

OAKVIEW HEIGHTS HOMEOWNERS ASSOCIATION

Community Policies and Architectural Standards

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WELCOME

You have become a homeowner in an Association that has a real sense of community. We know you will enjoy being an active part of the community.

Oakview Heights is a vibrant and exciting development designed to provide its residents a high quality of life. The goal of the Oakview Heights Homeowners Association is to help maintain the value and desirability of the community, both now and in the future.

The community concept is one of teamwork. Board Members, homeowners and management need to be united toward the common goal of enhancing the community. With your help, the rules and guidelines that contribute to the overall quality of our community will be strengthened. An investment in time and energy is required from each of us to become informed of and comply with the special requirements and responsibilities that are a part of ownership in a community that has the special qualities of Oakview Heights.

We believe our combined efforts and teamwork will yield impressive dividends for all of us. Again, welcome to the community.

This document supplements the Oakview Heights CC&Rs to provide additional guidance and clarification.

Sincerely,

The Board of Directors
Oakview Heights Homeowners Association

PURPOSE

This document supplements the DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, EASEMENTS AND RESERVATIONS FOR OAKVIEW HEIGHTS, as amended May 22, 1995 and July 20, 2007, hereinafter referred to as the CC&Rs, which is allowed by the OHHA By-Laws, Article 10 and CC&R 5.8.1. This document does not amend the CC&Rs. Where a conflict occurs, the CC&Rs shall take precedence. It is intended that this document provide CC&Rs clarification and other such definition of portions of the CC&Rs as approved by the Association’s Board of Directors. It is not intended that this document completely summarize the CC&Rs. The homeowners should be aware of the requirements described in the CC&Rs.

This document is used by the Architectural Control Committee (homeowner volunteers) in the evaluation of proposed additions and other changes to homeowner property, in addition to Article 3.3 and 3.4.

This document may be amended or revised from time to time for the purpose of addressing additional clarifications and definitions at the discretion of the Association Board of Directors. These enforcement regulations are intended to guide the Board of Directors in the interpretation of the CC&Rs and By Laws when making administrative decisions and processing violations.

Changes to this document may be taken up at any time by the elected Board of Directors or proposed by any homeowner within Oakview Heights during a regularly scheduled Board meeting for consideration by the Board.

1.1. OAKVIEW HEIGHTS HOMEOWNERS ASSOCIATION (OHHA)

OHHA is incorporated under the laws of Washington State as a non-profit corporation, with Articles of Incorporation and By-Laws governing its conduct.

1.2. GOVERNING DOCUMENTS

It should be noted that for the convenience of the homeowner, these guidelines reflect various information on assessment, architectural control and other matters, but the ultimate authorities on these matters are the governing documents of the Association as described below. Every homeowner receives these at the time of purchase of their home and has the responsibility to read all of the governing documents to familiarize themselves with these protective restrictions and requirements of living in Oakview Heights. If you have not received a copy of these documents, please request one by calling the Management Company (phone number at front of this booklet).

The OHHA has governing documents that create certain requirements, which help protect the appearance and property values in the community. These documents have a certain hierarchy, or order of authority, in relation to each other.

1.2.1. ARTICLES OF INCORPORATION

The primary document in the hierarchy is the Articles of Incorporation. The Articles establish the corporation process and protection for the Association Board Members. The articles contain basic information about the Homeowners Association, tax information, and relate to the overall operation of OHHA.

1.2.2. DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

The highest authority is the Declaration of Covenants, Conditions and Restrictions with all properly recorded amendments. These are sometimes referred to as the CC&Rs. People also commonly call them the Covenants. Plat filing maps are also considered equivalent to the authority of the CC&Rs, and are sometimes part of the CC&Rs.

1.2.3. BY-LAWS

The third level of authority in the hierarchy is the By-Laws. The By Laws set out the essence of the corporation's governance and do not relate to covenants and restrictions. These are generally related to meeting procedures and association operation, and are amended by a vote of the Members.

1.2.4. ASSOCIATION RULES AND ARCHITECTURAL STANDARDS

Association Rules are next in primacy, including the Architectural Standards and refer to the source of the Boards authority to set out Rules in CC&R 5.8.1.

1.3. RESPONSIBILITIES OF OAKVIEW HEIGHTS HOMEOWNERS ASSOCIATION

Through its Board of Directors, OHHA is responsible for the maintenance of the entrance features, designated Common Areas, enforcement of deed restrictions and rules and to perform other duties reasonably necessary or incidental to the use, enjoyment, operation, management or administration of the Association, the Common Areas or the Common Area Improvements.

1.4. MEMBERSHIP

By purchasing property within Oakview Heights, a homeowner automatically becomes a member of the OHHA. All property owners are subject to community rules, regulations and deed restrictions as set forth in the governing CC&Rs. Additionally, lots are subject to certain rules and standards as set forth by the Board of Directors of the Association.

In cases where an owner place a property up for rent or lease, the term "owner" shall also mean "owner occupant". Occupants are subject to the CC&Rs and will adhere to their provisions. All rental and lease agreements will contain a clause stating that Oakview Heights is a third party beneficiary of the provision requiring adherence to the Oakview Heights CC&Rs. A

copy of all rental and lease agreements shall be filed with and maintained by the Board of Directors or their authorized agents. The owner may allow the occupants to be a voting proxy on their behalf.

1.5. THE BOARD OF DIRECTORS

There is a three (3)-Member Board elected by the homeowners at the annual homeowners meeting. Among other things, the Board of Directors of OHHA is empowered and directed to:

- Prepare the annual budget and establish the rate of assessments.
- Provide for necessary personnel to operate the Association.
- Collect all assessments due the Association.
- Establish and amend rules and regulations.
- Enforce all provisions of the legal documents.
- Obtain adequate insurance coverage on the Common Areas within the Association.
- Keep detailed records of all receipts and expenditures.
- Appoint and dissolve committees of the Board. Delegate to these committees the Board's authority to carry out certain duties of the Association.
- Provide for the care and operation of the Common Areas.
- Establish an Architectural Control Committee.
- Take any other actions necessary for the administration of the Association.

1.6. ARCHITECTURAL CONTROL COMMITTEE

The CC&Rs (Article 3.5.2) authorize the Board of Directors to appoint an Architectural Control Committee. Article 3.2 states that all property subject to the CC&Rs is subject to architectural, landscaping, and aesthetic review by the Architectural Control Committee. The Architectural Control Committee also has the authority to propose standards such as prescribed in the architectural standards document and present these standards to the Board for consideration and approval. All changes to any property that affects the outward appearance of the property must go through the Architectural Control Committee to be presented to the Board.

1.7. ASSESSMENTS

To accomplish the tasks for which it is responsible, OHHA must have adequate operating funds. All property lots within Oakview Heights must pay annual assessments to the Association (CC&Rs Article 5.8.5). The rate of assessments required to operate the Association will be established each year by the Board of Directors, concurrent with the adoption and approval of the annual budget by the Homeowners Association membership.

The Homeowners Association is charged with the duty to vigorously pursue the collection of any delinquent assessments (CC&Rs Article 7). The Association is empowered to collect late fees and interest on past due accounts; it can cause a lien to be placed on the property; it can bring suit against the property lot(s); and can go as far as selling the property through foreclosure proceedings. A detailed Collection Policy has been developed to guide homeowners on enforcement policy; additionally, a very liberal no interest payment plan is available for anyone upon request. While the OHHA enforcement procedures may seem extreme, Oakview Heights Homeowners Association is a non-profit organization that can operate only if all lots pay the assessments when due. While some of these measures may seem extreme, it will be OHHA policy to resolve all disputes at the lowest level first before moving to legal remedies.

1.8 MANAGEMENT

To assist in the task of operating and administering OHHA, and pursuant to its powers under RCW 64.38.020(3), the Board of Directors has employed a professional Association Management Company. The Management Company works at the direction of the Board of Directors and its officers and will serve as a homeowner's point of contact in communication with the Association. A list of the responsibilities delegated to the Management Company includes the following:

- Billing and collection of assessments.
- Maintain the financial records of the Association.
- Accept and record requests for repairs or maintenance to the Common Areas.
- Supervise contractors hired on behalf of the Association.
- Act as liaison with the established committees at Oakview Heights.
- Respond to homeowner inquiries regarding the Homeowners Association.
- Administration of Common Area insurance and directors and officers insurance.
- Monitor deed restriction violations and oversee resolution of infractions.

The Management Company is not responsible for:

- Repairs or maintenance to individual homes within the Association.
- New home construction warranty items.

Association Rules

The Association Rules this policy is designed to enforce will be found in the governing documents. Any rule set forth in the governing documents that are in violation of Federal or State statute will be void and non enforceable, and shall not be relied upon for any purpose. The remainder of the governing documents shall remain in full force and effect.

The least enjoyable fact of life for any Board Member is the need to enforce the rules by resorting to fines and property liens. In extreme cases, the Board has the authority to have a contractor perform the required work and bill the offender. Your careful attention to this handbook and the “Golden Rule” should be enough guidance to avoid any of these problems. Here are a few facts to keep in mind:

2.1 VOLUNTARY COMPLIANCE

The primary way high community standards are preserved at Oakview Heights is for everyone to voluntarily follow the CC&Rs and be good neighbors. As a result, the Board should not have to take enforcement action often to restore compliance with the Rules and Covenants.

2.2 BOARD AUTHORITY

Occasionally some Owners/ owner occupants will fail to comply with the CC&Rs, so something more is needed to bring them into compliance. This Enforcement Policy (“Policy”) is meant to guide the Board in acting to restore a homeowner’s compliance with the CC&Rs through a process that is fair, efficient and effective.

The Board has the authority to enforce the rules (Article 5.8)

The CC&Rs give the Board broad authority and a variety of tools to use in preserving and advancing the community-wide standards through enforcement of the governing documents. The Board is authorized to create rules, regulations, procedures and penalties, and may use its discretion to determine the manner in which enforcement is to be achieved.

The Board has a variety of means to ensure that everyone follows the rules, including:

- Suspension of voting rights;
- Imposing a financial penalty;
- Taking action to cure the violation and charging the Owner for the cost of the work;
- Charging the Owner for all legal fees incurred by the Association;
- Preventing a contractor, agent, or others from continuing work;
- Requiring an Owner to pay for the costs of removing the problem and restoring the condition of the property;
- Imposing a specific assessment or charge to cover the costs of repair;
- Filing a lien against the property; and/or

- Filing a lawsuit to get a court order requiring compliance, as well as a judgment for all damages, attorney’s fees and costs incurred.

2.3 ENFORCEMENT PROCEDURES

The following procedures have been adopted by the Board to enforce the CC&Rs.

2.4 DISCRETION OF BOARD

The Board retains discretion to determine whether it will enforce against any violation and whether and the extent to which the Association will spend money, issue notices, impose fines or conduct hearings to seek compliance based on factors including but not limited to staffing and financial resources, the context of the violation, mitigating circumstances, gravity of the violation and the best interests of the OHHA; however the Board will not make any determination as to enforcement based on criteria prohibited by state and federal laws against discrimination.

2.5 IDENTIFYING A POSSIBLE VIOLATION

Oakview Heights has primarily a complaint-based enforcement system. Possible violations may be identified by periodic inspections by the Association Manager or the Board, by an Owner’s written complaint, or by other reasonably reliable means. The Association Manager and the Board have no obligation to perform inspections.

2.5.1 WRITTEN COMPLAINT

Owners are encouraged to take responsibility for the condition of the Association properties. Any Owner may bring a possible violation to the Board’s attention through a written complaint, e-mailed, or mailed to the Association Manager. The complaint must identify the property address or Owner, and must specifically describe the violation and date of the violation. Complaints may, but are not required to, be kept confidential.

2.6 “THREE STEP” APPROACH AND FINE SCHEDULE

The Board may use a “three step” approach for handling violations, unless a violation constitutes a health or safety hazard in the Board’s sole subjective determination, the proper governmental authorities may be called in for assessment and action. If the situation does not require immediate resolution, but still presents a hazard, the Board may impose a fine within seven days after sending a notice, once steps one and two are completed.

2.6.1 STEP ONE

Written notice to the owner and the owner occupant of the violation observed with a request that the matter be rectified: After the first violation, the Association Manager will send or

deliver a notice to the Owner/owner occupant at the property address, requesting voluntary restoration of compliance with the Covenant or Rule being violated.

2.6.2 STEP TWO

Second written request and notice that Owner/owner occupant could be fined: If the violation is not corrected within 14 days of the date of the first request letter, or a similar violation occurs again within a year, a second notice will be sent to the Owner/owner occupant advising that a fine may be imposed in fourteen days if the violation still continues absent an acceptable written justification or mitigating circumstances along with a plan for correction.

2.6.3 STEP THREE: Fines

If the Owner/owner occupant fails to correct the violation identified in a second written notice within fourteen days of the date of the second notice letter, a fine may be imposed. If the violation still continues after 30 days from the date of the letter in which the first fine was imposed additional fines may be imposed in accordance with the fine schedule set forth below. An invoice showing the fines will be sent to the Owner/owner occupant.

Fines are not an exclusive remedy. The Board may resort to other remedies in addition to, or instead of, fines. Fines shall be considered special assessments, which may be collected or otherwise administered as described in the CC&Rs. Paying a fine does not relieve a person from the responsibility to cure a violation. OHHA fines are in addition to any fines or criminal penalties that may be assessed by a court of law having proper jurisdiction over the matter at issue.

2.6.4 DUE PROCESS HEARINGS

If an Owner/owner occupant is in disagreement with a complaint or the steps taken through the Board to remedy the complaint, or is unable to meet the requirements of the remedy, the owner/owner occupant may request a Due Process Hearing (Hearing) pursuant to the following guidelines:

- a) All requests for a Hearing must be made in writing to the Board of Directors within 14 days of being notified of the complaint or 14 days after the first fine or other action outlined in section 2.2 of this document is taken.
- b) All requests must detail the complaint, the actions taken against the owner/owner occupant, and why the hearing is being requested.

The composition of the Hearing Board will be a group of impartial representatives in good standing from the Association. The Board will have specific authority and be comprised of the following individuals:

- a) Chairman: One (1) member from the Board of Directors shall serve as the Chairman of the Board.
- b) Members: The Hearing Board will include two (2) impartial members from the Community.
- c) Authority: The Due Process Hearing Board is authorized and empowered to investigate, hear and determine all complaints concerning violations of the CC&R's, Bylaws, Architectural Guidelines, Rules and Regulations and other Association Policy by any Homeowner, an occupant of the Homeowner's residence, or the Homeowner or occupant's family, guests, employees, contractors, agents, lessees, or invitees or the Association. The Hearing Board is also authorized to impose Fines and Damage Assessments as provided for in Section 2.6.3 of this document and to require the non-prevailing party to reimburse the Association for its costs, including reasonable attorney's fees, in connection with the complaint.

Due Processing Hearing Procedures: The Hearing Board will adhere to the following procedures:

- a) The Due Process Hearing Board will respond to each Hearing Request within thirty (30) days after receiving the written request by scheduling a Hearing.
- b) The date of the Hearing will be not less than seven (7) days and not more than thirty (30) days from the receipt of the request for a Hearing.
- c) The Board may schedule Hearings that do not conform to the above time lines if an emergency situation requires immediate action by the Hearing Board.
- d) If the date of the Hearing is not acceptable, the parties have three (3) days from receipt of a Hearing Notice to request a new Hearing Date; the request for change of Hearing must be received within the three (3) day timeline; the Board will reissue a new Hearing Notice within three (3) days. The new Hearing Date need not be more than seven (7) days from the new Hearing Notice, but in all cases must be within thirty (30) days from the original request for a Hearing.
- e) Only in cases of emergency will a Hearing be rescheduled after the three (3) day timeline to request a change in Hearing has elapsed. The Hearing Board will determine the acceptability of the emergency.
- f) Parties at the Hearing: The hearing may be attended by the Due Process Hearing Board as described above; the complaining party, the party requesting the Hearing, and any witnesses or other persons who may have an interest in the Hearing.
- g) Each party has the right to representation by counsel at his/her own expense. Due to the limitations of space or the issue to be discussed, the Hearing Board may conduct the Hearing in executive session.
- h) Procedure at the Hearing: The Hearing will be a formal meeting with a Chairman as described above. At the beginning of the Hearing the Chairman will explain the rules and procedures by which the Hearing is to be conducted. Both sides will present evidence, witnesses and testimony regarding the complaint without interruption. Either party may make a claim in writing to the Hearing Board instead of being present at the Hearing. Note: This will preclude the Hearing Board from asking relevant or

clarifying questions prior to rendering a decision.

- i) The Hearing Board may expel any person from any Hearing for improper, disorderly or contemptuous conduct.
- j) Default: If either party concerned in the claim fails to appear for reasons other than an emergency, the Hearing Board will base their findings on whatever evidence is presented at the Hearing, regardless of that party's presence. If the Hearing Board needs to reschedule the Hearing Date due to an emergency, the parties will be informed of a new Hearing Date pursuant to Section (d).
- k) Decision. The Hearing Board will notify all parties concerned of its decision within ten (10) days of the Hearing.
 - i. The decision will be in writing and will include findings of fact and the conclusions based on cited rules. The decision will be entered in the Association's minutes and become a permanent part of the Association's records. The decision will be public record unless either party requests a sealed file; the decision to seal a record is at the sole discretion of the Hearing Board.
- l) Upon the Hearing Boards discretion, a verbal decision may be made at the time of the Hearing if the Hearing Board determines that immediate action is required; written notice of the Hearing Boards decision, as noted above, will also be provided within the ten (10) day timeline.

2.7 STOP WORK ORDER

In addition to imposing a fine, if appropriate based upon the nature of the violation, the Association Manager may issue a Stop Work Order to any person engaged in an unauthorized activity. An unauthorized activity is any activity which violates the CC&Rs or the Rules promulgated by the Board, including the Architectural Standards, or require the prior written approval of the Board or the ACC Committee, which has not received prior written approval. A Stop Work Order shall:

- a) Identify the property's address;
- b) Describe the unauthorized activity;
- c) Identify the specific prior approval requirement being violated;
- d) State that the unauthorized activity shall immediately cease, and describe any additional sanctions to be imposed;
- e) State that the delivery of the Stop Work Order serves as a determination that a violation has occurred;
- f) State that this determination is final unless it is appealed to the Board, in writing, to the within 10 days of the date that the Stop Work Order was issued; and
- g) State that failure to immediately comply with the terms of the Stop Work Order will cause a fine to be imposed and may subject the Owner/ owner occupant to any and all other penalties and remedies allowed by law, including but not limited to, the filing of a criminal complaint, if applicable, and judicial application for injunctive relief.

2.8 FEE AND FINE SCHEDULE

For CC&R Violations

First Notice Written warning notice

Second Notice \$25.00 (If not remedied within the specified 14 days)

Third Notice \$50.00* (if violation continues un-remedied)

Fourth Notice \$100.00* (the fine shall be assessed on a continuing basis, as outlined with each notice, until the violation is remedied).

For ACC Violations

First Notice Written warning notice

Second Notice \$25.00 (If not remedied within the specified 14 days)

Third Notice \$50.00* (if violation continues un-remedied)

Fourth Notice \$100.00* (the fine shall be assessed on a continuing basis, as outlined with each notice, until the violation is remedied).

*These fines are in addition to the previous month's fines. For example, the total fines for covenant violations 3 months past the date of written notice would be \$25.00+\$50.00+\$100.00 for a total of \$175.00 and an additional \$100.00 every 30 days after that.

2.9 ASSESSMENT COLLECTION POLICY

1. Annual assessments are due on July 31st each year.
2. Assessments are considered delinquent if not received by thirty (30) days after the due date.
3. Delinquent assessments will accrue a \$20 monthly late fee and interest at a rate of 12% per annum.
4. If after ninety (90) days delinquency, the assessment remains unpaid (and the owner/owner occupant makes no attempt at arranging payments) the Association will send Notice of Intent to Lien to the owner(s)/owner occupants last known address via certified mail.
5. If no payment is received within thirty days of the mailing of the Notice of Intent to Lien, a lien will be recorded against the property and the owner(s) thereof. All fees and costs associated with recording the lien will be added to the total delinquent amount secured by the lien. The lien shall have perpetual existence until the assessments are paid and will include late fees and interest that continue to accrue.
6. The Association may, without further advance notice to the owner(s) proceed to take any and all additional enforcement remedies, including use of a collections agency, non-judicial foreclosure of such lien, judicial foreclosure, or suit for money damages, all at the expense

of the property owner.

7. The Association may recover all reasonable costs incurred in collecting any delinquent assessment, including reasonable attorney's fees.

The Association may, for good cause and at its sole discretion, agree to a payment plan, which permits payment of the delinquent assessments(s), late charges, interest and other related collection costs.

8. All payments received by the Association, regardless of the amount paid, will be directed to the oldest assessment balances first, until such time as all the assessment balances are paid, and then to late charges, interest and costs of collection unless otherwise specified by written agreement.

9. There will be a \$25.00 charge for checks that are returned for insufficient funds

10. All notices will be mailed to the owner(s) at the last mailing address provided in writing to the Association by such owner(s).

11. The mailing address for payment of assessments is:

Oakview Heights

c/o HOA Community Solutions

5500 Olympic Drive

Suite H-105

Gig Harbor WA 98335