

## Sahalee Homeowners Association

### **House Rules for Enforcement of the Bylaws and Declarations**

thru the Executive Board, Initial Construction Committee, and Modification Committee

#### **Objective**

These “House Rules” do not amend or replace the Sahalee HOA Bylaws and Declarations, which control how our HOA is organized and functions. Rather, they are intended to help provide background information and guidance for members of the Board, ICC, and MC to facilitate fair and consistent application of our Bylaws and Declarations, as membership in these committees can change regularly. Our objective is to sustain an attractive, well-maintained neighborhood with a friendly and supportive sense of community with all our neighbors.

#### **Key Sections of the Bylaws and Declarations**

**Bylaws, Article VI, Powers and Duties of the Executive Board:** The Board has the overall responsibility for management of the HOA, including enforcement of the rules and covenants, the annual assessment of common expenses, assessment of fines if needed, and arbitration of disputes. This section also describes the position of Managing Agent, a paid manager or management company who the Board may hire to help administer the Board’s duties. The Board may also appoint such committees as needed to carry out these purposes, which are further defined in the Declarations. In practice, the members of these committees are neighborhood volunteers, usually drafted at the Annual General Meeting (AGM) when Board members are elected, to serve a 1-year term. The members of these committees should be verified and ratified by the incoming Executive Board annually, at their first Board meeting, so that they can function in their official Committee capacities.

- Declarations, Article IX, Section 9.02(a), Initial Construction Committee (ICC): this committee of 1 to 3 people may be appointed by the Board to review plans for construction of a new residence to ensure appropriate quality, harmony with existing structures, and compliance with the covenants set out in Declarations, Article VII. In practice, this committee is rarely needed as few unbuilt lots remain, and so only needs to be established in the rare instance of an application for a new build. The members of the ICC may be drawn from the MC or otherwise appointed by the Board.
- Declarations, Article IX, Section 9.02(b), Modification Committee (MC): this committee of 3-5 people is a very important committee as they oversee the application of most of our covenants, though the Board retains overall responsibility. They oversee the review of any proposed modifications to existing homes or yards to ensure compliance with our architectural standards. This committee has also historically provided the oversight of the land use covenants set out in Article VII of the Declarations, including issuing notices of violation and recommending fines if these violations are not corrected. However, this oversight authority is not expressly given in the Bylaws or Declarations and so is done on behalf of the Board. An updated process for this is provided in the Operational Recommendations below.

**Declarations, Article VII, Restrictions on Use, Alienation and Occupancy:** this section sets out the principal covenants on how HOA members may use their property, including the types and quality of structures to be erected, outbuildings, fences, landscaping, garbage disposal, pets, parking and vehicle storage, etc. Note that there are 3 versions of the Declarations, one for each of the original development phases. They are nearly identical but there are small differences; for example, only two of the three versions allow snowmachines to be kept in driveways during the winter. The HOA normally enforces only the most lenient version for the entire neighborhood. The Declarations should be reviewed and well understood by the members of the Board and MC, as consistent enforcement of these restrictions is a key duty of these roles as well as one of the larger sources of potential conflict within the neighborhood.

**Bylaws, Administrative Resolution #3, Due Process:** this resolution sets out the process by which violations are to be handled, ranging from first offenses to repeat violations. The Board retains the responsibility for violations and fines, except for violations for initial construction or modification, or for garbage disposal, which are within the authority of the MC.

### **Operational Recommendations**

**Board and Committee Approvals:** All decisions taken by the Board or committees are to be based on a documented majority vote. No member of the Board or a committee may act unilaterally on behalf of the other members unless that specific authority has been previously granted in writing by the other members for a specific issue.

**MC organization:** The MC should always have at least 3 members and typically no more than 5. This may include a member of the Board, and typically the at-large Board member who does not have a specific officer role may also join the MC to serve as a liaison between the Board and MC. The MC should elect a chairperson to act as point contact for MC applications or issues, to convene meetings and manage correspondence, be responsible for maintaining complete records of MC decisions, etc. The MC chair does not have any differential authority, and MC decisions will be based on a majority vote. It is preferable that the MC chair is not the Board member who serves as the liaison.

**Notices of Violation and Fines:** all official notices of violation or fines should be in writing from the Managing Agent, who will maintain records of these violations and any fines levied. The Board and MC are expected to exercise good judgement in how violations are handled. A first-time violation for a minor infraction may simply need an email reminder to achieve compliance, which can then be followed up with an official letter if needed. Be careful to stay within the covenants set out in Declarations Article VII and to not “add” new covenants we might wish to have. Be aware to stay consistent with precedent which may have already been established in the neighborhood. Correspondence with our HOA members should be professional but polite, being clear about the violation, the required mitigation, and the expected timing to correct the issue. A suggested workflow for violation notices is as follows:

1. A list of potential violations with photos can be compiled from a periodic drive-thru by our Agent as a neutral 3<sup>rd</sup> party (preferred), from routine drive-throughs by MC or Board members, or from complaints sent in by members.
2. The MC or Board should review the list and agree on which items need action. For minor, first, or very infrequent offences, the MC Chair should send an email from the MC email account to help maintain separation between personalities, along the lines of:

This is a reminder from the Sahalee HOA. The following situation was observed at your property:

(insert picture)

Please note that (state violation) does not comply with our HOA Declarations (quote Article and Section). Hopefully this was just a temporary situation. If the violation is not corrected in the next 7 days (or other timeline as appropriate), the HOA will have to pay our Managing Agent to send a formal warning letter.

Thanks for your attention to this matter.

3. The MC chair should alert the other MC members and the Executive Board members that a reminder email has been sent. An electronic tracking system would be helpful so MC members can work via email along with the Board, and all can check the status of a violation.
4. If the matter is not resolved in the requested timeframe, the MC Chair would request the Agent send a formal violation notice. The Executive Board must be CC'd on all direct correspondence between the MC and the Managing Agent.
5. If the violation is still not corrected after the formal timeframe requested, escalation to a fine is to be done in writing from the Managing Agent after review and approval of the fine by the Board, with documented approval from the Board President to the Managing Agent.

Annual review of Board and MC duties and expectations: the Board and MC will typically have new members and new officers after each AGM, and so the duties and expectations of the Board and MC members should be reviewed and agreed annually following the AGM. New members should familiarize themselves with the Bylaws and Declarations, and both groups should review these House Rules together to ensure alignment on what is expected and how they can best work together for the good of the HOA. Any agreed changes can be made to this document at any time. Any pending issues can be reviewed and handed over from outgoing members to the new members to ensure continuity of action.