

## **BUSH PRAIRIE HOMEOWNERS ASSOCIATION Board Policies**

**Explanation:** The Bush Prairie Homeowners Association is an incorporated 501(c)(4) non-profit homeowner’s association duly registered with the Washington State Secretary of State (UBI Number 601084810) since October 31, 1978. RCW 64.38 mandates the powers and responsibilities of the Association and its Board of Directors and defines “governing documents” as “the articles of incorporation, bylaws, plat, declaration of covenants, conditions, and restrictions, rules and regulations of the association, or other written instrument by which the association has the authority to exercise any of the powers provided for . . . or to manage, maintain, or otherwise affect the property under its jurisdiction.”

The Declaration of Covenants, Conditions and Restrictions with respect to Bush Prairie were substantially amended in 2008 and are on file (#4009054) in the Thurston County Court House.

RCW 64.38.020 authorizes the Association to “adopt and amend bylaws, rules, and regulations.” The current BPHA bylaws were approved by the Association at the November 7, 2021 Annual Meeting and amended by the Association at subsequent Annual Meetings. The bylaws charge the Board of Directors to “exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration.”

The purpose of Board Policies is to document Policies adopted by the Board of Directors to carry out its responsibilities under the governing documents described above. Any conflict of a Policy with any of the governing documents shall render the Policy void.

### **POLICY 1: COLLECTION OF DIVISION 7 STORMWATER FACILITY MAINTENANCE FEES.** (Approved by Board March 11, 2010)

- A. Bush Prairie Division 7 Stormwater Facility Maintenance Fees are mandated under Article VII, Section 2 of the Covenants. Setting of the fees and the “sinking fund” are a directed responsibility of the Board.
- B. The monthly fee (\$2.00 / month) is unchanged from its inception.
- C. The minimum balance of the “sinking fund” (the amount sufficient of assure continued operation and maintenance of storm water facilities in Division 7) is set at \$10,000.
- D. Any Division 7 Owner who has contributed \$200 to the fund is considered “vested” and excused from the \$2/month fee, so long as the fund balance remains above \$10,000.
- E. When a property changes ownership in Division 7, the new Owner will pay the \$2/month fee until they become vested (initially set at \$200), and subsequently if the fund balance falls below \$10,000.

- F. Division 7 Owners who, as of December 2009, are not being charged a fee will be grandfathered (considered vested at \$200), as long as the fund balance remains above \$10,000).
- G. Each time the fund balance falls below \$10,000, the Board will consider raising the vesting amount. If raised, all Division 7 Owners will resume paying the fee (\$2.00 / month) until they reach the revised vesting limit.

**POLICY 2: ASSESSMENT LIENS**

- A. Each Owner of any Lot, by acceptance of a deed, is deemed to agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements. The annual and special assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing **lien** upon the property. (BPHA Covenants, Article IV, Section 1).
- B. Each member is obligated to pay to the Association annual and special assessments, which are secured by a continuing lien upon the property. Any assessment, which is not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of twelve percent (12%) per annum, and the Association may bring an action-at-law against the Owner personally obligated to pay the same, or foreclose the lien against the property. (BPHA Covenants and BPHA bylaws, Article X.)
- C. It shall be the Policy of the BPHA Board to work with Owners to accomplish timely payment of assessments.
- D. Delinquent assessments will be accrued on a monthly basis, adding 1% per month interest and reasonable costs (such as postage and handling).
- E. The first month's charges will be waved if delinquent assessments are received within 30 days of the due date.
- F. "Postage and Handling" charges will be an additional 1%/month, unless changed by a majority vote of the Board.
- G. A new invoice will be sent to delinquent owners every three months.
- H. If the delinquent balance exceeds \$500, the treasurer will notify the Owner in writing that the Association plans to file a "Notice of Lien" with the county recorder's office unless payment is received within 30 days.
- I. If, after 30 days, the delinquent balance has not been paid, the treasurer will take action to file a "Notice of Lien" on the property. Twice the cost of this filing will be added to the debt, as a reasonable cost, to cover both the county filing and removal costs.
- J. In the event of a pending or actual foreclosure on a property that is delinquent (for an amount equal to or greater than 6 months in assessments), the treasurer will immediately file a "Notice of Lien" with the county recorder's office. Twice the cost of this filing will be added to the debt, as a reasonable cost, to cover both the county filing and removal costs.
- K. Once the assessment lien has been filed, the treasurer will notify the Owner in writing.

- L. It is the intent of the BPHA Board to take no further action, allowing the lien to remain on the title to the property and interest and costs to accrue. It is anticipated that the delinquent balance will be recovered by the Title Company, as part of the closing process, when the property is sold.
- M. Upon voluntary payment of the delinquent balance in full, the treasurer will instruct the county to remove the assessment lien.
- N. Once the assessment lien has been removed, the treasurer will notify the Owner in writing.
- O. This Policy in no way prevents the Board, on behalf of the association, from filing an action-at-law seeking court approval to foreclose the lien by sale of the property.

**POLICY 3: CAPITAL RESERVE FUND**

- A. The Bush Prairie Homeowners Association (“Association”) shall maintain a Capital Reserve Fund.
- B. The Capital Reserve Fund is established to help avoid the requirement of the Association implementing a special assessment in the future.
- C. The Capital Reserve Fund shall be used for major new projects or for major maintenance and replacement of existing improvements.
- D. Funds will be transferred to the Capital Reserve Fund from existing operating or other reserve accounts maintained by the Association according to the rate established in Section I below. Additional funds can be transferred to the Capital Reserve Fund by a majority vote of the Board of Directors.
- E. Funds may be removed from the Capital Reserve Fund and deposited into the operating or other reserve accounts by a majority vote of the Board of Directors.
- F. Funds in the Capital Reserve Fund may be maintained within existing operating or other reserve bank accounts, but will be accounted for separately on Association Financial Accounting Reports. Capital Reserve Funds may be deposited in CDs, savings accounts or a money market account.
- G. Expenditure of funds in excess of \$2,000 from the Capital Reserve Fund requires approval of the Homeowners Association. The normal process will be to include capital expenditure items along with the Annual Operating Budget at the Annual or a Special Meeting of the Homeowners Association. The Board may approve expenditures of \$2,000 or less. Capital Reserve Funds may be expended on an emergency basis, by a majority vote of the Board of Directors. An example of such an emergency is a condition on Association property that without the expenditure could result in significant Association property damage or significant future expense.
- H. The Association will complete a full assessment of all common areas and existing Association property and infrastructure (“Capital Reserve Study”) within one year of approving this Policy and at a minimum every five years thereafter. As part of the Capital Reserve Study, a planned repair and

replacement schedule will be prepared to assess a reasonable rate to create and sustain the Capital Reserve Fund.

- I. During the Association’s annual budgeting process, an amount will budgeted to accommodate a reasonable rate of Capital Reserve Fund accumulation based on the current planned repair and replacement schedule.

#### **POLICY 4: ENFORCEMENT: RULES, AND FINE SCHEDULE**

##### **Background**

- A. The purpose of this policy is to establish the Rules and Fine Schedule that may be assessed to lot owner for violating the CC&Rs, Bylaws, or rules of the organization. The goal of this policy is to encourage compliance and reduce legal proceedings. It is not designed to produce revenue for the organization.
- B. Under Article XIII of the Bylaws, the Board of Directors has a duty to enforce the CC&Rs and policies of the organization. Per Washington State RCW 64.38.020(11), Homeowner’s Associations may “levy reasonable fines in accordance with a previously established schedule adopted by the board of directors and furnished to the owners for violation of the bylaws, rules, and regulations of the association.”

##### **Investigation**

- C. When an alleged violation is reported to or otherwise becomes known to the Association, it will be investigated by the Board and a determination made as to whether a violation has occurred. If possible, digital photographs will be taken to establish the date and type of the violation that is present on the property.
- D. During the investigation a determination will be made if the violation constitutes an immediate safety hazard. If the violation creates a hazard to the safety, welfare, or property of other residents and requires immediate attention of the lot owner the response times shown below will be reduced to 15 days and an attempt will be made within 24 hours to contact the lot owner in person, by phone, and/or by email to apprise them of the issue or violation.

##### **Notification**

- E. Lot owners found out of compliance will receive a Courtesy Letter. The Courtesy Letter is sent to the owners’ last mailing address on file. The letter will cite the specific violation(s) of the by-laws and policies of the HOA and request correction of said violation(s). The homeowner has 30 days from mailing of the letter to remedy the violation and notify the Board that the issue has been corrected. If the owner corrects the issue within the initial time window then the issue is considered resolved.
- F. If a lot owner disputes the Courtesy Letter they should request a hearing at the next scheduled meeting of the Board of Directors.
- G. If the lot owner fails to correct the violation within 30 days or request a hearing they will receive a Violation Letter by certified mail. The Violation Letter will identify the nature of the violation(s), the potential fine, and the

process to request a hearing. If the homeowner fails to remedy the violation, request a hearing, or present mitigating information on his/her behalf, a monetary fine will be imposed based on the published fine schedule.

- H. If the Board finds the violation described in the violation letter occurred and has not been remedied, then the fine will be assessed.
- I. It is the responsibility of the lot owner to notify the Board when the violation has been corrected and is ready for inspection.

## Hearing

- J. There are three types of hearings: Initial, Violation, and Appeal.
- K. Initial hearing - is requested by an owner after receipt of a Courtesy Letter and is conducted as part of a regularly scheduled Board Meeting as a “new business” item. This allows the owner to discuss mitigating circumstances and work with the Board to identify corrective action. No fine is assessed at this hearing since it is within the 30 day notification window of the Courtesy Letter.
- L. Violation hearing - is requested by an owner to dispute a fine after receipt of a Violation Letter. At the discretion of the Board this hearing may occur at a special meeting of the Board or at a regularly scheduled Board Meeting.
  - a. To request a hearing the owner(s) must request one in writing and mail their request to the address of the Association.
  - b. The Board will notify the owner of the place, time, and date of the hearing.
  - c. The hearing board will consist of a quorum of Board members and the HOA Secretary or designee.
  - d. Minutes will be kept for the hearing
  - e. The hearing will include the following:
    - i. Secretary will announce the reason and purpose for the special meeting of the Board.
    - ii. The Board President or designee will read the rule, Bylaw, or CCR that the lot owner is in violation of and present evidence that the violation described in the Courtesy Letter existed at the date specified in the letter.
    - iii. Lot owner may present mitigating evidence or present issues of fact that they feel should be considered by the Board. For example, the lot owner may show that the violation was corrected prior to receipt of the Violation Letter and ask that the fine be waived.
    - iv. The Board members present will consider all information presented and issue a finding. The decision will be reflected in the minutes of the Board and a letter with the Boards findings will be mailed to the lot owner within 7 days of the hearing.
- M. Appeal hearing- is used to request a review of the findings of the Board.
  - a. To appeal a finding the owner(s) must request an appeal in writing and mail it to the address of the Association.

- b. On receipt of the appeal request, the Board of Directors will set a hearing date on the matter not more than 30 days thereafter and notify the lot owner of the place, time, and date of the hearing.
- c. The hearing board will consist of a quorum of Board members.
- d. Minutes will be kept for the hearing
- e. An uninterested third party will be asked to attend, such as may be obtained from the Thurston County Dispute Resolution Center, to mediate and ensure equitable treatment of both parties involved.
- f. The decisions made at this hearing are considered final and the findings of the meeting will be mailed to the lot owner within 7 days of the hearing.

**Fine Schedule**

- N. The initial or first month’s fine per violation is \$50.00. Each violation is treated separately. For example, if a lot owner has three unrelated violations they will be treated separately since the owner could correct one but still have two remaining.
- O. The first months fine will be assessed the 1st working day of the month following mailing of the Violation Letter.
- P. If the violation is not resolved within 30 days of assessment of the first fine. The fine will automatically double and continue to accrue monthly.
- Q. Bills will be sent monthly until the violation has been remedied and all fines have been paid.

**Fine Schedule**

Notice	Notification Method	Days to Comply	Fine
1 <sup>st</sup>	Courtesy Letter	30	\$0
2 <sup>nd</sup>	Violation Letter and Notice of hearing	30	\$50
3 <sup>rd</sup>	Monthly Bill*	30	\$100

\*Continuing Violations are assessed each month till the violation is resolved

- R. If a lot owner does not pay the assessed fine within 90 days or the amount due exceeds \$1050 the organization may, at its discretion, seek additional legal remedies as provided by law.

**Waivers**

- S. If a lot owner makes a good faith effort to resolve a violation but fails to notify the Board within the 30 day Courtesy Letter window, and they then receive a Violation Letter, they may request a waiver of the assessed fine by requesting a Violation Hearing or by making arrangements to appear at the next scheduled Board Meeting.
- T. If a lot owner determines that they will be unable to resolve a violation due to health limitations or financial constraints they should request an Initial Hearing to make this issue known to the Board and to discuss options for resolving the violation.

**Examples**

U. The following table lists common violations that are subject to fine under this policy. A majority of these fall under Article VI and VII of the Covenants. This list is not all-encompassing and any violation of the CC&R's is subject to this policy.

<b>Violation</b>	<b>Description</b>	<b>Reference</b>
Garbage and Refuse	Lots or Common Area used as a dumping ground for rubbish.	CC&R Article VI, Section 8
Boat, Trailer, or RV Parking	Parked not in a clearly temporary manner and not screened from public view	CC&R Article VI, Section 9
Inoperable vehicles	Vehicles disassembled for major maintenance or repairs not screened from public view	CC&R Article VI, Section 9
Appearance	Failure to maintain lots to minimum standards as set by the ACC	CC&R Article VI, Section 12 And ANNEX A.
No ACC Approval for Project	No structure shall be built on any lot without a written approval from the Architectural Control Committee	CC&R Article VII, Section 1.b. (Division 5 & 6) or Section 2.b (Division 7)

R. The Courtesy Letter format used by the association is shown in this policy for reference.

December 13, 2021

Bush Prairie Homeowners Association  
7547 Henderson Blvd SE, PMB #7  
Olympia, WA 98501



December 13, 2021

Lot 67, Division 0  
Mr. John Doe  
1234 NotMe Dr. SE  
Tumwater, WA 98501

Dear Mr. Doe:

The mission of the Bush Prairie Homeowners Association is to protect the value and desirability of all properties in the Bush Prairie neighborhood. That protection is afforded to us by our Covenants and the Association's By-laws which provide the way we enforce the standards required by the Covenants. The Covenants provide clear standards for the Association's Board of Directors to act with the intent of maintaining a safe and friendly neighborhood and enhancing property values.

The Board of Directors has been made aware of a Covenants issue at your property. Our intent is to inform you of the issue and why it is in violation of the Covenants. Please take action to remedy the situation with 30 days of receipt of this letter. The following condition exists:

**Condition:** Boat is not parked on a hardstand. Boat is parked not in a clearly temporary manner or screened from public view.

**Required Action:** Please remove boat from the property or store it according to Article VI, Section 9 of the Covenants.



The Board would greatly appreciate your cooperation to resolve this issue. If you have any questions or would like to offer an alternative solution, please contact the Board President, Mr. Bob Smith at [acc@bushprairie.com](mailto:acc@bushprairie.com) or 360-123-7654 or any other Board member.

If you do not remedy the issue within 30 days or contact the Board to request a hearing you will receive a Violation Letter. You will be assessed an initial fine of \$50 for each violation.

December 13, 2021

Thank you for your immediate attention to this matter.

For the Bush Prairie Homeowners Association,

cc: Board Members, Secretary of the BPHA

**SUBSEQUENT ACTIONS ON POLICIES BY BOARD**

Initially approved November 10, 2013 (Policies 1 – 3)

Added Policy 4 November 8, 2015.

Amended Policy 2.H. at October 14, 2019 Board meeting to increase delinquent balance triggering the Lien filing process from \$200 to \$500.

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