

MILESTONE OWNERS ASSOCIATION, INC.
COLLECTION POLICY

Approved September 17, 2009

Effective January 1, 2010

WHEREAS, the Articles of Incorporation and Amended and Restated Declaration of Protective Covenants of Milestone Owners Association provide that the Association is specifically organized to provide for maintenance, preservation and architectural control of the property; and,

WHEREAS, the Articles of Incorporation of the Milestone Owners Association, Inc. provide that the Association shall exercise all of the powers and privileges and perform all of the duties and obligations of the Association as set forth in the Amended and Restated Declaration of Protective Covenants; and,

WHEREAS, Section 13.1-826 of the Virginia Non-Profit Corporation Act provides that the Board of Directors of a corporation shall have the power to do all things necessary or convenient to carry out its business, and 13.1-826 Subsection 15 provides for the Board of Directors to exercise all powers necessary and convenient to effect any and all of the purposes for which the corporation is organized; and,

WHEREAS, the Board of Directors of the Milestone Owners Association, Inc. has adopted a budget to accomplish the purposes of the Association and has levied assessments against each site.

NOW THEREFORE, the Board of Directors desires to create and establish a procedure by which collection of assessments and other monies due it as provided in the Declaration are to be collected.

Be it RESOLVED that the assessment collection policy for Milestone Owners Association, Inc. effective January 1, 2010, shall be as follows:

- I. The Board of Directors has elected to allow homeowners to pay the current annual assessment in quarterly installments. Said installments are due by the first day of January, April, July and October in advance.

- II. According to the Amended and Restated Declaration of Protective Covenants of Milestone Owners Association, Section 5.8, assessment payments not paid within five (5) days after the due date may be charged a late charge in the greater amount of ten dollars (\$10) or ten percent (10%) of the assessment amount due. The Board of Directors may remove the privilege of paying the annual assessment in quarterly installments from any homeowner who is more than forty (40) days delinquent in the payment of any installment of any assessment. If the privilege is removed, the remainder of the annual assessment shall be accelerated and the entire balance shall be immediately due and payable. The Association shall be entitled to collect all fees and costs of collection, including attorney's fees.

However, the Board has agreed to establish the following policy and procedures in collection of assessments as follows:

III. Collection of past due accounts shall be as follows:

- a. Accounts not paid by the **30th day of the month** following the beginning of each quarter listed above in Paragraph I shall incur a **late charge of \$10 or ten percent** of the assessment amount, whichever is greater, and be sent a late notice.
- b. Quarterly accounts which are **two payments in arrears shall be sent a certified late notice (via certified and regular mail) on or about the 30th day of the month following the beginning of the quarter**, requesting payment in full within fourteen (14) calendar days from the date of the letter.
 - **Those accounts not paid in full at the end of the fourteen (14) day period shall be turned over to the Association's attorney for collection**, accelerating the remainder of the association assessment for the calendar year. The homeowner shall be responsible for all attorney fees, costs of collection (including a one-time attorney referral fee paid to the management company), court costs and fees incurred during the collection process, which includes interest charged on the balance at the maximum rate allowed by law.
- c. All payments received are applied to the oldest outstanding balance first.

IV. A judgment is automatically sought when a matter is referred for collection and not resolved either by payment in full or an established payment plan within thirty (30) days of the initial demand letter being mailed from the collection attorney. A lien on the property is created automatically once judgment is docketed.

Milestone Owners Association, Inc.
VIOLATION AND ENFORCEMENT POLICY
AND GRIEVANCE PROCEDURE

Approved February 13, 2012

Article VII, Section 7.1(a) of the Bylaws of Milestone Owners Association, Inc. gives the Board of Directors the power to impose sanctions upon a homeowner upon the violation of any provision of the Declaration, Bylaws, Architectural Standards, or Rules and Regulations of the Association. This is done in accordance with Section 55-513 of the Virginia Property Owners' Association Act.

The following sets forth enforcement procedures including notifying homeowners of alleged violations of the Governing Documents, the opportunity to cure violations, the opportunity to be heard, and if necessary imposing sanctions for violations. It is each homeowner's responsibility to communicate, monitor, and enforce restrictive covenants to residents, guests, and tenants.

1. Violation Reported: A homeowner who believes that an alleged violation of the governing documents exists on another owner's lot or has occurred by another owner/guest/tenant may report such alleged violation to the Managing Agent, preferably in writing/email. All reports must include the unit address. All reports will be kept confidential. The Board of Directors and/or Community Manager will also record violations observed during periodic inspections of the community. Compliance will be determined by the Community Manager, the Board of Directors, or a Compliance Committee as designated by the Board. *General complaints will not trigger the enforcement process. Action will be taken only upon receipt of a specific complaint, including address and sufficient details to allow investigation.*

2. First Notice: Upon receipt of a report, the Community Manager will inspect and if possible take photos to document and confirm the violation. If deemed appropriate, the **First Violation Notice** will be mailed by the Managing Agent to the violating homeowner, requesting that the violation be cured within fifteen (15) days. This time frame may be increased or decreased depending on the nature of the violation and reasonable time to cure. The letter will state the violation, include a photo when possible, and quote the section of the governing documents in violation.

3. Second Notice: The Community Manager will monitor the situation and inspect the violation after fifteen (15) days, or alternate time as stated in the first notice. If the violation is not cured, or if repeated, the **Second Violation Notice** will be mailed to the violating homeowner by the Managing Agent. The letter will state three options:
 - A. Cure the violation within fifteen (15) days or contact the Community Manager to communicate a time frame for curing the violation and/or to propose another solution. This option must be mutually accepted by the owner and the Board of Directors; unless or until it is agreed to, the timeframes and penalties outlined herein will continue to direct the proceedings
 - B. Contest the violation by requesting a Hearing with the Board of Directors and notifying the Managing Agent within ten (10) days.
 - C. Non-response and failure to cure the violation after fifteen (15) days shall, subject to Board review, impose the assessment of violation charges or other legal means of enforcement.

4. If a hearing with the Board of Directors is requested,

- The Community Manager will schedule the hearing date with the Board and then send a **Notice of Hearing** to the violating homeowner. The notice, including the charges or other sanctions that may be imposed, shall be mailed by registered or certified mail, return receipt requested, to the homeowner at least fourteen (14) days prior to the hearing.
- The Hearing will be held in “Executive Session” (closed to other owners) as a part of a regular board meeting or special meeting called by the President.
- The homeowner will be given an opportunity to present facts and other information relating to the alleged violation to the Board of Directors. The homeowner may also bring and be represented by an attorney at the hearing, if desired. The Board and Community Manager will also have an opportunity to present facts and ask questions of the homeowner regarding the violation. The Board of Directors may also bring and be represented by an attorney at the hearing, at its own discretion.
- The Board will review all facts and information presented and make a determination of what, if any, further action is to be taken. Any voting on proposed actions will be held after the meeting returns to open session and be recorded in the meeting minutes.
- Any course of action determined by the Board must be within the scope of authority and power available to the Board by law and by the Governing Documents. Some options available to the Board are:
 - A. Imposition of a violation charge of up to \$50 for a single violation or \$10 per day for any violation of a continuing nature up to 90 days. A charge for an offense of continuing nature may be assessed daily from the date of the hearing until the violation is cured.
 - B. Waiver of the imposition of a charge if the violation is cured before the date of the hearing.
 - C. Pursuit of enforcement through the judicial process.
 - D. Suspension of membership rights to use the recreational amenities.
- In accordance with the Property Owners’ Association Act, the hearing result must be mailed by certified mail, return receipt requested, to the homeowner within seven (7) days of the hearing.

5. If the Member does not respond or cure the violation within fifteen (15) days after the Second Notice of Violation, the Board of Directors will review the situation and may authorize the imposition of any violation charges. The **Violation Charge Notice** will be sent to the violating Member informing the Member that the assessment of violation charges was or will be imposed on a specific date. As allowed by the Property Owners’ Association Act, charges shall not exceed \$50 for a single offense or \$10 per day (up to 90 days) for any offense of a continuing nature. Any charge imposed for a violation will be added to the homeowner’s assessment account and be collectible in the same manner as any other assessment as outlined in the Governing Documents.

**The Board will be consistent with the imposition of enforcement actions, giving due regard to differences in the nature of the violation, differences in circumstances, the damage or potential damage resulting from the violation and other factors deemed relevant by the Board. However, the failure of the Board to impose sanctions or take other action with respect to a violation will not be deemed a waiver of its authority to act on violations of the same or similar nature.

WRITTEN GRIEVANCE PROCEDURE

The Declaration and Bylaws of Milestone Owners Association, Inc. contains rights of the Association and procedures required to exercise those rights. The Written Grievance Procedure is a formal system to uniformly receive, investigate, process, and resolve alleged violations of the Declaration, Bylaws, Architectural Standards, Rules & Regulations of the Association (governing documents), and other matters relating to the Milestone Owners Association, Inc. Procedures for addressing violations are detailed in the preceding pages.

If the member isn't satisfied with the Association's response to a grievance, the member has a legal right to file a Complaint Form with the State of Virginia Common Interest Community Board. There are three main areas for which written grievances would most likely be submitted by members of the Association - dissatisfaction with completion of maintenance related items, dissatisfaction with another member's compliance with the Declaration and other documents, and dissatisfaction with the Board of Directors or management's actions when acting for the corporate entity known as the Milestone Owners Association, Inc.

Complaints must be submitted in writing on Common Interest Community Board forms, must include supporting documentation, and must include the filing fee, which may be waived for demonstrated hardship. The Common Interest Community Board May be contacted at:

Department of Professional and Occupational Regulation
Office of Common Interest Community Ombudsman
9960 Mayland Drive Suite 400
Richmond, Virginia 23233-1463
Telephone: 804-367-8510
[Email: cic@dpor.virginia.gov](mailto:cic@dpor.virginia.gov)

Web Site: http://www.dpor.virginia.gov/dporweb/cic_main.cfm