

SILVER LAKE FOREST RESERVE ASSOCIATION
BOARD RESOLUTION RE: ENFORCEMENT POLICY, FINE & FEE SCHEDULE

At a meeting of the Board of Directors ("Board") of the Silver Lake Forest Reserve Association ("Association"), held on the MONDAY day of OCTOBER 17, 2022 at the address of Lot # 28 - Coppola Way (or, if virtual, meeting ID N/A), at the time of 7pm the Board states as follows:

WHEREAS, a meeting of the Board was convened at the time, date and place set out above. This meeting was open to all members to observe.

WHEREAS, the undersigned Secretary attests that Board members were provided notice, or waived notice in writing or by attending the meeting, and that a quorum of Board members was present either in person or by conference telephone or video equipment where all participants could be heard and participate in the meeting.

WHEREAS, the Board is empowered to enforce the provisions of the Declaration of Easements, Covenants and Restrictions for Silver Lake Forest Reserve Association (as amended, the "Declaration"), the Articles of Incorporation, the Bylaws and the Rules and Regulations of the Association (together, as any of them may be amended, the "Governing Documents"). All Owners are similarly burdened and benefitted by the Governing Documents, and compliance is expected with voluntary compliance highly encouraged and appreciated. Correcting compliance issues and violations at the lowest possible level is in the best interests of the Association because it can reduce the amount of administrative time necessary to deal with infractions, shorten the duration of infractions, and may save in legal expense. It also promotes a harmonious living environment.

WHEREAS, establishing and distributing a fine schedule and procedures for imposing fines and certain other enforcement actions for violations of the Governing Documents places Owners and residents on notice of the consequences of their actions and ensures due process in the administration of fines or other enforcement actions. This transparency enhances deterrence and promotes the overarching goal of voluntary compliance.

WHEREAS, the Board's and Association's powers to take the actions set out herein are set out in the Washington Homeowners' Association Act, RCW 64.38 *et seq.* ("HOA Act"), the Washington Nonprofit Corporations Act, RCW 24.03A *et seq.* ("Nonprofit Act"), the Articles of Incorporation ("Articles"), the Declaration, and the Bylaws, including, but not limited to, the sections set out below:

1. RCW 64.38.020(1) provides that the Association may adopt and amend bylaws, rules, and regulations.
2. RCW 64.38.020(11) empowers the Association to impose and collect charges for late payments of assessments, and, after notice and opportunity to be heard, levy fines for violations of the Governing Documents according to a previously established schedule.
3. RCW 64.38.020(13) & (14) provide that the Association may exercise any other powers that may be exercised by a nonprofit corporation in Washington and may exercise any other powers necessary and proper for the governance and operation of the Association.

4. RCW 64.38.050 states that any violation of the provisions of the HOA Act entitles an aggrieved party to any remedy at law or equity, and that a court may award reasonable attorneys' fees to the prevailing party.
5. The Recitals to the Declaration explain that the covenants exist to protect the value and desirability of all the Properties of the Silver Lake Forest Reserve and that the covenants shall bind, burden and benefit each and every Owner and occupant of property in the Association.
6. Section 8.1 of the Declaration provides that the Board has the right to enforce use restrictions and rules, and to adopt a fee schedule.
7. Section 8.1 and 8.5 of the Declaration requires occupants as well as Owners to comply with the Governing Documents and allows fines to be levied against occupants. An owner is responsible for paying any fine levied against an occupant of the owner's Lot that the occupant fails to pay.
8. Section 8.30 of the Declaration provides that the Association may enter upon any Lot to remediate any uncorrected violation of the restrictions in Article 8.
9. Section 9.1E of the Declaration provides that the Board may enforce the Declaration through legal action.
10. Section 9.1F of the Declaration provides that the Board may impose and collect any payments, fees or charges for use and operation of the Access Road or administration of the Association.
11. Section 9.1G of the Declaration expressly empowers to the Association to levy reasonable fines, Subsection H expressly provides road use deposits for activities and Subsection I provides such fines can be collected by the Association.
12. Section 9.2 Governance. The Association shall be governed by a Board of Directors in accordance with the Articles of Incorporation, The Bylaws, and this Declaration.
13. Section 10.10 of the Declaration provides that failure to enforce in one instance shall not be a waiver of enforcement rights for similar violations in the future.
14. Section 10.8 of the Declaration empowers the Association to exercise any right or privilege given to it expressly by the Declaration, and every other right or privilege reasonably implied from the existence of any right or privilege given to it therein or reasonably necessary to effectuate any such right or privilege.
15. Article IV of the Articles provides that the Association has the power to take any lawful action necessary, appropriate, or desirable to carry out its purposes consistent with the Nonprofit Act and the Article 8 of the Declaration.
16. Bylaws Article IV, Section (1) provides that the Board may exercise all powers of the Association and do all lawful action as are allowed under Washington law.

HEREAS, the Board considered the reasonableness, necessity and importance of the enforcement policy, fine and fee schedule adopted by this resolution and found it to be reasonable, necessary, and important.

WHEREAS, the Board reviewed the policies adopted by this resolution and found them to be fair and to treat all Association members equally.

WHEREAS, the Board reviewed the policies herein for clarity, and believes the rules are clear which will enhance their effectiveness.

WHEREAS, the rules adopted by this resolution relate to the preservation, protection and enhancement of the Association, the Property and the Lots through enforcing the Governing Documents, as following the Governing Documents presumptively relates to preservation, protection and property enhancement.

WHEREAS, the rules adopted by this resolution were carefully reviewed for consistency with the Declaration and legality under state and federal law.

NOW THEREFORE, the Board, with respect to the powers outlined above, the Governing Documents, and the law, in consideration of the Association's best interests, and after consideration and deliberation regarding the matters set forth herein, resolves as follows:

BE IT RESOLVED, that the attached Enforcement Policy with Fine & Fee Schedule is hereby adopted and shall become part of the Association Rules and Regulations. It shall be mailed to all Lot Owners at their Lot addresses unless another address has been provided to the Board (or emailed to those owners who have consented to receive electronic notice), and shall become effective fifteen (15) days after mailing to all Owners, and shall supersede all previous enforcement policies.

DATED this Monday day of October 17, 2022.

SILVER LAKE FOREST RESERVE ASSOCIATION

By: 
Philip Cappalunga, its President

ATTEST: The above resolution was properly adopted.

By: 
CHRISTOPHER VARGAS, its Secretary

SILVER LAKE FOREST RESERVE ASSOCIATION

Enforcement Policy with Fine & Fee Schedule

All Owners of Lots within Silver Lake Forest Reserve are members of the Silver Lake Forest Reserve Association ("Association"). By virtue of their ownership and membership, Owners are subject to the Association's "Governing Documents," which consist of the Declaration of Easements, Covenants and Restrictions for Silver Lake Forest Reserve Association (as amended, the "Declaration"), the Articles of Incorporation, the Bylaws, the Rules and Regulations of the Association, and resolutions of the Board of Directors ("Board").

The Governing Documents similarly burden and benefit each Owner, and each Owner is required to strictly comply with the Governing Documents. Owners are responsible for ensuring their tenants and guests comply with the Governing Documents. Failure of an Owner, or their tenants or guests, to comply may result in demand to comply, issuance of fines, or legal action to recover sums due for damages or injunctive relief.

This Enforcement Policy with Fine & Fee Schedule sets forth the typical procedures the Board will follow in the event of violations of the Governing Documents. It also lists the amounts of fines, including those for continuing or uncorrected violations, certain fees, and how an Owner or significantly affected person will be provided an opportunity to be heard before a proposed fine is assessed to their account. Notice and opportunity to be heard will be provided whenever a fine is proposed, however, the Board may elect to use the hearing procedures herein for any matter, scenario or situation where the Declaration or law requires a hearing, or the Board believes a hearing will help with the fair and orderly administration of the issue at hand.

This enforcement policy is not a waiver of any of the Association's rights to enforce violations in any manner allowed under the Governing Documents or at law.

By adopting this enforcement policy, the Board means to promote voluntary compliance. Your cooperation is appreciated.

A. Fine & Fee Schedule.

Fines and fees are as follows:

For violations categorized as "**Tier 1**," the following apply:

First Violation	Warning
Subsequent Violation Within 12 months	\$50.00
Repeated Violations Within 12 months*	\$100.00 per occurrence
Continuing or Uncorrected Violation **	\$250.00 per month

For violations deemed "**Tier 2**," the following apply:

First and Each Additional Violation Within 12 Mo.	\$100.00
Continuing or Uncorrected Violation**	\$250.00 per month

ACC Review/Application Fee	\$50.00 (plus actual costs of review, including expert fees & costs, if any)
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Fees Related to Collections	See, Collection Policy
Gate Card (New/Replacement)	\$25.00

Tier 1 violations are infractions of any provision of the Governing Documents not included in Tier 2.

Tier 2 violations are infractions of any of the following provisions:

Declaration:

- a. Article 8, Sections 8.19, 8.20, 8.29A
- b. Failure to obtain or apply for any pre-approval required under the Governing Documents before performing work to any part of a Lot or the Property, including but not limited to construction, alteration, remodeling, tree work or other alteration or improvement. Tier 2 is also applicable to any situation where work is performed or completed in a manner other than as approved.

Although not required, the Board may send a Warning Letter for a Tier 2 violation before issuing a Violation Letter & Proposed Fine.

**A fine in the amount of \$100.00 per occurrence will be imposed for each repeated violation of the same or similar type within a twelve-month period and may be imposed without a warning letter.*

***For a violation that is continuing in nature, fines of \$250.00 will be imposed on a monthly basis until the violation is discontinued or remedied, and may be prorated depending on when a violation is corrected.*

Fines stated above are in addition to, and not in lieu of, any right of the Association to require Owners to remedy violations of the Governing Documents, to charge Owners for remedial action taken by the Association, or to utilize any other action or remedy available to the Association by law or in the Governing Documents. Only one warning letter per type or category of violation need be provided in any 12-month period.

B. Procedures for Notice of Violations. If the Association receives information suggesting that there has been a violation of the Governing Documents, after reasonable inquiry into the circumstances surrounding the allegations, the Association may take the following actions:

1. **First Violation. Warning Letter.** A Tier 1 violation of the Association's Governing Documents will result in a written Warning Letter containing a brief description of the violation and a warning that continuing or future violations may be subject to fines or other enforcement action. Some situations may require immediate action, but unless otherwise stated in the Warning Letter, or as may be required by the Governing Documents for certain types of violations, Owners will have 30 days to correct the violation (or provide the Board an acceptable plan to correct, as the case may be).

2. **Subsequent Violations (or a Tier 2 Violation). Violation Letter (a.k.a. Notice of Hearing) & Fine.** A second Tier 1 violation, a violation of the same or similar type or a violation not corrected within the time expressed in the Warning Letter, or a Tier 2 violation, will be subject

to a fine as provided in the Fine & Fee Schedule. The Owner will be sent a Violation Letter and notice of hearing describing the violation, the proposed fine, and providing opportunity to be heard regarding the violation.

3. **Mail or Personal Delivery.** All Warning Letters and Violation Letters will be sent by mail to the Lot address unless an alternate address has been given in writing by the Lot Owner to the Secretary of the Association prior to the date of the Notice of Violation; or, if the Owner has consented in writing to receive electronic notice, the Association may instead send the letters via email in addition to or instead of regular mail. In addition to regular mail, Certified Mail and email may, but are not required to be used. Owners are required to provide the Association with the Owner's current mailing address if different from their Lot address.

4. **Owners Responsible for Guests and Tenants.** Owners are responsible for their occupants, guests, tenants, agents, contractors and invitees. If a non-Owner occupant of a Lot is in violation of the Governing Documents, the Warning Letter, Violation Letter, or other notice will be sent to the Owner in addition to the occupant (if known) at the Lot address. A Lot Owner is responsible for notifying his or her tenants or occupants, paying any fines or other charges an occupant fails to pay, and taking corrective action.

C. **Opportunity for Hearing.** An Owner, tenant, or occupant of a Lot against whom the fine is proposed, and any other person whose interest would be significantly affected, is entitled to a hearing before a proposed fine is assessed.

1. **Notice of Hearing.** If a fine or fines are proposed, the Violation Letter will provide the Owner (and tenant, occupant, or other person whose interest would be significantly affected) with a notice of hearing before the Hearing Board regarding the violation. The Hearing Board may be the Board, the Association's Managing Agent, or a committee designated by the Board. The notice of hearing will include:

- i. *A general statement of the violation*
- ii. *A general statement of the proposed action or fine*
- iii. *The date, time and place of the hearing (hearings may be held virtually, such as via Zoom or other video or teleconference services whereby all attendees can be heard and participate) which date shall be at least five (5) days from the date the Notice of Hearing is provided. The Hearing Board may, but is not required, to agree to a different date and time for the hearing if requested by the Owner or occupant alleged to have committed the violation.*

2. **Continuance of Hearing.** The Hearing Board shall have discretion to allow or disallow a continuance of the hearing at the request of the Owner or occupant. Failure to appear at the hearing shall constitute waiver of the opportunity to be heard.

3. **Written Statement.** The Board may allow the Owner, occupant or significantly affected person to submit a written statement in lieu of attendance at the hearing. The Board will consider such statement as if it were read at the hearing.

4. **Attorneys.** If the Owner, occupant, or significantly affected person intends to have an attorney present at the hearing, they must notify the Hearing Board at least three (3) days prior to the hearing so that the Association may also have counsel present.

5. **Hearing Procedures.** At the hearing, the affected Owner, occupant or other person whose interest would be significantly affected shall have a reasonable amount of time under the circumstances to present information and argument to the Hearing Board regarding the violation. Specific time limits may be set forth in the Violation Letter/Notice of Hearing, but if no limits are expressed, the Owner, occupant and affected persons will have up to fifteen (15) minutes to address the Hearing Board. Additional time may be granted by mutual agreement of the parties. Presentation of information and argument are subject to reasonable rules of procedure established by the Hearing Board in advance of or at the hearing to assure a prompt and orderly resolution of the issue. Other Owners, occupants, or persons with knowledge of the issues may be allowed to speak at the hearing at the request of the Hearing Board or Owner, at the discretion of the Hearing Board and/or in accordance with procedures established by the Hearing Board.

6. **Decision.** Within a reasonable time following the hearing, the Hearing Board will meet in executive session to make its decision on whether a violation has been committed, the proposed fine is assessed, or other action required, and shall endeavor to send notice of its decision to the Owner, occupant and any other significantly affected person in the same way the notice of the meeting was given. Any fines imposed following the outcome of a hearing shall become due on the first of the month following the notice of the Hearing Board's decision unless otherwise provided in the notice of decision.

7. **Right to Appeal.** If the Hearing Board was composed of the Board (at least a quorum of directors), then the decision of the Hearing Board will be considered final and not subject to appeal. However, if the Hearing Board is not the Board, then the Owner, occupant or other significantly affected person has a right to appeal the Hearing Board's decision to the Board. Appeals must be submitted to the Board in writing within 20 days of the date the Hearing Board's decision is provided to the Owner. In considering the appeal, if the Board reasonably finds that there is no information that could be submitted that would change the outcome of the original decision, it is not required to call another hearing and may rely on the written materials underlying the violation. Otherwise, the Board will notify the Owner of the time, place and location of another hearing and give the Owner at least ten (10) days' notice. The hearing will be conducted as set forth in Section 5 above. Any fines imposed in the original hearing will be held in abeyance until the Board is finished considering the appeal and gives notice that the fine or other required action will stand or provides alternative requirements after consideration of the issue.

8. **Multiple Violations Prior to Hearing.** One or more violations of the Governing Documents and/or proposed fines may be combined and heard in one enforcement hearing, if convenient to the Board. Once a hearing is set for one or more alleged violations, additional alleged violations and fines occurring subsequent to the initial notice(s) of violations and prior to the date of the hearing may also be heard at the scheduled hearing, at the discretion of the Board.

9. **Additional Violations after Hearing.** An Owner, occupant or other significantly affected person is entitled to one hearing per type of violation in any twelve-month period. A

request for an additional hearing may be denied if the Board determines that the violations are the same as prior violations on which a hearing was held, or are continuing in nature, and that no evidence that could be presented that would change the previous decision of the Hearing Board. That means additional fines for repeated violations may be assessed without the requirement of a hearing for each further violation in a 12 month period.

10. **No Waiver / Not Exclusive Remedy.** The foregoing shall not be deemed a waiver of any right to enforce or take any other action available under the Governing Documents or at law. The fines and penalties set out herein are in addition to, and not in lieu of, other remedies or sanctions available to the Association by law or by the Governing Documents. The Board may elect to utilize the hearing provisions herein for the administration of any Association matter if the Board believes a hearing will help with the fair and orderly administration of the matter.

11. **Fines are Assessments.** Owners shall be financially responsible for all fines, damages and other amounts assessed resulting from their own actions, and the actions of their tenants, guests or occupants. Fines imposed under this schedule constitute assessments under the Governing Documents and may be enforced as such, including the imposition of late fees and interest.

12. **Voluntary Compliance Agreements & Discretion to Waive Fines.** The Board is empowered to reach a voluntary compliance agreement with an Owner where, for example, an Owner agrees a violation exists, agrees to take specific actions to cure the violation within a specific timeframe acceptable to the Board, and agrees that failure to perform the specified actions within the specified timeframe will result in enforcement consequences, which may include fines or other actions. The Board is also empowered to waive or reduce a fine imposed under this policy if it determines that circumstances exist to warrant a waiver or reduction. This right to waive or reduce fines includes the right to suspend collection of a fine pending an Owner's fulfillment of promises under a voluntary compliance agreement. The Board's decision to enter a voluntary compliance agreement or to waive or reduce fines in one instance shall in no way set precedent or abridge the Association's rights to require compliance or impose fines for the same violation or under similar circumstances in the future.

13. **Protection of Board Members.** The Board or persons acting as a Hearing Board are not liable for action or inaction done in good faith. Association action under this policy shall not create liability of the Board, Association, Hearing Board member or any employee, manager or agent of the Association.

This Enforcement Policy with Fine & Fee Schedule was adopted by the Board by resolution dated October 17, 2022 and provided to Owners on NOVEMBER 1st 2022. It shall be effective on NOVEMBER 12th 2022 (fifteen days after the date it was provided to Owners).

 Philip Cappelange Date: 10/17/22
Its President (officer)