



Crofton Townhomes Association

P.O. Box 533, Auburn, WA 98071-0533

Declaration of Covenants, Conditions and Restrictions

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Important Note:

This working document reflects the content of the original recorded Declaration of Covenants, Conditions, and Restrictions and all recorded amendments. In the event of a conflict between this working document and the text from recorded documents, the recorded documents have control.

Original CC&Rs and By-Laws were scanned, turned into PDF and then converted to a Word document for formatting purposes and were finalized on March, 24, 2021. Document prepared by Grant Gingell, Sarah Gibboney, Virginia White and Damara Acosta.

WITNESSETH:

WHEREAS, United is the owner of a parcel of land in King County Washington, known as the Plat of Crofton Townhomes;

NOW, THEREFORE, Declarant hereby declares that all of the properties of the Plat in Crofton Townhomes shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors, and assigns, and shall insure to the benefit of each owner thereof.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein has hereunto set its hand and seal this 17th day of July, 1978.

The Declarant of Crofton Townhomes created the Plat of Crofton Townhomes, recorded in Volume 106 of Plats at pages 51 and 52 ("Plat"). The Declarant recorded a Declaration of Covenants, Conditions and Restrictions (the "Declaration") affecting the Plat in the records of King County, bearing recording number 7807130230. The Declaration was amended three times in Amendments bearing recording number 20030905001361, re-recording number 20041119002305, recording number

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20050623000328, and recording number 20071116000342. This is the fourth amendment to the Declaration.

B. The Declaration was revised by the First Amendment, dated September 5, 2003 and re-recorded on November 19, 2004; the Second Amendment dated June 23, 2005; and the Third Amendment dated November 16, 2007 under recording numbers 20030905001361, 20041119002305, 20050623000328, and 20071116000342 in the records of King County. The Owners hereby ratify and affirm the Declaration as amended by the First, Second and Third Amendments described above.

C. This Amendment to the Declaration shall take effect upon recording. The terms of this Amendment to the Declaration shall control over and implicitly amend any inconsistent provision at the Declaration or the Bylaws of the Association. Except as amended by this instrument, the Declaration shall remain in full force and effect.

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ARTICLE I - DEFINITIONS

Section 1. "Association" shall mean and refer to Crofton Townhomes Association, a Washington non-profit corporation, its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to that certain real property encompassed in the plat of Crofton Townhomes, recorded in Volume 106 of Plats at pages 51 and 52, records of King County, Washington.

Section 4. "Townhome", "Dwelling Unit", "Lot", "Common Area". The properties are zoned PRD (Planned Residential Development) and shall be used in compliance with regulations established by the City of Auburn with respect to such a district and the site plan for the properties heretofore approved by the Planning Commission and the City Council of the City of Auburn. The site plan contemplates the erection of eight (8) townhomes encompassing a total of thirty-five (35) dwelling units. A "Townhome" means a building containing two (2) or more dwelling units with each dwelling unit individually occupying an individually owned lot. A "Dwelling Unit" means any portion of a townhome designed and intended for use and occupancy as a residence by a single family. A "Lot" shall mean any plot of land shown upon the recorded subdivision map of the properties with the exception of the common area. The recorded subdivision map of the properties shows thirty-five (35) of such lots. "Common Area" shall mean all the properties except the lots and any streets dedicated to public use. The common area is to be owned by the Association during the development period and thereafter, for the common use and enjoyment of the members of the Association. "Limited Common Areas" are those portions of the common area reserved for the use of certain dwelling units to the exclusion of all other dwelling units.

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ARTICLE II - PROPERTY RIGHTS

Section 1. **Owner's Easements of Enjoyment.** Each owner shall have a right and an easement of enjoyment in and to the common area (except limited common areas) and for ingress and egress over and through the common areas (except the limited common areas) and such easement shall be appurtenant to and shall pass with the title of every lot, subject to the following provisions:

- (a) the right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the common areas;
- (b) the Right of the Association to suspend the voting rights and right to use the recreational facilities by an owner for any period during which any assessment against his lot remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations;
- (c) the right of the Association to suspend water services to an owner during such time as he is delinquent in payment of his water assessments, such services to be promptly restored when payment is made;
- (d) the right of the Association to dedicate or transfer all or any part of the common area (except limited common areas and access areas) to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by members holding 2/3's of the total voting power of the Association agreeing to such dedication or transfer has been recorded. Upon dissolution of the Association, limited common areas shall be deeded to the owners of the specific dwelling units to which such limited common areas appertain.

Section 2. **Delegation of Use.** Any owner may delegate, in accordance with the By-Laws, his right of enjoyment to the common area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

Section 3. **Limited Common Areas.** Portions of the common area are hereby reserved for the exclusive use of certain dwelling units as follows:

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(a) Patio Areas. Patio areas (enclosed or partially enclosed by fences) are located immediately adjacent to the rear of each dwelling unit. Such patio areas are reserved for the exclusive use of the owners of the dwelling units which they immediately adjoin their families and guests.

(b) Parking Spaces. Two (2) parking spaces are located immediately adjacent to the front of the garage of each dwelling unit. Such parking spaces are reserved for the exclusive use of the owners of the dwelling units which they immediately adjoin their families and guests.

The patio areas referred to above, including the interiors of the fences enclosing the same, shall be maintained by the owners of the adjoining dwelling units. That is to say, that owners of each dwelling unit shall be responsible for the maintenance and repair of their own patio areas.

ARTICLE III - MEMBERSHIP AND VOTING RIGHTS

Section 1. Every owner of a lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment.

Section 2. For each lot owned, a member shall be entitled to one vote. When more than one person holds an interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they among themselves determine.

ARTICLE IV - COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each lot owned by it within the properties, hereby covenants, and each owner of any lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association:

- (1) monthly assessments or charges, and
- (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided.

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The monthly and special assessments, together with interest, costs and reasonable attorney's fees shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made.

**The following is from Amendment 2, June 17, 2005:

"Assessment" means all sums chargeable by the Association against a Dwelling Unit (hereinafter "Unit"), including, without limitation:

- (a) general and Special Assessments for Common Expenses, Special Allocations, charges, and fines imposed by the Association;
- (b) interest and late charges on any delinquent account; and
- (c) costs of collection, including reasonable attorney's fees, incurred by the Association in connection with the collection of a delinquent Owner's account.

"Special Allocation" means the cost of water or other utilities to the Unit which cost shall be allocated among the Units based on water usage.

"Special Assessment" means those Common Expenses which cannot reasonably be calculated and paid on a monthly basis; or expenses arising out of actions or inactions of an Owner or Occupant of a particular Unit; or expenses for Limited Common Area or Common Area maintenance, repair or improvement that benefits less than all Units.**

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the properties, including, without limitation, the construction, establishment, improvement, repair and maintenance of the common area, and services and facilities related to the use and enjoyment of the common area, and payment of taxes and insurance on the common area, and for water furnished to owners or occupants of any lot.

**The following is from Amendment 2, June 17, 2005:

That portion of the monthly assessment which is for water furnished to an Owner or occupant of a lot need not be kept segregated in a special account.**

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The term "common area" as used in this paragraph shall include the limited common areas, except for maintenance and repair of patio areas and the interior of fences enclosing the same, which shall be the responsibility of the immediately adjoining dwelling units. In the event an owner does not maintain such area, the Association may maintain the same and the cost of such maintenance shall be added to and become part of the assessment to which such lot is subject.

Monthly charges shall include an adequate reserve fund for maintenance, repair and replacement of those elements of the common area that must be replaced on a periodic basis.

Section 3. Basis and Maximum of Monthly Assessments. The basis and maximum of monthly assessments shall be as follows:

- (a) Until January 1 of the year immediately following the conveyance of the first lot to an owner, the maximum monthly assessment (exclusive of assessments for water as provided for in subparagraph (e)) shall be \$30.00 per dwelling unit.
- (b) From and after January 1 of the year immediately following the conveyance of the first lot to an owner, the maximum monthly assessment may be increased each year not more than 3% above the maximum monthly assessment for the previous year without a vote of the membership.
- (c) From and after January 1 of the year immediately following the conveyance of the first lot to an owner, the maximum monthly assessment may be increased above 3% by a vote of 66-2/3% of the total votes cast in person or by proxy at a meeting duly called for this purpose.
- (d) The Board of Directors may fix the monthly assessment at an amount not in excess of the maximum.
- (e) In addition to the amounts provided for in subparagraphs (a), (b), and (c) above, monthly assessments for water furnished to and consumed by the owners or occupants of any lot shall be paid for the Association as follows:
 - (i) Water may be supplied to dwelling units through one or more meters, that is to say, more than one dwelling unit may be served by the same water meter and separate metering of dwelling units shall not be required. In that

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event, the monthly water bill for water purchased by the Association shall be divided among the owners of dwelling units in proportion to the number of dwelling units owned by each owner and attached to a separate meter, regardless of how much water is consumed by any one or more dwelling units. For example, if there are 10 dwelling units connected to one water meter, there shall be assessed against each of such dwelling unit 1/10th of the monthly water bill attributable to such meter. Likewise, if an owner owns two dwelling units, he shall pay 2/10ths of the monthly bill for water supplied through the same meter. The Association may establish a reserve for payment of water charges equal to three months' estimated water charges and bill the dwelling unit owners accordingly to set up such reserve. Likewise, the Association may periodically fix an estimated amount for water charges to be billed monthly to owners of dwelling units.

- (ii) These provisions shall be inapplicable if the Association allows separate metering of all of the dwelling units.

Section 4. Special Assessment for Capital Improvements. In addition to the monthly assessments authorized above, the Association may levy, in any calendar year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the common area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of 66-2/3% of the total votes cast in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4.

Written notice of any meeting called for the purpose of taking any action authorized under Section 3 and 4 shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast 60% of all the votes shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half of the required quorum at the

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preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both monthly and special assessments (except for water charges as set forth in Section 3(e) above) shall be fixed at a uniform rate for all lots.

Section 7. Date of Commencement of Monthly Assessments: Due Dates. The monthly assessments provided for herein shall commence as to all lots on the first day of the month following the conveyance of the common area. Said assessments shall be due and payable on such date and on the first day of each calendar month thereafter. The due date of any special assessments shall be fixed by the Board of Directors and the resolution authorizing such assessment. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessment on a specified lot has been paid.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within 30 days after the due date shall bear interest from the due date at the rate of 8% per annum. The association may bring an action at law against the owner personally obligated to pay the same and/or foreclose the lien against the property in like manner as a mortgage of real property. No owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the common area or abandonment of his lot or nonuse of the water facilities. In addition to any other remedies provided for herein, if any assessment for water is not paid within thirty (30) days after the due date, then upon ten (10) days' written notice, water service to the dwelling unit of an owner delinquent in payment of any water assessment may be forthwith severed and remain severed until such assessment is paid, at which time such service will be promptly restored.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessment provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any lot shall not affect the assessment lien. However, the sale or transfer of any lot pursuant to a first mortgage foreclosure or proceeding in lieu

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thereof shall extinguish the lien of such assessments as to payments thereof which became due prior to such sale or transfer. No sale or transfer shall relieve such lot from liability for any assessments thereafter becoming due or from the lien thereof.

**The following is from Amendment 2, June 17, 2005:

Section 10. Collection of Assessments.

10.1 Assessment Liens and Priority.

10.1.1 Assessment Liens. The Association has a lien on a Unit for any unpaid Assessments levied against a Unit ("Assessment Lien"). The Assessment Lien automatically attaches to the unit at the time the Assessment is due.

10.1.2 General Priority. An Assessment Lien is senior to all other liens and encumbrances on a Unit recorded after the date of this Declaration except as specifically noted in the following subsections.

10.1.3 Mortgage Priority. An Assessment Lien is junior to a Mortgage on a Unit recorded before the Assessment Lien attached to that unit.

10.1.4 Priority of Government Liens. Liens for real property taxes and other governmental assessments or charges against the Unit are senior to Assessment Liens.

10.1.5 Notice of Assessment Liens. Recording of this Declaration constitutes record notice and perfection of Assessment Liens. The Association may also choose to record a notice of claim of lien for Assessment Liens in the real property records of the county in which the property is located.

10.2 Lien May be Foreclosed; Judicial Foreclosure.

10.2.1 A lien arising under this Article may be enforced judicially by the Association or its authorized representative in the manner set forth in RCW 61.12, or nonjudicially in the manner set forth in Article 10.3. The Association or its authorized representative shall have the power to purchase the Unit at the foreclosure sale and to acquire, hold, lease,

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mortgage, or convey it. Upon an express waiver in the complaint of any right to a deficiency judgement in a judicial foreclosure action, the period of redemption shall be eight months. Nothing in this Article shall prohibit the Association from taking a deed in lieu of foreclosure.

10.2.2 The holder of a Mortgage or other purchaser of a Unit who obtains the right of possession of a Unit through foreclosure shall not be liable for any Assessments or installments thereof that became due prior to such right of possession. Such unpaid Assessments shall be deemed to be Common Expenses collectible from all the Owners, including such mortgagee or other purchaser of the unit.

10.2.3 Foreclosure of a mortgage does not relieve the prior Owner of personal liability for Assessments accruing against the Unit prior to the date of such sale.

10.3 Nonjudicial Foreclosure. A lien arising under this Article may be foreclosed nonjudicially in the manner specified in RCW 61.24 for nonjudicial foreclosure deeds of trust. For the purpose of preserving the Association's nonjudicial foreclosure option, this Declaration shall be considered to create a grant of each Unit in trust to Pacific Northwest Title Company of Washington, Inc. or its successors or assigns ("Trustee"), to secure the obligations of each Owner ("Grantor") to the Association beneficiary for the payment of Assessments. The Grantor shall retain the right to possession of Grantor's Unit so long as Grantor is not in default of an obligation to pay Assessments. The Trustee shall have power of sale with respect to each Unit, which becomes operative in the case of a default in Grantor's obligation to pay Assessments. The Units are not used principally for agricultural or farming purposes.

10.4 Receiver During Foreclosure. From the time of commencement of an action by the Association to foreclose a lien for nonpayment of delinquent Assessments against a Unit that is not occupied by its Owner, the Association shall be entitled to the appointment of a receiver to collect from the Tenant the rent for the Unit as and when due. If the rent is not paid, the receiver may obtain possession of the Unit, refurbish it for rental

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up to a reasonable standard for rental Units in this type of Association, Lease the Unit or permit others to Lease it, and apply the rents first to the cost of the receivership and attorney's fees, then to the cost of refurbishing the Unit, then to applicable charges, then to costs, fees, and charges of the foreclosure action, and then to the payment of the delinquent Assessments. Only a receiver may take possession and collect rents under this Article, and a receiver shall not be appointed less than ninety (90) days after the delinquency. The exercise by the Association of the foregoing rights shall not affect the priority of preexisting liens on the Unit.

10.5 Assessments Are Personal Obligation. In addition to constituting a lien on the Unit, all sums assessed by the Association chargeable to any Unit, including all charges provided in this Article, shall be the personal obligation of the Owner of the Unit when the Assessment is made. Suit to recover personal judgment for any delinquent Assessments shall be maintainable without foreclosing or waiving the liens securing them.

10.6 Extinguishment of Lien and Personal Liability. A lien for unpaid Assessments and the personal liability for payment of Assessments is extinguished unless proceedings to enforce the lien or collect the debt are instituted within three years after the amount of the Assessments sought to be recovered becomes due.

10.7 Joint and Several Liability. In addition to constituting a lien on the Unit, each Assessment shall be the joint and several obligation of the Owners of the Unit at the time the Assessment is due. In a voluntary conveyance, the Grantee of a Unit shall be jointly and severally liable with the Grantor for all unpaid Assessments against the Grantor up to the time of the Grantor's Conveyance, without prejudice to the Grantee's right to recover from the Grantor the amounts paid by the Grantee towards the Assessments. Suit to recover a personal judgment for any delinquent Assessment may be maintained in any court of competent jurisdiction without foreclosing or waiving the lien securing such sums.

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- 10.8** Late Charges and Interest on Delinquent Assessments. The Association may establish reasonable late charges and a rate of interest to be charged on all delinquent Assessments. In the absence of another established non-usurious rate, delinquent Assessments shall bear interest from the date of delinquency at the maximum rate permitted under RCW 19.52.020 on the date on which the Assessments became delinquent.
- 10.9** Recovery of Attorney's Fees and Costs. The Association shall be entitled to recover any costs and reasonable attorney's fees incurred in connection with the collection of delinquent Assessments, whether or not such collection activities result in suit being commenced or prosecuted to judgment. In addition, the Association shall be entitled to recover costs and reasonable attorney's fees if it is the substantially prevailing party on appeal and in the enforcement of a judgement.
- 10.10** Security Deposit. An Owner who has been delinquent in paying his monthly Assessments for three of the five preceding months may be required by the Board to make and maintain a security deposit not in excess of three months' estimated monthly Assessments, which shall be collected and shall be subject to penalties for nonpayment as are other Assessments. The deposit shall be held in a separate fund credited to that Owner and may be resorted to at any time when such Owner is ten (10) or more days delinquent in paying Assessments.
- 10.11** Remedies Cumulative. The remedies provided in Section 10 are cumulative. The Board may pursue them, and any other remedies which may be available under law or elsewhere in the Governing Documents, either concurrently or in any order. **

ARTICLE V - PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the townhouses and placed on the dividing line between dwelling units shall constitute a party wall, and to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and

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liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any owner who has used the wall may restore it, and if the other owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use, without prejudice, however, to the right of any such owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any of the other provisions of this Article, an owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs with Land. The right of any owner to contribution from any other owner under this Article shall be appurtenant to the land and shall pass to such owner's successors in title.

***The following is from Amendment 2, June 17, 2005:*

Section 6. Alternative Dispute Resolution.

6.1 Method for Resolving Disputes. All Owners and other Persons subject to this Declaration (except the Association, acting through its officers, directors, and committee members), and any Person not otherwise subject to this Declaration who agrees to submit to this Article (collectively, "Bound Parties") agree to encourage the amicable resolution of disputes concerning the Condominium or the Governing Documents, without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees to submit those claims, grievances or

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disputes described in Section 6.2 ("Claims") to the procedures set forth in Section 6.2 in lieu of filing suit in any court.

6.2 Claims.

6.2.1 Unless specifically exempted below, all Claims arising out of or relating to the interpretation, application or enforcement of the Governing Documents, or the rights, obligations and duties of any Bound Party under the Governing Documents shall be subject to the provisions of Section 6.3.

6.2.2 Notwithstanding the above, unless all parties thereto otherwise agree, the following shall not be Claims and shall not be subject to the provisions of Section 6.3:

- (a) any suit or pre-filing enforcement activity by the Association against any Bound Party to enforce the provisions of the Governing Documents;
- (b) any suit by the Association to obtain equitable relief (e.g., temporary restraining order, preliminary injunction, permanent injunction or specific performance) and such other ancillary relief in connection with enforcement of the Governing Documents;
- (c) any suit by a Bound Party for declaratory or injunctive relief which seeks a determination as to applicability, enforcement, clarification, or interpretation of any provisions of the Declaration;
- (d) any suit between Owners, which does not include the Association as a party, if such suit asserts a Claim which would constitute a cause of action independent of the Governing Documents and the amount in controversy in the Independent cause of action exceeds \$5000.00;
- (e) any suit in which any indispensable party is not a Bound party;
and
- (f) any suit as to which any applicable statute of limitations would expire within 180 days of giving the Notice required by Section 6.3,

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unless the party or parties against whom the Claim is made agree in writing to toll the statute of limitations as to such Claim for such period as may reasonably be necessary to comply with this Article.

With the consent of all parties thereto, any of the above claims may be submitted to the alternative dispute resolution procedures set forth in Section 6.3.

6.3 Mandatory Procedures.

6.3.1 Notice. Any Bound Party having a Claim ("Claimant") against any other Bound Party ("Respondent") (collectively, the "Parties") shall notify each Respondent in writing (the "Notice"), stating plainly and concisely:

- (a) the nature of the Claim, including the Persons involved and Respondent's role in the Claim;
- (b) the legal basis of the Claim (i.e., the specific authority out of which the Claim arises);
- (c) the Claimant's proposed remedy; and
- (d) that Claimant will meet with Respondent to discuss in good faith ways to resolve the Claim.

6.3.2 Negotiation and Mediation.

- (a) The Parties shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Notice, the Board may appoint a representative to assist the Parties in negotiation.
- (b) If the Parties do not resolve the Claim within 30 (thirty) days of the date of the Notice (or within such other period as may be agreed upon by the Parties) ("Termination of Negotiations"), Claimant shall have 30 (thirty) additional days to submit the Claim to mediation under the auspices of any dispute resolution center or, if the Parties

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otherwise agree, to an independent agency or person providing dispute resolution services in the area.

(c) If Claimant does not submit the Claim to mediation within such time, or does not appear for the mediation, Claimant shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of such Claim; provided, nothing herein shall release or discharge Respondent from any liability to any Person other than the Claimant.

(d) Any settlement of the Claim through mediation shall be documented in writing and signed by the Parties. If the Parties do not settle the Claim within 30 (thirty) days after submission of the matter to mediation, or within such time as determined by the mediator, the mediator shall issue a notice of termination of the mediation proceedings ("Termination of Mediation"). The Termination of Mediation notice shall set forth that the Parties are at an impasse and the date that mediation was terminated.

(e) Within five days of the Termination of Mediation, the Claimant shall make a final written settlement demand ("Settlement Demand") on the Respondent. If the Claimant fails to make a Settlement Demand within such period, Claimant's original Notice shall constitute the Settlement Demand. Within eight days of the Termination of Mediation, the Respondent shall make a final written settlement offer ("Settlement Offer") to the Claimant. If the Respondent fails to make a Settlement Offer within such period, Respondent shall be deemed to have made a "zero" or "take nothing" Settlement Offer.

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6.3.3 Failure to Settle. If the Parties do not agree in writing to a settlement of the Claim within fifteen (15) days of the Termination of Mediation, either Party may pursue appropriate relief by filing a Complaint with the Board seeking enforcement and/or by bringing an action in a court with jurisdiction over the Claim(s) being asserted.

6.4 Allocation of Costs of Resolving Claims. Subject to Section 6.5, each Party shall bear its own costs, including attorney's fees, incurred in performing negotiation and mediation obligations created by this Section 6. Each party shall share equally all charges of the mediation services.

6.5 Enforcement of Resolution. If the Parties agree to a resolution of any Claim through negotiation or mediation in accordance with Section 6.3 and any Party thereafter fails to abide by the terms of such agreement, then any other Party may proceed to enforce such agreement without the need to again comply with the procedures set forth in Section 6.3. In such event, the Party taking action to enforce the agreement shall be entitled to recover from the non-complying Party, (or if more than one non-complying Party, from all such Parties, joint and severally) all costs incurred in enforcing such agreement, including, without limitation, attorney's fees and court costs. **

ARTICLE VI - ENCROACHMENTS

In the event any portion of any dwelling unit encroaches upon the common areas, as a result of the original construction, reconstruction in substantial accordance with original plans, repair, shifting, settlement or movement, a valid easement for the encroachment and for the maintenance of the same shall exist so long as the encroachment exists.

ARTICLE VII - ARCHITECTURAL CONTROL

No building, fence, wall, or other structure shall be commenced, erected, or maintained upon the properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been

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submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within 30 days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

**The following is from Amendment 3, October 27, 2007:

ARTICLE VIII – RESPONSIBILITY FOR MAINTENANCE AND REPAIR

Section 1. Association's Responsibility for Routine Exterior Maintenance. The Association is responsible to maintain and repair the common area and all limited common areas except patio areas specified in Article II, Section 3 of this Declaration. In addition, the Association will provide Routine Exterior Maintenance (as defined below in Section 5) for each Lot subject to assessment. This responsibility to provide Routine Exterior Maintenance applies to the following exterior building surfaces: exterior walls, siding, roofs, and exterior building attachments or fixtures, including gutters and down spouts. This responsibility also applies to trees, shrubs, grass areas, walkways and other exterior property improvements. Except as thus specifically listed, Owners assume Routine Exterior Maintenance responsibility for other exterior building surfaces. Such exterior building surfaces for which Owners are responsible include the following: all glass surfaces, entry doors to the Townhouses, garage doors, and windows, including frames and glass panes.

Section 2. Owner's Willful or Negligent Acts or Omissions. To the extent any maintenance, repair or replacement to the common area or limited common areas is made necessary or caused by the willful or negligent acts or omissions (failures to act) of an Owner or of that Owner's family, guests or invitees, the cost of such maintenance, repair, or replacement shall be added to the assessment to which that Owner's Lot is subject.

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ARTICLE VIII - EXTERIOR MAINTENANCE (continued)

Section 3. Owner's Responsibility for Property Repairs and Damage. Owners shall initiate and be responsible for all repairs, replacement and restoration of property beyond Routine Exterior Maintenance, as that term is defined below under Section 5. All such repair, replacement, or restoration beyond Routine Exterior Maintenance is defined as resulting from "Non-Routine Damage." All costs for Non-Routine Damage arising from damage or destruction to Owners' Dwelling Units, Townhomes and Lots are the sole responsibility of the Owners. Non-Routine Damage for which Owners are responsible includes damage caused by "Casualty Events." Casualty Events include, but are not limited to, fire, flood, windstorm, ice, storm, falling trees, earthquake and all other such occurrences commonly defined as casualty or catastrophic events. This Owner's responsibility to pay for damage caused by Non-Routine Damage and Casualty Events applies to the entire building and all interior and exterior structures and features comprising a Dwelling Unit and Townhome.

Section 4. Damage to Shared Structures. If Non-Routine Damage or a Casualty Event causes damage to a structure shared by more than one Owner, such as a roof or party wall, all Owners who use the damaged structure shall contribute to the required repair or replacement costs in proportion to each Owner's use of the portion of the structure that is damaged. In the event of total destruction of a shared structure, all Owners using the destroyed structure shall participate equally in paying repair and replacement costs. These obligations are without prejudice, however, to the right of any such Owner to call for a larger contribution from other Owners under any rule of law regarding liability for negligent or willful acts or omissions.

Section 5. Routine Exterior Maintenance Defined. "Routine Exterior Maintenance" as used in this Article VIII and throughout the Declaration shall be defined as the obligation to provide routine maintenance, care, repair, and/or replacement as needed due to normal wear and tear and aging. Routine Exterior Maintenance is defined specifically to exclude repairs or replacement that become necessary because of Non-Routine Damage or Casualty Events as described in **Section**

3. **

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ARTICLE IX - USE RESTRICTIONS

Section 1. None of the lots shall be used except for residential purposes. No building shall be erected, altered, placed, or permitted to remain on any such lot other than a row or townhouse used as a single-family dwelling, and no such building shall exceed the height above ground level specified in the original plans and specifications for the improvements to be erected on each lot.

Section 2. No sign or billboard of any kind shall be displayed to the public view on any portion of the properties or any lot.

Section 3. No noxious or offensive activity shall be carried on upon any lot or any part of the properties, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood, or which shall in any way interfere with the quiet enjoyment of each of the owners.

Section 4. No structure of a temporary character, trailer, basement, tent, shack, garage, barn, or other outbuildings shall be used on any lot at any time as a residence, either temporarily or permanently. No trailer, camper, boat, or similar equipment shall be permitted to remain upon any property within the properties unless placed or maintained within an enclosed garage or carport.

Section 5. No animals or fowl shall be raised, kept or permitted upon the properties or any part thereof, excepting only domestic dogs or cats and excepting caged pet birds kept within the dwelling unit, provided, said dogs, cats and pet birds are not kept, bred, or raised for commercial purposes or in unreasonable numbers. Any dispute as to the raising or keeping of domestic dogs, cats, or caged pet birds shall be submitted to the Association directors, and the decision of the directors in such matters shall be final.

Section 6. No dwelling unit shall be rented for transient or hotel purposes which shall be deemed as rental for any period less than 30 days.

Section 7. The directors of the Association shall have jurisdiction over activities permitted in the common areas. All disputes and complaints regarding such use will be submitted to the directors for arbitration. The judgment of the directors shall be final and binding as to all parties concerned.

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Section 8. All rubbish, trash and garbage shall be regularly removed from the properties and shall not be allowed to accumulate thereon. All clotheslines, refuse containers, wood piles, storage areas, and machinery and equipment shall be prohibited upon any lot, unless obscured from view by adjoining lots and streets by a fence or appropriate screen approved by the Architectural Control Committee.

Section 9. Installation of outside radio and television antennas is prohibited except for master T.V. antennas installed by the original builder.

***The following is from Amendment 3, October 27, 2007:*

ARTICLE X- OWNERS' INSURANCE REQUIREMENTS

Section 1. By this Article, Owners are informed of their repair and replacement payment obligations described in Article VIII of the Declaration as amended and are required to maintain individual homeowner's insurance as a possible source for meeting such payment obligations. Each Owner shall carry property damage and casualty liability and personal liability insurance with respect to his or her Dwelling Unit, Townhome, and respective Limited Common Areas. Such insurance policies shall carry limits not less than replacement value for the real property and \$300,000 for personal liability.

Section 2. Any individual Owner insurance policy shall name the Association as an additional insured and shall include a waiver of subrogation clause. Owners shall provide a certificate showing proof of the required insurance to the Board of Directors. If upon request an owner fails to provide sufficient proof of insurance to the Association, the Association may attempt, but is not required, to obtain the insurance on the Owner's behalf and assess that Owner for the costs of the premium.

Section 3. Owners are informed that the Association does not maintain fire, flood or other casualty property insurance on Owners' Dwelling Units, Townhomes, Lots, or Limited Common Areas. Property damage costs for repairs to or replacement of Dwelling Units, Townhomes, Lots, or Limited Common Areas from

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fire or other Casualty Events (as defined in Article VIII, Section 3 as amended) shall be paid by Owners and/or their individual homeowners' insurance policies.

Section 4. Notwithstanding the individual insurance requirements on the part of Owners, the Association may maintain personal injury, liability, or property damage insurance on certain portions of the Association Property except to the extent such coverage is not available or has been waived in writing by Federal National Mortgage Association or Government National Mortgage Association. Where damage occurs to any premises or property insured by the Association and such damage is caused by the negligent or intentional act or omission of an Owner or an Associated Person of the Owner, or results from the failure to maintain any portion of the property that the Owner is responsible to maintain, the Owner whose direct (or indirect) action or inaction was a cause of the damage shall be responsible to pay for the damage up to the amount of the deductible of the Association's insurance policy and shall be responsible to pay for damage not covered by the Association's insurance policy. "Associated Person" as used in this Section means any person who is present on the Property because of the person's relationship with the Owner. "Shall be responsible to pay" as used in this Section means that, regardless of who initially pays for the repair, the cost of such repair shall ultimately be borne by the Owner who, under this Section, is deemed to be responsible for the damage.

Section 5. Notification on Sale of Dwelling Unit. Promptly upon the signing of a Purchase and Sale Agreement to convey a Dwelling Unit, the selling Owner shall notify the Association of the date of the pending closure of the conveyance and of the new Owner's name and address. The selling Owner shall notify the new Owner of the new Owner's obligations to maintain insurance as set forth above under Article X, Sections 1 and 2.**

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ARTICLE XI - MORTGAGEE'S PROTECTION

The provisions of this Article prevail over any other inconsistent or contrary provisions of this Declaration.

As used in this Declaration, "mortgage" includes any deed of trust or other security instrument, "mortgagee" includes the beneficiary of a deed or trust, a secured party, or other holder of a security interest, and "foreclosure" includes a notice and sale proceeding pursuant to a deed of trust or sale on default under a security agreement.

An Owner may pledge or assign his voting rights to a mortgagee. In such a case the mortgagee or his designated representative shall be entitled to receive a copy of all notices to which the owner is entitled hereunder, and, upon election of the mortgagee, to exercise the owner's voting rights, all from and after the time that the mortgagee shall give written notice of such pledge or assignment to the board.

In any event, from and after the time that a mortgagee shall give written notice to the Board of the existence of its mortgage on a lot or dwelling unit, the mortgagee shall be entitled to copies:

- (a) of all notices of any default by the mortgagor of the lot or dwelling unit in performance of his obligations under this Declaration, which default is not cured within 60 days;
- (b) written notice of all meetings of the Association to consider the abandonment or termination of the PUD, any material amendment to this Declaration, the By-Laws or Articles of Incorporation, or to terminate professional management and assume self-management of the PUD;
- (c) written notice whenever damage to common areas or related facilities exceed \$10,000.00.

Unless at least 75% of the first mortgagees (based upon one vote for each first mortgage owned) or Owners (other than Declarant) of the individual units in the project have given their prior written approval, neither the Association nor the owners shall be entitled to:

- (a) by act or omission seek to abandon or terminate the PUD status of the project; or

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- (b) make any material amendment to the Declaration or by the By-Laws or Articles of Incorporation of the Association;
- (c) terminate professional management and assume self-management of the PUD (however, this shall not be deemed or construed to require professional management).

Unless all holders of first mortgage liens on all of the lots in the project have given their prior written approval, neither the Association nor the owners shall be entitled to;

- (a) transfer, release, encumber, partition or subdivide all or any part of the PUD's common areas and facilities, except as to the Association's right to grant easements for utilities and similar or related purposes; or
- (b) make any amendment to the Declaration, By-Laws, or Articles of Incorporation which would change the ratio of assessments against the lots or which would change the percentage interest of owners in the common areas and facilities of the PUD.

No amendment of this Declaration shall be effective to modify, change, limit or alter the rights expressly conferred upon mortgagees in this instrument with respect to any unsatisfied mortgage duly recorded in the public records of King County, Washington, unless the amendment shall be consented to by the holder of such mortgage in writing.

First mortgagees shall have the right to examine the books and records of the Association at any time during business hours.

First mortgagees may jointly or singly pay taxes or other charges which are in default and which may or may have become a charge against any of the common area and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for such common areas and first mortgagees making such payments shall be owed immediately reimbursement therefor from the Association.

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ARTICLE XII - EASEMENTS

Utility easements are reserved as shown on the recorded Plat of CROFTON TOWNHOMES. Additional easements for installation and maintenance, repair and replacement of utilities (including sewer and water, electricity, gas, telephone and master TV antennas) and drainage facilities as originally installed are hereby reserved over and across the common area in favor of the utility companies having jurisdiction.

The rights and duties of the owners of lots within the properties with respect to utilities and drainage facilities shall be governed by the following:

- (a) Whenever utility and drainage lines are installed within the properties, which connections or any portions thereof lie in or upon lots or dwelling units owned by others than the owner of a lot or dwelling unit served by said connections, the owners of any lot or dwelling unit served by said connection shall have the right, and is hereby granted an easement to the full extent necessary thereof, to enter upon lots and dwelling units or to have the utility companies or the Association enter upon the lots or dwelling units within the properties in or upon which said connections, or any portion thereof, lie, to repair, replace and generally maintain said connections as and when the same may be necessary as set forth below.
- (b) Whenever utility or drainage lines are installed within the properties, which connections serve more than one lot or dwelling unit, the owner of each lot or dwelling unit served by said connections shall be entitled to the full use and enjoyment of such portions of said connections as service his lot or dwelling unit.
- (c) In the event of a dispute between owners with respect to the repair or rebuilding of said connections, or with respect to the sharing of the cost thereof, then upon written request of one of such owners addressed to the Association, the matter shall be submitted to the Board who shall decide the dispute and make special assessment against any or all of the owners involved, which shall constitute an assessment within the meaning of Article VI hereof.

ARTICLE XIII - GENERAL PROVISIONS

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Section 1. **Binding Effect.** All present and future owners or occupants of lots shall be subject to and shall comply with the provisions of this Declaration, and the By-Laws and rules and regulations of the Association, as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into occupancy of any lot shall constitute an agreement that the provisions of this Declaration, and the By-Laws and rules and regulations of the Association, as they may be amended from time to time, are accepted and ratified by such owner or occupant, and all such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such lot, as though such provisions were recited and stipulated at length in each and every deed and conveyance or lease thereof.

Section 2. **Severability.** Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

***The following is from Amendment 1, June 17, 2003:*

Section 3. **Amendment.** These covenants and restrictions may be amended by an instrument signed by the owners of seventy-five percent (75%) of the lots in the association and may be terminated by instrument signed by all of the lot owners and all of the first mortgagees.**

Section 4. **Management Agreement.** Any management agreement for the project shall be terminable by the Association for cause upon 30 days' written notice thereof, and the term of any such agreement may not exceed one year renewable by agreement of the parties for successive one-year periods.

ARTICLE XIV – ENFORCEMENT

Section 1. Purpose. We choose to own homes in Crofton Townhomes because we believe living here is more rewarding than living elsewhere. The qualities that attracted us to Crofton Townhomes will attract future buyers, too, so long as we do a good job of preserving those qualities that attracted us. Those qualities are preserved in large part through owners honoring their promise to hold themselves to a higher standard than owners elsewhere do. Buying a home here is how this pledge is made. And the Crofton Townhomes Declaration is where those standards are stated. Each owner's voluntary adherence to our shared standards will always be the chief means by which the promise will be met. Sometimes, though, we will need to remedy someone's failure to voluntarily fulfill an obligation described in the Declaration. This Article is meant to create effective ways by which voluntary compliance can be restored.

Section 2. Strict Compliance: General Rule and Exceptions.

- 2.1 General Rule.** Accepting a deed or other conveyance, and entering into a Lease or other form of occupancy, each constitute an agreement to be bound by the Declaration, Articles of Incorporation, By-Laws, Rules, Policies and Resolutions of the Association (collectively "Governing Documents"), as amended from time to time. Each occupant of a home within Crofton Townhomes shall strictly comply with the Governing Documents and with any Board decision made under authority conferred by the Governing Documents ("Board Decision").
- 2.2 Non-Waiver.** A Board or owner failure, in one or more instance, to take action permitted or required by the Governing Documents is not a waiver of the right to take that action in a future instance. A waiver shall only exist when the Board expressly states the waiver in a writing that is signed by an officer who is authorized to sign it.
- 2.3 Variance.** The Board may grant an owner a variance to a requirement stated in the Governing Documents where the Board determines, in its sole discretion, that (i) strict application of the requirement would work a

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severe hardship on the owner, (ii) granting the variance would not significantly impact other persons, and (iii) granting the variance would not frustrate the purpose the restriction serves to advance. The Board may, in its sole discretion, limit or condition the variance so as to (i) reduce its impact on other persons, or (ii) fulfill the purpose the restriction serves to advance.

Section 3. Remedies.

3.1 General Principles. Some general principles guide attempts to restore compliance. Association resources are limited. Volunteer Board Members have limited time and energy to devote to serving their neighbors. Owners have limited financial means available to fund what the Association undertakes on their behalf. Caring for the common property and managing the Association's financial affairs necessarily place heavy demands on the Association's resources. Bringing an owner back into compliance with the Governing Documents without unduly depleting Association resources is important. To preserve Association resources, we need to encourage neighbors to settle their own differences. We need to give the Board broad latitude in choosing how best to produce compliance. And we need the non-compliant owner to understand that the more it takes to restore compliance, the more we will look to that owner to replenish Association resources depleted in the effort.

3.1.1 Neighbors Settle Differences. Article V, Section 6 of the Declaration obligates owners to resolve their disputes through direct discussion and, failing that, through mediation. Article V, Section 6.3.3 of the Declaration empowers an owner to bring legal action seeking judicial relief against an owner who is not fulfilling an obligation stated in the Governing Documents.

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3.1.2 Broad Board Latitude. The Board is authorized to enforce the Governing Documents through:

- issuing a stop work order
- inviting an owner to meet to resolve the matter before further enforcement action takes place
- suspending use rights
- levying fines
- interpreting words stated In the Governing Documents
- entering into a voluntary compliance agreement
- entering an owner's property and taking corrective action
- assessing the owner for all enforcement related fines, fees, and costs, including all attorneys' fees the Association incurred in connection with the enforcement
- liening the owner's property for all assessment amounts
- bringing legal action seeking any form of judicial relief

3.1.3 Business Judgment. The Board may exercise its business judgment in deciding whether, and how, to use its enforcement authority to restore compliance with the Governing Documents.

3.2 Stop Work Notice: The Board may issue a Stop Work Order to any person engaged in an Unauthorized Activity. An Unauthorized Activity is any activity that the Governing Documents prohibit or, where the Governing Documents require Board or Committee prior written approval, that has not received the requisite prior written approval. Unauthorized Activity may also result in issuance of a compliance request, which may request that complete plans for the work be submitted to the Board or Committee for review, as elsewhere provided in the Declaration.

3.3 Suspend Use Rights. The Board may, after Notice and an Opportunity to be heard, suspend the right of a non-compliant owner to use common amenities until the owner has fulfilled such

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reasonable conditions as the Board may impose upon the
restoration of such use.

- 3.4 Fines.** The Board may, after Notice and Opportunity to be Heard, impose monetary fines for non-compliance with the Governing Documents or a Board Decision. The amount of the fine will be based upon a fine schedule adopted, and distributed to owners, by the Board. Paying a fine does not relieve a person from responsibility to cure a violation. Likewise, exercise of any right to a hearing does not waive or suspend a duty to immediately cure a violation. The Board may partly or entirely suspend or waive a fine(s) upon the Board's determination that circumstances exist in the particular instance to warrant the granting of a waiver. This right to suspend or waive fines includes a right to suspend collection of a fine pending an owner's fulfillment of promises the owner made in a Voluntary Compliance Agreement and a right to waive the suspended fine when the owner fulfills all promises made in a Voluntary Compliance Agreement.
- 3.5 Board Interpretation of Governing Documents.** The Board may interpret words contained in the Governing Documents where doing so may reduce or resolve a disagreement about the intended meaning of words describing a right, an obligation, or a process set out in the Governing Documents. In exercising this authority, the Board shall follow the rules of interpretation set out in Section 4.2 below, and the Board may request, and rely upon, an interpretation by an attorney for the Association. An interpretation resulting from the exercise of this authority shall be final and is enforceable to the same extent as it would be had it been expressly stated in the Governing Documents.
- 3.6 Voluntary Compliance Agreement.** The Board may reach a Voluntary Compliance Agreement with an owner in which the owner admits a violation exists, agrees to take specific actions to cure the violation within a specific time frame acceptable to the Board, and agrees that

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failure to perform the specified actions within the specified time frame will result in enforcement consequences.

3.7 Entry and Corrective Action. The Association and its agents or employees may enter upon an owner's property (a) to effect repairs, improvements, replacements, maintenance or sanitation work which the Governing Documents require the Association to perform, (b) after Notice and an Opportunity to Be Heard, to restore full compliance with any owner maintenance and repair obligation the Governing Documents create, and (c) to perform Emergency Work. Except for Emergency Work, an owner shall receive at least three (3) days advance notice of entry before entry takes place. Entry should be made with as little inconvenience to the owner or occupant as practicable. The owner should make arrangements to provide access at the date and time specified in the notice. When an owner fails to provide timely access, a locksmith may be used to enter the property and the locksmith's charge may be assessed to the owner. "Emergency Work" means work that is reasonably necessary to perform without three (3) days' notice in order to avert or mitigate Injury or damage that is reasonably likely to occur if such work is not promptly undertaken. Emergency Work includes, but is not limited to, work performed in the event of a fire or burst pipes.

3.8 Special Assessment. The Board is authorized to levy a Special Assessment against an Owner for all or part of the cost of work that the Association undertook to restore compliance.

3.9 Liens. The lien and lien enforcement rights arising by operation of Article IV of the Declaration apply to any Assessment made under Article XIV.

3.10 Judicial Enforcement. The Governing Documents and a Board Decision may be judicially enforced. Judicial enforcement includes action(s) for declaratory relief, injunctive relief, award of damages, lien foreclosure,

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and any other legal or equitable remedy available to enforce a right or to remedy a wrong. Injunctive relief shall be available without a showing of irreparable harm or of the absence of a remedy at law. An enforcement action may be brought by the Association. The Board may, in its sole discretion, exercise its business judgment to determine what actions, if any, it will take to judicially enforce the Governing Documents and a Board Decision. An Owner may bring an enforcement action if, after demand by the Owner, the Board falls or declines to bring the action. The prevailing party in an enforcement action shall be awarded its costs including reasonable attorney's fees.

Section 4. Procedures.

4.1 Notice and an Opportunity to Be Heard. A requirement that an action be taken after "Notice and an Opportunity to Be Heard" means that the following procedure applies:

4.1.1 A request to restore compliance sent by the Board to an owner shall state:

- (a) the date on which the compliance request is being issued;
- (b) a description of the non-compliance;
- (c) what section(s) of the Governing Documents it violates;
- (d) what must be done to restore compliance;
- (e) the date by which compliance must be restored ("Restoration Date");
- (f) the fine (if applicable) that will result if compliance is not restored by the Restoration Date;
- (g) that unless compliance is restored by the Restoration Date, the fine (if applicable) shall become due on the Restoration Date without further notice;

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(h) that the person has a right to request in writing that the person be given an opportunity to be heard on the matter;

(i) the deadline by which a written request for an opportunity to be heard must be received, which deadline shall not be less than fifteen (15) calendar days from the date the compliance request is issued; and

(j) that, if a hearing is timely requested, collection of the fine (if applicable) shall be suspended until the hearing is held and a written decision is issued.

4.1.2 Unless the Owner restores compliance, or requests a hearing, within the time prescribed, the fine shall become due without further notice on the Restoration Date and the Board may proceed with its enforcement. If a hearing is requested, collection of the fine will be suspended until the hearing is held and a decision is issued.

4.1.3 If the person makes timely written request for an opportunity to be heard, then the person shall be given written notice of the date, time and place of the meeting at which the person will be heard ("the Hearing"). The Hearing shall occur not less than ten (10) days from the date the notice of the Hearing is issued. At the Hearing, the person has the right to give testimony orally, in writing, or both, and to otherwise present evidence. (The rules of procedure here described may be supplemented by additional rules of procedure the Board may adopt to promote a prompt and orderly resolution of the matter. If so adopted, and if provided to the person before the Hearing, such additional rules will apply to the Hearing.) The evidence received will be considered in making a decision. The person shall be notified of the decision in the same manner in which notice of the meeting was given. The Board may include in its decision a determination that the non-prevailing party in the Hearing reimburse the Association for its costs, including reasonable attorney's fees, incurred in connection with the matter.

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4.1.4 The authority of the Board to hold a Hearing and to make determinations that can be made at a Hearing may be delegated by the Board, in its sole discretion, to another body or person in a specific matter or in any category of matters, and the actions and decisions of such other body or person shall have the same force and effect as though the Board itself had taken the action or made the decision.

4.2 Rules of Interpretation. Any exercise of authority to interpret words in the Governing Documents shall be guided by the following principles:

4.2.1 Intent is the touchstone of all interpretation. The objective is first to discover the intended meaning of the words which appear on these pages.

4.2.2 In searching for the intended meaning of a word or phrase, look first to the word or phrase itself. A word or phrase which is defined somewhere in the Declaration means what it is there defined to mean. A word or phrase which is not defined somewhere in the Declaration has the meaning it carries in common usage, which may be established by looking it up in a dictionary.

4.2.3 An unambiguous word or phrase is to be enforced as written. The authority to interpret this Declaration and the Governing Documents does not extend to altering, through interpretation, the meaning of a word or phrase which is clear and unambiguous on its face as written.

4.2.4 A word or phrase is ambiguous if it is capable of more than one reasonable meaning.

4.2.5 The objective in interpreting an ambiguous word or phrase is to arrive at that interpretation which most accurately captures the word's or phrase's intended meaning.

4.2.6 In attempting to discern the intended meaning of an ambiguous word or phrase, one may:

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- (a) Consider the context in which the word or phrase appears (i.e., the sentence, paragraph or Article within which the word or phrase appears) and the intended purpose of such larger passage within which the word or phrase appears; and

- (b) If resort to (a) above does not eliminate the ambiguity, then resort to considering clues to intended meaning(s) in the form of evidence about what the Board and Association have done or said when applying the Governing Documents on past occasions.

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