

Approved on February 10, 2016
Effective as of March 10, 2016

CAMANO HILLS HOMEOWNERS ASSOCIATION

RULES & REGULATIONS

As authorized by Section 64.38.(1) of the Revised Code of Washington (RCW) and Article IV, Section 4.5 of the Bylaws of the Association, the CHHA Board of Trustees has adopted the following Rules & Regulations, which replace all previous Rules and Regulations of the Association in their entirety. The purpose of these Rules & Regulations, which reflect the Board's understanding of the meaning and intent of key provisions of the CC&Rs, other CHHA governing documents, and applicable law, is to assist in the interpretation and implementation of those provisions.

The validity and force of these Rules & Regulations depend on their consistency with the CC&Rs and applicable law. If a provision of the Rules & Regulations is determined by competent legal authority to be inconsistent with the letter or intention of the CC&Rs or with applicable law, such provision of the Rules & Regulations shall have no validity or force.

A failure of the Rules & Regulations to refer to a provision of the CC&Rs or of the other governing documents does not affect the validity or force of such provision.

Issues Addressed in the Rules & Regulations

- I. General Items
- II. Lot Maintenance
- III. Architectural Control Committee Approval
- IV. Kennels
- V. Vehicles
- VI. RV Lot
- VII. Complaint Procedures
- VIII. Resolution of Disputes between Lot Owners over Views or Access to Solar Light
- IX. View Preservation in Relation to Trees in the Open Areas
- X. Annual Assessments, Rebilling Fee and Interest

I. General Items

1. Owners retain all their rights and obligations under our governing documents, even if they allow their property to be used by another. Any enforcement action required to remedy a problem created by a tenant, guest or family member shall be directed to the owner.
2. Proposed additions/deletions to these Rules & Regulations must be submitted to the Board in writing and shall be given initial consideration at the next scheduled Board meeting.
3. Rules & Regulations shall be adopted by majority vote of the Board. If adopted, they shall be effective 30 days after their distribution to the membership.

II. Lot Maintenance

1. Article V, Section 11 of the CC&Rs requires Owners to maintain the landscaping of their Lots in a healthy and attractive state. A healthy and attractive state is defined as being properly mowed, weeded, shrubs/trees trimmed, and care being provided to dead or dying plants.
2. Dormant lawns shall not be considered a violation of the requirement in Article V, Section 11 to maintain landscaping in a healthy and attractive state.

III. Architectural Control Committee Approval

1. Article V, Section 2 of the CC&Rs requires written Architectural Control Committee approval prior to erecting, modifying or altering driveways, buildings, walls or any structure authorized by the Covenants. Structures include houses, fences, pergolas, trellises, decks, patios, and outbuildings. Modifying or altering includes painting, re-roofing, and any other action which changes the external appearance of the structure. Repainting the primary residence on the Lot in the existing color shall not be considered a change in the external appearance of the structure.
2. Article V, Section 22(f) lists the materials which may be used for roofs. The list includes "tile." Tiles made of metal or other material may be approved if they closely

resemble a natural material such as wood and are deemed by the Architectural Control Committee to be in keeping with the appearance of existing roofs.

IV. Kennels

1. Separate external kennels are not allowed (Article V, Section 9). A kennel is defined as a fenced area which contains a structure intended to provide shelter from the elements for an animal. A fenced yard absent a shelter is not considered a kennel.

V. Vehicles

1. Article V, Section 6 of the CC&Rs provides that no boat, trailer, or recreational vehicle may be kept or stored on any Lot unless it is in the garage attached to the dwelling. Any boat, trailer, or recreational vehicle remaining on a Lot in excess of 48 hours (except when in a garage) shall be considered as kept on that Lot and in violation of this covenant.

VI. RV Lot

1. The CHHA RV lot has a total of 30 rental spaces that are either currently rented or are available to rent on a first-come, first-served basis.

2. Renting of an RV space is limited to one RV space per Owner. However, should a vacant space occur in the RV storage lot, an Owner may rent a second RV space with the understanding that they must relinquish the second space should another non-renting Owner desire to rent an RV space (his/her first).

3. When an Owner sells his/her home, the RV space(s) that is/are assigned to and being rented by the Owner shall be returned to the control of CHHA. The rented RV space shall not be considered to be a part or benefit of a home sale.

4. Owners shall never sub-lease their assigned RV rental space(s).

5. Any Owner who is not occupying his/her assigned RV rental space is encouraged to relinquish the space so it can be assigned to an Owner on the waiting list.
6. The maintenance of temporary storage covers and/or the item stored on rented RV space(s) is the responsibility of the renter. Renters are also responsible for any and all damage that may occur on their rented RV space, including but not limited to the lot surface, the perimeter fence, and the property of other RV lot renters.
7. The total length of any vehicle stored in the RV lot area shall not exceed 32 feet (tongue to rear bumper) including spare tire (i.e., a 28-foot unit). Until the RV lot is expanded, larger units shall not be allowed (one exception is a 40-foot motor home owned by Walt and Jan Mills that has been grandfathered in).
8. RV lot storage is reserved for Owners who reside and live within the Camano Hills community. Owners of vacant lots within the Camano Hills community are not eligible to rent an RV space at the RV storage lot.
9. The RV lot storage area is for Owners' non-commercial RV vehicles, trailers and boats, etc.
10. RV rental spaces shall never be rented to any commercial-type vehicle, business, trailer, etc.
11. Any and all funds collected from the rental of RV spaces in the CHHA RV lot shall be accounted for on a ledger that is separate from that of the CHHA general budget ledger. All funds collected shall be earmarked for RV lot maintenance and improvements.

VII. Complaint Procedures

1. The Board will consider any complaint made to it by a lot owner concerning an action or failure to act by the Board, the Architectural Control Committee, or any member of those bodies acting in an official capacity if the complaint is made in writing and clearly identifies the perceived problem and, if known, any relevant specific section of the CC&Rs, Rules & Regulations, or other CHHA governing document, policy or guideline. If the complaint includes any allegation that one or more other lot owners is failing to comply with the CC&Rs, it must, in addition to the requirements stated earlier

in this paragraph, specify the action(s) that the complaining lot owner has personally undertaken to resolve the problem. The Board shall defer any consideration of the complaint until it has solicited the response of the other lot owners to the allegations made against them. The Board shall evaluate the complaint and take such action as it deems appropriate in accordance with the CC&Rs. If the complaining lot owner is not satisfied with the Board's action in response to his or her complaint, he or she may seek to resolve the problem in accordance with the provisions of Article VIII, Section 5 of the CC&Rs.

2. A lot owner who believes that an action or failure to act by another lot owner may involve a violation of the CC&Rs may approach the other lot owner to explain the grounds for his or concern and request remedial action. If that discussion does not result in a resolution of the problem, the complaining lot owner may seek to resolve it in accordance with the dispute-resolution provisions of Article VIII, Section 5 of the CC&Rs.

VIII. Resolution of Disputes between Lot Owners over Views or Access to Solar Light

1. Article V, Section 20(a) of the CC&Rs provides that “the preservation of water and/or territorial views, and access to solar light, is paramount” and that “trees or other vegetation that objectively restrict views from and/or solar light to neighboring Lots shall be maintained in a manner determined to preserve water and/or territorial views, and access to solar light. Exemption from this restriction may be obtained if satisfactory view and solar light can be maintained by trimming and/or limbing rather than by topping or removal...” The Board understands the meaning and intent of those provisions in combination to be that:

- trees or other vegetation on an Owner's Lot shall not be allowed to objectively restrict any other Owner's water and/or territorial view or access to solar light,
- a view or access to solar light shall be regarded as being objectively restricted if it is significantly degraded by trees or other vegetation on another Owner's Lot, and
- in determining whether “satisfactory” views or access to solar light can be maintained by trimming and/or limbing rather than by topping or removal, the

term “satisfactory” shall be evaluated in the context of CC&Rs in which the preservation of water and/or territorial views and of access to solar light is specified to be paramount.

2. The determination of whether an Owner’s water and/or territorial view or access to solar light is significantly degraded and therefore “objectively restricted” shall include, *inter alia*, consideration of the following:

- whether the claimed “objective restriction” in question affects a water and/or territorial view from or solar light to the main living area of the complainant’s home;
- the quantitative extent of the alleged “objective restriction” in the context of the complainant’s overall water and/or territorial view and access to solar light;
- the extent to which the trees(s) or other vegetation in question block or degrade a view of unique features (e.g., Mt. Baker, Mt. Rainier);
- the degree to which the extent and/or quality of the overall water and/or territorial view in question is or may be affected by factors other than the tree(s) or vegetation about which the complaint has been made (e.g., by trees beyond the boundaries of the CHHA that would continue to degrade the complainant’s view even if the trees about which the complaint has been made were removed);
- the extent to which the overall water and/or territorial view or access to solar light in question differs from the view and solar light that was available when the complainant acquired his or her Lot.

3. In the event of a dispute over view protection or access to solar light between or among Owners, those Owners shall, in accordance with Article V, Section 20(e) and Article VIII, Section 5(a) of the CC&Rs, attempt to settle the dispute by **consulting and negotiating** with each other in good faith and, recognizing their mutual interests, shall attempt to reach a just and equitable solution satisfactory to all parties. Each party may invite one accompanying person to participate in the consultations and negotiations. Such an accompanying person may speak in the consultations and negotiations only to the extent that the party who invited him or her allows it and only about the dispute in question. Each party is encouraged to maintain a written record of the proposals for a just and equitable solution made by all parties to the dispute and of the responses to those proposals by the other parties.

4. Any Owner initiating or maintaining a claim that the view from his or her main living area is being objectively restricted by one or more trees or other vegetation on another Owner's lot shall facilitate access to his or her deck or main living area by that other Owner for long enough reasonably to permit the latter to evaluate that claim and to photograph the view. The access shall be scheduled with reasonable notice and at a time and in conditions that allow an informed opinion to be formed and adequately illustrative photographs to be taken.

5. Any Owner against whom a claim has been made that trees or other vegetation on his or her lot objectively restrict the view from another Owner's main living area shall facilitate access to the trees or vegetation in question by the Owner making the claim for long enough to permit the latter to form an opinion about whether additional trees or vegetation on the lot not presently visible from the claimant's main living area would objectively restrict the claimant's view if the trees and/or vegetation that formed the basis of the claim were removed, topped, trimmed or limbed. The access shall be scheduled with reasonable notice and at a time and in conditions that allow an informed opinion to be formed and adequately illustrative photographs to be taken.

6. If the parties do not reach a solution acceptable to all involved parties within a period of 30 days, then, upon notice by any party to the other parties involved and in accordance with Article V, Section 20(e) and Article VIII, Section 5(b) of the CC&Rs, the parties may try to reach a just and equitable solution through **mediation**. The Board of Trustees shall be available to serve as a mediator of any dispute that arises between or among lot owners, if that is agreeable to all of the parties. If the parties so agree in advance, the mediator shall be free to initiate proposals for a just and equitable solution to the dispute for the parties' consideration.

7. As an alternative to mediation, all -- but not less than all -- of the parties involved in a dispute may agree to **submit it to the Board of Trustees for resolution**. If that is done, the Board shall decide the dispute by applying in good faith the provisions of the CC&Rs and, if relevant, other governing documents of the Association, including these Rules and Regulations. In all such cases, the Board shall provide a written rationale for its decision. The Board's decision shall be final and binding on the parties involved, unless within 30 days following the issuance of the Board's written decision, a party to the dispute requests that all or part of the dispute considered by the Board be arbitrated in accordance with Article VIII, Section 5(e) of the CC&Rs, in which case the dispute will be resolved in accordance with that provision. If arbitration is requested to resolve less than the entire dispute considered by the Board of Trustees, then any other party to the

proceeding shall have 15 days after the initial request for arbitration to designate for arbitration additional part of the dispute considered by the Board of Trustees.

6. If the Board of Trustees serves as a mediator in any dispute in accordance with Paragraph 4 above or resolves a dispute in accordance with Paragraph 5 above, any Board Member whose interests or personal relationships would prevent him or her from acting impartially shall recuse himself or herself, including in any dispute in which he or she is himself or herself a party, and any dispute in which an immediate neighbor of his or hers is a party. Assuring that the Board of Trustees acts impartially when serving to mediate or resolve a dispute is not solely a responsibility of any individual Board member; it is a responsibility of the entire Board, which must consider the importance of trust on the part of CHHA members that it can be relied upon to act impartially in all such disputes. Before the parties to a dispute decide whether to ask the Board to mediate or resolve that dispute, the Board shall make them aware of which, if any, Board members would recuse themselves from participation in such mediation or resolution.

7. If the parties do not agree to submit the dispute to the Board of Trustees for resolution and fail to reach a solution acceptable to all involved parties within a period of sixty days after the initial notice requesting mediation, then upon notice by any party to the other parties involved, the dispute shall be finally settled by **arbitration** in accordance with Article V, Section 20(e) and Article VIII, Section 5(ce) of the CC&Rs. An arbitration conducted following a decision of the Board of Trustees shall be conducted *de novo*, and not as an appeal of the Board's decision, but any party in the dispute may submit a copy of the Board's decision and rationale to the arbitrator for consideration.

8. The arbitrator shall be empowered to decide the dispute and shall have the authority, without limitation, to compel specific performance, to apportion costs, including without limitation costs of arbitration and legal fees, and to award such damages as he or she deems reasonable.

9. In determining whether a water or territorial view or access to solar light is being "objectively restricted," the arbitrator shall take into consideration, *inter alia*, the factors set out in Paragraph 2 above. If the arbitrator determines that a water and/or territorial view or access to solar light is not being objectively restricted, he or she should resolve the dispute in favor of the owner of the trees or other vegetation against which the complaint was made. If the arbitrator determines that a water or territorial view is being objectively restricted, he or she should additionally determine whether a satisfactory

view or access to solar light can be maintained by trimming and/or limbing rather than by topping or removal. If so, the owner of the trees or other vegetation may choose to eliminate the objective restriction by trimming and/or limbing, rather than by topping or removal. If not, the owner of the trees or other vegetation shall eliminate the objective restriction by topping or removing the trees or other vegetation in question.

10. In apportioning costs, in addition to such other factors that he or she may deem relevant, the arbitrator should take into consideration in his/her decisions (a) the responsibility of each of the parties for the creation of any objective restriction of a water and/or territorial view or of access to solar light that may be found to exist, recognizing that, as specified in Article V, Section 20(d) of the CC&Rs, the care and maintenance of trees on a Lot is the responsibility of the Owner of such Lot; and (b) the degree to which each of the parties has fulfilled his/her duty to consult and negotiate in good faith to settle the dispute, as required by Article V, Section 20(e) and Article VIII, Section 5(a) of the CC&Rs. For the purpose of apportioning costs, the arbitrator shall not consider the Board of Trustees or the Association to be a party to a dispute simply because the Board has rendered a decision in a case at the request of the parties.

11. In all cases in which a resolution of a view dispute between or among lot owners has been reached, the Board shall include a summary of the resolution in the minutes of its next regular meeting.

IX. View Preservation in Relation to Trees in the Open Areas

A condition of Island County's approval of Camano Hills' development as a Planned Residential Development was that the Open Areas would be, as stated in the Camano Hills PRD document, "reserved and permanently committed as open space and left in undisturbed natural state **or maintained and used as shown hereon, as specified in the Declaration of Covenants, Conditions, Easements, and Reservations** (*emphasis added*), and is for passive recreation only." Because any actions that the CHHA may take with regard to the maintenance of the Open Areas are subject to Island County's oversight of the fulfillment of that commitment, the Association's ability to make assurances to Owners about Open Areas maintenance is limited.

1. Article V, Section 20(d) of the CC&Rs states that the care and maintenance of trees in the Common Areas is the responsibility of the Association as provided in Article VII, Section 5 of the CC&Rs. The Common Areas, as defined in Article I, Section 5 of the CC&Rs, include the Open Areas. Trees in the Common Areas, including the Open

Areas, shall not be removed or trimmed without specific prior written authorization by the Architectural Control Committee (ACC). If the ACC concludes that trees in the Open Areas have been trimmed or cut without its specific prior written authorization, it shall provide all relevant factual information relating to such action in writing to the Board of Trustees for a determination of appropriate action.

2. Association funds shall not be used to remove or trim any tree(s) in the Open Areas for the purpose of view protection unless funds for that purpose have been approved as an explicit part of the annual budget of that year.

3. Article VII, Section 5 of the CC&Rs provides that when approving maintenance plans, the ACC should work to preserve the Open Areas in a “natural and undisturbed condition,” taking into consideration the CC&Rs’ restrictions and covenants and four specifically identified goals: providing a safe environment for Owners and other passive users of the Open Areas, **preserving the water and territorial views from each Lot**, encouraging water conservation, and avoiding unnecessary disturbance of trees, shrubbery, plants, soil and natural growth. The Board understands the intent of that provision to be that, to the extent that the Association has the authority to perform or permit tree maintenance in the Open Areas, that authority shall be used to preserve Owners’ water and/or territorial views, in a manner consistent with the pursuit of the other goals identified in Article VII, Section 5 of the CC&Rs and with all other relevant Sections of the CC&Rs. Whether a proposed removal or trimming of a tree or trees would be funded by the requesting Owner or by the Association shall not be a consideration in the ACC’s determination of whether removal or trimming should be permitted for the purpose of preserving the water or territorial views from a Lot.

4. An Owner who believes that his or her water or territorial view is being restricted by a tree or trees in the Open Areas may request the ACC in writing to approve its/their removal or trimming. The Owner must specifically identify each such tree or trees by location and type (conifer or deciduous), include photographs from the main living areas of his/her home with clear identification on the photograph of the tree(s) that the Owner is requesting be removed or trimmed, and indicate whether he or she proposes to pay all expenses involved or to request that the tree be removed or trimmed wholly or partly with Association funds.

5. In considering view-preservation requests, any ACC member whose interests or personal relationships would prevent him or her from acting impartially shall recuse himself or herself in advance of any ACC action, including in any case in which he or she is the party initiating the request or in which an immediate neighbor of his or hers

has initiated the request. Assuring that the ACC acts impartially and is perceived by the CHHA membership to act impartially is not solely the responsibility of individual ACC members; it is a responsibility of the entire ACC. At the request of an owner considering whether to make a request, the ACC shall make clear which, if any, of its members would recuse themselves if the proceeding were initiated.

6. After receipt of a written request for the removal or trimming of a tree or trees in the Open Areas, the ACC shall visit the main living areas of the requestor's home in order to make an independent determination of the facts of the case. It shall also make a photographic record of the requestor's view from that location that includes the tree or trees in question. The ACC's determination of whether the tree or trees that is or are the subject of the request may be removed or trimmed in order to preserve an Owner's water or territorial view shall include consideration of:

- whether the water or territorial view in question is from the main living area of the complainant's home;
- the quantitative extent of the alleged "objective restriction" in the context of the complainant's overall water or territorial view;
- the extent to which the trees(s) or other vegetation in question block or degrade a view of unique features (e.g., Mt. Baker, Mt. Rainier);
- the extent to which the water or territorial view in question may be affected by factors other than the tree(s) or vegetation about which the complaint has been made (e.g., by trees beyond the boundaries of the CHHA that would block the complainant's view if the Open Area trees about which the request has been made were removed);
- whether the removal or trimming of the tree(s) in question would be in accordance with the Association's commitment to preserve the Open Areas in a natural and undisturbed condition, and avoid unnecessary disturbance of trees, shrubbery, plants, soil and natural growth and be consistent with water conservation and the prevention of erosion.

A decision by the ACC to authorize the removal or trimming of trees in the Open Areas shall require the positive votes of at least two ACC members. If the ACC is unable for any reason (including the absence of a quorum or the recusal of one or more of its members) to make a decision on a member's request, that failure to make a decision

shall be treated as a denial of the request, entitling the member to pursue a decision through the Association's dispute-resolution mechanism.

7. A decision by the ACC to authorize the removal of one or more trees in the Open Areas shall not be made without also requiring the planting in the Open Areas of an equal number of young trees of species that are indigenous to the area and will not grow at maturity to a height that could cause interference with any Owner's water or territorial view."

8. In cases where the ACC authorizes the removal or trimming of trees in the Open Areas, all removal and/or trimming of those trees shall be carried out by a commercial contractor licensed and bonded for such work.

9. The ACC shall provide to the requestor and to the Board, and shall retain in its own files, a written rationale for its decision on each such request submitted to it, along with photographic evidence of the view and all the trees in question. Upon receipt of the record of any decision by the ACC on a request to remove or trim trees in the Open Areas, the Board shall include a summary of such decision in the minutes or its next regular meeting.

10. In the event that an Owner disagrees with a decision of the ACC concerning a request he/she has submitted on view preservation involving trees in the Open Areas, the Owner shall, in accordance with Article V, Section 20(e) and Article VIII, Section 5(a) of the CC&Rs, attempt to settle the dispute by **consulting and negotiating** with the ACC in good faith and, recognizing their mutual interests, shall attempt to reach a just and equitable solution satisfactory to all parties.

11. If the Owner and the ACC do not reach a solution acceptable to both parties within a period of 30 days, then, upon notice by either party to the other party and in accordance with Article V, Section 20(e) and Article VIII, Section 5(d) of the CC&Rs, the parties shall next try to reach a just and equitable solution through **mediation**. If the owner involved in the dispute agrees, the Board shall be available to act as a mediator in such a case. If both parties so agree in advance, the mediator shall be free to initiate proposals for a just and equitable solution to the dispute for the parties' consideration.

12. As an alternative to mediation, the owner involved in the dispute may **submit it to the Board of Trustees for resolution**. If that is done, the Board shall decide the dispute by applying in good faith the provisions of the CC&Rs and, if relevant, other governing documents of the Association, including these Rules and Regulations. In all

such cases, the Board shall provide a written rationale for its decision. The Board's decision shall be final and binding, unless within 30 days following the issuance of the Board's written decision, the owner involved in the dispute requests that all or part of the dispute considered by the Board be arbitrated in accordance with Article VIII, Section 5(e) of the CC&Rs, in which case the dispute will be resolved in accordance with that provision. If arbitration is requested to resolve less than the entire dispute considered by the Board of Trustees, then the opposing party to the proceeding shall have 15 days after the initial request for arbitration to designate for arbitration additional part of the dispute considered by the Board of Trustees.

13. If the Board of Trustees serves as a mediator in any dispute in accordance with Paragraph 11 above or resolves a dispute in accordance with Paragraph 12 above, any Board Member whose interests or personal relationships would prevent him or her from acting impartially shall recuse himself or herself, including in any dispute in which he or she is himself or herself a party, and any dispute in which an immediate neighbor of his or hers is a party. Assuring that the Board of Trustees acts impartially when serving to mediate or resolve a dispute is not solely a responsibility of any individual Board member; it is a responsibility of the entire Board, which must consider the importance of trust on the part of CHHA members that it can be relied upon to act impartially in all such disputes. Before a party to a dispute decides whether to ask the Board to mediate or resolve that dispute, the Board shall make him or her aware of which, if any, Board members would recuse themselves from participation in such mediation or resolution.

14. If the owner having made a view-preservation request involving trees in the Open Areas submits the case to the Board of Trustees for resolution in accordance with Paragraph 11 above and is not satisfied with the Board's decision, or the parties fail to reach a solution acceptable to both parties within a period of sixty days after the initial notice requesting mediation in accordance with Paragraph 10 above, then upon notice by the party having made the request to the Board, the dispute shall be finally settled by arbitration in accordance with Article V, Section 20(e) and Article VIII, Section 5(c) of the CC&Rs. The arbitrator shall take note of the interest of Island County in the fulfillment of the commitments made in the PRD document regarding the Open Areas, as well as the interests of the Association and of the Owner. An arbitration conducted following a decision of the Board of Trustees shall be conducted *de novo*, and not as an appeal of the Board's decision, but either party in the dispute may submit a copy of the Board's decision and rationale to the arbitrator for consideration.

15. The arbitrator shall be empowered to decide the dispute and shall have the authority, without limitation, to compel specific performance, to apportion costs,

including without limitation costs of arbitration and legal fees, and to award such damages as he or she deems reasonable.

16. If the arbitrator determines that a water and/or territorial view is being degraded by trees in the Open Areas as discussed in Paragraph 6 above and that action by the ACC to eliminate such restriction would be in accordance with the Association's commitments to the County to preserve the Open Areas in a natural and undisturbed condition, he/she should indicate whether that restriction is to be eliminated by trimming, limbing, window-paning, topping, or removing the tree(s) in question, or through some other means, or specify options from which the ACC may choose, so long as the result is the elimination of the restriction.

17. In addition to such other factors that he or she may deem relevant, the arbitrator may take into consideration in his or her decisions (a) the fact that, as specified in Article V, Section 20(d) of the CC&Rs, "[t]he care and maintenance of trees in the Common Areas is the responsibility of the Association as provided in Section 5 of Article VII" of the CC&Rs; and (b) the degree to which each of the parties has fulfilled the duty to consult and negotiate in good faith, as required by Article V, Section 20(e) and Article VIII, Section 5(a) of the CC&Rs.

18. If an Owner requests that Association funding be used to remove or trim a tree or trees in the Open Areas for view-preservation purposes and funding for that purpose has been included in the approved annual budget for that year, the ACC shall determine whether the Association funding that has been provided would be sufficient for the removal and/or trimming of those tree(s), taking into account all the expenses involved. If there is sufficient funding, the tree(s) in question shall be removed or trimmed at the direction of the ACC, if the ACC determines that is necessary to preserve the water and territorial views from a Lot and their removal or trimming would be consistent with the Association's commitments to Island County. If there would not be sufficient Association funding to remove or trim all the Open Area trees for which removal or trimming requests have been made, the Board shall adopt, and distribute, and the ACC shall implement guidelines for the prioritization of such requests.

X. Annual Assessments, Rebilling Fee, and Interest

1. Annual assessments shall be due by January 1 of each year. The Board shall provide written notice of the assessment amount to each Owner at least 30 days in advance of the due date.

2. A Rebilling Fee of \$35.00 may be levied against any Owner who has not paid his/her annual assessment by the 31st day of January each year.
3. The rebilling fee of \$35.00 may be applied to the first rebilling statement that is mailed and also to each subsequent rebilling statement that is mailed (i.e., February mailing -- \$35.00, March mailing -- \$35.00, etc.).
4. Interest of 1% shall accrue monthly on the unpaid balance beginning the 1st day of February and shall not exceed 12% annually.
5. If an Owner has not paid his/her annual assessment and all fees and interest within three months of the due date (i.e., by the 1st day of May), the Board may, in addition to the above, file a lien against the delinquent party's property/residence/address. Such a lien shall be filed if an Owner has not paid his/her annual assessment within a year of the due date.