

SKAGIT HIGHLANDS HOMEOWNERS ASSOCIATION

COMMUNITY RULES & ENFORCEMENT POLICY

1. PROPERTY IMPROVEMENTS

Skagit Highlands Homeowners Association (“HOA”) has Residential Design Guidelines for many property improvements. ALL property improvements must follow the Declaration of Covenants, Conditions, and Restrictions (“CC&Rs”) Article IV Architecture and Landscaping, community conditions and the Property Improvement Handbook. Homeowners are required to submit a Property Improvement application (“PIC”) before starting work on an improvements outside their home and may not commence work prior to receipt of written approval. PIC applications or the Property Improvement Handbook may be accessed through the community website www.skagithighlandshoa.org or by contacting your Community Association Manager(s).

Improvement projects may include, *but are not limited to*, the following:

- Fences and Gates
- Sheds and Storage Units
- Play Structures and Trampolines
- Patios and Walkways
- Wood or Composite Decks
- Screen Doors
- Hot Tubs and Pools
- Satellite Dish and Antennae
- Landscaping and Yard Art; Water Feature
- Awnings and Patio Covers
- Retaining Walls and Shutters
- Gazebos, trellis, arbors
- Signage
- Dog Houses and Kennels
- Change of paint color(s)
- External Home addition
- Clearing, grading, filling, drainage
- Impervious surfaces

2. FENCES

- a. The Standard Fence Detail is outlined in the Property Improvement Manual (PIM) PIM-1 and is available for viewing or download at the community website www.skagithighlandshoa.org. Only cedar fences built to Standard Fence Detail specifications will be approved by the PIC. Fences must be stained within three (3) months of installation.
- b. The community standard stains are: Sherwin Williams Woodscapes Semi-Transparent Stains: Spice Chest #3513 or Cedar Bark #3511. Fences must be re-stained periodically to maintain appearance and condition to the community standards—weathered, grey or streaked fences are not acceptable.
- c. Repair or maintenance of shared fences is the responsibility of the parties that share the structure. Be a good neighbor and communicate with your neighbor before you plan to install, replace or repair a shared fence.

3. ANTENNAS & SATELLITE DISHES.

- a. Satellite dishes less than 36 inches in diameter and antennas less than 36 inches in length do not require a PIC application *IF* the dish is installed at the back of the house.
- b. A PIC application is required for all antenna/satellite dish installations if:
 - Must be installed on the side or in front of the house in order to receive a signal. **Documentation from the installer will be required. Permission will be granted if required by FCC regulations.**
 - Dish diameter is larger than 36 inches or antenna length is more than 36 inches.
 - Must be installed on a mast or pole taller than 18 inches.
- c. All installations must comply with all applicable codes. Wires or cables must be tucked out of sight as much as possible.
- d. Special note: attaching the antenna/satellite dish to the siding or roofing may void the product warranties.

4. **LANDSCAPING.** The appearance of your yard affects your neighbors and the entire community. Owners are expected to consistently maintain their landscaping in a neat and attractive manner in keeping with the high standards of Skagit Highlands.
- a. Owners are responsible for maintaining their lot including street trees, sidewalk planting strips in front of, and adjacent to, their lot. Owners may not remove trees, shrubs, or lawn from the sidewalk planting strip area without prior PIC approval.
 - b. General yard maintenance includes, but is not limited to:
 - Regular mowing and edging of lawns;
 - Regular moss and weed control/removal in planting beds, lawns, gravel and walkway areas, sidewalk and driveway expansion joints, etc.;
 - Fertilizing and pest control applications to lawn, trees, and shrubs;
 - Plantings to be kept pruned and in good health, including potted plants;
 - Rake and clean up leaves and storm debris within a reasonable time period, remove debris in appropriate containers for off-site disposal.
 - c. Vegetable gardens are not permitted in front or side yards--appropriate screening from street view may be required.
 - d. A PIC application must be submitted prior to expanding front yard flower beds, installation of a hedge, planting of any shrub or tree that exceeds a mature size taller than 6', etc. (Refer to PIM-9 for details)
 - e. Minor landscaping improvements do not require a PIC application, e.g. planting of bulbs, small shrubs, adding or refreshing bark, ground cover, stepping stones, etc. Raised beds (less than 12" high) and planter boxes (less than 12" high) do not require a PIC if installed in the back yard.
 - f. Unauthorized removal or willful damage of trees, shrubs or similar vegetation in the common area is subject to an immediate fine of \$150 and/or the cost to replace or restore.

5. **BACK & SIDE YARDS**

- a. ALL bare dirt on the property must be covered by one or more of the following:
 - Turf grass
 - Bark, mulch, wood chips
 - Gravel/River Rock/Pea Gravel (limited to 5' setback side yards when used as a walkway, without a PIC application)
- b. Alternative ground covers and property improvements require a PIC application submittal.

6. **RETAINING WALLS AND SLOPES.** A PIC application accompanied with a photo of the slope or area to be retained must be submitted and approved before installing retaining walls or making any modification to slopes and grade changes. (Refer to PIM-11 for details).

7. **SPORTS AND PLAY EQUIPMENT.**

- a. Homeowners are encouraged to keep their front yards neat and in good order by storing unused sports equipment and toys out of sight.
- b. Portable basketball hoops may be used on driveways only; never in the street. Hoops may not be left lying on their sides in a visible place.
- c. Swing sets and play structures require PIC review and approval.

8. **UNSIGHTLY CONDITIONS OR NUISANCES.**

- a. Owners are responsible for keeping their property in clean and tidy order. Please consider the community standard when selecting suitable furniture for your front porch.
- b. Unsightly conditions shall include, without limitation, equipment and materials; hanging laundry; litter, trash or other debris; inappropriate, broken or damaged furniture, or dead plant material. No awnings,

air conditioning units, heat pumps or other projections shall be placed on the exterior walls visible from the street of any home without prior PIC approval.

- c. You may not attach overhead wires or strings to any building or property.
- d. Front yards and driveways are not to be used to store bicycles, toys, trash containers, supplies, yard equipment or tools.

9. TRASH AND RECYCLING.

- a. All trash, recycle, and yard waste containers or receptacles must be stored out of sight from your front yard. Such containers may be put at the curb no earlier than the afternoon *before* the scheduled pick up service and removed from the curb within 18 hours from the time of pick up. At no time shall such containers be stored in front of the house or garage. The side of the house will be an acceptable location as long as the containers are neatly set back from the front corner of the house or screened acceptably with planting or screening material approved by the PIC.
- b. Excess trash or bulky items waiting for pick up on trash day and any unwanted furniture, appliances, or construction or remodeling materials shall be stored out of sight from the front of the house until 18 hours before pick up.
- c. Ensure trash is in a secure container and pick up any trash mess promptly and thoroughly.

10. QUIET HOURS. Please respect your neighbors: quiet hours in Skagit Highlands are from 10:00pm to 7:00am. *Residents subjected to disturbances during quiet hours are urged to call 911 to report the disturbance.*

11. FIREWORKS. Skagit Highlands HOA discourages the use of fireworks within the community due to the close proximity of our homes and for the safety of our residents and pets. If you choose to set off fireworks in the community, know the law about legal fireworks and discharge times by contacting the City of Mount Vernon Fire Department. Be courteous and promptly clean up all fireworks debris from yards, sidewalks and streets. Damage to another person's property or the common areas will be your responsibility.

12. HOLIDAY DECORATIONS. Holiday lights and decorations are not to be installed more than 45 days prior to the holiday and must be removed within 20 days following the holiday.

13. SIGNS.

- a. Only one sign no larger than 24"x24" advertising a home for sale/approved rental, or a yard sale may be posted in your yard. Realty signs must be hung from a professionally maintained post or wire bracket.
- b. Hand-painted signs, or plastic signs with hand written words or numbers, are not permitted.
- c. No business signs may be posted in your yard or visible from the street (unless approved in advance by the Board).
- d. During political campaigns, you may post up to 3 signs no larger than 24"x24" from 30 days before the election to 5 days after.
- e. Signs may not block streets or sidewalks or be installed in the planting strips along the side of the road.
- f. No signs or flyers may be posted in any Common Area or on community mailboxes. Signs may not be posted in common areas unless approved by the HOA. The HOA may remove any sign that violates this rule or other rules of the local jurisdiction.
- g. No signage may be posted from any window facing or visible from the street.
- h. A PIC application is required to fly a flag from a post or pole.

14. COMMON AREA USE. Common Areas, including parks, open spaces, and native growth protected areas, are for the use and enjoyment of all Homeowners and Residents of Skagit Highlands. The HOA is responsible for maintaining the landscaping in common areas, parks, retention ponds, sensitive areas dedicated to the HOA, and street trees that are located within the common areas.

- a. Activities are limited in the common areas and cannot be reserved for use without prior Board approval.

- b. All pets must be on a leash controlled by a responsible person and pet waste picked up promptly.
- c. In consideration of neighbors, only quiet activity in the Common Areas is permitted during quiet hours and after dark.
- d. No personal items may be stored or left in the common areas.
- e. No planting, pruning, cutting or removal of trees or branches, shrubs or any other vegetation, or dumping of trash or other waste material in the common areas is permitted; everyone must pick up and properly dispose of trash and pet waste promptly.
- f. Open fires are not permitted.
- g. Damage to the common area caused by a Resident is subject to an assessment to the Homeowner's account for the cost to replace or restore the damaged area or item.

15. PARKING. Parking space is limited in Skagit Highlands. Refer to the CC&Rs **Exhibit "B" Initial Use Restrictions**

(b) Restrictions. 21. Limitation on Storage of Vehicles – Temporary Parking for RVs. for detailed parking restrictions.

- a. **Owner and Resident Parking:** Please respect your neighbors and limit parking to your garage and driveway. Parking in your yard or blocking a sidewalk, or driveway is not permitted. Parking or extending out into alley is not permitted.
- b. **Visitor parking:** No long-term visitor parking is permitted. Owners or Residents with guests visiting them intending to stay in a camper, trailer or other form of recreational vehicle may secure a 3-day pass (obtaining written permission) from the Community Manager.
- c. **RVs, boats, trailers, inoperable vehicles, and commercial vehicles.** No outdoor parking is permitted for commercial vehicles, RVs, boats, trailers, inoperable vehicles, etc. All such vehicles must be parked or stored either in the garage or out of the Skagit Highlands community. Boats and trailers may be parked in the driveway for 48 hours for the purpose of preparing for departure or upon return.
 - **Commercial vehicles defined:** The HOA considers any vehicle with: dual rear axles, or which exceeds ten thousand (10,000) pounds gross vehicle weight, to be a commercial vehicle.
 - **Inoperable vehicles defined:** The HOA considers any vehicle in a state of disrepair, not drivable, not licensed or with expired tabs, to be an inoperable vehicle.
- d. **Vehicle fluids.** In the event a vehicle leaks oil or other fluids causing stains in a driveway or to the common roads, the Homeowner should take steps to clean up promptly and take preventive measures to avoid a future mess which may include having the vehicle fixed or removed. Vehicle fluids are considered toxic and are to be disposed of properly.

16. PETS & ANIMALS. Pets are welcome at Skagit Highlands if they are well behaved and do not become a nuisance to others. See CC&Rs **Exhibit "B" Initial Use Restrictions** (b) Restrictions (3) Limitations on Animals for detailed restrictions on pets.

- a. All animals not confined in their yards must be on a leash and under the control of a responsible person. Keep pets off the private property of others. Tethered pets in a front yard are not to be left alone or unattended nor are they allowed to trespass into an adjacent Homeowners yard.
- b. All pet owners are responsible for picking up their pet's waste immediately and depositing it in their own trash cans.
- c. Pet noise is to be kept to a minimum. Barking dogs or other excessively noisy animals should be reported to Animal Control and may be forcibly removed by the HOA after notice.
- d. Avoid feeding pets outside as unconsumed food attracts pests and rodents.

LIVING SOUND

- e. Resource Protection – the HOA is committed to maintaining the quality of the local environment including the quality of streams and ground water.
- f. A Homeowner's good stewardship practice will make a positive impact on the community.

- g. Please ensure the safe disposal of toxic materials. Owners shall not dispose of paint, motor oil, or any other toxic material in storm drains or elsewhere in the community.
- h. Grass clippings or any other material may not be dumped in the common area or stored on the home site except in containers designed for composting, stored out of front yard.

17. USE – HOUSEHOLD OCCUPATIONS. Skagit Highlands is a residential community intended as single family homes. You may conduct business activities inside your home ONLY if:

- a. No one outside can tell there is a business operating inside the home, whether by sight, sound, smell or visitors;
- b. The activity of the business conforms to all zoning requirements for the City of Mount Vernon;
- c. The business does not involve excessive visits to the home by clients, customers, suppliers or other business invitees;
- d. The business does not involve door-to-door solicitation of other Homeowners or Residents in Skagit Highlands;
- e. The business activity is consistent with the residential character of Skagit Highlands and does not constitute a nuisance or a hazardous or offensive use of, or threaten the security or safety of other Homeowners in Skagit Highlands.
- f. Special Note: Any other business activity, including moving sales and non-community yard or garage sales, requires written approval in advance from the Community Manager, who may refer the request to the HOA Board. The HOA Board has the sole discretion to decide whether any proposed business violates these rules.

18. RENTALS. Rental homes are restricted in Skagit Highlands and is covered in detail in the Rental Rule. Please refer to CC&Rs **Skagit Highlands West Neighborhoods Exhibit “C” Initial Use Restrictions** (d) Restrictions Upon Rentals for further details and provisions or restrictions.

- a. **Skagit Highlands Rental Limit is eight percent (8%).** The HOA Board may grant exceptions to the rental limitation only for reasons of hardship considered on a case-by-case basis.
- b. **No homes may be purchased as a rental investment** - Homeowners must make their Skagit Highlands home their primary residence for a minimum of one (1) year prior to requesting rental approval.
- c. **No home may be rented without prior approval by the Board.** Renting a home without prior approval is subject to a \$150 reoccurring fine each month of continued non-compliance with this restriction and/or other remedies as permitted by law.
- d. All rental requests must be submitted to the HOA Board for review, via the Community Manager, and approval granted before new tenants occupy the home. Requests must be made in writing via USPS, fax or e-mail.
- e. In the event the home is not rented within 90 days of written HOA Board approval receipt, Rental Approval is revoked.
- f. All Rental Agreements must be provided to the HOA via the Community Manager and must include a signed statement by the Homeowner that the tenant(s) shall be subject to the provisions of the Skagit Highlands governing documents, including, but not limited to, the CC&Rs and Rules. Any failure by the tenant to comply with the terms shall be deemed a default under the Rental Agreement. Homeowners are to ensure their residents and tenants have received a copy of Skagit Highlands CC&Rs, Rules and Regulations as available on the community website www.skagithighlandshoa.org.
- g. Approved rentals are subject to a refundable deposit equal to six (6) months assessments, to be held interest free on Homeowner(s)' assessment account.
- h. Homeowners must provide Management with current contact information for all Owners and Residents and subsequent updates as information changes.

19. MAINTENANCE & REPAIR. Each Homeowner shall maintain his or her lot and all improvements thereon in a manner consistent with the governing documents and community-wide standards. At no time shall any home

or improvements fall into a state of disrepair. The HOA is not responsible for any private property's home or yard maintenance.

- 20. ASSESSMENTS.** By accepting a deed within Skagit Highlands HOA, each Homeowner is obligated to pay all assessments. Prompt payment helps the HOA meet its financial obligations and avoid the additional cost of late fees and interest charges.
- a. Assessments are posted monthly and are due on the 1st day of the month and will be considered late if not received by the 10th day of each month. A late charge of \$10.00 is assessed to any account past due after the 10th of each month, as well as an administrative fee imposed by the Management Company. The current administrative fee of \$12 per month and is subject to change without notice.
 - b. Payments returned by the bank are subject to a Non-Sufficient Funds (NSF) returned payment fee at the current rate billed to the HOA.
 - c. Fines and any other additional costs incurred by the Homeowner are considered assessments and as such are subject to the same late fees and collection procedures as any other assessment.
 - d. The HOA shall have a lien against each unit to secure payment of delinquent assessments. Such lien may be enforced by suit, judgment and judicial or non-judicial foreclosure.
 - e. The HOA shall be entitled to recover any costs and actual attorney fees or collection agency fees incurred in the collection of delinquent assessments. Any such costs will be assessed to the Homeowner's account. In addition, an administrative fee may apply as it relates to review, notification, and collection of delinquent assessments. An administrative account review fee may apply for accounts that are referred to an attorney or to a collection agency for action or for monitoring payment agreements.

ENFORCEMENT POLICY

Voluntary Compliance

The primary way our high community standards are preserved at Skagit Highlands is for everyone to voluntarily follow the governing documents and be good neighbors. As a result, the HOA Board would not take any enforcement action to restore compliance with the Community Rules (“Rules”) and CC&Rs.

Board Authority

Occasionally some Homeowners or Residents will fail to comply with the Rules or CC&Rs, so something more is needed to bring about compliance. This Enforcement Policy is meant to guide the HOA Board in acting to restore homeowner compliance with the Rules and CC&Rs through a process that is fair, efficient and effective.

The CC&Rs give the HOA 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 HOA 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 assure that everyone follows the rules, including:

- Imposing a fine;
- Taking action to cure the violation and charging the Owner(s) for the cost of the work, imposing a specific assessment or charge to cover the costs of repair;
- Suspending Owner(s’) right to vote;
- Charging Owner(s’) for all legal fees incurred by the HOA;
- Preventing a contractor, agent, or others from continuing work on Owner(s’) property;
- Requiring Owner(s’) to pay for the costs of removing the problem and restoring the condition of the property;
- 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 fees and costs incurred.

Discretion of Board

This Policy is a guideline for the HOA Board and Homeowners, describing the typical way the Community Manager and the HOA Board may maintain compliance with the CC&Rs and Rules. The HOA Board retains discretion to determine whether it will enforce against any violation, whether it will, and the extent to which, the Homeowners HOA will spend money, issue notices, impose fines or conduct hearings to seek compliance.

The following procedures have been adopted by the HOA Board to enforce the CC&Rs and Rules:

A. Identifying a Possible Violation

Skagit Highlands is primarily a complaint-based enforcement system. Possible violations may be identified by periodic inspections by the Community Manager or the HOA Board, by a Homeowner's written complaint, or by other reasonably reliable means. The Community Manager and the HOA Board have no obligation to perform inspections. The HOA Board encourages Homeowners and Residents to first attempt resolving complaints between themselves and their neighbors. With no result from personal contact with the offending party, a Homeowner may bring a possible violation to the HOA Board's attention through a *written* complaint (e-mailed, faxed or mailed) to the Community Manager. The complaint must identify the property address or Homeowner and must specifically describe the violation and date of the violation. Complaints may, but are not required to, be kept confidential.

B. "Three Step" Approach & Fines

The Board may use a "three step" approach for handling violations, unless a violation constitutes a health or safety hazard in the HOA Board's sole subjective determination. (In that case, the HOA Board may impose a fine within seven days after sending a notice.)

Step 1 - First Written Request (Courtesy Notice)

After the first violation is identified, the Community Manager will send or deliver a notice to the Homeowner at the address provided by the Homeowner and/or to the property address, requesting voluntary restoration or compliance with the CC&Rs or Rules within fourteen (14) days of the letter.

Step 2 - Second Written Request (Compliance Notice)

If the violation is not corrected within fourteen (14) days of the first request, or a similar violation occurs again within a year, a second notice will be sent or delivered to the Homeowner requesting voluntary restoration and/or compliance with the CC&Rs or Rules and advising that a fine of \$150 may be imposed in fourteen (14) days if the violation still continues.

Step 3 – Third Written Request (Compliance & Fines Notice)

If the Homeowner fails to correct the violation identified in a second written notice within fourteen (14) days, third notice will be sent or delivered notifying the Homeowner that a \$150.00 fine will be imposed. If the violation still continues after thirty (30) days from the date the first fine was imposed, the HOA Board may impose a \$250, with monthly subsequent \$100 additional incremental fines (e.g. \$350 thirty (30) days after the \$250 fine is imposed, etc.) until the violation is cured. A statement or invoice reflecting fine(s) will be sent or delivered to the Homeowner.

Fines are not an exclusive remedy. The HOA Board may resort to other remedies in addition to, or instead of, fines. Fines are special assessments, which may be collected as described in the CC&Rs. Paying a fine does not relieve a person from the-responsibility to cure a violation or being in compliance with the CC&Rs or Rules.

C. Stop Work / Cease Order

In addition to imposing a fine, if appropriate based upon the nature of the violation, the Community Manager may issue a Stop Work / Cease Order to the Homeowner(s)' for persons engaged in an unauthorized activity. An unauthorized activity is any activity which requires the prior written approval of the HOA Board or the PIC, which has not received prior written approval. Delivery of the order is the determination that a violation has occurred. A Stop Work/ Cease Order will:

- List the home's address;
- Describe the unauthorized activity;
- Identify the specific Rule or governing document article being violated;
- Explain that unauthorized activity must cease immediately, and describe any other sanctions the Board intends to impose;
- Explain that this determination is final unless it is appealed to the Board, in writing, submitted and received by the Community Manager within 10 days of the date that the Stop Work /Cease Order was issued; and
- Explain that failure to immediately comply with the terms of the Stop Work /Cease Order will cause a \$350.00 fine to be imposed and that for each week thereafter in which noncompliance with the Stop Work/ Cease Order takes place, a separate \$350.00 fine will be imposed.

Disputing A Compliance Notice

Any Owner receiving a notice for non-compliance or a violation of the CC&Rs or Rules who believes no violation has occurred, may submit a *written* explanation to the HOA Board of Directors, submitted through the Management Company. An opportunity to be heard by the HOA Board will be scheduled if requested.