

The Reserve at Dishman Hills Owners Association

FINANCIAL PENALTIES RESOLUTION

WHEREAS The Reserve at Dishman Hills Owners Association Board of Directors is empowered by statutory law [RCW 64.38.020.(11)], and the Association documents including the Declaration of Covenants, Conditions and Restrictions of The Reserve at Dishman Hills ("CC&R's") [Article 3, Section 10], to assess financial and other penalties against individual members in order to remedy non-monetary violations by those members of the CC&R's, Bylaws of the Association, and Rules and Regulations,

BE IT THEREFORE RESOLVED that The Reserve at Dishman Hills Board of Directors does hereby adopt the following procedures, fine assessments and actions with regard to non-monetary violations:

1. Upon being notified of a violation, the Board of Directors shall cause a "first" letter of violation (courtesy notice) to be sent to the owner(s) of the subject property. The notice will inform the homeowner of the violation, and state that they have a specific period of time to correct or abate the violation. Said corrective period shall be a reasonable length of time, based on the nature of the violation and the nature of the corrective action needed. Reasonableness of the time period is at the sole discretion of the Board of Directors.
2. If the owner has neither contacted the association nor corrected the violation within the stated time period, a "second" letter of violation (compliance notice) will be mailed to the homeowner, indicating that, if the violation is not corrected within a specific time period, a fine of up to \$25 per day may be assessed against the homeowner and his or her lot until such time as the violation is corrected.

If the violation is of a nature as to occur intermittently, such as a nuisance or offensive activity like excessive noise, a letter of violation will be mailed to the homeowner, indicating that a violation has occurred, that a hearing is scheduled for a specific date, and if the violation occurs again, after the hearing date, a fine of up to \$250 per occurrence will be assessed against the owner and his or her lot. Upon the occurrence of any further violations, subsequent to the hearing date, the fine will be assessed on a per occurrence basis, without further notification to the homeowner.

3. The notice shall also inform the homeowner that they will be offered the right to a hearing, held before either the Board of Directors or its representative(s) with respect to the violation. No fine will be assessed prior to that hearing. Said hearing date shall not be less than 5 working days following the mailing of the letter by U.S. Post Office First-Class mail.

4. If the homeowner neither requests a hearing date nor corrects the violation within the necessary time period, the HOA will have fulfilled its obligation to RCW 64.38.020.(11) and the fine of up to \$25 per day will be assessed beginning on the first day after the corrective period ends or, with respect to an intermittent violation as provided in paragraph 2 above, the fine of up to \$250 will be assessed for each additional occurrence thereafter.

5. If the homeowner requests a hearing before the Board of Directors or its appointed representative(s), that hearing will be held at such date established by the Board of Directors or its representative(s). At the hearing, the Board of Directors or its representative(s) will hear the testimony of the homeowner, and take the case under advisement. A decision will be rendered either at the hearing, or, if necessary, at a later date not to exceed 10- days after the hearing date. If the Board of Directors or its representative(s) decides against the homeowner, the homeowner will be granted a further period of time, not to exceed 50% of the original notice period, in which to correct or permanently abate the violation. If the violation is not of an intermittent nature as contemplated in paragraph 2 above, and is not corrected within the additional time period, the daily \$25 fine will be assessed from the first day after the additional time period, without further notification to the homeowner. If the violation is of an intermittent nature as contemplated in paragraph 2 above and the Board of Directors or its representatives decides against the homeowner at or after the hearing as provided herein, the homeowner will be assessed a \$250 fine for each occurrence of the violation thereafter.

6. When the accrued amount of the assessed fine exceeds \$500 (or at Board's discretion), the homeowner will be so notified, informed that the fines will continue to accrue, and informed that a lien will be recorded against the homeowner's lot for payment. The lien will include all appropriate legal fees, costs and recording fees, along with any interest that accrues until the fine is collected. Correction of the violation will not waive accrued fines, fees, costs and interest, which must be paid in full, prior to release of the lien.

This resolution was passed by all of the members of The Reserve at Dishman Hills Board of Directors on this day 16th, of May 2013.

Amy Sandoval

 President

 Director

Amy Sandoval

 Name (Print)

 Name (print)