

## Rules and Guidelines

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### **PART A – Rules and Guidelines to Support Board Actions**

#### **1. PSA Board of Directors Meta Rule – Rule Filing**

- a. All rules adopted during the Association operating year (the second Saturday in July through the following year second Friday in July) must be recorded with the Mason County Auditor within 30 days of the annual Association meeting. This is accomplished by the current PSA Board president and secretary or the PSA Board vice president and treasurer. Rules adopted in the interim will be kept on file with the PSA Board Secretary as well as being distributed to the community through our Communications Committee. Rules are adopted and enforced as of date of Board approval.

#### **2. Rules for Executive Session**

- a. Executive Sessions may be called by any Board member but especially pertain to a call by one or more Board officers.
- b. “Except as provided in this subsection all meetings of the board of directors shall be open for observation by all owners of record and their authorized agents. The board of directors shall keep minutes of all actions taken by the board, which shall be available to all owners. Upon the affirmative vote in open meeting to assemble in closed session, the Board of Directors may convene in closed executive session to consider personnel matters; consult with legal counsel or consider communications with legal counsel; and discuss likely or pending litigation, matters involving possible violations of the governing documents of the association, and matters involving the possible liability of an owner to the association. The motion shall state specifically the purpose for the closed session. Reference to the motion and the stated purpose for the closed session shall be included in the minutes. The board of directors shall restrict the consideration of matters during the closed portion of meetings only to those purposes specifically exempted and stated in the motion. No motion, or other action adopted, passed, or agreed to in closed session may become effective unless the board of directors, following the closed session, reconvenes in open meeting and votes in the open meeting on such motion, or other action which is reasonably identified. The requirements of this subsection shall not require the disclosure of

information in violation of law or which is otherwise exempt from disclosure.” RCW 64.38.035 – Association meetings – Notice – Board of Directors.

3. **Committees and Committee Chairs** - New committees are chartered by a PSA Board Resolution. Existing committees are required to produce sufficient documentation such as the nature of their charter, their purpose and goals that can be passed on to new committee chairs when prior committee chairs resign or are removed. The Communications Committee may be instrumental in suggesting appropriate documents that can ensure smooth transition of any chairperson responsibilities as well as for those documents that provide a historical record of prior committee decisions and recommendations to the PSA Board.
4. **Check Signing** – All checks are to be signed only by PSA Board officers and designated representatives as detailed in our Bylaws Article V Section F. Execution of Documents. Checks will require two Board officers’ signatures.
5. **Employee Reviews** – PSA Board officers in conjunction with Committee chairs (when applicable) will provide salaried employees with annual performance reviews. These reviews will be accomplished in October of each year. Pre-season employee orientations will be conducted in March of each year.
6. **Regular Board Meeting Q&A** – Regular and Special Board meetings will allow a question and answer period at the end of each meeting. Each member will be allowed 2 minutes to ask questions relevant to the Board agenda. Also, questions will be allowed regarding unresolved Committee actions on a given issue if the Committee and Board have not already made a ruling. If so, an unresolved member issues may be addressed to the Board in writing and will be recorded as PSA Board business. If the question and answer period exceeds the time allocated for a given meeting, members are invited to submit additional questions or concerns in writing to the Board for deliberation.
7. **Annual Board Meeting Q&A** – Annual Board meeting question and answer periods also operate in the same way as regular Board meetings. Each member will be allowed 2 minutes to ask question relevant to the Board agenda for that meeting. Also, questions will be allowed regarding unresolved Committee actions on a given issue if the Committee and Board have not already made a ruling. Considering the number of participants, however, the Board may limit the total question and answer time to a reasonable period, such as 30 minutes total for all questions. Any unresolved issues may be addressed to the Board in writing following the meeting.
8. **Payment Authorization** – Any work performed on behalf of PSA is subject to the approval of the Committee chair or delegate authorizing and supervising the work as

directed by the PSA Board. The Committee chair must verify that work is accomplished in a satisfactory manner before any payments are made to those companies authorized to do the work. All such invoices are reviewed and accepted by the Committee chair and forwarded to Board officers for payment. Board officers perform a second level verification, conferring with the Board when necessary, before completing payment to said companies.

9. **Payment/Work Adjustments** – Any significant changes in contract amount or in work to be performed must be brought to the PSA Board for resolution and endorsement. The Committee chair may make interim decisions to expedite work that does not significantly impact cost or project work. Miscellaneous cost adjustments not to exceed 10% may be authorized at the Committee level. Rationale and justification will be reported at the next Board meeting.
10. **Rationale:** Each member of our Association has a right to participate in our decision-making process. For a variety of reasons some members may not be able to attend (vacation, work-conflict family event, etc.), but still have an interest in Association business. Providing proxy ballots assures all members have a vote.

**Voting Clarification** – Annual and Special Membership Meetings – Article II D. Meetings – provides general guidelines under item 6 – Ballots, and under item 8 – Majority for voting procedures. To further clarify this process, Proxy ballots will be accepted to gain representation from all interested Association members. Proxy ballots must be received by the Wednesday prior to the meeting, if mailed, or can be hand carried by the member assigned as a proxy who is attending the meeting. Counting of proxy votes and tabulation will be done by Board officers and other delegated Association members. Two Board officers and two Association members will constitute a valid quorum for this purpose. Officers for re-election will not be eligible to participate in this process. Results will not be revealed to ANYONE other than those sanctioned to record the absentee vote until votes from the membership meeting are received and counted. The total membership count will then be posted on the community bulletin board for all members to review.

If absentee voters choose to remain anonymous regarding their voting position, they may place their ballots in an unmarked envelope. This unmarked envelope must then be placed in another envelope that clearly identifies the owner and lot # for tabulation purposes. When the vote is received and verified as valid, then the internal envelope will be placed, un-opened, in a ballot “box,” or other container for later counting and tabulation. When all absentee votes are received and verified, then absentee votes will all be counted at the same time and the results tabulated for inclusion with the votes cast during the annual or special membership meeting.

11. **Annual Meeting Ballot Procedure** – Members will receive ballots after signing in. Each member will receive two envelopes. After voting the completed ballot will be placed in the smaller blank envelope. This envelope will then be placed in the larger envelope, which must be signed by the member, and include printed name and lot number(s). This double envelope system will ensure anonymity and accuracy. The completed ballot will then be placed in the ballot box. Once all ballots are received, Board officers and delegated Association members will tabulate the results and post the results on the community bulletin board the same day that the annual meeting takes place. If a person is found to have voted twice, neither vote will be counted as valid. Any votes whose validity is in question may be verified at the Board’s discretion. Disputes must be resolved within two weeks of when the vote was originally counted.
  
12. **PSA Board Committee Reports and Consent Agenda** – To expedite PSA Board meetings, each committee will submit written committee meeting reports to the PSA president or designee for inclusion in the next PSA Board minutes. These reports will be distributed to each Board member by the Wednesday prior to the Saturday Board meeting. These committee reports will become part of the BOD minutes and will be accepted by the Board by way of a consent agenda. Any action items will be noted on the committee reports for Board discussion. This process will eliminate verbal committee reports at our Board meetings and will allow the Board to focus on action items, motions, and new business.

## **Part B – Rules and Guidelines to Support Community Actions**

### **1. Dues & Special Assessments**

- a. Each member, by accepting an ownership interest in any lot within the development, agrees to pay all assessments imposed by the Association.
  
- b. Assessments as defined herein shall constitute a personal obligation of each member. In addition, they shall constitute a lien as specified herein, whether this lien is reduced to writing and recorded or not. A “lot” for assessment purposes means any lot as shown on the original plats of Paradise Service Associates. The effective date of each such lien shall be the date of recordation of the applicable protective covenant.
  
- c. Members have the obligation to pay assessments, but the Association recognizes that individual members often face financial difficulties. The Association shall diligently collect all accounts. When an account becomes delinquent, the Association shall make reasonable efforts to work with the member to bring the account current, including readily accepting reasonable payment plans, supported by a

promissory note, where such plans provide for payment in full of all delinquencies and specify that all future assessments will be paid on time.

- d. When reasonable collection efforts are not successful, and if appropriate in the judgment of the Association, assessment liens may be foreclosed, in the general manner of foreclosure of real property mortgages, with adaptations where reasonable in the judgment of the Board of Directors; provided, that a revised deficiency judgment may be entered after confirmation of sale, crediting the sale proceeds, and any payments or other credits, and debiting any post-judgment assessments, costs and attorney fees; the member may stay the proceedings at any time, prior to sale, by payment to Paradise Service Associates of the full amount due, as defined below; and if a lot has been improved and abandoned, as defined by state law, upon request, a court may order no redemption period as well as a deficiency judgment.
- e. The lien of Paradise Service Associates for payment of all assessments as defined herein is prior to any other lien, mortgage, deed of trust, or any other encumbrance, regardless of filing date of notice of the same. However, as to any lot, this lien shall be automatically subordinated to one mortgage, deed of trust, or other financing encumbrance in favor of an institutional lender, which is undertaken for the sole purpose of purchase of the lot, construction (or remodeling) of improvements to the lot, or refinancing of the same; provided that the Association account with respect to any such lot is not delinquent at the time of recordation of the encumbrance, and that a copy of such encumbrance is delivered personally, evidenced by a receipt for the same, or sent by certified or registered mail; and received at the office of Paradise Service Associates within sixty days of its execution. The burden of proving receipt is on the lender.
- f. In addition, Paradise Service Associates may choose to subordinate its lien to any other encumbrance, when in the best interests of the Association, and consistent with the purposes of Paradise Service Associates as set forth herein.
  - Payment Guidelines:
    - o Bylaw information – Article VIII – Assessments – Paragraph A - “Each member, by accepting an ownership interest in **any lot** within the development, agrees to pay all assessments as provided herein or otherwise by law.” – Paragraph B – “Assessments as defined herein shall constitute a personal obligation of each lot owner. In addition, they shall constitute a lien as specified herein, whether this lien is reduced to writing and recorded, or not. A “lot” for assessment purpose means any lot as shown on the plats of Paradise Shores Estates.

- Note: Combining lots by way of boundary line removal does not change the original lot plat of Paradise Shores Estates and, therefore, does not eliminate or reduce lot assessment responsibility.
- Assessments constitute liens as specified above. Unpaid assessments may trigger remedial action including foreclosure unless delinquency is satisfied. For detailed action steps refer to Article VIII – Paragraphs C through G.
  1. Fees – See Assessment Details
  2. Interest will not exceed 12% per annum
  3. Expenses – Reimbursement of Board/Association collection expenses
- Assessment Details:
  - Annual dues are due on January 31, whether you receive a notice or not. Notice will be sent out by December of the previous year. Special assessments will be due as stated on separate billings and sent out in advance of due dates.
  - Special assessments and any other billings will be handled in the same manner for payments past the due date.
  - Each lot on the original Paradise Shore Estates plot is assessed individually whether they are combined or not.
  - Loss of “Member in Good Standing” status: Loss of park privileges, including moorage, voting rights and rights to serve on the board and on any board-sponsored position when 60 days or more in arrears.
  - Moorage: Any dues or assessments in arrears 60 days or more will result in revocation of park privileges regardless of whether you have paid for a moorage slip or not. If you have a boat in the water, you will be asked to remove it until dues and/or assessments are paid in full.
  - Landlord-owners (long and short term rentals): As the owner, you are responsible for the payment of dues and assessments. As stated above, dues not paid by January 31 will keep your tenant or you from using the park.
    1. Long Term Rentals (more than 30 days)
      1. New and renewal Landlord/tenant forms are to be sent to the PSA secretary (261 E Shore Dr, Grapeview, WA 98546) by January 31<sup>st</sup> each year.
      2. If we do not have a current Landlord form, on file, we will not allow your tenants to use the park.
    2. Short Term Rentals (30 days or less)
      1. All properties used as Short Term Rentals must comply

with:

1. Washington State Chapter 64.37
  2. Mason County Chapter 17.100
  3. Paradise Services Associates Governing Documents (posted on the website)
- Changes: Any changes to ownership, addresses, phone numbers, and e-mail addresses, should be provided to :
    1. PSA secretary at PSA address (261 E Shore Dr, Grapeview 98546)
    2. PSA secretary email (found on the PSA website)
    3. Northwest Water address PO Box 123, Port Orchard 98366
  - Partial payments will be accepted. However, requirements for full payment will be treated the same regarding park privileges.
  - Penalties and/or interest will not be removed except when dues, penalties and interest are paid within 7 days of the billing date of said bill.
  - Miscellaneous re-billing fees and interest that are outstanding, with all other fees paid, but not in lien status, will be turned over to a collection agency unless payment is received within 30 days after notification is received to pay such fees.
  - Billing grievances of any kind must be addressed to the Board in writing. All Board decisions are final.

**HOA Dues calendar:**

**January 31 - Annual dues are to be paid in full on or prior to this date.**

**February 1 - Second notice - \$25 re-billing fee added to balance.**

**March 1 - Third notice (30 days past due) - \$25 re-billing fee added to balance.**

**April 1 - Final notice (60 days past due)**

1. Lost Park privileges
2. \$25 re-billing fee added to balance.
3. Certified letter sent with delinquent dues invoice
4. Letter with bill, stating: "If not paid by May 1, your account may be sent to collections and water may be shut off. Appropriate disconnect and reconnect fees will be added."

**May 1 - Collections (90 days past due)**

1. The account will be sent to collections 15 days from the date of notice (May 1<sup>st</sup>) if the account and fees are not paid in full.
2. Water will be shut off.

## **2. Marina, Moorage Rules and Fees**

- a. Moorage fees will be determined annually at the November Board meeting. Fees will be posted on our web site, in the newsletter or by email.
- b. The amount charged is for a single slip for the season. The season is designated as April 1 through October 31 of each year.
- c. April 15: If moorage slips are still available, additional slips may be rented for an additional fee.
- d. At PSA's discretion, unoccupied boat and personal water craft slips may be rented out on a daily basis for members, family and friends. Fees for such use will be determined annually at the November Board meeting.
- e. The Association is not responsible for any water craft or associated items at any time, but especially those items left in the park after the season ends on October 31.
- f. All moorage fees will be dedicated to pay for marina improvements, including, but not limited to: moorage slip modifications and upgrades, moorage slip and dock maintenance, and marina channel improvements including bank restoration and improvement.
- g. Moorage of any kind may not be rented out by members for use by non-members. Moorage is available only to owners, for use by owners and their immediate families.

## **3. Marina Use:**

- a. Marina season: April 1 through October 31
- b. Reasonable use – Reasonable use is determined by PSA. If use is deemed unreasonable, moorage privileges may be suspended by written notice to the individual.
- c. Water craft responsibilities – Refer to Mason Lake Boating Rules and Washington State Safety Regulations. Documented rules and safety violations may result in loss of marina privileges.
- d. Gas and gas containers – Please use caution when gassing up your water craft. Use spill prevention containers if possible. Each of us has a responsibility to keep our lagoon pollution free.
- e. After season use penalties



1. \$125 a month fee. As of November 1 of each year, a monthly fee will be assessed for any water craft or associated equipment left in the marina area. Failure to pay this fee will result in suspension of marina privileges until such fees are paid.

2. Owner liability statement – Each member, and other authorized individuals who use the marina facility, will be required to sign a personal liability statement that exempts PSA from any liability incurred during any use of the marina.

f. Off season day use of the marina is permitted by prior arrangement with the caretaker.

#### **4. Water Payments and Leak Reporting Guidelines**

- a. Water payments: Make checks payable to Paradise Service Associates (PSA) and mail to Northwest Water Systems (NWS) PO Box 123, Port Orchard, WA. 98366.
- b. If a member discovers a leak, call Northwest Water Systems (NWS) at 1-888-0958.
- c. NWS will then call a PSA member representative to ascertain the location of the leak. Current volunteer members are to be called in the order below. If the first person cannot be reached, the next will be contacted, and so on.
  1. Current Water Committee Chairman
  2. Current PSA President
- d. The PSA member contacted may choose to investigate the leak and try to determine if the leak is on the community side or the homeowner side. If our committee person does the investigation, they are to report their results back to NWS as quickly as possible
- e. NWS will then decide if the committee person will notify the homeowner or if NWS will. NWS may have the committee person ask the homeowner if they want them to turn the water off, for example.
- f. If the leak is on the community side, NWS is authorized to complete the repairs.
- g. All such repair costs will be tracked separately and reported as line items in Water System Maintenance in our financial reports.
- h. Regarding known water leaks on member property, PSA, at its discretion, may turn off water until the property owner can be contacted.
- i. Mason County code requires water shut-off valves to any residence. It is homeowner responsibility to control water flow to their residence The Association is not responsible for any water supply or shut-off issues on any member property. Any damage or impairment to the PSA owned shut-off valve

and or metering system caused by the property owner is also the responsibility of the property owner.

- j. The PSA Water system, since 2009, is currently funded with bi-monthly billing to all 228 PSA platted lots. The water system maintains a separate budget and water accounts. Water rates are set by the BOD. All water fees and related payments to remain for the exclusive use for the PSA Water system, and are not available for any other PSA funding purpose. The PSA Board of Directors and Water Committee are solely responsible to use the water funds to ensure safe, reliable water delivery to only those PSA lots and common areas within the PSA community.

## **5. Park Use**

- a. **Swimming Area Safety** – Each Association member is responsible for not only their own personal safety, but for the safety of anyone using our swimming and dock areas. Please remind each other that swimming off the ski dock or diving in the area of the ski dock is dangerous. Do so at your own risk. Also refrain from swimming out into the lake from our swimming area. Operators of boats and personal water craft cannot see you – swim safely.
- b. **Reserving the covered picnic area** –Events may be reserved 60 days in advance and all reservations will be posted on the community bulletin board, Park Hut bulletin board and the PSA calendar (on the web site). The fee will be determined annually at the November Board meeting. Reservations are first-come, first-served and the park caretaker has the right to determine the limit on simultaneous use of the picnic area. Contact the caretaker for an information form to fill out.
- c. **Special Needs** – Accommodations will be provided for members with special needs. These would include, but are not limited to, the following:
  - o Guide Dogs
  - o Use of golf carts to transport individuals to and from picnic and swimming areas (parking of carts in designated areas only).
- d. **Dog Control – The Park**
  - i. **General PSA community, members, family and guests:** All dogs must be in human control at all times. During boating season (April 1-October 31), dogs are allowed access to boats, but not picnic, sports court or swimming areas.
  - ii. **Off season (November 1 – March 31),** dogs will be allowed in picnic and swimming areas, but not on the sports court. Owners are responsible for picking up all feces and depositing it in refuse containers. Failure to comply will result in loss of the privilege of having your dog in the park.

- e. Park privileges may be revoked for inappropriate behavior, which includes, but is not limited to, the following:
    - o Offensive and vulgar language
    - o Physical or verbal abuse
    - o Drunk in public
  - f. No bicycles may be ridden in the park other than in the vehicle parking area. The exception is the use of bicycles and roller skates by children 10 years old and under only with the direct supervision of an adult in the sports court area, in a way that does not interfere with use by other members using the sports court.
6. **Work Safety** – At times, the PSA Board authorizes work to be performed by professionals hired by the Association. To insure safety of our Association members, no PSA members or renters should approach any worksite. If anyone has questions about the work being performed, they should contact the designated Committee chair or the PSA president for information. Unauthorized persons distracting or interfering with contracted workmen can cost our community added labor charges when work is stopped to answer questions. Furthermore, there are insurance liability and safety issues for both the contracted workers and the individual(s) interrupting the scheduled work. Though most of this work is being conducted in the public right of way, and on public streets, PSA’s Franchise Agreement with Mason County places these construction zones off limits to the public while repair/upgrade work is under way.
7. **Member Ideas and Concerns** – PSA members are to bring ideas and issues of interest or concern to the Committees responsible. Ideas and/or issues must be brought before the relevant Committee and the Committee will address the issue and bring recommendations to the Board for any required action.

The Board will not respond directly to new issues or concerns during Board meeting question-and-answer time unless the issue or concern has already been brought to the committee, and the committee has responded to the initial query.

8. **Civil Disobedience** – Report any domestic disputes to your Block Watch captains. Do your best to resolve any disputes and complaints directly with your neighbors. If this situation escalates to the point of a safety or endangerment issue, contact the Mason County Sheriff’s office. If this becomes a recurrent situation that involves neighbors, said neighbors may file an “Anti-Harassment Order” with the Sheriff’s office.