Declaration of the By-Laws of the Hillcrest Estates Property Owner's Association

BY-LAWS

Article 1

Definitions

Section 1. " Association" shall mean the Hillcrest Estates Property Owner's Association.

Section 2. "Owner" shall mean the record holder of the fee simple title to any lot whether referring to one person or collectively to more than one person who have joint ownership of a lot.

Section 3. "Member" shall mean members of the Association each of whom shall be the owner of a lot.

Section 4. "Common Property" shall mean all portions of properties including easements owned by the Association.

Section 5. "Member in Good Standing" shall be defined as a member who is up to date on all financial obligations due to the Association.

Section 6. "Lot" shall mean any plot of land shown upon recorded subdivision plat of the properties.

Section 7. "Simple majority" shall mean one vote in excess of half of the voting members (in person or by proxy) at a duly called Association meeting.

Section 8. "Proxy" shall mean a rightful designee of an Association member in good standing

Section 9. "Proxy Vote" shall be defined as one which is cast pursuant to a valid signed written proxy statement.

Section 10. "Adequate Notice" shall mean a period of no less than 30 days.

Article 1 (Con't.)

Section 11. "Full Disclosure" shall mean that all known information relevant to the action has been fully communicated.

Section 12. "Founding Documents" shall mean the Declarations, Restrictions and Covenants and By-Laws of the Association and any amendments as may be made from time to time.

Section 13: "Board Quorum" shall mean a majority of Directors.

Section 14. "Directors-at-Large" shall mean Association members who shall be elected as Directors to the Board at the annual meeting.

Article 2

The Association

Section **1.1** Name of the Association: The name of this property owners association is the Hillcrest Property Owners Association.

Section **1.2** Formation of the Association: The Association was formed upon withdrawal of the Developer, the Association succeeding to all the rights and privileges reserved to the Developer as given in Item 16, "Hillcrest Estates, Declaration of Restrictions and Covenants" as recorded in Book 443, page 500, in the Office of Clerk of Court, Carroll County, Virginia.

Section **1.3** Governance: The Association will be governed by the Bylaws of the Association.

Article 3

Organization

Section **1.1** The Officers of the Association are the President, Secretary, and Treasurer.

Article 3 (Con't.)

Section **1.2** The affairs of the Association shall be managed by a Board of Directors. The members of the Board of Directors will include the Officers of the Association and up to four (4) Directors-at-Large who shall be elected at the annual meeting. No Owner may be elected to serve on the Board of Directors unless the Owner is a member in good standing.

Article 4

Terms of Office

Section **1.1** The terms of the Officers and Directors will be staggered to minimize the possibility of elections that would require the simultaneous filling of appointments of all Officers and Directors. These terms shall be:

- Secretary: One (1) year
- President: Two (2) years
- Treasurer: Two (2) years
- Directors-at-Large: Three (3) years

Article 5

Duties of the Officers

Section **2.1** The **President** of the Association is the chief executive officer. The President shall:

- Sign all contracts
- Set the date for meetings
- Implement the decisions of the Board of Directors and the official actions of the Owners.
- Appoint a Nominating Committee to prepare a slate of nominees for Officers and Board of Directors to be presented to the Owners for election at the annual meeting. Nominations may also be made from the floor at the annual meeting.
- Contact realtors when lots and/or homes have been sold to procure the names of the new owners. See Section 22, Restrictions and Covenants.

Section **2.2** The **Treasurer** of the Association shall:

- Assure for the proper care and accounting of all Association funds and maintain proper financial records.
- Assist the Board of Directors in the development of an annual budget.

Duties of the Officers (Con't.)

- Collect all common expense assessments such as dues and other charges
- Submit all records as may be required for financial audits
- Prepare an annual summary report of the financial status of the Association
- Deposit all moneys in depositories designated by the Board
- Disperse funds and write and sign checks as directed by the Board

Section **2.3** The **Secretary** of the Association shall:

- Record and maintain permanent record of the official proceedings of all meetings of the Board and Association
- Maintain records of the minutes of meetings held by Committees of the Association
- Be empowered to sign and/or seal all such reports or documents as is required for the conduct of the business of the Association
- Notify members of the Association of all meeting dates in accordance with the Bylaws of the Association
- Sign checks

Article 6

Board of Directors

The Board of Directors will act as the administrative and governing arm of the Association. The President of the Association shall serve as the Chair of the Board.

Article 7

Specific Functions of the Board of Directors

A quorum of the Board will be required when voting on matters of the Association. The Board of Directors shall:

Specific Functions of the Board of Directors (Con't.)

Section **1.1** Enforce the provisions, rules and regulations of the Restrictions and Covenants and the By-Laws of the Association by all legal means.

Section **1.2** Prepare an annual budget to present to Association members at the annual meeting of the Association.

Section **1.3** Prepare an agenda to accompany the notice of the annual meeting of the Association as well as special meetings which may be called.

Section **1.4** Fix the amount of the annual assessment. The determination of the annual assessment requires a quorum of the Board as well as the support of the majority of Directors.

Section **1.5** Report any pending suits or judgments in which the Association is party to the Owners within 30 days.

Section **1.6** Regulate the use, maintenance and repair of all common areas.

Section **1.7** Propose special assessments for capital improvements after the cost is carefully analyzed and at least 2 bids obtained. Special assessments for capital improvements will require a simple majority vote of all the Owners.

Section **1.8** Impose charges for late payments of assessment and other charges.

Section **1.9** Serve as a grievance committee. Any person having a grievance shall call the President and request an appearance before the Board.

Section **1.10** Provide indemnification of the Association's Officers and Directors by securing liability assurance as well as general liability insurance for the Association.

Section **1.11** Fill the unexpired term of a Director of the Board in the event of a vacancy due to death or resignation. Said Director shall complete the vacant term of their office.

Section **1.12** Ensure that all founding documents are filed and recorded with the County in a proper and timely fashion.

Section **1.13** Ensure that all owners receive an updated listing of all lots, property owners and common areas on an annual basis.

Section **1.14** Be responsible for ensuring that a record listing all officers and directors be kept and updated on an annual basis.

Article 8

Authority and Enforcement

Section **1.1** Upon the violation of the Declaration, the Covenants, the By-Laws or any rules and regulations duly adopted hereunder, including, without limitation, the failure to timely pay any assessments, the Board shall have the power (1) to impose reasonable monetary fines which shall constitute an equitable charge and a continuing lien upon the lot or dwelling (2) to suspend an owners' right to vote in the association. The Board shall have the power to impose all or any combinations of these sanctions.

Article 9

Due Process Procedure

Section **1.1** With reference to violations other than delinquent dues and special assessments, (for due process procedure concerning delinquent dues and special assessment refer to Article 10, Section **1.3**). The Board shall not impose a fine or suspend the right to vote until notice of the violation is given as provided in Article 9, Section **1.2** below. Any penalties may be effective or commence upon the sending of such notice or such later date as may be set forth in such notice, notwithstanding the alleged violator's right to request a hearing before the Board to challenge such penalties under Article 9, Section **1.3** below.

Section **1.2** If any provision of the Declaration, the Covenants, the By-Laws or any rule or regulation of the Association is violated, the Board shall serve the alleged violator with written notice sent certified mail, return receipt requested, which shall state (1) the nature of the alleged violation; (2) the proposed sanction to be imposed; (3) a statement that the alleged violator may challenge the fact of the occurrence of the violation, the proposed sanction: or both, by written challenge and written request for a hearing before the Board, which request must be received by the Board within ten (10) days of the date of notice; (4) the name, address, and telephone number of a person to contact to challenge the proposed action. If a timely challenge is made and the violations cured within ten (10) days of the date of the notice, the Board, in its discretion may, but is not obligated to, waive any sanction or portion thereof. In the event of a continuing violation, each day the violation continues or occurs again constitutes a separate offence; and fines may be imposed on a per diem basis without further notice to the violator.

Section **1.3** If the alleged violator [timely] challenges the proposed action in a timely fashion, a hearing before the Board shall be held in executive session affording the violator a reasonable opportunity to be heard. The hearing shall be set at a reasonable time and date by the Board, and notice of the time, the date and the place of the hearing and an invitation to attend the hearing and produce any statements, evidence, and witnesses shall be sent to the alleged violator. The date shall be not less than ten (10) days from the giving of notice without consent of the alleged violator. The minutes of the meeting shall contain a written statement of the results of the

Due Process Procedure (Con't.)

hearing. This section shall be deemed complied with if a hearing is held and the violator attends and is provided an opportunity to be heard, notwithstanding the fact that the notice requirements contained herein are not technically followed.

Section **1.4** Notwithstanding anything to the contrary herein contained, the Association, acting through the Board, may elect to enforce any provisions of the Declaration, the Covenants, the By-Laws, or the rules and regulations by self-help which may include, but is not limited to, the towing of vehicles that are in violation of parking rules and regulations. The Association may initiate a legal proceeding to enjoin any violation or to recover monetary damages. In any such action, to the maximum extent permissible, the Owner responsible for the violation for which abatement is sought shall pay all costs, including attorney's fees, shall be assessed against the violating property owner.

Any legal cost associated with the enforcement of the above restrictions and covenants shall be paid by the Owner violating the restriction or covenant.

Article 10

Dues and Special Assessments

Section **1.1** Each owner shall be subject to an Annual Assessment and charge levied on each lot for the repair and maintenance of Hillcrest Estates.

Section **1.2** The annual assessment can be increased at any time by a simple majority vote of the Board of Directors. Said assessment shall be payable on or before June 1 of each year.

Section **1.3** If not paid, legal action will be taken. The annual dues and special assessments, together with costs and reasonable attorney fees shall be a charge on the land and shall be a continuing lien upon the property with costs and reasonable attorney fees, and shall be the obligation of the person who is the owner of such property. This obligation for delinquent assessments shall pass to the successors in the title to any lot.

Article 11

Procedures for Modifications of Association By-Laws and Restrictions, Covenants and Conditions by Association Owners

Section **1.1** An Owner in good standing may propose an addition, amendment or modification of the Restrictions and Covenants, Conditions (including capital improvements) and By-Laws of

the Association by submitting said proposal to the Board of Directors. The Board then has 60 days to consider the proposal before sending it to the Owners for consideration. The Board has the prerogative to issue and disseminate a statement of opinion to accompany the proposal.

Section **1.2** Subsequent to the Board's 60 day time frame for consideration, an action of the Owners may be taken by a meeting of the Owners or by a mailing to the Owners providing that adequate notice (see Article 1, Section **10**) and full disclosure (see Article 10, Section **11**) of the proposal is given to all Owners.

Section **1.3** Any action of the Owners shall require the approval of a simple majority of the votes entitled to be cast as provided herein except for changes and/or modifications of the Restrictions and Covenants and By-Laws where a two-thirds majority shall be required.

Section **1.4** An action of the Owners must be by a signed written vote of the Owners in accordance with eligible votes as provided herein. An Owner's vote may be cast by proxy pursuant to a valid signed written proxy statement.

Section **1.5.** A signed written vote of one of two or more multiple Owners of a single lot shall be a valid vote. Owners of multiple lots are entitled to one vote for each property owned and votes shall be weighted accordingly.

Article 12

Meetings

Section **1.1** The Hillcrest Property Owners will ordinarily meet annually on the Saturday of the first weekend in August. Owners will be given adequate notice of the meeting. A preliminary agenda will accompany notice of the meeting. Owners will be notified of a change in this date or of any other meetings. The notice of any meeting shall specify the date, place and hour of the meeting. A meeting agenda shall accompany the notice.

Article 13

Elections

Section **1.1** The election of Officers and Directors is held once a year at the annual meeting. Their terms of office are either one (1), two (2) or three (3) years as provided in Article 3, Section 1.3 of these By-Laws. Officers and Directors may be reelected. They are elected by simple majority vote of the Owners present.

Hillcrest Estates Property Owners Association

2013 Amendment to the ByLaws

Association Member Grievance Complaint Procedure

Section **1.1** In accordance with Section 55-530 of the Code of Virginia, Hillcrest Estates Property Owners may file a complaint with the Association. The complaint must be filed in writing and must be mailed to the Association directly. The Association shall provide written acknowledgement of the complaint within 7 days of receipt to the complainant. Such acknowledgement shall be delivered at the address provided by the complainant by registered mail, return receipt requested.

Section **1.2** Pursuant to Chapter 29 of Title 55 of the code of Virginia, The Board of Directors (Board) of the Hillcrest Property Owners Association has established its complaint form for use by persons who wish to file written complaints with the Association regarding actions, inaction or decision by the Board inconsistent with applicable provisions of Virginia laws and regulations. A copy of this form may be found on the page following the Article 10 section of the By-Laws.

Section **1.3** All complaints must be accompanied by reference of laws or regulations applicable to the complaint. The Association shall have a two week period in order to review the complaint and request additional information to continue the processing and evaluation of the complaint. Should requested information not be provided by the complainant within two weeks of the Association's request for said information, the complaint shall be deemed vacated.

Section **1.4** The complainant shall receive notice of the date, place and time of consideration of the complaint at least two weeks in advance of said date by registered mail, return receipt requested. The complainant may be present at the hearing to defend their complaint. After the final determination is made, the complainant shall receive notice by registered mail, return receipt requested. The notice of final determination shall be dated as of the date of issuance and include citations to applicable Association governing documents, laws and regulations which led to the final determination as well as the registration number of the Association.

Section **1.5** The Association Member Complaint Procedure will be made available to all members via the Association By-Laws and shall be included as an attachment to the resale certificate or Association disclosure packet. In addition, a record of each Association member complaint shall be maintained in accordance with Section 55-530 E 1 of the Code of Virginia and will be made available to the director or his designee within 14 days of request for said complaint.

Section **1.6** The notice of final determination shall include the complainant's right to file a Notice of Final Adverse Decision with the Common Interest Community Board via the Common Interest Community Ombudsman and the application contact information. A complainant may file a notice of final adverse decision in accordance with § 55-530 F of the Code of Virginia concerning any final adverse decision that has been issued by the Association.

Association Member Grievance Complaint Procedure (Con't)

Section **1.6** (Con't)

A. The notice shall be filed within 30 days of the date of the final adverse decision.

B. The notice shall be in writing on forms provided by the Office of the Common Interest Community Ombudsman. Such forms shall request the following information:

Name and contact information of complainant
Name, address, and contact information of association
Applicable association governing documents; and
Date of final adverse decision.

C. The notice shall include a copy of the Association member's complaint, the final adverse decision, reference to the laws and regulations the final adverse decision may have violated, any supporting documentation related to the final adverse decision, and a copy of the Association complaint procedure. The notice must be filed within 30 days of the final adverse decision on forms provided by Office of the Ombudsman of the CIBC at:

CICOmbudsman@dpor.virginia.gov

Or by writing to:

Common Interest Community Ombudsman
Department of Professional and Occupational Regulation
960 Maryland Drive, Suite 400
Richmond, VA 23233

D. The notice shall be accompanied by a $25 filing fee or a request for waiver pursuant to In accordance with § 55-530 F of the Code of Virginia, the board may, for good cause shown, waive or refund the filing fee upon a finding that payment of the filing fee will cause undue financial hardship for the complainant.

HILLCREST PROPERTY OWNERS ASSOCIATION
Hillsville VA 24343

ASSOCIATION COMPLAINT FORM

In the space below describe the complaint as well as the requested action or resolution. Describe the specific facts and circumstances at issue. Attach supporting materials.

Sign, date and submit the complaint to the Association as per ***Section 1.1*** *of* ***Article 10****.*

Printed name	Signature	Date

Mailing Address	Lot Number