

DAYBREAK AT ISSAQUAH RIDGE
CONDOMINIUM
September 2017

EXHIBIT

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RULES & REGULATIONS

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DAYBREAK AT ISSAQUAH RIDGE

CONDOMINIUM RULES

Preamble

As condominium owners and residents, we are able to enjoy the benefits of shared facilities. Living in a community that provides such shared facilities also carries a requirement for shared responsibility and respect for both our property and our neighbors. The rules that follow have been adopted to describe a framework of behavior allowing the Unit Owners and other residents of DayBreak at Issaquah Ridge to enjoy the Condominium in a peaceful, safe, clean and attractive environment and to provide an excellent place to live and bring up our families. The rules are **not** designed to unduly restrict or burden the use of the property.

All Unit Owners and residents of DayBreak at Issaquah Ridge Condominium, as well as their guests, are expected to abide by these rules which are meant to supplement the provisions of the Declaration and Bylaws.

By following these rules, we hope that the living experience of each Owner will be enhanced.

If a neighbor or any other resident is doing something which you find annoying, offensive, or even potentially dangerous in some way, particularly if you believe it to be a violation of these rules or the Bylaws, please attempt to speak directly with that person and communicate your concern in a respectful manner. You may find he/she had no idea that his/her actions were causing you a problem and correct the situation immediately.

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Glossary of terms used in these rules
(see the official Bylaws and Declarations for
more definitive definitions, where applicable)

- Assessment means all sums chargeable by the Association against a Unit, including, without limitation, (a) general and special Assessments for Common Expenses, charges, and fines imposed by the Association; (b) interest and late charges on any delinquent account; and (c) costs of collection, including reasonable attorneys' fees, incurred by the Association in connection with the collection of a delinquent Owner's account.
- Association means the owners association identified in Article 13 of the Declaration.
- Board means the board of directors of the Association, as described in Article 15 of the Declaration.
- Bylaws mean the bylaws of the Association as they may from time to time be amended.
- Common Elements or Common Areas means all portions of the Condominium other than Units and the improvements on the Subsequent Phase Property.
- Common Expenses means expenditures made by or financial liabilities of the Association including those expenses related to the maintenance, repair, and replacement of the Common Elements and the Limited Common Elements, which are allocated to all Units, including allocations to reserves, and the following utility services provided to all Unit Owners: water; sewer, Common Area electricity and garbage removal.
- Condominium means DayBreak at Issaquah Ridge, a condominium community, created under the Declaration and the Survey Map and Plans.
- Condominium Act means the Washington Condominium Act, codified at RCW 64.34, as it may be from time to time amended.
- Declarant means South Ridge 90, LLC, a Washington Limited Liability Company, and its representatives, successors, and assigns.
- Declaration means the Condominium Declaration for DayBreak at Issaquah Ridge, a condominium, as it may from time to time be amended.
- Foreclosure means a forfeiture or judicial or non-judicial foreclosure of a mortgage or a deed in lieu thereof.
- Limited Common Element or Limited Common Areas means a portion of the Common Elements allocated in Article 8 of the Declaration for the exclusive use of one Unit Owner.

- Managing Agent means the person designated by the Board under Section 15.3 of the Declaration.
- Owner or Unit Owner means the Declarant or other person who owns a Unit, but does not mean any person who has an interest in a Unit solely as a security interest or as collateral for any other obligation.
- Person means a natural person, corporation, partnership, limited partnership, Limited Liability Company, trust, governmental subdivision or agency, or other legal entity.
- Subsequent Phase means the creation by the Declarant of additional Units and associated Limited Common Elements on all or a portion of the Subsequent Phase Property pursuant to Article 4 of the Declaration.
- Subsequent Phase Property means that portion of the real property included in the Condominium upon which the Declarant has the right to create Units and assign Limited Common Elements, as described in Schedule B and shown on the Survey Map and Plans, as it may be amended upon the creation of Units in a Subsequent Phase.
- Survey Map and Plans means the survey map and plans filed simultaneously with the recording of the Declaration and any amendments, corrections, and addenda thereto subsequently filed.
- Unit means a physical portion of the Condominium designated for separate ownership, the boundaries of which are described in Section 6.2 of the Declaration and shown on the Survey Map and Plans.

Throughout this document, the singular form of words shall include the plural and the plural shall include the singular. Masculine, feminine, and gender-neutral pronouns shall be used interchangeably.

Some of the terms defined above are also defined in the Condominium Act and the Declaration. The definitions in this document are not intended to limit or contradict the definitions in the Condominium Act or the Declaration. If there is any inconsistency or conflict, the definition in the Condominium Act will prevail.

DayBreak at Issaquah Ridge Condominiums will be referred to as "DayBreak".

Association Rules

The following set of rules has been adopted pursuant to the Condominium Laws of the State of Washington and to the Declaration & Bylaws of DayBreak HOA. Non-compliance may result in a grievance against the Owner of the Unit in question per the grievance procedure outlined below.

I. GENERAL PROVISIONS:

A. Action in Violation of Laws

There shall be no use of, or activity in, any Unit or Common Element; which is in violation of any applicable federal, state or local governmental law, ordinance, rule or regulation.

B. Amendment

These Condominium Rules may be revised in any way, and at any time, by the Board as conditions warrant along with a majority vote of the Unit Owners as provided by the Bylaws.

C. Delegation of Powers

The Board, at its discretion, may delegate its powers and duties with respect to the granting of consents, approvals and permissions under these Rules, to the Managing Agent or to a duly authorized committee of the Board.

D. Consent Revocable

The Board may revoke any consent or approval granted by the Board or its Managing Agent pursuant to these Rules at any time. A request for revocation of consent will be presented to the board. The board will review the case, gather more facts as necessary, and make a decision based on these facts.

E. Communication with the Board

Communications with the Board can be submitted via:

1. The current Managing Agent
2. Emailing or calling one of the Board members (contact information can be found in the Board meeting minutes)
3. Direct contact with one of the Board members
4. Attending the Board meetings

F. Guests and Household Members

Unit Owners will be held responsible for the actions of the following while they are on any Daybreak property: 1) the members of their household, 2) all guests of the Unit Owner or guests of the members of their household, 3) any lessees, 4) all guests of lessee or guests of a member of a lessee's household.

G. Availability of Copies of Bylaws and Rules

Copies of Bylaws are available from the Association's Managing Agent on request and at a cost covering reasonable time, materials and duplication charges, except that when Bylaws or Rules are amended as provided for in the Bylaws, the Association will bear the costs in providing an updated copy of said documents to each Unit Owner and to any non-owner resident of a Unit.

H. Commercial Activities

1. Commercial activities, which, as determined by the Board in its sole discretion, generate a high volume of visitor traffic or cause a disturbance to any Unit Owner(s), are prohibited.
2. Solicitation is not allowed at DayBreak.

II. EXTERNAL APPEARANCE AND COMMON ELEMENTS:

A. Additions and Modifications to the Exterior of Units

1. Changes affecting the appearance of the exterior of buildings, including but not limited to, decorations, awnings, television and radio antennas, signs, screens, porch and terrace sunshades and covers, air conditioning equipment, fans, front doors, or similar changes may be made only with the written consent of the Board.
2. Small satellite dishes are allowed upon written request and approval of the Board subject to the following conditions:
 - (a) All costs are borne by the Unit Owner;
 - (b) The Unit Owner is responsible for the cost of any future damage to the roof, outside structure or inside structure of the Unit that is caused or exacerbated by the installation;
 - (c) The dish is installed and mounted in a safe and professional manner.
 - (d) A satellite dish may not exceed one meter (39.37 inches) in diameter.
 - (e) The color is gray or another color subject to the Board's approval.
 - (f) The installation will be done in such a manner that it will minimize the visual im-

pect of the cabling. To the extent reasonably possible, cabling shall be run in the areas that cannot be seen from Common or Limited Common areas of the property or from neighboring Units.

(g) Any penetrations or alterations of Limited Common Areas will be done in such a manner as to not cause or contribute to the damage of any Common Areas, Limited Common Areas or individual Units in the future. All structural penetrations will be made watertight.

(h) In the event of the removal of a satellite dish and any related equipment (cable, etc.), all wall penetrations or structural alterations will be restored to their original pre-installation condition. Any associated damage or repair costs will be assessed to the Unit Owner who originally installed the satellite dish.

3. . Unit Owners may not alter the exterior color scheme of a Unit in any way;

4. Window treatments visible from Common Areas, Limited Common Areas and public streets are limited to neutral colors.

B. Hanging of Clothes

No clothes, linens or other materials may be hung or shaken from windows, placed on windowsills or otherwise left or placed in such a way as to be exposed to the public view. Outdoor clotheslines or other outdoor clothes drying or airing facilities are not permitted.

C. General Maintenance

Unit Owners and residents of DayBreak must keep all Limited Common Elements in a clean and sanitary condition. The actual repair and maintenance of the Limited Common Element is the responsibility of the Association as dictated by the Board. Unit Owners will be held responsible for any damage caused by them to said areas.

D. Littering, Trash, Refuse and Garbage

1. Littering is not allowed. Paper, cans, bottles, cigarette butts, food and other trash are to be disposed of only in appropriate trash containers provided for the purpose and under no circumstances are such items to be dropped or left on Common or Limited Common Elements.

2. Any debris removed from stairs, stairwells, decks, or any other Common or Limited Common Areas is not to be disposed of into any of the landscaped areas. All debris is to be disposed of into the provided dumpsters.

3. No one may place their household trash, garbage or other refuse in the Common Elements, except in the receptacles provided by the Association.

4. Please sort garbage properly in the provided receptacles.

E. Outdoor Equipment

Bicycles, canoes, sporting goods, cooking equipment, and any other personal equipment, may not be stored outdoors in the Common Elements, and when in use on the Common Element shall be maintained and used in accordance with rules concerning use of Common Element.

F. Decks

Decks are defined as Limited Common Elements. The appearance and structure of the decks may not be altered. Items allowed to be stored on the decks are limited to bicycles, barbecues, deck furniture and plantings.

G. Maintenance and Landscaping of Common Elements

Only the Board, or its designee, will perform improvements, maintenance and landscaping of the Common Element. The planting of vegetable, fruit or other gardens is prohibited.

H. Improper Use of Common Elements and Limited Common Elements

1. Flower beds, mailboxes, dumpster areas, and stairwells are **not** designated play areas. Specifically the terrace on the northern edge of the Daybreak property is off-limits and hazardous.
2. Any use of a Common Element or a Limited Common Element which causes damage to the Common Element or Limited Common Element or the plantings, equipment, buildings or other items thereon, increases the maintenance thereof, or causes unreasonable disturbance or annoyance to another Unit Owner or resident in their enjoyment of the Condominium, is prohibited.
3. The responsible Unit Owner shall reimburse the HOA for the cost of repairing or replacing any damaged portions of the Common Elements Limited Common Elements that result due to the actions of the Unit Owner, their guests, lessees, or members of their respective households.
4. Storage of any items in parking spaces or Common Elements is not permitted and such items will be removed and/or disposed of at the applicable Unit Owner's expense.

I. Garages

1. Use of electrical power in the garages is limited to less than 100-Watts of continuous power consumption. More than 100-Watts of continuous power consumption is typical for refrigerators, freezers and heaters or other continuously running appliances. Electrical power for the garages is paid for by the HOA, not the individual unit owner

of a garage.

2. Commercial activities are prohibited inside the garages.

J. Outside Activities

1. There shall be no organized sports activities, picnicking or fires (other than barbecues), except as approved by the Board within the Common Areas.
2. There shall be no fires, cooking devices or other devices, which emit flames, smoke or dust allowed on any balcony.
3. Barbecues will be limited to gas or electric grills only on decks and other Limited Common Areas. Wood and/or briquette barbecues are allowed in the parking lot only as they present a fire hazard.

III. STRUCTURAL ALTERATIONS TO UNIT INTERIORS:

- A.*** Structural remodeling of a Unit's interior is prohibited. This includes any alteration or removal of the interior walls. Any structural alterations must be pre-approved by the board.
- B.*** Any and all approved structural alterations must also meet City and County Code regulations as defined by the local jurisdiction.
- C.*** All Unit Owners are obligated to submit to the Board any or all permits related to the internal unit construction prior to commencing such construction.
- D.*** Each owner should have the right at his sole cost and expense to substitute new finished surfaces provided that hard surface flooring shall only be installed in units in accordance with the following:
 1. Only after securing prior written consent of the Unit Owner residing below, if any (such consent will not be required to merely replace existing hard surface flooring with substantially identical flooring): In the event that an owner is given permission to install hard surface flooring; including but not limited to hardwood, Pergo, marble, granite, slate, or other like surface, the design, construction and installation of such hard surface flooring shall meet the impact sound transmission and insulation Class II C standards.
 2. Notwithstanding the foregoing, if any Unit Owner has installed hard surface flooring prior to the date these rules are adopted by the HOA, no written consent of the unit owner residing below, if any, shall be required.

IV. HOUSEHOLD PETS:

- A.*** Household pets will be allowed with the consent of the Board. However, if pets create noise, are allowed to run loose without supervision in the Common Element, or in any

way create a disturbance or inconvenience to any Unit Owner or resident, the Board will be forced to withdraw its consent in which case the pet must be removed. Each Unit Owner will be responsible for and will hold the Board and the Association harmless against loss or liability for any actions of his or her pets within the Condominium.

- B. All pets must be licensed according to the applicable laws, ordinances, and regulations of the City of Issaquah: Pets that are poisonous or otherwise dangerous as determined by the board are strictly forbidden on the premises.
- C. The owner or a designated person must accompany pets while outdoors. Pets must be under physical restraint while outdoors. No pets are allowed to run in the property free. No pets may be tied up unattended outdoors at any time.
- D. No pet owner may willfully permit their pet to defecate or urinate on grassed areas, shrubbery, or other plantings of the Condominium. The pet's owners must avoid areas of landscaping showing initial signs of damage from urination and defecation by pets.
- E. The pet owner or responsible person attending the pet must immediately remove and properly dispose of all feces left by their pet by use of a pooper-scooper or other suitable method.
- F. Pet owners must ensure their pets make no noise that might disturb any resident of the Condominium.

V. VEHICLES AND PARKING:

A. Boats and Trailers

1. The following vehicles may not be parked outside overnight within the Condominium without the prior permission of the Board: Trucks (other than pickup trucks or vans), mobile homes, boats, trailers, campers, snowmobiles, any and all commercial vehicles or all-terrain vehicles.
2. Boats, trailers and RV's are allowed in the parking spaces for loading, cleaning and minor maintenance for a period of up to 24 hours, unless prior approval from the Board has been received. The vehicle may not occupy more than one parking space, it cannot interfere with or obstruct the flow of traffic through the complex, and it cannot be parked in a way that damages plants, shrubs or other greenery.

B. Operating Vehicles in DayBreak

1. The speed limit for all vehicles within the Condominium Area is 10 mph at all times. Any Unit Owner or resident who observes a vehicle being driven in excess of this speed should make a note of the license plate and report same to the police or in writing to the Board.
2. Vehicles may not be driven on any surface other than the pavement of the roadways

provided for that purpose. Specifically, vehicles must not be driven or parked on sidewalks, grassed areas or any areas designated as "No Parking".

C. DayBreak Parking Policy

1. Parking is only allowed in designated, striped spaces. Any cars parked in the fire lanes, in front of the buildings, next to the curb, on the sidewalk, or in any grass area are considered illegally parked. Any car parked over the line of a parking spot is considered illegally parked. Towing for illegally parked vehicles applies 24 hours a day; there is no grace period.
2. If your car is inoperable or unlicensed for longer than two weeks, regardless if you parked in the appropriate space, you will be subject towing.
3. The HOA will accept no liability for a vehicle being towed. All fees or other costs incurred due to a vehicle being towed shall be borne by the vehicle's owner, whether or not they are a Unit Owner or resident.
4. Any vehicle on the property must have current registration. Any unregistered vehicle left unattended for more than two weeks will be reported to the police and will be towed at the owner's expense.

VI. YARD SALES AND OTHER ACTIVITIES:

- A. No yard/garage/moving sales, flea markets, or any commercial activity, may be conducted at a Unit or on the Common Element, without the prior written approval of the Board.
- B. Outdoor activities should be carried on with due respect for other Unit Owners and residents.
- C. No illegal activities are allowed at the premises.

VII. NOISE:

Unit Owners, guests and lessees must reduce noise to a reasonable level between the hours of 10:00 p.m, and 7 a.m. on weekdays and between 11:00 p.m. and 7 a.m. on weekends in compliance with City of Issaquah ordinances, so that other residents are not disturbed. AT NO TIME are musical instruments, radios, stereos, TVs, parties or any other noises to be so loud as to become a nuisance to other residents.

VIII. LEASING, RENTING AND SELLING OF UNITS:

- A. A copy of all leases entered into between a Unit Owner and his or her lessee(s), including the name, unit address, and phone number of such lessee(s), must be provided to the Board or its Managing Agent within 30 days from the signing of the lease. All leases entered into must contain clauses that bind the lessee(s) to abide by the bylaws and rules of

the Association. The Unit Owner will provide the lessee(s) with a copy of the bylaws and Rules of the Association within 14 days from the signing of said lease.

- B.** A move-in fee of \$200 will be charged to each new homeowner. Homeowners will alert the Managing Agent when lessees (rental tenants) move into and out of a unit. Homeowners with lessees are responsible for paying the move-in fee with their next monthly dues after a new lessee takes occupancy, in order to avoid late charges.
- C.** "For Sale" or "For Rent" signs will be located at a site to be designated by the Board. No signage is permitted from unit windows, balconies, etc.

IX. MONTHLY HOA DUES AND ASSESSMENTS:

- A.** Payments are due on the 1st of each month. Payments not received by the 10th of each month, shall be deemed delinquent and a late charge shall be assessed at the rate of \$25.00 for each month a payment remains delinquent. If more than one monthly payment is delinquent, each such payment will incur the \$25.00 per month late charge until both the payment and late charge have been paid.
- B.** Units, which are delinquent in excess of 3 months, shall have a lien placed against them. If not paid after 3 months, further legal and/or collection action will commence which may include the filing of lawsuits, foreclosure proceeding, etc. The applicable Unit Owner shall be responsible for payment of all costs for such actions, including but not limited to, court costs and attorneys' and collection fees.

X. GRIEVANCE PROCEDURE. FINES AND PENALTIES:

If you believe a violation of the Rules or Bylaws has taken place and have attempted to address the situation with the violator but the issue remains unresolved, complaints concerning violations of these Rules and Bylaws of the Condominium must be made **in writing** to the Board. The Board will review the complaint and take appropriate action as follows:

- A.** The Board will notify the accused violator via certified mail of any action that may be taken by the Board to address the complaint. This notification will include the amount of time given to the accused violator to reply in writing to the Board at which time the accused violator may request a hearing in front of the Board. This amount of time will depend on the urgency of the issue.
- B.** If requested, the Board will hold a hearing and the accused violator will be given the right to present his/her case to the Board. If the accused violator fails to attend his/her hearing then the Board is obligated to pursue penalty action as applicable. Once the accused violator has pleaded his/her case, the Board will convene in private to review the presented information and reach a decision. This decision will be provided in writing to all relevant parties. If the issue remains unresolved after the Board informs both parties of their decision, then the case may be escalated to arbitration, mediation, or other legal methods of resolution.

C. The Board of the Association has adopted the following violation and penalty policy:

1. As applicable, a site inspection will be performed after the grace period has expired. If the violation has been corrected the matter will be closed. A remaining violation will result in further compliance actions. The Board reserves the right to extend the grace period or issue subsequent notices to better define the violation.

2. Penalties

(a) Penalties consist of fines and necessary contractor fees. If a contractor is required to correct the violation, any and all costs will be assessed to the applicable Unit Owner.

(b) If the Unit Owner does not correct the violation, additional fines will be assessed on each subsequent site visit wherein the violation remains or occurs again.

(c) Fine Schedule

- Trash \$50.00, plus \$10.00 per day trash remains after the grace period had expired.
- Parking \$50.00, plus cost to repair any damage to grounds, when applicable.
- Parties \$50.00, plus trash fine, if applicable.
- Pets \$50.00, plus \$10.00 per day until the pet is removed from property.
- Other \$50.00 fines including, but not limited to: vandalism, removal of signs, disturbing the peace, fireworks, or any other action deemed by the Board to be dangerous activities.

(d) The Board will send a notice of the fine and a letter explaining the charges to the Unit Owner. Any penalty not paid within 10 days from the date of the notice will be added to the Unit's account. The unpaid balance will accrue interest and will be pursued for collection, which may result in a lien against the Unit.

3. Appeals

(a) Appeals for assessed penalties **must** be made in writing, and addressed and delivered to the Board via the current Managing Agent. Only the Unit Owner may make an appeal.

(b) Appeals will be reviewed by the Board at the next regularly scheduled Board meeting, with notice of the Board's ruling issued after the meeting.

(c) The Board reserves the right to invite the appealing Unit Owner to the meet-

ing.

- (d) Unit Owners attending a meeting for appeals will not be heard without prior written appeal being presented to the Board and scheduling of said appeal acknowledged by the Board.
- (e) The finding of the Board is final. Additional appeals will not be considered.