a company to remove it and charge the owner for those fees.

ANTENNAS:

No antennas of any type (TV, Radio, CB, etc.) shall be erected on the home exterior walls, shed, fence, or front roof. Small satellite dishes may be installed on the rear roof providing it does not interfere with power lines nor protrude higher than 2 feet into the air. Normal DISH, DirecTV, etc. all conform to this standard.

PROPERTY USE:

Properties shall be used for residential purposes only. Any in-home daycares must be registered and licensed by Stafford County. No vehicle(s) are allowed to be parked or stored on any member's property.

NUISANCE ACTIVITY:

No nuisance or offensive activity shall be committed upon any residential property or Association property, nor shall any nuisance or annoyance be conducted to the neighborhood as a whole.

STAFFORD COUNTY CURFEW LAW:

Stafford County Curfew Law begins **daily** at **10:00 PM until 7:00 AM**. Should residents or visitors be found in common areas, wandering on the roads, parking spaces, playground, basketball court, or any other area within the Association property during these hours, the Sheriff Department may be called requesting a Sheriff to respond. Any resident or visitor may place a call for this reason and should be encouraged to do so to ensure the safety of the community remains intact.

PLAYGROUND/BASKETBALL COURT/COMMON AREAS:

These areas are for the enjoyment of all residents and their visitors. These are not places to gather to curse, fight, belittle, cause bodily harm, smoke, drink alcohol, or to conduct unlawful behaviors. Should these be seen, heard, or found, the Sheriff's Department will be called.

Stafford County Curfew Law begins **daily** at **10:00 PM until 7:00 AM**. Should residents or visitors be found in common areas, wandering on the roads, parking spaces, playground, basketball court, or any other area within the Association property during these hours, the Sheriff Department may be called requesting a Sheriff to respond. Any resident or visitor may place a call for this reason and should be encouraged to do so to ensure the safety of the community remains intact.

PETS AND ANIMALS:

No domesticated or wild animal, livestock, or poultry of any kind shall be raised, bred, or kept on any Lot, except for common household pets such as dogs, cats, or other household pets may be kept, provided they are not raised, bred, or kept for commercial purpose. All dogs shall be leashed in accordance with the Leash Law unless contained within the Dog Park area.

If dogs are found unleashed, defecating on areas and not being cleaned up by the owner, Stafford County Animal Control will be called to issue a summons. In addition, the Association will also fine the owner \$50 per incident. All pet feces must be removed from the ground and properly disposed of. In addition, should another resident have proof of a violation against another, Stafford County Animal Control should be called directly and notify the Association.

Cats are considered by Stafford County as "free-roaming" creatures. There is no leash law for cats. Should a cat be found in a person's yard, unwelcomed, defecating, destroying, or otherwise become a nuisance, Stafford County Animal Control should be called directly and will provide you a trap for your yard. You should also inform the Association of the issue.

DOG HOUSES:

Doghouses may be considered for the backyard, even if visible from neighboring property, so long as it is kept neat, attractive, clean, and unobtrusive. Should complaints arise over an unkept pet areas, the ACC will initiate a violation and contact the Stafford County Animal Control to ensure compliance.

MATERIAL STORAGE:

No material or refuse shall be placed or stored within ten (10) feet of the property line. Only firewood, properly elevated, or other usual and normal material incidental to a residential area may be stored upon private Lots within the Association. No personal items shall be stored on any Common Area at any time.

STORAGE SHEDS:

In recognition of a homeowner's need to provide additional storage of garden tools and equipment, requests for small storage buildings will be considered. Location, site, style (metal sheds will not be permitted), and color will be considered by the ACC prior to approving the construction of a shed. All sheds must be located in the backyard and be adequately secured to the ground. Sheds shall not exceed 10 feet wide by 10 feet in length. The shed width shall not exceed 8 feet in height at the tallest point.

GENERAL PROPERTY APPEARANCE:

The exterior of all home dwellings and yards must be properly maintained in a like new, orderly condition to the satisfaction of the Board of Directors. Shingles, paint, siding, and all other exterior materials and finishes should be replaced, as needed, with materials similar in structure and appearance. All finishes, materials, and styles require prior approval.

PAINT AND STAIN STANDARDS:

- a) Exterior color changes must be submitted for approval, along with color chips of sufficient size to verify selection. Approved colors are the Colonial "Williamsburg" line from Martin-Senour, or equal. No bright, bold, or florescent colors.
- b) Only those areas that are stained may be re-stained.
- c) Home brick shall never be painted or stained. However, brick should be power washed to remove any mold and dirt to keep the appearance looking clean.
- d) All painted areas of any property must be kept painted and in good condition. Faded, pealed, or missing paint from any area requiring paint must be properly prepared and repainted.
- e) All exterior roof fascia, gutters, door trim, window trim, and other exterior areas should always be pure white- semi gloss in color. Wrought iron window grills shall be painted the original color of black or may be removed altogether.
- f) Front and rear doors may be painted using an approved color by the Colonial "Williamsburg" line from Martin-Senour, or equal. No bright, bold, or florescent colors.
- g) When in doubt, call a member of the HOA for guidance before you spend time and money. We would hate for you to have to re-paint to an approved color.

FENCE REGULATIONS:

GENERAL:

- All properties having a rear fence shall have a rear gate at least 36 inches wide providing
 access to the rear/side of the property or alleyway in case of emergency, fire, evacuation or
 otherwise. In addition, those properties whom have a fence but no gate currently, shall
 have a gate professionally installed upon change of ownership, repair needed, or
 installation of a new fence.
- All fences and gates must be approved by the ACC.

- All replacements of fences must be approved by the ACC.
- Front Fences shall be no higher than 42" in height, and shall not obstruct vehicular traffic line of sight. Rear Fences shall not exceed 72" in height.
- Adjoining or common use of corner posts shall require written approval of adjoining owner.
- It is the responsibility of the homeowner to ensure that the fence line is within his/her legal property bounds. The owner shall assume liability for securing permission from all adjacent property owners to construct or maintain all common fence lines, as required.
- Finished products are subject to final approval by on-site inspection by an ACC member.
- Pressure treated lumber will be allowed to properly cure a maximum of six months before staining or painting.
- All wood that touches the ground must be decay resistant or pressure treated by an EPA approved decay-resistant material properly applied.
- Metal fencing materials, except for hardware, of any kind are prohibited.
- All posts shall be 4" x 4" and must be capped with an aluminum protective cap or top rail to prevent water penetration.
- All gate hardware will be of black wrought iron or hardware painted black.
- All white painted front yard fences must use black wrought iron gate hardware.

VEHICLE AND PARKING REGULATIONS:

GENERAL:

The Stafford Oaks Homeowners Association Rules and Regulations herein establish these Parking Regulations. All property owners, residents, tenants, and visitors are responsible for ensuring that their vehicle complies with these Rules and Regulations. Residents are also responsible for conveying to the Board of Directors their complaints regarding violations.

The Board of Directors is responsible for establishing and enforcing the Parking Regulations and Rights and is subject to change if greater enforcement needs to occur.

VEHICLE REGULATIONS:

- "Approved Vehicles" shall include any conventional passenger vehicle, motorcycle, van or pick-up truck of less than 7,500 lbs. Gross Vehicle Weight, which complies with the restrictions herein.
- All motorized vehicles (motor-driven methods of transportation that require a state registration), other motor-driven conveyances (i.e., mopeds, trail bikes and all-terrain vehicles), trailers, campers and other wheeled vehicles normally towed by motor vehicle driving or parking on Stafford Oaks Association property, hereinafter referred as "premises," are subject to these regulations.
- All approved, legal road worthy, trailers of any kind, boats, boat trailers, buses, or similar vehicles must be parked curbside on a public road in the community, display current registration, license plates, and inspection.
- All vehicles shall be in operating conditions at all times. All necessary parts of the vehicles
 required for operation on a public street, including but not limited to brakes, tires, wheels and
 engine, shall be maintained at all times.

- Vehicles not able to be moved upon request, will be considered not street legal and subject to towing out of the community at the owners expense.
- No vehicle shall be parked within the community that does not have a current and active
 insurance policy. Any vehicle found not having an active insurance policy will be towed out of
 the community at the owner's expense. The Board may request a copy of personal vehicle
 proof of insurance to verify all vehicles parked within the county and community have the
 minimum state required insurance policy.
- Any inoperable, unregistered, unlicensed, uninspected, abandoned, vehicles, trailer, campers, buses, stretch limousines, semi-trailers or truck cabs, camping trucks, moving vans, tractors, travel trailers, ATF, motorcycles, recreational vehicles, boats, boat trailers or similar vehicles are all prohibited on any parking space, private street or within common areas of this Association. None of the above listed items will be allowed to be parked or be stored on a member's property lawn, front, side, or rear yards.
- No mechanical repairs such as changing oil, brake, exhaust, engine, transmission, etc. is allowed and will initiate immediate towing if found to being done on the property.
- The changing, dumping, or draining of any type of vehicle fluid, to include but not limited to, oil, anti-freeze, transmission, or any other fluid, are all prohibited on Association property. In addition, all illegal dumping will be reported to the police for prosecution.
- Only minor repairs (adding fluids, replacing windshield wipers, light bulbs, changing a flat tire, etc.) are allowed on or within the community. Major repairs are not permitted. Should a vehicle be repaired constituting more than a minor repair, these items cannot be done within community resident sparking spaces. However, if they are done on the county roads, local zoning, and police enforcement may be called to investigate. Anyone may call the police or county offices should it be deemed as a hazard to the community or residents, pets, or have fluids dripping onto the street, etc. Any violation to this section is cause for immediate towing at the owner's expense and risk.
- No vehicles shall be left unattended on jacks or blocks. Leaking or dripping vehicles are prohibited.

PARKING REGULATIONS:

- No homeowner, tenant or resident shall park in any "visitor space". You must park within your assigned parking space or on the public street.
- Do not park in another resident's parking space. Each home has two assigned parking spaces. Should you be found parked in one not of your own, towing will be initiated at the vehicle owners expense.
- Any owner may call <u>Sullivan's Towing</u>, the contracted towing service for the Association, at <u>540-899-8993</u> to remove a vehicle from their personal parking spaces. The owner of that property must both initiate towing and work directly with the towing company. If you find a vehicle, not of your own, parked in your assigned parking space, you have the option to call a tow company directly.
- The HOA Association may also call <u>Sullivan's Towing</u> for violators as deemed appropriate.
 The HOA will not initiate a tow unless a vehicle is deemed to be in violation of the Rules
 and Regulations, parked in an unlawful manner, situation, or hazard, or have expired
 plates, registration, inspection, or otherwise found in violation legally.
- Double parking, parking in another owner's space or within a Fire Lane, will not be tolerated under any circumstances and will initiate towing at the owners expense. Parking in a Fire Lane will initiate a call to the Sheriffs Department.

- No vehicle longer than the parking space shall be parked in any parking space.
- No vehicle shall be parked in a manner that blocks other parked vehicles, prevents ingress
 or egress, or in a manner, which occupies more than one parking space.
- No more than one vehicle may be parked in anyone space at a time.
- All vehicles must park perpendicular to all curbs and within all lines, either real or imaginary. In no event shall any part of a vehicle occupy more than one parking space, block access to any vacant parking space or park in such a manner as to obstruct reasonable access to any sidewalk. Any vehicle found parked in such a manner might be towed immediately at the owner's expense and risk.
- All vehicles must park at least 15 feet away from any fire hydrant. Vehicles parked in a fire lane are subject to citation by the Stafford County Police, in addition to the Association's towing of your vehicle. Any vehicle parked in these areas will be towed immediately at the owner's expense and risk.
- Parking is strictly prohibited in any parking entrance or exit, across sidewalks, on grassy
 areas, on any trail or pedestrian path, or in a manner, which blocks the flow of vehicular or
 pedestrian traffic in the community.
- Parking or riding on lawns is prohibited. This also includes dirt bikes, mopeds, motorcycles, bicycles, ATVs, or any other machine that may cause damage to the property of the Association.
- The authorized speed limit in the community is a maximum of 25 miles per hour or as posted, whichever is less.
- Each townhouse unit in the community has two marked and reserved parking spaces; generally right in front of their home. These reserved spaces are designated by the painted address of the unit.
- No additions or alterations to parking spaces may be painted, displayed, or erected by anyone.
- Exceptions to these Parking Regulations and Rights may be granted only upon a majority
 vote of the Board of Directors. It is the policy of the Board of Directors to consider granting
 exceptions only in cases with unusual and compelling circumstances.
- The Association, or any owner or legal tenant of record, shall have the right to enforce, by any proceeding at law or in equity, all parking restrictions imposed by the provisions of these Parking Regulations. Failure by the Association or by any owner or tenant to enforce any regulation herein contained shall in no event be deemed a waiver of the right to do so thereafter.
- These parking policies shall apply to all property, including unit parking spaces, common area owed by the Association, including without limitation the private streets and adjoining parking areas, together with any parking lots, parking areas, or other common area within the Association property boundaries.

END OF DOCUMENT