

LAKEVIEW ESTATES HOMEOWNERS ASSOCIATION

RULES AND REGULATIONS

VIOLATION FINES AND DUE PROCESS PROCEDURES FOR NOTICE AND OPPORTUNITY TO BE HEARD

1.1 Introduction. These Violation Fines and Due Process Procedures for Lakeview Estates Homeowners Association have been adopted by the Board of Directors pursuant to the authority granted in R.C.W. § 64.38.020(11), which states that the Association can levy reasonable fines, in accordance with a previously established schedule adopted by the Board of Directors and furnished to the owners, for violations of the Declaration, Bylaws, the Association's Rules and/or Regulations, or other decision or resolution of the Board (collectively hereinafter, "Governing Documents"). This document shall not be interpreted so as to supplant or amend the Declaration of Covenants, Conditions and Restrictions ("Declaration") or Bylaws of the Association, or any provision thereof. In the event of any conflict or inconsistency between this document and the Declaration or Bylaws, the Declaration or Bylaws (as the case may be) shall supersede and apply.

1.2 Investigation/Notice of Violation. Once a possible violation has been reported to or otherwise becomes known to the Board, the Board will use ordinary and reasonable care in determining whether to issue a violation notice to the offending owner. If a violation is believed to exist, the Board will designate a Point Person who will send written notice of the violation to the offending owner stating the specific provisions of the Governing Documents or decision of the Board that are alleged to have been violated. The violation notice shall state, to the extent applicable and reasonably ascertainable, the following: (a) the time(s) and date(s) of the alleged violation; (b) the location or site address of the alleged violation; (c) the nature of the violation and provisions of the Governing Documents alleged to have been violated; (d) the fines or penalties that will be imposed, if the violation is determined valid; (e) the date at which the fines or penalties will begin.

1.3 Service of Violation Notice. Within fifteen (15) calendar days of the Board's decision to issue a violation notice, the Board shall cause a copy of the notice together with a copy of these Rules and Regulations, to be served upon the offending owner at either his or her mailing address or email address on file with the Association. If an owner has not provided another address to the Board for purposes of receiving mailings and notifications from the Association, the address of the owner's lot within the association community shall be conclusively presumed to be the owner's address for purposes of receiving violation notices. Service of any documents upon the Association by the owner or his/her agents shall be made by service upon the Secretary or President of the Association, or the Association's assigned Point Person or attorney, as directed to do so by the Point Person in writing.

1.4 Suspension of Voting Rights. Pursuant to the Bylaws, the Association has the right to suspend voting rights and the rights to use the community lake access for a period not to exceed thirty (30) days for any infraction of the Association's published rules and regulations. The same procedure, as set forth herein for notice and opportunity to be heard as to violations of the Governing Documents, shall be applied with respect to suspension of voting rights and the rights to use the community lake access.

1.5 Right to a Hearing.

1.5.1 Opportunity to be Heard. Upon service of a violation notice pursuant to sub-section 1.3 above, the owner shall be entitled to request a hearing to contest, defend, or otherwise offer information or testimony regarding the circumstances relating to the alleged violation.

1.5.2 Request of Hearing. The owner must request a hearing, in writing or by email to the President or Secretary or Point Person, within fifteen (15) calendar days after being served with the violation notice in accordance with sub-section 1.3 above. The request for a hearing must contain the following:

1. The owner's name, email and mailing address;
2. The address or lot number of the owner's lot within the association community (if different than the owner's mailing address);

3. The name and address of any non-owner occupants of the owner's Lot, except for minors;
4. A statement setting forth the owner's defenses or other objections to the violation notice;
5. A copy of all documentation the owner intends to offer in support said owner's position or in defense of the violation notice;
6. The name of any attorneys, witnesses or other collaborating guests that are expected to attend the due process hearing; and
7. The owner's signature and the date of delivery or mailing to the Board.

1.5.3 Failure to Request Hearing. An owner shall be found liable for the violations stated in a duly served violation notice, if said owner fails to: (a) request a violation notice hearing within the fifteen (15) day period set forth in paragraph 1.5.2 above; or (b) fails to materially comply in all respects with the requirements contained in sub-section 1.5.2 above.

1.6 Hearing Board. Hearings with respect to violation notices shall be handled by the Board of Directors or a Hearing Board of at least three persons appointed by the Board of Directors, two of such persons must be Board members ("Hearing Board"). The Hearing Board shall select from among its members a Chairman of the Hearing Board and a Secretary of the Hearing Board. The Hearing Board is authorized and empowered to investigate, hear, and determine all violation notices issued for violations of the Association's Governing Documents. The Hearing Board is further authorized and empowered to impose fines as provided for herein upon any person whom it finds to have violated the Governing Documents, and to require the non-prevailing party to reimburse the Association for its costs, including reasonable attorney's fees, in connection with the matter. Nothing herein shall be construed to prevent the Board of Directors from serving as the Hearing Board. A Hearing Board member who is the alleged violator must be replaced by the Board of Directors and cannot participate in any manner as a Hearing Board member.

1.7 Hearing Procedure.

1.7.1 Confirmation of Request for Hearing. An owner will be sent confirmation by the Hearing Board of its receipt of the Request for Hearing made pursuant to Section 1.5.2 of these Rules and Regulations.

1.7.2 Notice of Hearing Date. No later than thirty (30) calendar days following the Association's receipt of an owner's Request for Hearing, the Hearing Board shall email, mail or deliver notice to the owner of a hearing date, which notice will provide the date, time, and location of the hearing, which is to be determined by the Hearing Board.

1.7.3 Order of Proceedings. The order of proceedings for a violation hearing shall be as follows:

(a) Each party to the proceeding is entitled to make a statement of their version of the facts, starting with the Association. The Lot Owner(s) will have up to fifteen (15) minutes for their statement at the hearing.

(b) If the Association is the complainant, then a member of the Board, the Association's manager, attorney, or other designated agent shall be entitled to speak for the Association at the hearing.

(c) Each party, starting with the Association, is entitled to produce evidence, witnesses and testimony; except that, no witnesses (other than Board members, complainant or offending owner) shall be permitted to testify unless disclosed to the other party at least 72 hours in advance of the hearing.

(d) Depending on the circumstances, the Hearing Board may decide, in its discretion, to conduct the hearing in closed executive session pursuant to RCW 64.38.035(4).

(e) The Hearing Board may expel or trespass any person from any hearing for improper, disorderly or contemptuous conduct.

(f) The Hearing Board may exclude irrelevant, immaterial or unduly repetitious evidence.

(g) At the conclusion of the presentation, the hearing will adjourn, and the Hearing Board will review the testimony, information, and documentation offered at the hearing.

1.7.4 Deliberation. As soon as possible after conclusion of the hearing, the Hearing Board shall meet in executive session to deliberate and reach a decision concerning the alleged violation. A vote of a majority of the members constituting the Hearing Board shall be controlling as to such decision. The decision of the Hearing Board shall be in writing and shall contain a finding as to whether or not the Respondent/Owner violated the Governing Documents or other decision of the Board.

1.7.5 Notification of Decision. Within ten (10) calendar days of the hearing, the Hearing Board will email, mail or deliver written notice to the owner, who was alleged to have violated the Governing Documents, of the Hearing Board's decision.

1.8 Fine Schedule. The Board may impose fines on the following basis, as it deems appropriate, for violations of the Governing Documents: (1) on per day for violations that are ongoing; (2) on a per incident/offense basis for intermittent or periodically occurring violations; and (3) for a specific fine amount for a particular violation, as stated in the Association's Governing Documents.

1.8.1 Per Day Basis. Fines shall be imposed and accrue at the rate of twenty-five (\$25) per day for each violation of the Governing Documents until the violation is completely cured or abated.

1.8.2 Intermittent Offenses. For intermittent or periodic violations that do not continue for more than two consecutive days, the following fine schedule shall apply:

1st Offense: \$25.00

2nd offense: \$50.00

3rd offense: \$100.00

4th offense and each subsequent offense: \$100.00 per offense

1.8.3 Specific Violation Fines. The Board may also adopt, publish, and levy specific violation fines applicable to particular offenses/violations of the Governing Documents. If a specific fine amount or fine schedule is provided with respect to a particular violation, then that specific fine amount or fine schedule shall apply. In addition, if the Declaration or Bylaws set forth a specific violation fine or penalty for a particular offense, then the fine or penalty specified in the Declaration or Bylaws shall supersede and apply.

1.8.4 No Duplication of Fines for Same Offense. In no event shall the Board impose fines for the same violation under more than one of the above sub-sections (1.8.1 thru 1.8.3).

1.8.5 Warning Notice. Nothing herein shall be construed as prohibiting the Board or Hearing Board from issuing a warning notice prior to imposing fines. If the Board of Directors regards the Lot Owner(s) knowledge adequate at the time, the Board of Directors may describe, with reasonable particularity, the action deemed necessary to correct the violation and state a deadline for correction of the violation. Prior to correction deadlines being set the Board of Directors may also choose to engage a process of discovery with the Lot Owner(s). In any event, throughout any process of Notice of Violation or discovery the Board of Directors will always state deadlines for correction and/or return communication expected from the Lot Owner(s). Except in cases of emergency the deadlines may not be less than ten (10) days, but the Board of Directors may set a longer deadline if reasonable under the circumstances.

1.8.6 Collection of Fines. All fine payments will be due within ten (10) days of billing date. Any fines not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of twelve percent (12%) per annum compounded annually. All fines imposed by the Association upon a Lot Owner(s) which remain unpaid for ninety (90) days shall automatically constitute a lien on the Lot and all its improvements, and may be handled and foreclosed upon in the same fashion as if it were a lien for unpaid assessments under the Association's governing documents and the laws of the State of Washington. Liens filed with Mason County will include unpaid fines, interest, and lien fees. Levied fines are the personal obligation of the Lot Owner(s) that may be reduced to judgment in the same manner as any other debt.

2. RESPONSIBILITY OF OWNERS

2.1 Compliance. Each owner is responsible for ensuring that said owner's tenants, invitees, guests and any occupants of said owner's Lot, comply with the Association's Governing Documents.

2.2 Copy of Governing Documents. Each owner who rents or leases a Lot in the Association or allows a non-owner to occupy his or her Lot without the owner residing thereon, shall provide such tenant, lessee, or non-owner occupant with a complete copy of the Governing Documents.

2.3 Owner Liable. Owners shall be personally liable for any violations of the Governing Documents, including without limitation fines and penalties, arising or resulting (whether directly or indirectly) from the actions or inactions of their tenants, guests, invitees, licensees or other non-owner occupants of their Lot(s). In addition, to the extent that any common expense (such as, cost incurred by the Association to repair damage to the common areas) is caused by the misconduct of an owner's tenant, guest, invitee, licensee, or occupant of said owner's Lot, the Association may assess that common expense against the owner and his or her Lot, if authorized by the Governing Documents or applicable law.

3. RULE ENFORCEABILITY AND EFFECTIVE DATE

These Rules and Regulations shall supersede and replace any previously adopted Rule and/or Regulations as to the matters addressed herein. If any portion of these Rules and Regulations are determined to be legally unenforceable, it shall not negate the enforceability of the remaining portions of these Rules. These Rules and Regulations shall be effective thirty (30) days after said Rules have been both adopted by the Board and furnished to the owners. A copy of the Rules and Regulations then in force shall be retained by the Secretary of the Association and shall be available for inspection by any owner during reasonable business hours. These Rules and Regulations shall have the same force and effect as if set forth in the Declaration.

DATED AND ADOPTED May 31, 2020

**LAKEVIEW ESTATES HOMEOWNERS ASSOCIATION, a
Washington non-profit corporation**

By: Jeremy Judd
Its President
Print name: Jeremy Judd

By: Bruce H. Robinson
Its Secretary
Print name: Bruce H. Robinson