THE TOWN HOMES AT LUDLOW BAY ASSOCIATION

Rules & Regulations: Maintenance & Repairs

INTRODUCTION:

This 2015 update to the Rules and Regulations incorporates several clarifications since the language in the Declarations and original Rules and Regulations, while technically correct, are complex and can be difficult to follow. The intent is to make it clear that: (1) the Association has authority over and control of the exterior appearance of the town homes and the town home community including landscaping. This includes the authority to direct owners to undertake certain maintenance on the exterior of their town homes. (2) All costs for the exterior maintenance of a townhome are the responsibility of the owners. (3) Any maintenance of or appearance changes to the exterior of a town home or town home lot, including but not limited to painting, roof replacement, deck maintenance, siding replacement or repair, landscaping etc. must be approved in writing by the Association Board. Forms for approval are on the association website. Questions: please contact a board member.

Pursuant to the Amended and Restated Master Declaration of Covenants, Conditions, Restrictions, Assessments, Charges, Liens, Reservations and Easements for Ludlow Bay Village and Certificate of Amendment (hereinafter "Master Declaration"), the following written rules and procedures are adopted in order to clarify the responsibilities of The Town Homes at Ludlow Bay Association (the "Association) and the responsibilities of the Town Home Owners (the "Owners") with respect to exterior repairs and maintenance of the Town Homes. These rules and regulations ("R&Rs") are intended to supplement the Master Declaration provisions which address the topics set forth below, not supplant or amend them, and in the event of an inconsistency or conflict between these R&Rs and the Master Declaration or Bylaws of the Association, the Master Declaration and/or Bylaw provisions shall supersede and apply.

I. Restatement of Master Declaration Section 10.2 (As Amended)

"Section 10.2 Maintenance Responsibilities of the Town Home Association. The Town Home Association shall be entitled to manage and provide for the maintenance of the Town Home Lots and improvements thereon to the extent provided herein, specifically including:

10.2.1 Managing and providing for the maintenance of the exterior appearance of all buildings (excluding porches/decks and railings), improvements and landscaping located on Town Home Lots, which maintenance may include but shall be limited to Exterior Appearance Items (i.e., (1) painting; (2) roof repair and replacement; (3) gutters and downspouts; (4) siding repair and replacement; and (5) landscaping including fences). Each Town Home Lot Owner shall be responsible for all other repair and maintenance on their Town Home Lot including, but not limited to decks/porches and railings associated therewith, water lines from water meter to uses on the Town Home Lot, sewer service lines from the Town Home

Lot boundary, fireplaces and chimneys, plumbing, exterior and interior glass, appliances, heating and cooling systems, concrete walkways, and private driveways;"

II. Town Home Association Exterior Appearance, Maintenance, and Repairs

A. Permits and Approvals Required

Any exterior changes or improvements to a town home, deck, building, or other structure, may require a permit from Jefferson County Department of Community Development because the town homes are located in a shoreline area. In addition to Jefferson County permits, approvals must be requested and obtained from the Ludlow Bay Village Association Architectural Review Committee (Master Association ARC), and any architectural control committee established by the Association.

B. Submittal to Town Home Association Required

Without exception, all exterior maintenance projects must be submitted to the Town Home Association Board for approval or waiver in the case of minor maintenance.

For any project for which approval is required pursuant to Article 11 of the Master Declaration, the town home owner must notify the Town Home Association of the project by providing a copy of any plans and specifications. submitted to the Master Association ARC to the Board of Directors of the Town Home Association. Notification of the Town Home Association Board of Directors shall be required as a condition of approval by the Master Association ARC of any project involving or relating to a Town Home Lot.

C. Town Home Association Funding of Exterior Appearance Projects

Except for those items provided for in the annual budget, such as roof cleaning, owners are responsible for the costs of maintaining the exterior appearance of their town home. None the less, Section 10.2, provides that the Association has the authority to ensure owners maintain the exterior appearance of their town homes and is entitled to manage and provide for the maintenance of the exterior appearance of the town homes, including, painting, repair and replacement of roofing, siding, gutters, downspouts, and landscaping including fencing (collectively, "Exterior Appearance Items") even when paid for by the owner. However, in the normal course of events it is not the intent of the Association to manage owner funded maintenance beyond the normal approval of plans, materials and contractors. The exception would be where either a single building or the entire community desired to collectively undertake a community wide maintenance project, such as reroofing, that would be funded by a special assessment pursuant to Section 7.7 of the Master Declarations.

D. Approval required for maintenance of Exterior Appearance Items undertaken by an Owner

Notwithstanding anything to the contrary herein, Town Home Lot Owners wishing to perform any work on an Exterior Appearance Item must submit their plans and specifications to the Town Home Association Board of Directors, in writing or by email, as to any Exterior Appearance Item designated to be the Town Home Association's responsibility pursuant to amended Section 10.2 of the Master Declaration. Exterior Appearance Items that are repaired, maintained, altered, replaced, or constructed by a Town Home Lot Owner without submitting plans to the Town Home Association Board and without the proper approvals may further be required to be removed, replaced or remodeled, at said owner's sole cost and expense.

E. Right of Entry and Emergency Repairs to Exterior Appearance Items

A Town Home Lot Owner shall permit the Town Home Association Board, its managing agents, or any other persons authorized by the Board, access to the owner's lot from time to time during reasonable hours as may be necessary for the maintenance, repair, inspection or replacement of Exterior Appearance Items, or at any time deemed necessary by the Board for the making of emergency repairs or to comply with a regulatory request of a local or state governmental agency, or to prevent damage to property. An owner shall not unreasonably withhold consent to the Association to enter upon his or her lot. Entry for routine inspection shall be limited, and in any case shall not be more than twice yearly absent good cause. Except for emergency (defined to include imminent threat to life or property damage), notice of entry shall be given twenty-four hours in advance.

III. Insurance

Section 13.2 Insurance on Other Properties. Owners of all properties within Ludlow Bay Village shall maintain insurance covering all insurable improvements located or constructed upon their properties."

Owners are required to have insurance covering all insurable improvements, including Exterior Appearance Items, such as roofing, siding, gutters and fences. When damage to Exterior Appearance Item(s) arises from an insurable event, Owners shall be responsible for filing a claim with their insurance agency and arranging for the necessary repair and replacement in cooperation with the Association's Board of Directors and property manager. Losses for which an Owner did not purchase available insurance coverage or maintain adequate limits of coverage are the sole responsibility of the Owner. Additionally, Owners are responsible for making warranty claims to the manufacturer of any siding or roofing material on their town home, if a repair is caused by a product failure within the manufacturer's warranty period.

The Association responsibility for appearance repairs and maintenance is limited to the exterior of the Town Homes as provided in amended Section 10.2.1 of the Master Declaration. All interior repairs and maintenance, regardless of cause, are the responsibility of the Owners. It is important for Owners to understand the Association does not take the place of homeowners

insurance. It is their responsibility to maintain complete insurance coverage for their Town Home as required by Section 13.2 of the Master Declaration.

IV. Landscape Maintenance

The Association is responsible for maintaining all landscaping on the Town Home Lots. To maintain a consistent and appropriate appearance throughout the Town Homes all decisions concerning landscaping will be made by the Town Home Association Board in conjunction with the landscaping contractor.

If Owners want specific plants, flowers, trees, or ornaments to be added to, or removed from, their Lot, which is clearly more than inconsequential in nature, they must submit a written or email request to the Association's property manager for Board review. The Association will require a review of the request by the landscape contractor for compatibility with the overall Town Home landscaping appearance and suitability to growing in an area on the shores of Puget Sound. If the Owner request involves a common courtyard, all Owners sharing the courtyard will be given a copy of the request for review and comment. To the extent that plants, flowers, trees, or ornaments are added at an Owners request, the Owner will be responsible for all costs, including purchase and any additional charges by the Association's landscape contractor for planting and ongoing maintenance if significant additional time is required.

With respect to common courtyards, amended Section 10.2.1 limits the responsibility of the Association to "landscaping" located on Town Home Lots, such as plants, flowers, and trees. Drainage problems in landscaped and other areas on Town Home Lots are the responsibility of individual owners. Should any town home owner fail to resolve a drainage problem on their Lot that affects any other Lot within thirty (30) days after being notified of the drainage problem, the Association will have the drainage problem corrected and the town home owner will be billed for the cost of the repair.

The Association, at the discretion of the Board, may clean and maintain the concrete walkways located in the courtyards and other areas around the townhomes.

V. Painting

The Town Homes have a unique and distinctive painting scheme that may not be changed without approval by the Association Board and the Master Association ARC. While the Association Board has the sole authority over the exterior painting of the Town Homes, individual Owners are responsible for the cost and painting of the exterior of their town home, subject to the approval of the Association Board. All exterior painting of the Town Homes will be done under the direction and control of the Association Board.

VI. Decks and Porches

Owners are responsible for the maintenance and repair of their decks and porches. To preserve the overall appearance of the Town Homes, for the benefit of all Owners, decks and porches must be cleaned when they accumulate dirt or mold. Timing can vary but in general it is recommended they be cleaned every twenty-four (24) months. If a preservative or treatment

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is used on the deck it must be approved by the Association in advance by submitting the painting form from the association website. The objective is a look throughout the community that is as consistent as practical. Should an Owner fail to clean their deck as required, the Association will send a letter to the Owner requesting the deck be cleaned within thirty (30) days. After notification, if an Owner does not have their deck cleaned the Association may have the deck cleaned with the cost added to the Owners regular quarterly assessment.

When a deck requires replacement the Owner may use cedar decking the same or better than that which is being replaced or synthetic decking. If synthetic decking is used the color and product must first be approved in writing by the Board of the Association.

VII. Maintenance Directed by Master Association Architectural Review Committee

The Master Association, through the Architectural Committee (ARC) has the authority to direct the maintenance and repair of all buildings, improvements and landscaping within Ludlow Bay Village. In the event the ARC advises the Association of maintenance deficiencies in one or more town homes the Association shall notify the Owners of the town homes identified by the ARC of the deficiencies and request that they be corrected. Specifically Owners will be required to confirm in writing to the Association within 30 days that they have either corrected the deficiencies or have contracted to have the deficiencies corrected and the expected completion date.

VIII Owner Failure to Correct Maintenance Deficiencies

After notification of a maintenance deficiency of an Exterior Appearance Item, whether identified by the Association or the ARC, if an Owner fails to correct or confirm a plan to correct the deficiency with the Association within 30 days, the Association may undertake the maintenance with the costs added to the Owners regular quarterly assessment. The Association, at its discretion, may from time to time establish reasonable fees to be charged Owners in addition to the actual costs billed by contractors to correct the maintenance deficiency.

IX. Mechanical Rooms

Each Town Home Building has one (1) mechanical room that contains controls for the fire sprinkler system for all of the Town Homes within that building. Although located in conjunction with a single Town Home as noted below, the mechanical rooms have a direct impact on all of the Town Homes within the building.

Building 100	4 Heron Road
Building 200	12 Heron Road
Building 300	20 Heron Road
Building 400	32 Heron Road
Building 700	44 Heron Road

No flammable products or other material may be stored in a mechanical room that would be a violation of the Jefferson County Fire Code. In addition there will be an annual backflow preventer inspection by the system monitoring company that may result in a recommendation to remove Owner personal items from the mechanical rooms. Any recommendations to remove items from a mechanical room in the report from the company performing the annual inspection will be communicated to Owners and require correction within thirty (30) days of notification.

X. Rule Enforceability

If any portion of these Rules is determined to be legally unenforceable, it shall not negate the enforceability of the remaining portions of the Rules.

XI. Non-Compliance Subject to Fines

The Association may from time to time establish fines for failure/repeated failure to comply with the provisions of the above Rules and Regulations.

Dated and Adopted by the Board of Directors this day of Hw

Secretary