

LUDLOW MAINTENANCE COMMISSION, INC.

INTRODUCTION TO REGULATIONS

The following Regulations prescribe:

- The land use,
- The land improvements, and
- The Greenbelt Policy,

with respect to all property included in Port Ludlow Nos. 1, 2, 3, 4, 5, 6, 7, Ludlow Bay Village and Oak Bay Short Plat. They also prescribe:

- The use of the Beach Club and other facilities owned by Ludlow Maintenance Commission, Inc., and
- The enforcement of these regulations.

Authority for these regulations is contained in the Ludlow Maintenance Commission, Inc. Articles of Incorporation and Bylaws and in the Restrictive Covenants recorded in the Records of Jefferson County, Washington, with respect to the properties included in Port Ludlow Nos. 1, 2, 3, 4, 5, 6, 7, Ludlow Bay Village, and Oak Bay Short Plat.

1. Ludlow Maintenance Commission, Inc. Ludlow Maintenance Commission, Inc., which after this is referred to as "the LMC", is a nonprofit corporation established for the purposes set forth in Article VI of its Articles of Incorporation. The committees referred to below operate subject to the control of the LMC.
2. The LMC Operations Committee.¹ The LMC Operations Committee carries out the provisions of Article V, Section 1(c) and performs other duties as assigned by the LMC Board of Trustees.
3. The Architectural Control Committee. The Architectural Control Committee, which after this is referred to as "the ACC," is the committee that carries out the provisions of Regulation II pertaining to Architectural Control.
4. The Greenbelt Committee. The Greenbelt Committee is the committee that carries out the provisions of Regulation III pertaining to designated reserve areas referred to as greenbelt.
5. Definitions:²
 - a. In these Regulations, "Owner" refers to an owner (or if more than one, then collectively) of a lot or condominium unit, or a purchaser of either under a contract of

¹Revision approved by the Board of Trustees, July 9, 2005

² Definition of Reserve, Common and Greenbelt Properties approved by the Board of Trustees, May 13, 2006

purchase, in the platted subdivisions and condominium projects covered by the LMC Articles of Incorporation. An owner can be a natural person, corporation, partnership, association or other form of entity, provided that as to each entity and ownership there shall be only one membership. Each owner shall have only one membership, regardless of the number of lots or condominium units owned.

b. "Occupant" refers to the one or more persons actually occupying a lot or condominium unit, whether or not they are the owner.

c. "Reserve Property" refers to a provision in a deed which keeps (reserves) to the grantor's successors (the LMC) some right or portion of the property.

i. "Common Property" is designated improved "reserve" areas owned, maintained and administered by the Ludlow Maintenance Commission (LMC) which all owners may use and each owns through the corporation a percentage interest. Common areas may include: recreation facilities, parks, parking lots, greenbelt, and all other jointly used space.

ii. "Greenbelt Property" is designated unimproved "reserve" areas referred to as greenbelts. The LMC greenbelts are a suitable blend of native growth areas managed by the LMC Greenbelt Committee.

6. Additional Rules and Regulations. Acting under the Covenants, Articles of Incorporation and Bylaws, the LMC Board of Trustees may make and enforce additional rules and regulations over and above applicable State and County Codes [Articles of Incorporation, Article VII (i) and (j)].³
7. Amendment. These Regulations are subject to future amendment and addition at the discretion of the LMC Board of Trustees [Articles of Incorporation, Article VII (i) and (j)]. Prior to approval, all proposed amendments and additions to the LMC Governing Documents including the Regulations shall be subject to at least two public readings at regularly scheduled meetings of the Board of Trustees.⁴

³ Revision approved by the Board of Trustees, January 20, 2007

⁴ Revision approved by the Board of Trustees, January 20, 2007

REGULATION I

LAND USE

The following Regulation prescribes the land use for all property included in the recorded plats of Port Ludlow Nos. 1, 2, 3, 4, 5, 6, 7, Ludlow Bay Village, and Oak Bay Short Plat.

REGULATION I

ARTICLE I

RESTRICTIONS & REQUIREMENTS

1. General Uses. The general uses which may be made of the land in Port Ludlow Nos. 1, 2, 3, 4, 5, 6, 7, Ludlow Bay Village and Oak Bay Short Plat are described in the recorded Restrictive Covenants.
2. Single Family Residential Use. Lots are restricted to single family residential use, including rental or other non-owner residential use of the property.
3. No Nuisance⁵
 - a. No nuisance shall be conducted or permitted on any lot, nor shall any other offensive use be made of it. For the purposes of this Regulation a nuisance is defined as the unreasonable, unwarranted and/or unlawful use of property, which interferes with another person's quiet, peaceful or pleasant use of his/her property. Nuisances can include noise, undue traffic, an excessive number of vehicles, advertising signs, and movement of personnel and material. Without limiting the generality of the foregoing:
 - i. It shall be a nuisance subject to the prohibition of this subparagraph for any owner or owner's contractor to cause or permit loud noise to be heard out of doors before 8:00 a.m. or after 6:00 p.m. No trailer-mounted air compressor or electrical generator set shall be operated except by utility companies in emergency situations such as storm-related power outages. Electrical power generation or air compression equipment driven by internal combustion shall be used only as follows:
 - a. Small electrical generators (up to 10,000-watt capacity) are permitted for household use only during power outages.
 - b. Hand-carried portable compressors are permitted for nail gun, stapler, or painting purposes.
 - ii. It shall be a nuisance subject to the prohibition of this subparagraph for any lot to be

⁵ Revision Approved by the Board of Trustees, Dec. 15, 2007

utilized for industrial or commercial purposes which may disturb residents. It is recognized that property owners may be engaged in certain home-based business activities, which do not cause a disturbance. Home businesses may be permitted under the following circumstances:

- a. No employees;
- b. No sign(s);
- c. All work is done inside the dwelling, not in any accessory buildings;
- d. No materials or equipment used in the home occupation are stored, altered or repaired outdoors.

Home-based activities that meet the above stated criteria may be permitted; however, should the activity create a disturbance the Board of Trustees has the authority to require the activity to cease without any claim upon the LMC or the Board of Trustees.

- b. Appropriate real estate signs, not exceeding 30" x 30" in size, advertising a particular lot or home for sale may be placed upon said lot.
4. No Dumping; Concealment of Garbage Cans and Trash Areas. No lot shall be used as a dump. Trash areas and, except on pickup days, garbage cans shall be concealed from the view of adjacent properties and roads at all times.
 5. Animals, Stock and House Pets. No animals or stock of any kind, other than conventional house pets, shall be kept on any lot, except a lot where livestock is permitted under the terms of the applicable restrictive covenants. No animal or stock shall be allowed to become a nuisance or detriment to the neighborhood.
 6. Parking and Storage of Vehicles.⁶ (Provided that the following regulation does not conflict with individual CC&Rs attached to other LMC plats.)
 - a. Parking: Only operational, currently licensed automobiles, vans and pickup-type trucks (not to exceed one-ton capacity) normally used for personal transportation may be regularly parked on driveways or outdoors on any lot. Exception: As provided in item c below.
 - b. Storage: Outdoor parking or storage of recreational vehicles (RVs) (including but not limited to motor homes, travel trailers and fifth wheels), campers (stored or truck-mounted), mobile homes, boats, trailers, commercial vehicles and commercial equipment, or temporary structures is prohibited.
 - c. Temporary Parking of RVs and Boats: Temporary parking of RVs and boats on private property for a maximum of 72 hours will be permitted for loading, unloading and minor maintenance. Extensions of this time limit may be granted by the general manager on a case-by-case basis.
 7. No Encroachment. There shall be no encroachment upon reserve areas or easements.

⁶ Regulation I, Article I, (6) Complete Revision Approved by the Board of Trustees, August 18, 2007

8. Maintenance. Owners and occupants of improved lots shall maintain the grounds and improvements on their premises in a neat, clean and attractive condition, and in good repair, and in such fashion as not to create a fire hazard. Such maintenance shall include, without limitation, painting, repair, replacement and care for roofs, gutters, downspouts, exterior building surfaces, walks and other exterior improvements, and glass surfaces. In addition each owner and each occupant of an improved lot shall keep all shrubs, trees, grass and plantings of every kind on his or her lot neatly trimmed, properly cultivated, and free of trash, weeds and other unsightly materials. Damage caused by fire, flood, storm, earthquake, riot, vandalism, or other causes shall likewise be the responsibility of each owner.

9. Outdoor Burning.⁷ The wooded environment of Port Ludlow where an open fire creates a serious hazard necessitates community control of open fires. Outdoor burning is generally discouraged. Burning of yard debris on owner's property is permitted only under the following limited conditions:
 - a. A burn permit must be obtained from the local fire department before burning occurs. All open fires on a member's property shall be in strict compliance with the conditions and guidelines set by the Jefferson County Fire Protection District No. 3, Port Ludlow Fire and Rescue and described in the Residential Burning Permit issued by that agency.
 - b. Only one open fire fueled with wood, brush or yard clippings and limited to four (4) feet in diameter shall be allowed at any time. The burning of garbage is prohibited.
 - c. The burning of lot-clearing debris and construction materials is strictly prohibited. Such debris and material must be removed and disposed of in an appropriate manner. (See Regulation II, Article I, 9 and 10).

The use of charcoal and gas cooking grills on private property is allowed.

10. Landlord Requirements.
 - a. Leases. Any lease or rental agreement between an owner and a tenant shall provide: (1) that the terms of the tenancy shall be subject in all respects to the provisions of the Covenants, Articles of Incorporation and Bylaws of the LMC and any rules and regulations established by the Board of Trustees; and (2) that any failure by the tenant to comply with the terms of such document shall be a default under the lease or rental agreement. All leases and rental agreements shall be in writing.
 - b. Notification. Any owner who leases or rents their property shall notify LMC in writing of: (1) the name and mailing address of any tenant; and (2) the term of such lease or rental agreement. The purpose of this notification is to provide the tenant with copies of LMC Rules and Regulations.

⁷ Revision approved by Board of Trustees, February 11, 2006

REGULATION I

ARTICLE II

ENFORCEMENT

1. Monitoring Compliance. The LMC Operations Committee is responsible for monitoring compliance with Article I of this Regulation.
3. Institution of Enforcement Proceedings. In the event of violation of the terms of these Regulations, any owner of any lot subject to the Restrictive Covenants of Port Ludlow Nos. 1, 2, 3, 4, 5, 6, 7, Ludlow Bay Village, and Oak Bay Short Plat of the LMC may institute enforcement proceedings as provided in Regulation V, which by this reference is incorporated in this Regulation.

REGULATION II

LAND IMPROVEMENTS

The following Regulation prescribes the conditions to which Owners of lots in the recorded plats of Port Ludlow Nos. 1, 2, 3, 4, 5, 6, 7, Ludlow Bay Village and Oak Bay Short Plat are subject with respect to improvement of their property.

REGULATION II

ARTICLE I

APPROVAL REQUIREMENT

1. Approval Required.⁸ No lot shall be cleared or excavated for construction, nor shall percolation testing holes be dug, until ACC approval is received. All construction on any property, including exterior lighting, is likewise subject to approval as prescribed in this Regulation.
2. Cutting of Trees.⁹ No tree of six inches or more breast high diameter shall be cut, topped, or limbed until it has been individually identified to be cut and ACC approval is received, see Regulation II, Article I (3). In determining whether or not to approve an application to cut, top, or limb a tree, consideration shall be given to the following:
 - a. Views and sunlight are important to owners and occupants for reasons of enjoyment

⁸ Revision approved by the Board of Trustees, March 3, 2005

⁹ Revision approved by the Board of Trustees, Dec. 15, 2007

and property value;

- b. A scattering of tall evergreens is encouraged to enhance the beauty of the neighborhood, as long as views from neighboring lots are not unduly impaired; and
- c. An important function of large trees is absorption of runoff; so trees should not be cut if a drainage problem will be created.
- d. If the ACC has been notified by an affected party that a tree on a developed or undeveloped lot is perceived to be hazardous, the ACC shall then notify the owner of said tree of the complaint by Certified, Return Receipt Request mail. The LMC accepts no responsibility or liability for said tree. For the purposes of this regulation, the following defines a hazardous tree:
 - i. Hazardous Tree: A hazardous tree shall mean a tree that has been certified by a Licensed Registered Washington State Arborist as being dead, or is so affected by a significant structural defect, damage or disease, or soil that may not provide adequate support, that falling or failure appears imminent, and poses a threat to life or property.
 - ii. Hazardous Tree By Location: Tree(s) located in a place where they could cause property damage or personal injury should they fall.

Complaints concerning hazardous trees by location shall only be deemed relevant if the complaint is made by a party living on an adjoining property and thus directly affected by the tree(s) in question.

- 3. Trees and Views on Private Property.¹⁰ Trees and views both provide significant psychological and tangible benefits for property owners and are essential to the character of our Port Ludlow community. However at times they may come into conflict with each other. This regulation is written in recognition of the importance of scenic resources, views, trees, drainage and sunlight to properties and is intended to provide a fair mechanism for resolving disputes relating to trees and views of LMC property owners.

Any tree of six inches (6 in.) or more breast height diameter may not be cut without authorization of the Architectural Control Committee – Typical Protective Covenants, Paragraph 4.

- a. Landscaping & Maintenance. When landscaping their lots property owners shall select varieties of plants, shrubs and trees which will not grow to exceed their roof line height. Hedges, shrubs and rows of trees planted by owners along property lines shall be pruned so as not to exceed a height of 8 feet. Property owners shall remove seedlings on their property before they become 6 inches breast height diameter to help preserve views.
- b. Views and Obstruction Relief. Property owners are not entitled to any more view than that

¹⁰ Regulation II, Article I, (3) Complete Revision Approved by the Board of Trustees, May 19, 2007 following an affirmative vote of the membership, April 21, 2007.

which existed when they purchased their property and are encouraged to document that view by photos and other means. Note that there will be instances where property owners views may be impacted under Regulation II. Any request for committee action must be submitted in writing. All interested parties to the request are encouraged to work out an agreement amongst themselves, including financial responsibility, subject to the committee's approval. Methods of relief shall include pruning, trimming, thinning, limbing up, limited windowing, and possible removal. Exception: Mature native evergreens/conifers designated by the ACC to remain on property when developed are exempt from removal unless ruled to be diseased or hazardous to persons or property. Topping will be strongly discouraged except on young cedars for hedging not to exceed 8 feet. Corrective action shall not commence until written notice is received from the committee. All resulting work shall be monitored by at least one member of the committee.

- c. Criteria used for determining the extent of relief to be granted will include but not be limited to the following and will apply to all interested parties:
 - i. The extent to which property values, screening of property, soil stability and drainage (soil structure, degree of slope and root system), surrounding vegetation and community aesthetics are affected;
 - ii. The extent to which view has been diminished since purchase of property and view obstruction will be relieved by requested action;
 - iii. The extent to which view has been obstructed as expressed in percentage of total view and the extent to which trees obstruct sunlight and reduce air circulation.
 - d. Consultation. Experts may be consulted regarding trees, drainage and environmental issues when necessary. This committee is subordinate to State and County regulations.
 - e. Debris clean up. All debris resulting from approved request shall be disposed of within 2 months. Burning of yard debris is permitted only under Regulation I, Article I, 10 and is subject to Jefferson County and local Fire Department permitting process.
 - f. Appeal of Committee Decision. An owner who has filed a request or anyone who has identified himself or herself as an interested party affected by a request may file an appeal of the committee decision by following procedures outlined in Regulation V, Article II.
4. Orientation and Location of Structures. The orientation and location of houses and other structures on lots are subject to approval by the ACC.
 5. Exterior Remodeling, Rebuilding, Repainting or Re-staining. No building, structure, fence, obstruction or other installation that was originally subject to ACC approval shall have exterior remodeling or rebuilding, without additional ACC approval in advance. The ACC approval shall state the time limit within which the remodeling or rebuilding is to be completed, which may be extended at the discretion of the ACC. Exterior repainting or re-staining must conform with the design considerations set forth in Article II of this Regulation.

6. Antennas: Homeowners are encouraged to use the commercial cable television service to receive television in their homes. Radio and television antennas may be permitted. Objections from adjoining neighbors will be considered.
 - a. The following types of antennas may be installed without, additional ACC approval: multi-beam, long wire, single element whip, and parabolic that is 20" across or smaller. Parabolic antennas exceeding 20" across, fixed tower antennas for ham radios, and all other antennas not described in the preceding sentence require specific ACC approval.
 - b. Homeowners shall adhere to the following criteria for installing antennas: the antenna shall be within the house or attic or, if outside, it shall be either below the ridgeline of the roof or away from the house and masked by shrubbery, so that its visibility is minimized to the extent possible consistent with technical requirements for adequate reception. Tower antennas for ham radios are also subject to Article II, paragraph 20 and Article III paragraph 11 of this Regulation II.
7. Survey. The ACC shall require permanent property corners for each lot to be determined by a licensed surveyor before granting any required approval of a request for clearing, or for construction of an improvement. The ACC may, in their discretion, waive the necessity for a survey in cases where clearing is limited solely to brush and does not involve construction.
8. Agreements Not Valid. No agreement made by ACC or any member of ACC or any trustee of the LMC with the owner of any lot with respect to improvement of a lot owned by another person, including any matter whatsoever covered by this Regulation II, shall be valid.
9. Contractor. The contractor being used for any work that is subject to ACC approval, shall also be approved by the ACC. The ACC may withhold approval only of a contractor who has or has had a project that is in violation of these Regulations, or the ACC may approve such a contractor on the condition that the contractor provide a bond in a sum satisfactory to the ACC to assure compliance with these Regulations. An ACC decision to withhold approval of a contractor or to require a bond is subject to appeal under Regulation II, Article III, Section 4.
10. Lot Clearing.¹¹ Forty-eight (48) hours written notice must be received by the ACC prior to removal of any tree six-inches or more breast high diameter or for lot clearing preparatory to construction. All lot clearing debris and construction materials must be removed and shall not be burned on site. For maintenance of developed and undeveloped lots see Regulation I, Article I (8).
11. Burning.¹² All lot clearing debris and construction materials must be removed from the construction site and disposed of in an appropriate manner. It is forbidden to burn any amount of such debris and/or material on site.

¹¹ Revision approved by Board of Trustees, February 11, 2006, Dec. 15, 2007

¹² Revision approved by Board of Trustees, February 11, 2006

REGULATION II

ARTICLE II

DESIGN CONSIDERATIONS

In order to minimize interference with the enjoyment of nearby lots and establish an improvement use and occupancy of the platted area in a pleasing but not necessarily uniform combination of personal residences and recreational homes, the ACC shall exercise in good faith its discretion to approve or disapprove plans and specifications for improvements, on the basis of the following design considerations.¹³

1. Stories. In general, all houses should be single story except on sloping sites that lend themselves to two stories or daylight basements.
2. Compatibility. All houses and structures shall be as compatible as possible with their natural surroundings and with each other.
3. Height. No part of a proposed structure shall be so high that it unreasonably interferes with the view from other dwellings. The ACC is authorized to limit the maximum height of proposed structures whether or not views will be affected.
4. A-frame houses. A-frame houses generally will not be approved.
5. Modular, Manufactured/Sectional Mobile and Other Pre-constructed Homes. Modular, manufactured, sectional mobile and certain pre-constructed homes will not be approved.
6. Garages and Carports. At least a single carport or garage and connecting access driveway shall be required at each residence. Garages and carports must be connected to residences, except where this is prevented by unusual topography.
7. Minimum Square Footage. The minimum size for a house, excluding garage, shall be a minimum of 1,450 square feet of living area. Design consideration shall include compatibility to the surrounding neighborhood homes.
8. Front Lot Line Setback. The setback of every portion of the structure, including the over-hang of eaves, decks, etc., shall not be less than 20 feet from the front property line. In case of a corner lot, the setback of every portion of the structure, including the over-hang of eaves, decks, etc., shall not be less than 20 feet from the property line on each street.
9. Adjacent Lot Line Setback. The setback of every portion of the structure, including the over-hang of eaves, decks, etc., shall not be less than five feet from the side and back property lines. In the event that both the lot on which the structure is being built and the adjacent lot are owned

¹³ Article II, Design Considerations : 5, 7, 11, 12, 16, 16 (a) Rev. approved by the Board of Trustees, Mar. 12, 2005

by the same member, the setback may be reviewed by the ACC to ascertain that there will be no objection from the adjoining owners. If permission is granted to build over the adjoining lot lines, the setback requirement with respect to the inside common lot line may be vacated, and the setback of every portion of the structure, including the over-hang of eaves, decks, etc., shall not be less than 15 feet from the outside side property lines.

10. New Materials. Houses shall be of new construction, using new materials, wood, stone or bricks for exterior finishing. Used bricks may be approved. Asphaltic covering shall not be used as finished exterior siding.
11. Roofs. Roofs shall be made of materials approved by the ACC with a life expectancy of no less than 40 years.
12. Stains and Paints. The use of wood stains in lieu of paints is acceptable. Bright paint exteriors, other than trim or accent panels, will be approved only in unusual situations.
13. Screening of Garbage Cans and Trash Areas. House plans must provide for the screening of garbage cans and trash areas from the view of adjacent properties and roads.
14. Utilities. All utilities shall be underground and power meters mounted on the structure. For the purposes of this section, "utilities" refers to pipes, sewers, conduits, cables, lines, wires and manholes associated with water, sewer, electric, gas, cable television and telephone systems. It does not refer to gas, oil, water or other tanks. All such tanks are structures subject to ACC approval. All power meters shall be mounted on the structure.
15. Exterior Lighting. Exterior lighting shall not be of a type or size that will intrude upon other homes or on streets.
16. Fencing. Fencing on properties is generally discouraged so as to maintain the natural character of the North Bay. Fences may be permitted on a case-by-case basis. Objections from adjoining neighbors will be considered.
 - a. All fencing materials, finishes, designs and placement must be approved by the ACC. Effective March 12, 2005 chain link fencing will not be approved. The corporation is exempt from the prohibition against chain link fencing exclusively for purposes of safety, security and the well-being of the public. Examples include but are not limited to: pools, tennis courts, storage areas, and collection ponds.¹⁴
 - b. Except on lots where livestock is permitted under the terms of the applicable restrictive covenants, fence height will be restricted to no more than six (6) feet, and containment fencing must not extend beyond the front of the home; fencing to the street line will not be approved.
 - c. The establishing of fence lines in relation to the adjoining properties is entirely the

¹⁴ Revision approved by the Board of Trustees January 20, 2007

owner's responsibility.

17. Exterior Ornamentation. Exterior ornamentation of all structures, landscaping, name signs and the like shall be consistent with the character of the neighborhood.
18. Newly Developed Materials. Any other provision of this Article to the contrary notwithstanding, the ACC may approve the use of newly developed materials.
19. Tower Antennas. Guyed tower antennas are not permitted. Applications for radio or television antennas mounted on fabricated retractable towers, which are usually located apart from the residence, will not be approved unless:
 - a. The proposed location is inconspicuous;
 - b. The proposed antenna will retract below the roof ridge line;
 - c. The applicant agrees to maintain the antenna in a fully lowered position when not in use; and
 - d. The applicant accepts responsibility for radio, television and telephone interference, and agrees to correct such problems promptly.

The ACC will evaluate, both numerically and qualitatively, the responses of owners contacted with respect to the proposed antenna and will consider its effect on other properties, the owners of which have not been contacted, and on the community as a whole.

20. Tanks: All gas, oil, water and other tanks larger than ten gallons that are placed upon a lot forward of the front of the home shall be underground. The ACC may approve the placement of such tanks above ground upon the sides or rear of a lot provided that they are kept from view by screening approved by ACC.

REGULATION II

ARTICLE III

PROCEDURES

1. Requests for ACC Approval; Identification of Affected Owners.
 - a. Requests for any ACC approval required by Regulation II, Article I, are to be directed to:

Architectural Control Committee
Ludlow Maintenance Commission, Inc.
P.O. Box 65060
Port Ludlow, WA 98365

Requests shall be made in writing, by the owner. Requests shall name the contractor that is to do the work described in the request and shall state whether the contractor is properly licensed, registered and bonded and whether there are any claims against the contractor's

bond.¹⁵

- b. The ACC shall give written notification to property owners that are within 300 feet of the proposed construction request. Notice of all requests shall be promptly given by the ACC by posting the same on the Beach Club bulletin board or on the street side of the property with respect to which the request is made. Any owner who considers himself or herself affected by a request and wishes to preserve their right to object to it and the right to appeal an approval of the application by the ACC shall, within 15 days after the notice is given, identify himself or herself in writing to the ACC and file a written statement of any objections that he or she may have at that time. Owners filing an appeal shall receive a written response from the ACC.¹⁶

2. Consultation, Building Plans and Specifications. Prior to preparation of house plans, owners must consult with the ACC concerning the design considerations and other requirements. Request for ACC approval of building plans shall be accompanied by payment of a non-refundable fee of Five Hundred Dollars (\$500.00) for new construction and a non-refundable fee of Two Hundred Fifty Dollars (\$250.00) for an addition that increases the exterior footprint and/or that increases square-footage by adding a second story. One set of written plans and specifications must accompany the request for approval, including the following:

- a. A plot plan of the lot, drawn to a scale of not less than 1/8" per 1'0" indicating:
 - (1) The legal description of the lot or lots;
 - (2) A North arrow for orientation;
 - (3) The location of all existing and proposed improvements, including any future carport or garage and driveway;
 - (4) The proposed drainage plans;
 - (5) If the property is not on the sewer, the proposed location of the septic tank and drainfield;
 - (6) The location of all utility installations; and
 - (7) The location of all trees having a breast-high trunk diameter of six inches or more, with an indication of any of them that the owner proposes to remove.

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- b. A floor plan drawn to a scale of not less than 1/8" equals 1'0".
- c. Four major exterior building elevations with floor grades all measured from the bench-

¹⁵ Revision approved by the Board of Trustees December 10, 2005

¹⁶ Revision approved by the Board of Trustees December 10, 2005

¹⁷ Revision approved by the Board of Trustees December 15, 2007

mark described in sub-paragraph 2.f. below.

- d. A roof plan drawn to a scale of not less than 1/8" equals 1'0". (This roof plan and the floor plan required by sub-paragraph 2.b above, may be combined.)
 - e. An outline description of the materials and colors proposed for use upon all exterior building surfaces.
 - f. A topographic plat plan showing as contours the existing and proposed finished lot grades and their elevations in feet and inches on a 20' grid, with the roof outline superimposed upon it. The elevations are to be measured from a permanently fixed and identifiable benchmark established on the centerline of an adjoining street.
3. ACC Decision. Within 30 days after submission to the ACC of a request for approval, together with plans and specifications if required, the committee shall in writing approve or disapprove the request. Any decision of the ACC which refuses in whole or part to give the approval requested shall state all reasons for the refusal to approve the proposed work. Any decision of the ACC which denies in whole or in part an objection to a request shall state all reasons for the denial of the objection. The committee's decision shall be delivered in person to the owner requesting the approval or deposited in the U.S. Mail addressed to that owner's address shown on the request for the approval, or if none, as shown on the records of the LMC. If any owner has identified himself or herself as affected by the request, the committee's decision shall likewise be delivered to that owner.
4. Appeal of ACC Decision. An owner who has filed a request or who has identified himself or herself as a party affected by a request may, by complying with subparagraph [a] below, appeal to the Board of Trustees of the LMC any decision of the ACC.
- a. An appeal may only be taken within 30 days after the date on which notice of the ACC decision is delivered to the owner or affected party. The appeal must be in writing and must state all reasons relied upon for reversing or modifying the ACC decision. The appeal must be delivered in person or deposited in the U.S. Mail addressed to the President or Secretary of the LMC.
 - b. The LMC shall meet and act upon the appeal within 60 days after delivery of the appeal to the LMC. The LMC shall notify the owner who filed the request, any other owner who identified himself or herself as affected by the request, and the ACC of the place and time the LMC meeting will be held.
 - c. The LMC may at the beginning of the meeting set such procedural rules for the meeting as the LMC finds appropriate. If the appeal is based in whole or in part on objections or other matters not presented to the ACC, the LMC may refer the decision back to the ACC for reconsideration. The owner(s) or affected parties or representative(s) of the owner(s) or affected parties may present factual and legal reasons why the ACC's decision should be reversed or modified. The ACC or its representative may respond.

- d. The LMC may retain the services of one or more experts or other persons that it finds appropriate to assist it in disposing of the appeal under such terms and conditions as it decides.
 - e. The final decision of the LMC to affirm, reverse or modify the ACC's decision shall be in writing. A copy of the LMC's decision shall be delivered in person to the parties involved or deposited in the U.S. Mail addressed to their addresses shown on the records of the LMC. If the LMC reverses or modifies the ACC's decision, the ACC shall immediately meet and take such action as is necessary to comply fully with the action directed by the LMC's decision as is necessary to comply fully with the action directed by the LMC's decision.¹⁸
5. Commencement of Construction. Construction shall not be begun on any portion of a project until:
- a. The owner has received ACC approval;
 - b. The owner, or someone to whom the owner has delegated full authority with respect to the construction, and the contractor have had a pre-construction meeting with the ACC;
 - c. The 30-day period within which an appeal may be taken has expired without the filing of an appeal, or the right to all affected parties to appeal has been waived, or if an appeal was filed, the LMC has met and acted upon it, or the 60-day period for the LMC to do so has expired; and
 - d. The owner has delivered to the ACC a copy of the Building Permit and a file copy of the building plans bearing the statement: "Plans as submitted for Jefferson County Building Permit" and the signature of the owner and the owner's contractor.

Should construction not commence within six months of ACC approval, the applicant may apply for a six-month extension. If construction has not begun by the end of the extension (12-months total), the original application expires, and the applicant must submit a new application, except for the non-refundable Five Hundred Dollars (\$500.00) for new construction and Two Hundred Fifty Dollars (\$250.00) for additions that increase the exterior footprint and/or increases square-footage by adding a second story, which shall apply to the subsequent process.¹⁹

6. Commitment to Construct in Accordance with Approved Plans and Specifications. The owner will be required at the time of approval of plans and specification to sign a statement that the structure will be constructed in accordance with the approved plans and specifications. No changes in the exterior of the building, or its sitting as described in the plans, may be made without prior approval of the ACC.
7. Filing of Approved Plans. One set of approved final plans and specifications, together with all relevant correspondence, will be filed by the ACC for reference for a period of not less than six years.

¹⁸ Revision approved by the Board of Trustees May 14, 2005

¹⁹ Revision approved by the Board of Trustees October 11, 2004

8. Foundation Forms. The owner or builder will in writing notify the ACC at the time foundation forms are in place ready for pouring, so that their location with respect to the approved plot plan and approved grades may be verified. Owners will be responsible for staking property corners and furnishing an adequate survey of the property which establishes lot boundaries. If the ACC determines that the compliance of the location or grades of the foundation forms with the approved plot plan and approved grades needs to be verified, the committee shall notify the owner or builder to obtain verification from an engineer designated by the committee. The owner or builder will bear the cost of the verification.
9. Continuous Progress and Exterior Completion. Progress on construction shall be continuous. The exterior and the driveway, pathway and other approaches shall be completed within 12 months after the start of construction.
10. Roofing Materials. The owner or builder will, in writing, notify the ACC at the time that roofing materials are on the site and ready for installation, so that the ACC can inspect them and verify their compliance with the application. The ACC shall perform such verification within one week of receipt of notification. The owner or builder shall not install the roofing until ACC verification has been received or until one week has passed without ACC inspection.
11. Disapproval. If the ACC refuses in whole or part to give the requested approval, the project shall not be undertaken, or if undertaken in violation of this Regulation, may be abated by arbitration or legal proceedings.
12. Tower Antennas. The ACC will promptly contact owners who may be affected by a proposed tower antenna to inform them of the proposed structure and to learn their reaction to it. The ACC will promptly notify the applicant and all respondents of its decision with respect to the proposed antenna. The applicant shall have the rights of appeal set forth in paragraph (10) above. Any respondent who has objected to the application may, by following the procedures stated in paragraph (10) above, appeal to the Board of Trustees of the LMC any decision of the ACC which approves in whole or in part the proposed antenna. If a respondent has objected to an application, a decision of the ACC approving in whole or in part the proposed antenna will not take effect until 60 days after the objecting respondent has been notified of the decision. If within the 60 days the objecting respondent appeals the decision of the ACC to the Board of Trustees of the LMC, the decision of the ACC shall not take effect until the appeal has been decided.
13. Percolation Testing. Before starting to dig percolation test holes, owners must provide the ACC with a plot plan of the lot, drawn to a scale of not less than 1/8" per 1'0", indicating exactly where the percolation test holes will be dug, together with a Five Hundred Dollar (\$500.00) deposit to cover the cost of covering up the holes. If the ACC is not required to expend the deposit to cover up the holes, the deposit shall be returned to the owners.
14. Construction Standards:²⁰

²⁰ Construction Standards approved by the Board of Trustees, July 9, 2005

- (a) Reserve/Greenbelt Property: The property owner, contractor or any other person associated with construction is prohibited from damaging the reserve/greenbelt property during construction, or use of any portion of the reserve/greenbelt property for storage or other activities relating to construction. Roadways and adjoining lots shall be kept clean and free of debris arising from construction activities.
- (b) The Construction Site: Owners, contractors and others, shall keep a clean construction site. All construction debris, lumber remnants and scrap materials shall be removed from the site after each phase of work. In lieu of removal from the site, the ACC may allow the use of a dumpster on the site. If allowed, the dumpster will be emptied on a regular schedule so as not to constitute a danger or an eyesore. Chemical toilets shall be placed on the construction lot, not in the street or on adjacent properties.
- (c) Noise Control: ²¹Contractors, owners and others, shall restrict all noise-producing construction activities to the hours of 8:00 a.m. to 6:00 p.m. No trailer-mounted air compressor or electrical generator set shall be operated except by utility companies in emergency situations such as storm-related power outages. Electrical power generation or air compression equipment driven by internal combustion shall be used only as follows:
 - i. Small electrical generators (up to 10,000-watt capacity) are permitted for household use only during power outages.
 - ii. Hand-carried portable compressors are permitted for nail gun, stapler, or painting purposes. (See: Regulation I, Article I (3)(ii).)

From time to time utility and drainage easements will be approved (see Typical Restrictive Covenants (5) and Regulation I, Article I (7)). Such requests must be submitted to the appropriate authority for approval.

REGULATION II

ARTICLE IV

ENFORCEMENT

1. Monitoring Compliance. The ACC is responsible for monitoring compliance with Article II of this Regulation.
2. Institution of Enforcement Proceedings. In the event of violation of the terms of these Regulations, any owner of any lot subject to the Restrictive Covenants of Port Ludlow Nos. 1, 2, 3, 4, 5, 6, 7, Ludlow Bay Village and Oak Bay Short Plat or the Ludlow Maintenance Commission may institute enforcement proceedings as provided in Regulation V, which by this reference is incorporated herein.

²¹ Revision Approved by the Board of Trustees, Oct. 14, 2006

4. Prior Actions. Any prior actions under previous Regulations do not set a precedent.

REGULATION III

GREENBELT

The following Regulation governs the administration of the "Greenbelt" areas, which are designated as Reserve Areas and Drainage Areas on the recorded plats of Port Ludlow Nos. 1, 2, 3, 4, 5, 6, 7, Ludlow Bay Village and Oak Bay Short Plat, and are not on properties owned by owners.

REGULATION III

ARTICLE I

POLICY

1. Management of Greenbelt Areas. The Greenbelt Committee shall manage all of the greenbelt areas in the recorded plats of Port Ludlow Nos. 1, 2, 3, 4, 5, 6, 7, Ludlow Bay Village and Oak Bay Short Plat.
2. Goals and Intentions. The goal of the Greenbelt Committee is to create a suitable blend of native growth areas. Acting in concert with owners and occupants immediately affected, the Greenbelt Committee will maintain the greenbelt areas, consistent with its goal, to the extent possible with the resources available. To that end, the Greenbelt Committee will clear and clean up greenbelt areas, and individual owners and occupants are encouraged to further improve the greenbelt areas adjacent to their lots, subject to approval of the Greenbelt Committee.
3. Liaison with Jefferson County. The Greenbelt Committee shall maintain liaison with the Jefferson County Maintenance Department to assure proper county attention to Port Ludlow problems, other than road or drainage, that are within the scope of county provided maintenance.

REGULATION III

ARTICLE II

GENERAL PROCEDURES

1. Management Plan. The Greenbelt Committee shall keep current a Greenbelt Plan for progressive greenbelt and drainage easement maintenance. The Greenbelt Committee shall annually present the Greenbelt Plan to the LMC with a request for the budget needed to carry out the Greenbelt Plan. The budget request shall include one or more provisions for a

contingency fund, for the displacement of low priority maintenance projects, or both, in order to enable the Greenbelt Committee to perform emergency maintenance. The LMC shall review the Greenbelt Plan and provide to the Greenbelt Committee a time-phased budget that will enable the Greenbelt Committee to carry out the Greenbelt Plan, as approved by the LMC.

2. Approval Required. The Greenbelt Committee shall not undertake without the approval of the LMC any project for the development or maintenance of the greenbelt areas or drainage easements that will cause the Greenbelt Committee to exceed materially its budget then in effect. The Greenbelt Committee shall present to the LMC for approval proposals for all such projects. Where practical, the proposals shall include cost bids. LMC approval shall be obtained before work on the project is contracted for or started.
3. Contact with Affected Owners. With respect to all maintenance, development and improvements exceeding \$500, or leasing or relinquishment of greenbelt area, whether or not included in the Greenbelt Plan, the Greenbelt Committee shall contact all property owners within 300 feet for notification of the pending action to be taken by the Greenbelt Committee.
4. Priority. In preparing and carrying out its Greenbelt Plan, the Greenbelt Committee shall give first priority to emergency maintenance and the removal of hazards, including dead trees and snags. The priority given to all other work shall be at the sole discretion of the Greenbelt Committee. In exercising its discretion, the Greenbelt Committee may, but is not required to, give priority to those projects with respect to which adjoining lot owners will agree to participate substantially in the work or expense of the project, or will agree to maintain a newly planted area.

REGULATION III

ARTICLE III

WORK ON, USE OF AND INFRINGEMENT ON GREENBELT AREAS

1. Scope of Application of Restrictions. All constraints and restrictions upon work on, use of, and infringement on greenbelt areas shall apply equally to owners, occupants and owners' contractors building improvements on owners' lots.
2. Prohibited Activities. Dumping of trash, building debris, stumps, logs and rocks on greenbelt areas or drainage easements is prohibited. Any other work on, use of, or infringement on greenbelt areas or drainage easements that tends to damage or destroy them or that is for any illegal purpose is also prohibited.
3. Approval Required. Except for pruning and limbing trees and other vegetation expressly permitted under the terms of the applicable restrictive covenants to enhance and preserve lot views of mountains and water protected by a view easement, no lot owner shall work on, use or infringe on greenbelt areas without the approval of the Greenbelt Committee.
4. Request for Approval. Requests by owners for approval of work on, use of, or infringement

upon greenbelt areas shall be presented in writing to the Greenbelt Committee. The request shall include a full waiver of adverse property rights.

5. Considerations. The Greenbelt Committee shall exercise in good faith its discretion to approve or disapprove requests by owners for approval of work on, use of, or infringement upon greenbelt areas on the basis of the following considerations, among others:
 - a. Permanent structures or facilities generally will not be allowed;
 - b. Suitable plantings, tree trimming or removal, and vine or brush removal will generally be allowed;
 - c. Clean-up may be required as a condition of approval;
 - d. The Greenbelt Committee may declare that trees taken down in a greenbelt area are the property of the Port Ludlow community.
6. Communication of Decision. The approval or disapproval by the Greenbelt Committee of a request by an owner for approval of work on, use of, or infringement upon a greenbelt area shall be delivered in writing to the owner making the request.

REGULATION III

ARTICLE IV

ENFORCEMENT

1. Monitoring Compliance. The Greenbelt Committee is responsible for monitoring compliance with Article III of this Regulation.
2. Institution of Enforcement Proceedings. In the event of violation of the terms of this Regulation, the Ludlow Maintenance Commission may institute enforcement proceedings as provided in Regulation V, which by this reference is incorporated herein.

REGULATION IV

LMC FACILITIES²²

The following Regulation controls the use of the Beach Club and other facilities owned by the Ludlow Maintenance Commission, Inc. (LMC), and prescribes the conditions under which membership cards are issued and the conditions and limitations upon guest cards and guest privileges in connection with the use of such facilities.

REGULATION IV²³

ARTICLE I

DEFINITIONS

1. Member: "Member" refers to "Owner-Member, Contract Member and Long-Term Renters."
2. Owner-Member: An "Owner-Member" is an owner as described in the Bylaws of the Ludlow Maintenance Commission and is entitled to an owner-membership card pursuant to Article 3, Paragraph 1 hereof.
3. Member In Good Standing: A "Member In Good Standing" is:
 - a. A member who has paid all club payments, charges, fees, assessments, and late fees in compliance with the Covenants, Articles of Incorporation, Bylaws, and Regulations of the LMC;
 - b. A member who is in compliance with the Covenants, Articles of Incorporation, Bylaws and Regulations of the Ludlow Maintenance Commission, Inc.
4. Contract Members: Upon payment of an annual fee the following may become LMC Contract Members:
 - a. Owners of lots or condominium units within the boundaries of the Master Planned Resort (MPR) of Port Ludlow not covered by the Articles of Incorporation of the LMC;
 - b. Property owners on Ludlow Bay Road and streets adjoining Ludlow Bay Road.

Although not Owner-Members, Contract Members are entitled to the use of LMC facilities. Contract Members are not entitled to vote.

²² Revision of Regulation IV approved by the Board of Trustees, August 13, 2005

²³ Revision and renumbering of Regulation IV approved by the Board of Trustees, April 14, 2007

5. Long-Term Renters: "Long-Term Renters" are long-term (30 days or more) tenants or lessees of the houses or condominiums that are owned by members and upon which their right to membership is based. Upon approval by the General Manager and on payment of an annual fee, Long-Term Renters are entitled to enjoy the facilities under the same provisions as Contract Members.
6. Short-Term Renter Guests: In the event that LMC enters into an agreement that provides access to club facilities with a rental agent who manages condominiums, lots, and/or homes owned by owner-members, persons renting such properties for less than 30 days shall be referred to as "Short-Term Renter Guests." Upon approval by the General Manager and payment of an additional annual fee, Short-Term Renter Guests shall be entitled to enjoy the facilities subject to the club rules and to all pertinent conditions in this Regulation. Likewise, these conditions apply to individual owners who choose to rent out their property (home or condominium) for periods of less than 30 days with the expectation that their tenants will enjoy access to LMC facilities.
7. Invited Guests: The term "invited guests" refers to:
 - a. Houseguests of members who are issued a guest card for a defined period of time; and
 - b. Guests accompanied by a member.

Invited Guests acquire the privilege of using the facilities through invitation by members and are subject to the Facility Rules.

8. Facilities: The "Facilities" covered by this Regulation are all amenities owned or supervised by the LMC. They include, but are not limited to, the Beach Club (including the pool areas and dressing and shower facilities), the Bridge Deck, Kehele Park, all tennis, pickle-ball and squash courts, all parking areas, RV storage area, all common area grounds including beach areas, and all equipment and accessories.
9. Facility Rules: "Facility Rules" are posted rules, approved by the LMC Board of Trustees, that concern the use of the facilities as necessary for their specific management, in addition to the conditions stated in this Regulation

REGULATION IV

ARTICLE II

GENERAL

1. Management of the Facilities. The LMC Operations Committee shall oversee the management of the facilities in accordance with the Bylaws of the Ludlow Maintenance Commission, Inc., Article V, Section 1 (c).
2. Use of the Facilities. The facilities may be used only by members and their families to whom Family Membership Cards are issued (described in Article III below), Invited Guests, and Short-

Term Renter Guests. All persons using the facilities or on the facility premises are subject to this Regulation and to the facility rules. A parent or responsible adult member will accompany and supervise underage children in accordance with posted rules. Members not in good standing may be denied use of the facilities.

3. Suspension. Members using the facilities are responsible for their behavior, the behavior of their guests and juveniles under their control. Members not in good standing may be suspended from use of the facilities. The right of any person to use the facilities is subject to immediate, temporary or permanent suspension for:
 - a. Abusive language;
 - b. Obscene, illegal, drunken or destructive behavior; or
 - c. Violation of Facility Rules;while using the facilities or on the premises.
4. Check-in. All persons using the Beach Club shall sign in with the hostess on duty.
5. Identification. Valid identification as a member or as a guest is necessary for admittance to and use of the facilities other than meeting rooms. All persons using the facilities must have on their person a Membership Card or Guest Card. The card must be presented to the hostess on duty. The hostess on duty and other authorized personnel have the authority to question at any time the right of any person to use the facilities or to be on the premises.
6. Lending Cards Prohibited. Neither members nor guests may lend their Membership Card or Guest Card to other persons or otherwise allow the use of the facilities in their name.
7. Lending Keys Prohibited: Keys to Kehele Park Tennis Courts are issued to members in good standing. Keys shall not be issued or loaned to guests or non members. Keys are numbered and are not transferable nor shall they be duplicated. Violation of this rule shall result in forfeiture of the key. Lost keys shall be immediately reported to the Beach Club staff. Keys to other facilities are subject to other LMC policies.²⁴
8. Group Use. Use of any portion of the facilities for specific private or group activity involving a greater number of persons than permitted under facility rules must be cleared and scheduled in advance with LMC management. Guest card privileges exclude group use.
9. Personnel. All concerns and questions regarding any employee with respect to performance of duties, courtesy, or authority to enforce facility rules shall be directed to the General Manager in writing using the appropriate form available at the Beach Club office.
10. Tipping Prohibited. Tipping any employee is prohibited.

²⁴ Approved by the Board of Trustees at a Regular Meeting April 14, 2007

REGULATION IV

ARTICLE III

MEMBERSHIP CARDS

1. Entitlement. Except as provided in this Article, members are entitled to not more than two membership cards. Membership cards will be issued only for use by a member, for use by a person designated pursuant to paragraph 3 below, and for use by another adult living with the member. The General Manager will issue to Contract-Members and Long-Term Renters special membership cards in the same manner as to Owner-Members. Membership cards will be issued upon request provided the member has paid all prior and current assessments, fees and/or other obligations that the member owes to LMC, and is otherwise a member in good standing.
2. Term. Membership cards will be issued annually for a term from January 1 through December 31 of the current year. Expired cards are valid through February 1 of the year following the year of issue.
3. Joint, Multiple or Corporate Membership. If membership is joint, multiple or corporate, the member must designate the one person to whom the membership card will be issued. The request for the designation will be made with the billing for the annual LMC assessment and the card will be issued upon return of the designation. The one person designated to receive the membership card will be considered eligible for family membership as described in 4 below.
4. Family Membership:
 - a. a member,
 - b. family members living in the same household,

will be issued family membership cards as a courtesy on an annual basis for the same term as the Membership Card. Holders of a family membership card collectively shall be granted the same access privileges to LMC facilities as members.²⁵ These cards will be issued separately to each qualified family member upon the written request of the member to the General Manager. In the case of a minor child, the request for such cards shall contain the name and age of the child and the name of the parent for whom each card is requested. Members are responsible for the actions and conduct of the family members and any guests accompanying the family members while using the facilities.

²⁵ Revision of paragraph 4, approved by the Board of Trustees, November 14, 2009

5. Long-Term Renters: The Long-Term Renters (referred to in this paragraph as the “renter”) will be issued Membership Cards upon approval by the General Manager of the renter’s application and payment of the current applicable fee for member privileges. The term of the special card will be the same as the term of the renter’s lease or tenancy, but not longer than the end of the calendar year, and the renter’s fee will be prorated accordingly. If the term of the renter’s lease or tenancy extends beyond the end of the calendar year, the renter may reapply for member privileges. The renter’s fee for renewal will be the applicable fee for the member privileges for a full year, but the renter will be entitled to a prorated refund at the end of the renter’s lease or tenancy, if it expires before the end of the calendar year.

REGULATION IV

ARTICLE IV²⁶

GUEST PRIVILEGES AND GUEST CARDS

1. Invited Guests. Guest cards are provided as a courtesy upon request of members (see Regulation IV, Article I: 10, above). A member must accompany invited guests not in possession of a guest card. Members assume responsibility for the actions of their guests while using the facilities.
2. Guest Limitations. In order to avoid over-crowding and overuse of the LMC facilities, members and/or family members holding family membership cards may invite a total of five (5) guests, collectively, at any one time.
3. Sales Personnel. Real estate sales personnel will be admitted with their prospective purchasers for the purpose of showing the facilities.
4. Issuance of Guest Cards. At the discretion of the General Manager, or his or her designee, guest cards may be issued for a defined period of time to houseguests who would like to use the LMC facilities when not accompanied by a member. The appropriate written request form shall be completed by the requesting member and submitted to Beach Club staff for consideration. Guest card holders are subject to all facility rules and regulations. Possession of a guest card excludes the privilege of bringing other guests.
5. Large Groups. The issuance of guest cards or the granting of guest privileges may not be used to permit organizations or large groups of individuals to use the facilities at any one time. Specific-clearance for such group use of the facilities must be scheduled in advance with the General Manager. Large groups will not be issued guest cards.

²⁶ Revision of Article IV approved by the Board of Trustees, November 14, 2009

REGULATION IV

ARTICLE V

ENFORCEMENT

1. Monitoring Compliance. The LMC Operations committee is responsible for monitoring compliance with Article IV of this Regulation.
2. Institution of Enforcement Proceedings. In the event of violation of the terms of this Regulation, the LMC may institute enforcement proceedings as provided in Regulation V, which by this reference is incorporated herein.

REGULATION V²⁷

ENFORCEMENT AND APPEALS PROCEDURES

ARTICLE I

PRIMARY RESPONSIBILITY

Standing committees of the LMC have the primary responsibility for enforcing the LMC Regulations as follows:

1. The LMC Operations Committee. The LMC Operations Committee enforces Regulation I, concerning land use, and Regulation IV, concerning the use of the Beach Club and other facilities owned by LMC.
2. The Architectural Control Committee: The Architectural Control Committee, -after this referred to as the ACC, enforces Regulation II pertaining to land improvements.
3. The Greenbelt Committee. The Greenbelt Committee is the committee that carries out the provisions of Regulation III pertaining to designated reserve areas referred to as greenbelt.

²⁷ Revision of Regulation V approved by the Board of Trustees, February 11, 2006

ARTICLE II
PROCEDURES

1. Violations of LMC Regulations: The LMC Committees described in Article I above have primary responsibility for responding to violations of the LMC Regulations. In the event that an LMC committee having jurisdiction, hereafter referred to as the committee, determines that a violation has occurred, the committee shall contact the member who has committed the violation either in person or in writing to advise the member of the violation and to request corrective action. In the event that the member fails to take corrective action as requested, the committee shall confirm to the member in writing the following.
 - a. The corrective action required to bring the member into compliance with the regulations of the LMC;
 - b. The time limit required for such corrective action to occur;
 - c. That the matter is being referred to the LMC Board of Trustees;
 - d. That the member has the right to appeal, the time limit for the appeal, and any appeal form that may be required.

Upon completion of the above, the committee shall make a report to the LMC of the unresolved violation and the steps taken to bring the member into compliance.

2. Appeals of Committee Decisions: Whenever a member files an appeal to the LMC Board of Trustees of a decision made by a committee under Article II, (1), above, the appeal shall be governed by the procedures set forth in 4 below.
3. Appeals of Affected Parties:
 - a. An owner who identifies him/herself as a party affected by a decision of a committee may appeal that decision to the LMC Board of Trustees by complying with the procedures described in 4 below.
 - b. A party who identifies him/herself as adversely affected by conditions on a neighboring property that are perceived to be a violation of the LMC Regulations, and having exhausted efforts for corrective action through the appropriate committee, may appeal to the LMC Board of Trustees for resolution following the procedures described in 4 below.

Parties filing an appeal must provide the LMC Board of Trustees with one or more of the following items:

- i. Description of the alleged violation or condition;
- ii. Description of the negative impact of the alleged violation or condition on the appellant;
- iii. Description of the steps taken to reach a reasonable resolution between the disagreeing parties.

Using its discretion, the trustees will determine if a hearing is warranted and notify the parties involved.

4. Appeals Procedures: The appeal shall be governed by the following procedures:
 - a. Appeals must be filed in writing and delivered in person or deposited in the U.S. mail addressed to the president or secretary of the LMC within 60 days after the date of the committee letter;
 - b. Review Board: At its discretion, the LMC Board of Trustees may appoint a three member impartial Review Board. One of those members will be designated as chair and shall proceed as follows:
 - i. The Chair of the Review Board shall convene a meeting of all parties involved including the committee with jurisdiction over the matter under review;
 - ii. The appellant and the committee shall present factual reasons why the committee's decision should be upheld, reversed or modified. The Review Board will then determine the facts of the matter and make an attempt to assist the parties in arriving at an agreeable resolution.
 - iii. The Review Board shall report their findings to the LMC Board of Trustees. If the parties have not arrived at a resolution the Review Board may make unbinding recommendations to the LMC Board of Trustees. If no resolution is reached, the parties will move to step 5 below.
 - c. The LMC Board of Trustees shall meet and act upon the appeal within 60 days after delivery of the appeal to the LMC Board of Trustees. The LMC Board of Trustees shall notify the appellant(s), and the appropriate committee of the place and time of the appeal meeting;
 - d. If all parties agree, the time limit may be extended.
5. Preparation for an Appeal: The LMC president shall ensure that appropriate notice of the hearing is given to all parties.

At least five (5) business days prior to the hearing all parties involved are encouraged to provide the Board of Trustees with supporting documents, photographs, and any other factual materials related to the appeal that will assist the board in making a determination.

6. Procedural Rules at the Hearing: At the beginning of the hearing the LMC Chair shall set procedural rules for the meeting. Any board member who has a conflict of interest in the matter shall recuse him/herself from the deliberations.

7. The Ruling: The final decision of the LMC Board of Trustees to affirm, reverse or modify the committee's decision shall be in writing. A copy of the decision with rationale and/or supporting documentation shall be delivered in person to the appellant or deposited in the U.S. Mail, sent Certified, Return Receipt Requested, addressed to the appellant's address shown on the record of the LMC. If the board reversed or modified the committee's decision, the committee shall immediately meet and take such action as is necessary to comply fully with the action directed by the board's decision.²⁸

ARTICLE III

ENFORCEMENT

1. Enforcement Procedures: If the committee reports an unresolved violation to the LMC, and no appeal is taken within the time allowed, or if an appeal is taken and the decision of the committee is affirmed, in whole or in part, the LMC shall determine whether (i) to make a further demand for compliance, or (ii) to impose sanctions itself, or (iii) to start enforcement proceedings as provided in Paragraphs 2 or 3 below. Sanctions that the LMC itself may impose include, with limitation:
 - a. Loss of privilege to use LMC facilities.
 - b. Loss of other rights and privileges permitted by these regulations.
2. Institution of Judicial Proceedings: Each owner and the LMC have a proper interest in the matters provided for in the Regulations of the LMC. All such matters are specifically enforceable. In the event of violation of the terms of any Regulation of the LMC, any owner or the LMC may, if the Regulation so permits, institute proceedings in any court having jurisdiction of the property subject to the Regulation violated for abatement or injunction or to compel correction or to recover reasonable attorney fees, as determined by the court. Proceedings for abatement may include actions to compel removal, replacement or other revision of any condition that is in violation of the terms of any Regulation

²⁸ Revision approved by the Board of Trustees, Dec. 15, 2007