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Celski & Lindburg, PLLC
6725 W. Clearwater Avenue
Kennewick, WA 99336
Attn: Jason Celski

Document Title	Declaration of Covenants, Conditions, and Restrictions for The Terraces Homes		
Reference Number of Related Document			
Grantor	Columbia Valley Property Holdings a Washington Limited Liability Company		
Grantees	Columbia Valley Property Holdings., a Washington Limited Liability Company The Terraces Homes, a Plat Community and Washington nonprofit corporation		
Abbreviated Legal Description	LOCATED IN A PORTION OF THE SOUTHWEST QUARTER OF SECTION 22, TOWNSHIP 9 NORTH, RANGE 28 EAST, W.M., CITY OF RICHLAND, BENTON COUNTY, WASHINGTON		
Tax Parcel Numbers	S. No.	Lot #	Parcel No.
	1	Lot-1	122983040000001
	2	Lot-2	122983040000002
	3	Lot-3	122983040000003
	4	Lot-4	122983040000004
	5	Lot-5	122983040000005
	6	Lot-6	122983040000006
	7	Lot-7	122983040000007
	8	Lot-8	122983040000008
	9	Lot-9	122983040000009
	10	Lot-10	122983040000010
	11	Lot-11	122983040000011
	12	Lot-12	122983040000012
	13	Lot-13	122983040000013

	14	Lot-14	122983040000014
	15	Lot-15	122983040000015
	16	Lot-16	122983040000016
	17	Lot-17	122983040000017
	18	Lot-18	122983040000018
	19	Lot-19	122983040000019

**DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR THE TERRACES HOMES H.O.A.**

This Declaration of Covenants, Conditions, and Restrictions for THE TERRACES HOMES, H.O.A. ("**Declaration**") is made this ____ day of _____, 2026, by COLUMBIA VALLEY PROPERTY HOLDINGS, a Washington Limited Liability Company ("**Declarant**"), the owner of certain real property situated in Benton County, Washington, as such property is more specifically described on Exhibit A, attached hereto and incorporated herein ("**Real Property**").

RECITALS

Declarant desires to develop the Real Property as a plat community to be known as **THE TERRACES HOMES** ("**Plat Community**") and also desires to create common elements and facilities for the benefit of the Plat Community and to provide for the preservation of the property values in the Plat Community. Where a term is defined in Chapter 64.90 of the Revised Code of Washington ("**RCW**"), known as the Washington Uniform Common Interest Ownership Act ("**Act**"), and is not otherwise defined herein, such term will have the meaning given to it by the Act.

This Declaration establishes a plan for the private ownership of Units (defined below) and the buildings constructed thereon, for the dedication of certain areas to the public, and for the beneficial ownership through a nonprofit corporation of certain other land and related easements, hereafter defined and referred to as the "Common Elements." The nonprofit corporation shall be delegated and assigned the duties and powers of maintaining and administering the Common Elements, administering and enforcing these covenants, conditions, and restrictions, and collecting and disbursing the assessments and charges hereinafter created. This Declaration applies only to the Plat Community and associated Common Elements.

NOW, THEREFORE, Declarant hereby covenants, agrees, and declares that all of the Real Property, as defined herein, and the buildings and structures hereafter constructed thereon are, and will be, held, sold, and conveyed subject to and burdened by the following covenants, conditions, restrictions, and easements, all of which are for the purpose of enhancing and protecting the value, desirability, and attractiveness of the Plat Community for the benefit of the Unit Owners thereof, their heirs, successors, grantees, and assigns. All provisions of this Declaration and the Act shall be binding upon all parties having or acquiring any right, title, or interest in the Real Property or any part thereof, and shall inure to the benefit of the Unit Owners thereof and to the benefit of the Association and are intended to be and shall in all respects be regarded as covenants running with the land.

ARTICLE 1. DEFINITIONS

Section 1.1 "ACC" means the Architectural Control Committee described in Article 4.

Section 1.2 "Act" means the Washington Uniform Common Interest Ownership Act, Chapter 64.90 RCW.

Section 1.3 "Adjoining Units" means each set of Units that share a Party Wall. When used in reference to a particular Owner, it refers to the Adjoining Unit owned by that Owner. If a Unit has two or more Party Walls, the term "Adjoining Units" refers to the two Units that share a particular Party Wall.

Section 1.4 "Association" means THE TERRACES HOMES, H.O.A., a Washington nonprofit corporation, and its successors and assigns.

Section 1.5 "Association Action" means a written corporate action of the Association in the form of either a bylaw or resolution duly passed by either the Board or the Unit Owners.

Section 1.6 "Board" or "Board of Directors" means the board of directors of the Association with primary authority to manage the affairs of the Association.

Section 1.7 "Common Elements" means real estate other than a Unit within the Plat Community owned and/or maintained by the Association. As of the date of this Declaration, the Common Elements consist of all Common Elements depicted on the Map within the boundaries of the Real Property, including without limitation, the roads, sidewalks, and recreational areas, all as identified and/or illustrated on the Map, recorded in the real property records of Benton County.

Section 1.8 "Common Expenses" means any expense of the Association, including allocations to reserves, as provided for in the Act and this Declaration.

Section 1.9 "Declarant" means the entity described on the first page of this Declaration and its respective successors and assigns. Nothing contained herein shall be deemed or construed by the Association or by any third party to create the relationship of principal and agent, or a partnership, or a joint venture, or any association between or among any of the signatories hereto.

Section 1.10 "Declarant Control Period" means the period of time from the date of recording of this Declaration until the earlier of: (a) sixty (60) days after conveyance of seventy-five percent (75%) of the Units that may be created to Unit Owners other than Declarant; (b) two (2) years after the last conveyance of a Unit, except to a dealer; (c) two (2) years after any right to add new Units was last exercised; or (d) the day Declarant, after giving notice in a record to Unit Owners, records an amendment to this Declaration voluntarily surrendering all rights to appoint and remove officers and Board members. A partial delegation of authority by Declarant of any of its management duties described in the Declaration shall not terminate the Declarant Control Period.

Section 1.11 "Declaration" means this instrument, as it may be supplemented or amended.

Section 1.12 "Governing Documents" means this Declaration, the Map, the articles of incorporation, bylaws and rules and regulations of the Association, or any other written instrument by which the Association has the authority to exercise any of the powers to manage, maintain, or otherwise affect the Plat Community, as any of the foregoing may be amended from time to time.

Section 1.13 "Map" means and refer to the final plat of **THE TERRACES AT QUEENSGATE SOUTH**. Plat recorded under Benton County.

Section 1.14 "Mortgagee" means the holder of a security interest on a Unit.

Section 1.15 "Party Wall" means any of the walls built on the boundary lines separating any of the Units. When used in reference to particular Units, it refers to the Party Wall on the boundary line separating those Units. The term "Party Wall" includes all components of and within that wall including, but not limited to, framing, joists, insulation, soundproofing, pipes, lines, wires, conduits, other utility

infrastructure, and other components as originally constructed; all components below that wall including, but not limited to, the footings and other components as originally constructed and the supporting ground; all components above that wall including, but not limited to, the rafters, the roof, the parapet cap, and other components as originally constructed; and all components on the sides or exteriors of that wall including, but not limited to, siding, trim, and other components as originally constructed.

Section 1.16 “Real Property” means that certain real property legally described on Exhibit A attached hereto, and such additions thereto as may be brought within the terms and conditions hereof by an appropriate recording.

Section 1.17 “Reserve Account” has the meaning set forth in Section 3.12 of this Declaration.

Section 1.18 “Reserve Component” means a physical component of the Plat Community which the Association is obligated to maintain, repair or replace, which has an estimated useful life of less than thirty (30) years, and for which the cost of such maintenance, repair or replacement is infrequent, significant and impractical to include in an annual budget.

Section 1.19 “Reserve Study Professional” means an independent person who is suitably qualified by knowledge, skill, experience, training, or education to prepare a reserve study in accordance with the Act.

Section 1.20 “Significant Assets” means that the current replacement value of the major Reserve Components is seventy-five percent (75%) or more of the gross budget of the Association, excluding the Association’s Reserve Account funds.

Section 1.21 “Structure” includes any building, fence, wall, driveway, walkway, patio, garage, storage shed, carport, mailbox, basketball hoop, play equipment, climbing apparatus, swimming pool, rockery, dog run or the like.

Section 1.22 “Tract” means any legally segmented and alienable portion of the Real Property created through subdivision or any other legal process for dividing land and subjected to this Declaration by an appropriate recording, with the exception of Units and Common Elements.

Section 1.23 “Unit” means any legally segmented and alienable portion of the Real Property created through subdivision or any other legal process for dividing land and subjected to this Declaration by an appropriate recording, with the exception of Tracts and Common Elements. As indicated on the Map, the Plat Community shall include nineteen (19) single family Units and one common area Tract E.

Section 1.24 “Unit Owner” or “Owner” means the record owner (whether one or more persons or entities) of a fee interest in any Unit, including Declarant but excluding Mortgagees or other persons or entities having such interest merely as security for the performance of any obligation. Purchasers or assignees under recorded real estate contracts shall be deemed Unit Owners as against their respective sellers or assignors.

ARTICLE 2. DUTIES

Section 2.1 Description of Association. The Association is a nonprofit corporation organized and existing under the laws of the State of Washington charged with the duties and vested with the powers prescribed by law and set forth in the Governing Documents, as they may be amended from time to time;

provided, however, that no Governing Documents of the Association other than this Declaration shall for any reason be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration. The Association shall have a perpetual existence. Upon dissolution or final winding up of the Association entity under the laws of the State of Washington, all of its assets remaining after payment to creditors will be distributed or sold, and the sales proceeds distributed, to the members of the Association entity in accordance with the Articles of Incorporation, Bylaws, and provisions of RCW 24.03A and the Act. In the case of any conflict between the provisions of RCW 24.03A and the Act, the Act shall control. The Unit Owners are responsible for providing that the Association continues to be a functioning legal entity.

Section 2.2 Association Board. During the Declarant Control Period, Declarant, or persons designated by Declarant, shall have the power to appoint or remove any member of the Board. Notwithstanding the foregoing, no later than sixty (60) days after conveyance of twenty-five percent (25%) of the Units that may be created to Unit Owners other than Declarant, at least one (1) member and not less than twenty-five percent (25%) of the members of the Board must be elected by Unit Owners other than Declarant. Not later than sixty (60) days after conveyance of fifty percent (50%) of the Units that may be created to Unit Owners other than Declarant, not less than thirty-three and one-third percent (33.33%) of the members of the Board must be elected by Unit Owners other than Declarant. Until such members are elected and take office, the existing Board may continue to act on behalf of the Association. Within thirty (30) days after the termination of the Declarant Control Period, the Board must schedule a transition meeting and provide notice to the Unit Owners in accordance with RCW 64.90.445(1)(c). At the transition meeting, the Board elected by the Unit Owners must be elected in accordance with RCW 64.90.410(2). Within thirty (30) days after the transition meeting, Declarant shall deliver the materials required by RCW 64.90.420 to the Association. Within sixty (60) days after the transition meeting, the Board shall retain the services of a certified public accountant to audit the records of the Association as of the date of the transition meeting in accordance with generally accepted accounting standards, unless a majority of the members elects to waive such audit.

Section 2.3 Votes Appurtenant to Units. Every Unit Owner shall be a member of the Association. The Unit Owner(s) of a Unit shall be entitled to cast one (1) vote in the Association for each Unit owned. A vote shall be appurtenant to and held and owned in the same manner as the beneficial fee interest in the Unit to which it relates. A vote shall not be separated from ownership of the Unit. Unit Owner voting shall be governed by RCW 64.90.455, as it may be amended. Unit Owners or their proxies may vote in person or remotely, with reasonable measures taken by the Association to verify the identity of the unit owner and proxy, as well as paper and electronic ballots.

Section 2.4 Unit Owner's Compliance. By acceptance of a deed to a Unit, recording of a real estate contract conveying title to a Unit, or any other means of acquisition of an ownership interest, the Unit Owner thereof covenants and agrees, on behalf of himself and his or her heirs, successors, and assigns, to observe and comply with the terms of the Map, this Declaration, the Governing Documents of the Association, and all rules and regulations duly promulgated pursuant to Association Action.

Section 2.5 Bylaws, Rules, and Regulations. The Board, on behalf of the Association, shall have the power to adopt, modify, and amend rules and regulations governing the use of the Real Property, provided that such rules and regulations shall not be inconsistent with this Declaration and during the Declarant Control Period, must be approved in writing by Declarant. The rules and regulations shall apply uniformly to all Unit Owners, except as specifically provided herein. The Board shall have the power to enforce the rules and regulations on behalf of the Association and may prescribe penalties for the violation of such rules and regulations, including, but not limited to, suspension of the right to use the Common

Elements or portions thereof. The Board must, before adopting, amending, or repealing any rule, give all Unit Owners notice of: (a) its intention to adopt, amend or repeal a rule and provide the text of the rule or the proposed change; and (b) a date on which the Board will act on the proposed rule or amendment after considering comments from Unit Owners. Following adoption, amendment or repeal of a rule, the Association must give notice to the Unit Owners of its action and provide a copy of any new or revised rule. A copy of the rules and regulations then in force shall be retained by the Secretary of the Association. Declarant, on behalf of the Board, may adopt the initial Bylaws and rules and regulations of the Association.

Section 2.6 Right of Entry for Inspections, Maintenance, Repairs, Emergencies, or Improvements. The Association, acting through its agents and employees, shall have the right to have access Common Areas and may reasonably be necessary for inspection, maintenance, repair or replacement or improvement of any of the Common Elements accessible therefrom, or for making repairs or remedying conditions, including removing dangerous structures, on a Unit as deemed necessary by the Board, in the Board's reasonable discretion, to prevent damage to the Common Elements or to other Units or improvements thereon, or for any emergency situations. The cost of work necessary to remedy such conditions caused by or refused to be corrected by the Unit Owner shall be a special assessment on such Unit Owner and his or her Unit only. The Association's right provided in this section shall be exercisable after seven (7) days' notice to the Unit Owner and an opportunity to be heard if requested by the Unit Owner, and approval by a two-thirds (2/3) majority vote by the Board. The foregoing notice shall not be required in the event of an emergency situation, as determined by the Board in its reasonable discretion.

Section 2.7 Implied Rights. The Association may exercise any right or privilege given to it expressly by this Declaration or the bylaws or which may be reasonably implied from, or reasonably necessary to effectuate, any such right or privilege.

Section 2.8 Special Declarant Rights. Subject to the Act, Declarant shall have the right to do the following for a period of ten (10) years following the sale of the first Unit within the Plat Community by Declarant:

- (a) Complete any improvements indicated on the Map or described in this Declaration or the public offering statement pursuant to RCW 64.90.610(1)(h);
- (b) Exercise any Development Right;
- (c) Maintain sales offices, management offices, signs advertising the Plat Community, and models;
- (d) Use easements through the Common Elements for the purpose of making improvements within the Plat Community or within real property that may be added to the Plat Community;
- (e) Make the Plat Community subject to a master association;
- (f) Merge or consolidate a common interest community with another common interest community of the same form of ownership;
- (g) Appoint or remove any officer or board member of the association or any master association or to veto or approve a proposed action of any board or association;

- (h) Control any construction, design review, or aesthetic standards committee or process until Declarant no longer owns any Units;
- (i) Attend meetings of the Unit Owners and, except during an executive session, the Board; and
- (j) Have access to the records of the Association to the same extent as a Unit Owner (collectively, the "**Special Declarant Rights**").

Except as otherwise provided in this Declaration, all Special Declarant Rights shall expire ten (10) years after the conveyance of the first Unit in the Plat Community; provided, that Declarant may voluntarily terminate any and all such rights at any time by recording an amendment to the Declaration, which amendment specifies which rights are thereby terminated.

Section 2.9 Association Property. The Association, through action of its Board, may acquire, hold and dispose of tangible and intangible personal property and real property.

Section 2.10 Resale Certificates. A resale certificate for any Unit in the Community shall include the information required by the Act, including without limitation RCW 64.90.640.

Section 2.11 Merger or Consolidation. This Community may be merged or consolidated with one or more other common interest communities into a single community by exercise of a special declarant right, in accordance with RCW 64.90.310, without unit owner approval.

Section 2.12 Limitation on Acquiring Foreclosed Unit. No member of the Association's Board, or their immediate family members or affiliates, are eligible to bid for or purchase, directly or indirectly, any interest in a Unit at a foreclosure of the Association's lien. For the purposes of this subsection, 'immediate family member' includes spouses, domestic partners, children, siblings, parents, parents-in-law, and stepfamily members; and 'affiliate' of a board member includes any person controlled by the board member, including any entity in which the Board member is a general partner, managing member, majority member, officer, or director.

ARTICLE 3. ASSOCIATION BUDGET, ASSESSMENTS, AND LIENS

Section 3.1 Unit Owner's Covenants to Pay Assessments. By acquisition of any ownership interest in a Unit, the Owner thereof covenants and agrees, on behalf of himself or herself and his or her heirs, successors, and assigns, to pay the Association, in advance, all general and special assessments levied as provided herein. Assessments for Common Expenses and those specially allocated expenses must commence on all Units that have been created upon the conveyance of the first Unit in the Plat Community; however, Declarant may delay commencement of assessments for some or all Common Expenses or specially allocated expenses, in which event Declarant must pay all of the Common Expenses or specially allocated expenses that have been delayed pursuant to 64.90.480.

Section 3.2 Specially Allocated Expenses. Pursuant to RCW 64.90.480, the Association shall specially allocate certain expenses as follows:

- (a) Expenses benefiting fewer than all of the Units, or the Unit Owners of such benefited Units exclusively, must be assessed against the Units benefited, with the expenses allocated evenly between the benefited Units.

(b) Assessments to pay a judgment against the Association may be made only against the Units in the Plat Community at the time the judgment was entered, in proportion to their Common Expense liabilities.

(c) Expenses relating to damage to or loss of property, caused by the: (a) willful misconduct or gross negligence of the Unit Owner or the Unit Owner's tenant, guest, invitee, or occupant; (b) failure of the Unit Owner to comply with a maintenance standard prescribed by this Declaration or a Rule, if the standard contains a statement that an Owner may be liable for damage or loss caused by failure to comply with the standard; or (c) negligence of the Unit Owner or the Unit Owner's tenant, guest, invitee, or occupant. Before assessing such expenses, the Association shall provide to the Unit Owner notice and an opportunity to be heard.

(d) In the event of a loss or damage to a Unit that would be covered by the Association's property insurance policy, excluding policies for earthquake, flood, or similar losses that have higher than standard deductibles, but that is within the deductible under that policy, the Association may assess the amount of the loss up to the deductible against that Unit. This subsection does not prevent a Unit Owner from asserting a claim against another person for the amount assessed if that other person would be liable for the damages under general legal principles.

Section 3.3 Association Budget. The Association shall prepare, or cause the preparation of, an operating budget for the Association at least annually, in accordance with generally accepted accounting principles. Declarant shall adopt the initial operating budget for the Association. The operating budget shall set forth all sums required by the Association, as estimated by the Association, to meet its annual costs and expenses, including, but not limited to, all management and administration costs, operating and maintenance expenses of the Common Elements, and services furnished to or in connection with the Common Elements, including the amount of all taxes and assessments levied against, and the cost of liability, property and other insurance on, the Common Elements, and including charges for any services furnished by or to the Association; the cost of utilities and other services; and the cost of funding all reserves established by the Association. The funds required to meet the Association's annual expenses shall be raised from a general assessment against each Unit Owner as provided hereafter. After adoption of the operating budget, the Association may revise the operating budget at any time and from time to time, in accordance with the procedures set forth in Subsection 3.3(a) below, as it deems necessary or advisable in order to take into account and defray additional costs and expenses of the Association.

(a) **Adoption of Budget.** Prior to adopting the proposed regular budget, the Board shall submit the proposed Common Element Budget to the Common Element Committee in accordance with Section 8.3 below. Within thirty (30) days after adoption by the Board of any proposed regular or special budget of the Association, the Board shall provide a copy of the proposed budget to all Unit Owners and set a date for a meeting of the Unit Owners to consider ratification of the budget not less than fourteen (14) nor more than fifty (50) days after providing the budget (or pursuant to Washington State Law). Unless at that meeting the Unit Owners to which a majority of the votes in the Association are allocated reject the budget, in person or by proxy, the budget and the assessments against the Units included in the budget are ratified, whether or not a quorum is present. If the proposed budget is rejected, or the required notice is not given, the periodic budget last ratified by the Unit Owners shall be continued until such time as the Unit Owners ratify a subsequent budget proposed by the Board.

(b) **Budget Summary.** As part of the summary of the budget provided to all Unit Owners, the Board shall disclose to the Unit Owners:

- (i) The projected income to the Association by category;
- (ii) The projected Common Expenses and those specially allocated expenses that are subject to being budgeted, both by category;
- (iii) The amount of assessments per unit and the date the assessments are due;
- (iv) The current amount of regular assessments budgeted for contribution to the Reserve Account;
- (v) A statement of whether the Association has a Reserve Study that meets the requirements of RCW 64.90.550 and, if so, the extent to which the budget meets or deviates from the recommendations of the reserve study; and
- (vi) The current deficiency or surplus in reserve funding expressed on a per Unit basis.

Section 3.4 Levy of General Assessment. In order to meet the costs and expenses projected in its operating budget, the Association shall determine and levy in advance on every Unit a general assessment, which shall become effective only after the Board follows the procedure for ratification of a budget described in Subsection 3.3(a) and the Unit Owners do not reject the proposed assessment. The amount of each Unit's general assessment shall be the amount of the Association's operating budget divided by the sum of the number of Units. The omission by the Association, before the expiration of any assessment period, to fix the amount of the general assessment hereunder for that or the next period, shall not be deemed a waiver or modification in any respect of the provisions of this article or a release by any Unit Owner from the obligation to pay the general assessment, or any installment thereof, for that or any subsequent assessment period, but the general assessment fixed for the preceding period shall continue until a new assessment is fixed. Upon any revision by the Association of the operating budget during the assessment period for which such budget was prepared, the Association shall, if necessary, revise the general assessment levied against Units and give notice to each Unit Owner in accordance with Subsection 3.3(a).

Section 3.5 Payment of Assessment. Installments of general assessments are to be collected on an annual basis, or as determined by the Board and ratified by the Unit Owners in accordance with Subsection 3.3(a). Unless the Board otherwise provides, the annual installment shall be due in advance on the first day of January every calendar year. Any Unit Owner may prepay one or more installments on any assessment levied by the Association without penalty.

Section 3.6 Nondiscriminatory Assessment. Except as otherwise specifically provided herein, no assessment shall be made at any time which may unreasonably discriminate against any particular Unit Owner or group of Unit Owners in favor of other Unit Owners.

Section 3.7 Commencement of Assessments. Liability of a Unit Owner for assessments shall commence on the date upon which any instrument of transfer to such Unit Owner becomes operative (such as the date of a deed or the date of a recorded real estate contract for the sale of any Unit) or, if earlier, the commencement date of Unit Owner's occupancy of such Unit.

Section 3.8 Certificates of Assessment Payment. Upon request, the Board shall furnish written certificates certifying the extent to which assessment payments on a specified Unit are paid and current to the date stated therein. A reasonable charge may be made by the Association for the issuance of such

certificate.

Section 3.9 Special Assessments. In addition to the general assessments authorized by this article, the Association may, by following the same procedure for ratification of a budget set forth in Subsection 3.3(a), levy a special assessment or assessments at any time, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, inordinate repair, or replacement of a capital improvement located upon or forming a part of the Common Elements, including necessary fixtures and personal property related thereto, or for such other purpose as the Association may consider appropriate. The due dates of any special assessment payments shall be fixed by the Association Action authorizing such special assessment.

Section 3.10 Effect of Nonpayment of Assessment. If any assessment payment is not made in full within thirty (30) days (or in accordance with Washington State law) after it was first due and payable, the unpaid amounts shall constitute a lien against the Unit assessed and shall bear interest from such due date at a rate set by the Board in its rules and regulations which shall not exceed the highest rate then permitted by law. By acceptance of a deed to a Unit, recording of a real estate contract therefore, or any other means of acquisition of an ownership interest, and whether or not it shall be so expressed in any such deed or other instrument, each Unit Owner shall be deemed to grant thereby to the Association, its agents and employees, and to Declarant during the Declarant Control Period, the right and power to bring all actions against such Unit Owner personally for the collection of such assessments as a debt, and to enforce the liens created by this Declaration in favor of the Association by foreclosure of the continuing liens in the same form of action as is then provided for the foreclosure of a mortgage on real property. The liens provided for in this Declaration shall be for the benefit of the Association and shall arise in accordance with the terms of this Declaration without the necessity of any further action by the Association. The Association shall have the power to bid at any lien foreclosure sale and to acquire, hold, lease, mortgage, and convey the Unit foreclosed against.

Section 3.11 Duration of Lien. Any lien arising pursuant to this Article shall be a continuing lien in the amount stated in the assessment from the time of the assessment, but expiring pro rata as the assessment payments are made, and shall also be the personal obligation of the person or entity who is the Unit Owner of the Unit at the time of the assessment. The personal obligation to pay a prior assessment shall not pass to successors in interest unless expressly assumed by them; provided, however, that in the case of a sale or contract for the sale of any Unit which is charged with the payment of an assessment, the person or entity who is the Unit Owner immediately prior to the date of such sale shall be personally liable for the amounts of the monthly installments due prior to said date, and the new Unit Owner shall be personally liable for monthly installments becoming due on or after such date. The foregoing limitation on the duration of the personal obligation of a Unit Owner to pay assessments shall not, however, affect the validity or duration of the continuing lien for unpaid assessments against the respective Unit.

Section 3.12 Reserve Account for Repair or Replacement. Unless the Plat Community has nominal reserve costs or the cost of a reserve study or update exceeds ten percent (10%) of the Association's annual Common Expenses, the Association shall establish and maintain a reserve fund for major maintenance, repair or replacement of the Common Elements and any improvements thereon ("**Reserve Account**"). Such Reserve Account shall be deposited with a banking institution, and in the name of the Association. The Reserve Account shall be expended only for the purpose of affecting the major maintenance, repair or replacement of the Common Elements and any improvements and community

facilities thereon, and to any sidewalks, roads, walls or pathways developed as a part of the Plat Community, equipment replacement, and for operating contingencies of a nonrecurring nature. The Board is responsible for administering the Reserve Account. The Association may establish such other reserves for such other purposes as it may from time to time consider to be necessary or appropriate. The proportional interest of any Unit Owner in any such reserves shall be considered an appurtenance of his or her Unit and shall not be separately withdrawn, assigned, or transferred from the Unit to which it appertains.

Section 3.13 Withdrawals from Reserve Account. The Board may withdraw funds from the Reserve Account to pay for unforeseen or unbudgeted costs that are unrelated to replacement costs of the Reserve Components. Any such withdrawal must be recorded in the minute books of the Association. The Board must give notice of any such withdrawal to each Unit Owner and adopt a repayment schedule not to exceed twenty-four (24) months unless the Board determines that repayment within twenty-four (24) months would impose an unreasonable burden on the Unit Owners. The Board must provide to Unit Owners along with the annual budget adopted in accordance with Section 3.3: (a) notice of any such withdrawal; (b) a statement of the current deficiency in reserve funding expressed on a per unit basis; and (c) the repayment plan. The Board may withdraw funds from the Reserve Account without satisfying the notification for repayment requirements under this section to pay for replacement costs of Reserve Components not included in the reserve study.

Section 3.14 Reserve Studies. The provisions of this section are intended to summarize the requirements for reserve studies as provided in RCW 64.90.545 – 64.90.560, and in the event of any conflict with the provisions herein, the statutory provisions shall control.

(a) **Board Determination.** Unless exempt under Section 3.12, The Association must prepare and update a reserve study in accordance with this RCW 64.90.550 (“**Reserve Study**”). An initial Reserve Study must be prepared by a Reserve Study Professional and based upon either a Reserve Study Professional’s visual site inspection of completed improvements or a review of plans and specifications for unbuilt improvements, or both when construction of some but not all of the improvements is complete. An updated Reserve Study must be prepared annually. An updated Reserve Study must be prepared at least every third year by a Reserve Study Professional and based upon a visual site inspection conducted by the Reserve Study Professional.

(b) **Unit Owner Demand.** When more than three (3) years have passed since the date of the last Reserve Study prepared by a Reserve Study Professional, the Unit Owners to which at least twenty percent (20%) of the votes are allocated may demand, in writing, to the Association that the cost of a Reserve Study be included in the next budget and that the Reserve Study be prepared by the end of that budget year. The written demand must refer to RCW 64.90.555. The Board shall, upon receipt of the written demand, include the cost of a Reserve Study in the next budget and, if that budget is not rejected by the Unit Owners pursuant to Section 3.12, arrange for the preparation of a Reserve Study.

Section 3.15 Limitations on Liability related to Reserve Account and Reserve Studies. Monetary damages or any other liability may not be awarded against or imposed upon the Association, its officers, the Board, or those persons who may have provided advice or assistance to the Association, its officers, or the Board, for failure to: (a) establish a Reserve Account; (b) have a current Reserve Study prepared or updated in accordance with the requirements of the Act and this Declaration; or (c) make the required disclosures in accordance with Subsection 3.3(b) and the Act.

Section 3.16 Failure to Comply Does Not Relieve Unit Owners. A Unit Owner's duty to pay assessments is not excused, and a budget ratified by the Unit Owners is not invalidated, because of the Association's failure to comply with the Reserve Study or Reserve Account requirements.

Section 3.17 Certain Areas Exempt. The Tracts and all portions of the Plat Community dedicated to and accepted by a public authority shall be exempt from assessments by the Association.

Section 3.18 Secret Ballot. The following votes of Unit Owners shall be conducted by secret ballot: (a) Election of Board members, (b) removal of Board members or officers, and (c) amendments to the Declaration or governing documents.

Section 3.19. Notices. Electronic addresses of Unit Owners who have opted-in to keep such information confidential shall not be disclosed.

ARTICLE 4. ARCHITECTURAL CONTROL COMMITTEE

Section 4.1 Architectural Control Committee. An Architectural Control Committee ("ACC") consisting of at least three (3) members, but in any event always an odd number of members, is hereby created with the rights and powers set forth in this Declaration. The initial members of the ACC shall be representatives appointed by Declarant. ACC members shall not be entitled to compensation for their services hereunder, except as may be determined by the Board of Directors. Declarant shall have the right and power at all times to appoint or renew the appointment of the members of the ACC or to fill any vacancy until such time as Declarant no longer owns any Units. After Declarant no longer owns any Units, the Board shall have the power to appoint and remove the members of the ACC.

Section 4.2 Jurisdiction and Purpose. The ACC shall review proposed plans and specifications for construction of all residences and other Structures within the Plat Community, including any additions, exterior alterations, fences, major landscaping, clearing, painting, paving and excavation. Until Declarant no longer owns any Units, a prospective Unit Owner shall submit architectural and landscaping plans and specifications to the ACC for its review prior to closing the purchase of a Unit. Prior to submittal to the ACC, the Unit Owner shall verify all improvements meet all local municipal codes. The ACC assumes no liability and holds no authority to approve, permit, or allow any construction on behalf of the local governing authorities. The ACC shall adopt and publish rules and procedures for the review of such plans and specifications. It shall be the obligation of each Unit Owner or prospective Unit Owner to be familiar with the rules and procedures of the ACC. As conditions precedent to approval of any matter submitted to it, the ACC shall find:

(a) Consistent with Declaration. The approval of the plan is in the best interest of the Unit Owner and consistent with this Declaration.

(b) General Considerations. General architectural considerations, including relationship and layout of Structures to natural features and adjacent homes, orientation and location of buildings, vehicular access, circulation and parking, setbacks, height, walls, fences, and similar elements have been designed to be compatible with the overall design of the Plat Community.

(c) Site Considerations. General site considerations, including site layout, relationship of site to vegetation, natural features, open space and topography, orientation and locations of buildings,

vehicular access and driveway lighting, circulation and parking, setbacks, height, walls, fences, and similar elements have been designed to be compatible with the overall design of the Plat Community.

(d) Landscape Considerations. General landscape considerations, including the location, type, size, color, texture and coverage of plant materials, provisions for irrigation, maintenance and protection of existing landscaped areas and similar elements have been considered to ensure visual relief, to complement buildings and Structures, and to provide an attractive environment for the enjoyment of the Unit Owners in general and the enhancement of the property values in the Plat Community. A street tree is required every 60' (feet) per lot and may be required more than one tree if applicable on corner lots.

(e) Siding. Without limiting the foregoing, each residence, improvement, or Structure constructed on a Unit shall be built of new materials except, with approval of the ACC, decorative items such as used brick, weathered planking, and similar items may be incorporated. All siding materials shall be of masonry (including stucco, dryvit, cultured stone, brick, stone, or similar material), and/or wood or wood-type siding material. All paints or natural finishes shall be those colors commonly known as earth tones.

(f) Roofing. The roof shall be a composition roof with a 30-year life.

(g) Entry Walks, Porches, and Decks. All front entry walks shall be concrete, and all decks and wood porches shall be constructed of cedar or pressure-treated or composite materials.

(h) Driveways. All driveways shall be constructed of concrete paving.

(i) Local Codes. All buildings or Structures shall be constructed in accordance with all applicable codes and regulations. In the event of a conflict between any applicable codes and this Declaration, the codes shall govern.

Section 4.3 Approval Procedures. Two copies of a preliminary application for approval must be submitted in writing to the ACC at the registered office of the Association. Within thirty (30) days following receipt of a preliminary application, the ACC shall notify the applicant in writing as to whether the application is complete and, if not, of any additional information that may be required before the ACC can review the application. The ACC's rules and procedures may specify the payment of a reasonable nonrefundable fee, to be set forth in the ACC rules, for the purpose of defraying the costs associated with the ACC's review of the preliminary application. This fee may be adjusted from time to time by the ACC in accordance with its rules and procedures. The ACC shall review the application in accordance with the provisions of this section as soon as possible after a complete application has been filed. The decision of a majority of the members of the ACC shall be the decision of the ACC. One copy of approved plans will remain in the ACC's files. All disapproved plans will be returned to the applicant.

Section 4.4 Failure of ACC to Act. Except as provided in Section 4.6 below, if the ACC fails to respond to an applicant's complete and properly submitted application within thirty (30) days after the ACC has notified the applicant that the application is complete, formal written approval will not be required, and the applicant shall be deemed to have fully complied with the provisions for approval; provided, however, if the ACC delivers notice of the need for one (1) thirty (30) day extension prior to expiration of the above-referenced thirty (30) day period, the ACC shall have thirty (30) additional days to make its decision.

Section 4.5 ACC's Obligation. The ACC, in its deliberations and in the discharge of its

obligations hereunder, shall act objectively and fairly in making decisions concerning various plans, specifications, plot plans and landscape plans submitted to it by various applicants for consideration in accordance with the provisions of this Declaration. Further, the determinations of the ACC as to noncompliance shall be in writing, signed by the ACC, and shall set forth in reasonable detail the reason for noncompliance. The ACC may approve, approve with conditions, or disapprove an application or any part thereof. In all cases, the sole responsibility for satisfying the provisions of this Declaration and all local building codes and governmental requirements rests with the applicant. In consideration of the ACC's review of an applicant's application, the applicant shall indemnify and hold the ACC harmless from any claim or damages resulting from applicant's failure to comply with applicable building codes or other governmental requirements.

Section 4.6 Exemptions and Variances from ACC Requirements. The ACC may, upon request, grant exemptions and variances from the rules and procedures of the ACC and the requirements of this Declaration when the party requesting such exemption or variance establishes to the satisfaction of the ACC that the improvements or other matters which are desired by the applicant are aesthetically as appealing, suited to climatic conditions, and compatible with the overall character of the development as are similar improvements or matters which conform to the requirements of this Declaration. Request for an exemption or variance shall be submitted in writing to the ACC and shall contain such information as the ACC shall from time to time require. The ACC shall consider applications for exemption or variance and shall render its decisions within thirty (30) days after notice to the applicant of proper submission. The failure of the ACC to approve an application for an exemption or variance shall constitute disapproval of such application.

Section 4.7 Construction Deposit. For purposes of protecting the Common Elements and Common Element improvements against damage during construction by a Unit Owner, his or her contractors and agents, the ACC has authority, but is not mandated, to require a cash deposit from each Unit Owner to whom approval of plans is given of an amount deemed appropriate by the ACC for such purposes ("Construction Deposit"), if the ACC finds that potential damage can be done to the Common Element(s) caused by Unit Owner's proposed construction. The Construction Deposit, however, shall not exceed Two Thousand Dollars (\$2,000.00). If a Unit Owner or his or her contractor, agents, or employees causes any damage or destruction to any portion of the Common Elements or Common Element Improvements, the ACC shall notify such Unit Owner and request the replacement or repair of the item or area damaged or destroyed. The Unit Owner shall have a period of two (2) business days after the date or receipt of such notice to advise the ACC of its intended course of action and its schedule for correction of the damage, and to commence such correction. The ACC shall in its sole discretion approve or disapprove such course and schedule, and the Unit Owner agrees to make such changes thereto as are necessary to obtain the ACC's approval. If the Unit Owner fails to correct the damage in the manner or within the time approved by the ACC, the ACC may, at its option, perform such work as is necessary to remedy the situation on behalf and at the expense of the Unit Owner and apply the Construction Deposit against the cost thereof. If the cost of such work exceeds the total amount of the Construction Deposit, the Unit Owner shall pay the Association that excess cost within ten (10) days of demand by the ACC. Upon completion of construction of the Improvements on the Unit, and following a joint inspection of the Improvements and Unit by the Unit Owner and the ACC to verify that no damage to the Common Elements and/or Common Element Improvements has occurred, the ACC shall make a final determination of compliance and return the remaining balance, if any, of the Construction Deposit to the Unit Owner, without interest within ten (10) days of such final determination.

Section 4.8 Failure of Applicant to Comply. Failure of the applicant to comply with the rules and procedures of the ACC or the final application as approved by the ACC shall, at the election of the

Association's Board exercised after thirty (30) days' written notice to such applicant, constitute a violation of this Declaration. In that event, the Board shall be empowered to assess a penalty commensurate with the violation, which shall constitute a lien against such Unit, enforceable as provided herein and/or pursue any other remedy, including, but not limited to, an action for injunctive relief or specific performance.

ARTICLE 5. MAINTENANCE OF PROPERTY

Section 5.1 General Maintenance Obligations for Units. Subject to Section 5.2, each Unit Owner is responsible for the maintenance, upkeep, and repair of the Owner's Unit, and in no way shall such maintenance be the responsibility of the Association or its agents, officers, or directors. Except as otherwise provided herein, each Owner shall keep his or her Unit and all improvements therein and thereon in good order and repair and free of debris, in a manner and with such frequency as is consistent with good property management, the terms and conditions of the Map, and applicable law. Without limiting the foregoing, each Owner shall keep his or her Unit and home in a clean, sightly, and sanitary condition. In addition, each Owner shall maintain, repair, and replace exterior lighting (including bulb replacement) that draws power from such Owner's electrical meter. The buildings shall be maintained so that they have a uniform appearance, including without limitation paint/stain color and condition, exterior finishes, exterior window frames, coverings, and awnings, if any. Exterior paint/stain colors shall match the original colors unless different colors are approved in writing by the ACC. Fences, including fence stains, are governed by Article 7 of this Declaration.

Section 5.2 Landscaping and Irrigation Improvements. Except as otherwise provided herein, the Association shall maintain, repair, and replace the fencing and weed control located on the western property line of lot 1, lot 2, lot 3, lot 4, lot 5, lot 6, lot 7, lot 8, lot 9 and tract "E". No fences, walls, shrubs, landscaping, or other exterior improvements to the Unit other than those installed by Declarant shall be permitted unless authorized by Declarant or the ACC.

Section 5.3 Roofing and Weather Protection. Each Unit Owner shall maintain, repair, and replace the roof, decks, exterior siding, gutters, downspouts, and other weather protection and related improvements on such Owner's Unit, in good condition and repair. These duties shall include rebuilding the improvements after damage by casualty, whether or not the casualty was insured. All repairs, replacements, or reconstruction shall be completed with materials as near as possible to the quality, type, and color of the original improvements, unless otherwise agreed upon in writing by the ACC and all Unit Owners.

Section 5.4 Failure to Perform Obligations. If any Unit Owner fails to perform any obligation required under this Declaration, including but not limited to the maintenance, repairs, or replacements, the Association shall have the right, through its agents and employees, to enter upon the Owner's Unit that has been found to violate the foregoing standards in order to restore the home or Unit to such standards; provided that the Association first shall have provided the Owner thirty (30) days' advance written notice of the Association's action and that the action is approved by a two-thirds (2/3) majority vote of the Board. The cost of such work shall be a special assessment on such Owner and his or her Unit only.

Section 5.5 Utilities. Each Owner shall contract and pay for all utilities, including but not limited to water, sewer, garbage, gas, electricity, telephone, cable T.V. and internet services, that are separately metered or chargeable to such Owner's Unit.

Section 5.6 Mailboxes. The Association shall maintain and repair mailboxes. Notwithstanding the foregoing, any damage to the foregoing caused by an individual Owner other than from normal usage, wear and tear, and life expectancy of materials shall be repaired or replaced at the sole cost of such Owner.

ARTICLE 6. LIEN ENFORCEMENT

Section 6.1 Statutory Lien. The Association has a statutory lien on each Unit for any unpaid assessment against the Unit from the time such assessment is due, pursuant to and on the terms set forth in RCW 64.90.485. Proceedings to enforce the lien or collect the debt for any unpaid assessments will be governed by RCW 64.90.485.

Section 6.2 Lien Priority. The Association's lien has priority over all other liens and encumbrances on a Unit except:

- (a) Liens and encumbrances recorded before the recordation of this Declaration.
- (b) Except as otherwise provided in this section, a security interest on the Unit recorded before the date on which the unpaid assessment became due; and
- (c) Liens for real estate taxes and other state or local governmental assessments or charges against the Unit.

A lien under this section also has priority over the security interests described in (b) above to the extent of an amount equal to the following:

- (i) The Common Expense assessments, excluding any amounts for capital improvements, based on the periodic budget adopted by the Association pursuant Article 3, above, along with any specially allocated assessments that are properly assessable against the Unit under such periodic budget, which would have become due in the absence of acceleration during the six (6) months immediately preceding the institution of proceedings to foreclose either the Association's lien or a security interest described in (b) above;
- (ii) The Association's actual costs and reasonable attorney fees incurred in foreclosing its lien but incurred after the giving of the notice described in (iii) below (RCW 64.90.485); provided, however, that the costs and reasonable attorney fees that will have priority under this subsection (ii) shall not exceed two thousand dollars (\$2,000) or an amount equal to the amounts described in (i) above, whichever is less;
- (iii) The amounts described in (ii) above shall be prior only to the security interest of the holder of a security interest on the Unit recorded before the date on which the unpaid assessment became due and only if the Association has given that holder not less than sixty (60) days' prior written notice that the owner of the Unit is in default in payment of an assessment. Upon payment of the amounts described in (i) of the preceding sentence by the holder of a security interest, the Association's lien described in this section shall thereafter be fully subordinated to the lien of such holder's security interest in the Unit.

ARTICLE 7. USE COVENANTS, CONDITIONS AND RESTRICTIONS

Section 7.1 Authorized Uses. The Plat Community shall be used solely for residential purposes and related facilities normally incidental to a residential community. After the Declarant Control

Period no Unit shall be further subdivided, except as permitted in this Declaration without prior approval conferred by Association Action.

Section 7.2 Leasing Restrictions. Units may be leased or rented by any party. Each lease or rental agreement shall be in writing and shall by its terms provide that it is subject in all respects to the provisions of the Governing Documents. Any failure by a lessee to comply with the terms of the Governing Documents shall be a default under the lease, whether or not it is so expressed therein. Other than the foregoing, there is no restriction on the right of any Unit Owner to lease his or her Unit or residence.

Section 7.3 Animals. No animals, livestock, or poultry of any kind shall be raised, bred, or kept in the Plat Community except as specifically provided herein. Domesticated dogs, cats, or other conventional household pets may be kept if they are not kept, bred, or maintained for any commercial purposes, and all animals must be in compliance with applicable codes and regulations. "Other conventional household pets" shall include only traditionally domesticated pets and shall not include any form of poultry (i.e., domestic fowl, including but not limited to chickens, turkeys, ducks, and geese) or any exotic pets such as large or potentially dangerous reptiles, potentially harmful insects, bees, large birds, wild animals, and animals not normally domesticated, all of which are strictly prohibited in the Plat Community. No domestic pet may be kept if its presence or actions constitute a public or private nuisance. Pets shall be registered, licensed, and inoculated from time to time as required by law. When not confined to the Unit Owner's Unit, pets within the Plat Community shall be leashed and accompanied by a person responsible for cleaning up any animal waste. No pets shall be tethered to any rope, cord, chain, etc., while outdoors on a Unit within the Plat Community for longer than two hours at a time.

Section 7.4 Commercial Uses. No commercial enterprise (except those specifically allowed under Washington Law such as adult care homes and child care), including itinerant vendors, shall be permitted on any Unit; provided, however, that the Association may, by adopting rules and regulations, permit specified home occupations to be conducted if allowed by law and if such occupation will not, in the reasonable judgment of the Association, cause traffic congestion or other disruption of the Plat Community; and provided further that no signs or advertising devices of any character shall be permitted.

Section 7.5 Vehicle Storage. No storage of goods, unregistered or broken down vehicles, boats, trailers, trucks, campers, recreational vehicles or other equipment or device shall be permitted in open view from any Unit, except for behind an enclosed fence. Upon forty-eight (48) hours' notice to the Unit Owner of an improperly parked or stored vehicle, boat, or other equipment, the Association has authority to have removed at the Unit Owner's expense any such vehicle visible from the street that is parked on any Unit, street or within a Common Element for more than twenty-four (24) hours. No over night parking on any street or private road.

Section 7.6 Outdoor Storage. No items shall be stored outside of any home or enclosed garage on a Unit unless screened so as not to be visible from adjoining Structures or streets or roadways.

Section 7.7 Garbage. All trash shall be placed in sanitary containers that are screened so as not to be visible from adjoining Structures or streets or roadways with the exception to trash pick up day. No Unit or any portion thereof shall be used as a dumping ground for trash or rubbish of any kind. Yard rakings, dirt and debris resulting from landscaping work or construction shall not be dumped onto adjoining lots or streets or roadways. Garbage cans and/or bags must be stored within 24 hours of scheduled pick up times.

Section 7.8 Utilities Underground. Except for hoses and the like which are reasonably necessary in connection with normal lawn maintenance, no water pipe, sewer pipe, gas pipe, drainage pipe,

telephone, power, or television cable, or similar transmission line shall be installed or maintained above the surface of the ground.

Section 7.9 Signs. Except for entrance, street, directional, traffic control, and safety signs, no promotional signs or advertising devices of any character shall be posted or displayed in the Plat Community; provided, however, that one temporary real estate sign not exceeding six (6) square feet in area may be erected upon any Unit or attached to any residence placed upon the market for sale or lease. Any such temporary real estate sign shall be removed promptly following the sale or rental of such Unit or residence. In addition, nothing in this section shall be construed to prohibit the display of signs regarding candidates for public or Association office, or ballot issues, on or within a Unit, so long as such signs are no larger than four (4) square feet and in place no longer than sixty (60) days. Flags of the United States or the State of Washington are not considered signs hereunder and are permitted, provided, however, that the Association may place reasonable restrictions on the time, place and manner of display as permitted by federal and state law.

Section 7.10 No Obstruction of Easements. No structure, planting, or other material shall be placed or permitted to remain upon the Real Property which may damage or interfere with any easement or the installation or maintenance of utilities, or which may unreasonably change, obstruct, or retard direction or flow of any drainage channels. No decorative planting, structure or fence may be maintained within an easement area.

Section 7.11 Antennas and Clotheslines. No external clotheslines shall be permitted in the Plat Community. Each Owner has a right to install an external antenna/satellite dish pursuant to 47 C.F.R. § 1.4000; provided, however, that no other antenna are allowed in the Plat Community and further provided that the ACC approves the location of the allowed antenna.

Section 7.12 Weapons. No firearms of any kind or nature, including rifles, handguns, bows, slingshots, BB guns, slings, traps, or any other like weapon, shall be used or discharged within the Plat Community except by authorized governmental officials.

Section 7.13 Nuisances Prohibited. No noxious or offensive activity shall be conducted in any portion of the Plat Community, nor shall anything be done or maintained therein in derogation or violation of the laws of the State of Washington or any other applicable governmental entity. Nothing shall be done or maintained on any portion of the Plat Community which may be or become an annoyance or nuisance to the neighborhood or detract from the value of the Plat Community. The Association shall determine by Association Action whether any given use of a Unit unreasonably interferes with the rights of the other Unit Owners to the use and enjoyment of their respective Units or of the Common Areas, and such determination shall be final and conclusive.

Section 7.14 Preservation of Landscaping. No party subject to the terms of this Declaration or his/her/their agents, employees or guests shall destroy or otherwise materially adversely impact landscaping on Common Areas, or as otherwise governed by applicable laws, codes and regulations.

Section 7.15 Temporary Structures. No Structure or improvement of a temporary character, including without limitation a trailer, tent, shack, garage, barn, or other outbuilding shall be installed, placed, or used on any Unit as a dwelling or residence, either temporarily or permanently without the approval of the A Architectural Control Committee.

Section 7.16 Window Coverings. No newspapers, bed sheets, or other makeshift window

coverings shall be visible from the exterior of the residence.

Section 7.17 Fences. All fences shall be constructed by either concrete masonry block or of metal material, not including wire or chain-link, unless otherwise authorized by the Board. All fences and gates must be approved by the Architectural Control Committee.

Section 7.18 Unit Size Restriction. No Unit or portion of a Unit in the community shall be divided and sold or resold or ownership changed or transferred, whereby the ownership of any portion of the Plat Community shall be less than the area required for the use district in which located except as required by State law.

Section 7.19 Drainage Flows. No Unit Owner shall obstruct, redirect, or otherwise modify drainage flows after the drainage swales, storm sewers, or storm drains are installed by Declarant. Declarant and the Association, however, may modify drainage flows and drainage infrastructure with written approval from any governmental agency with jurisdiction; provided, the exercise of such right shall not materially diminish the value of or unreasonably interfere with the use of any Unit without the Unit Owner's consent.

Section 7.20 Damage. Any damage to streets, Common Areas, entry structures, fences, landscaping, mailboxes, lights and lighting standards by Unit Owners, their children, contractors, agents, visitors, friends, relatives, or service personnel shall be repaired and restored to like new condition by such Owner within twelve (12) days from the occurrence of such damage. After thirty (30) days' written notice to a Unit Owner from the Association of such Owner's failure to so repair, and after approval by a two-thirds (2/3) majority vote by the Board, the Association shall have the right, through its agents and employees, make such repairs on behalf of such Unit Owner. The cost of such work shall be a special assessment on such Unit Owner and his or her Unit only.

Section 7.21 Encroachments. If the construction, reconstruction, or alteration of a building or the vertical or lateral movement of a building results in an encroachment due to a divergence between the existing physical boundaries of a Unit and the boundaries described in the Declaration, the existing physical boundaries of the Unit are its legal boundaries, rather than the boundaries described in the declaration, unless the encroachment: (a) extends beyond five feet, as measured from any point on the common boundary along a line perpendicular to the boundary; or (b) results from willful misconduct of the Unit Owner that claims a benefit under this section.

ARTICLE 8. COMMON ELEMENTS

Section 8.1 Title to Common Elements. All Common Elements were dedicated in accordance with the terms of the Map upon recording of the Map. Every Common Element shall be subject to an easement of common use and enjoyment in favor of the Association and every Unit Owner, their heirs, successors, and assigns, in accordance with the terms and conditions of the Governing Documents and the Map. Common Elements are to include Tract "E" located on the Plat Map of The Terraces at Queensgate South.

Section 8.2 Maintenance of Common Elements. The Association shall maintain, repair, replace, improve, and otherwise manage all of the Common Elements so as to keep them in good repair and condition and shall conduct such additional maintenance, repair, replacement, construction, or reconstruction as may be determined pursuant to Association Action. The Association shall take any action necessary or appropriate to the maintenance and upkeep of the Common Elements and improvements thereon.

Section 8.3 Common Element Aesthetic Standards Committee. A Common Element Aesthetic Standards Committee ("Common Element Committee") consisting of at least three (3) members, but in any event always an odd number of members, is hereby created with the rights and powers set forth in this Declaration. The initial members of the Common Element Committee shall be representatives appointed by Declarant. Common Element Committee members shall not be entitled to compensation for their services hereunder, except as may be determined by the Board of Directors. Declarant shall have the right and power, as a Special Declarant Right, at all times to appoint or renew the appointment of the members of the Common Element Committee or to fill any vacancy until such time as Declarant no longer owns any Units. After Declarant no longer owns any Units, the Board shall have the power to appoint and remove the members of the Common Element Committee, or alternatively, the Board shall have the power to terminate the Common Element Committee.

(a) **Jurisdiction and Purpose.** The Common Element Committee shall establish and maintain the aesthetic standards for the Common Elements, provide for the maintenance, repairs, replacements and improvements (including contracting with Declarant or a third party for the same) of the Common Elements and approve the budget for all maintenance, repairs, replacements and improvements for all Common Elements ("Common Element Budget"). The Common Element Committee's powers, jurisdiction and purpose stated herein will be broadly construed. The Common Element Committee assumes no liability and holds no authority to approve, permit or allow any construction on behalf of the local governing authorities.

(b) **Common Element Budget Process.** As part of establishing its annual budget, the Board shall deliver the Common Element Budget to the Common Element Committee for review and approval. All proposed Common Element Budgets shall at a minimum provide funds for maintenance, repair, and replacement of the Common Elements consistent with the quality, nature, and location of the community and in a manner that other communities similar in quality, nature and location to the community are maintained. Upon receipt from the Board, the Common Element Committee shall have thirty (30) days to review and approve, or propose changes to, the proposed Common Element Budget. So long as the members of the Common Element Committee are appointed by Declarant, the Board shall adopt the Common Element Budget as approved or revised by the Common Element Committee; provided, however, Declarant shall be responsible for paying any difference in costs between the Board's proposed Common Element Budget and the revised Common Element Budget prepared by the Common Element Committee. Once the members of the Common Element Committee are appointed by the Board, the Board shall have the option of either adopting the Common Element Committee's proposed Common Element Budget or rejecting any revisions; in either case, Declarant shall have no obligation for payment of any portion of the Common Element Budget. Such review and approval process shall be repeated for any changes to the Common Element Budget following the adoption of the annual budget pursuant to Section 3.3. Nothing herein will diminish or waive any duty the Board would otherwise have to fund common expenses from assessments under this Declaration or the Act.

Section 8.4 Monument and Landscaping Maintenance, Easements and Private Roads. The Association shall be responsible for maintaining any monument signage in the Plat Community and shall be responsible for maintaining any landscaping in Common Elements, including but not limited to planter strips, in accordance with the terms of the Map and all applicable laws, codes and regulations.

Section 8.5 No Adverse Possession of Common Elements. No Unit Owner or person claiming through a Unit Owner may acquire title by adverse possession to, or an easement by prescription in, any Common Element of this common interest community in derogation of the title of another Unit

Owner or the Association.

ARTICLE 9. CERTAIN GRANTS, EASEMENTS, COVENANTS AND RESTRICTIONS

Section 9.1 Map Easements and Covenants. Upon recording of the Map, various easements and covenants were established. Some of those easements and covenants are described herein or otherwise overlap with easements and covenants created herein. Consult the Map for further details.

Section 9.2 Easements Over Units. There is hereby declared and granted to the Owner of each Unit an easement over each adjoining Unit to the extent reasonably necessary to permit said Owner to repair, maintain and improve the improvements on said Owner's Unit; provided, however, that each Owner shall: (i) utilize only such portion of another Unit, and only for such duration, as is reasonably necessary to accomplish a permitted purpose and in a manner that will not unnecessarily disturb the peaceful enjoyment of such other Unit by the Owner thereof; and (ii) at said Owner's sole expense, repair any damage caused to such other Unit and improvements thereof and restore such other Unit and improvements to as near the original condition as reasonably practicable.

Section 9.3 Blanket Utility Easements. There is hereby declared and granted to the Owner of each Unit an easement upon, across, over, through and under all other Units for installation, replacement, repair and maintenance of all utility and service lines and systems serving the Real Property or any individual Unit including, but not limited to, underground waterline, power, sewer, stormwater, gas, telephone, electricity, television, cable, and other lines and systems for those utilities initially installed by Declarant or subsequently and lawfully installed by the Owners. This easement shall benefit each Unit and the providers of all such utilities.

Section 9.4 Easements for Encroachments. There is hereby declared and granted to the Owner of each Unit an easement over all abutting Units for the purpose of accommodating any encroachment due to engineering errors, errors in original construction, settlement or shifting of any building located on any Unit, or any other similar cause, and any encroachment due to building overhang or projection. Without limitation, such easement shall be applicable to any fence installed by Declarant on the Real Property. There shall be valid easements for the maintenance of said encroachment so long as they exist, and the rights and obligations of the Owner shall not be altered in any way by said encroachment, settling, or shifting; provided, however, that in no event shall an easement for encroachment be created in favor of an Owner or Owners if said encroachment occurred due to willful act of said Owner or Owners. If any Structure on a Unit is partially or totally destroyed, and then repaired or rebuilt, the Owners agree that minor, unintentional encroachments over abutting Units shall be permitted, and that there shall be valid easements for the maintenance of said encroachments so long as they shall exist. The foregoing encroachments shall not be construed to be encumbrances affecting the marketability of title to any Unit.

Section 9.5 Party Walls.

(a) **General Rules.** To the extent not inconsistent with the provisions of this Section and the Map, the general rules of law regarding party walls and liability for property damage due to negligent or willful acts or omissions shall apply to the Party Walls. Nothing may be done that will lessen or impair the structural support and integrity of the Party Walls. Each Owner of an Adjoining Unit shall have the right to joint use of the Party Wall with the Owner of the other Adjoining Unit. Except as otherwise expressly permitted in this Declaration, no windows, chimney flues, or other openings may be made in a Party Wall, and no Owner may undertake or permit any act that impairs the use of the Party Wall by the

other Adjoining Unit. The Owner of each Adjoining Unit shall maintain the home on that Unit and take all other steps reasonably necessary to protect the Party Wall from damage or deterioration from any cause, whether sudden or cumulative, including but not limited to water or moisture intrusion, damage from weather conditions, dry rot, and infestation by vermin or insects.

(b) Cost of Repair. Except as otherwise provided in this Declaration, the Owners of Adjoining Units shall equally share the expense of all reasonably necessary maintenance, repair, and reconstruction of the shared Party Wall. A Party Wall that is damaged or destroyed shall be repaired or reconstructed to essentially its condition prior to such damage or destruction. Any Owner of an Adjoining Unit may restore the Party Wall without needing the approval of the other Adjoining Unit Owner. If the need for maintenance, repair, replacement, restoration and/or reconstruction of a Party Wall results from the intentional acts or negligence of an Owner or an occupant of that Owner's Unit, or the licensee or invitee of that Owner or occupant, then that Owner shall promptly maintain, repair, replace, restore and/or reconstruct the Party Wall and shall be solely responsible for all expenses and damages related to and/or arising out of such intentional acts or negligence.

(c) Weatherproofing. Notwithstanding any other provisions of this section, an Owner who by his negligent or willful acts or omissions causes the Party Wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

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

ARTICLE 10. INSURANCE; CASUALTY LOSSES; CONDEMNATION

Section 10.1 In accordance with RCW 64.90.470, the Association shall maintain in its own name, to the extent reasonably available and subject to reasonable deductibles:

(a) Property insurance on the Common Elements, on property that must become Common Elements and other areas for which the Association has assumed responsibility for maintenance, repair and/or replacement, insuring against risks of direct physical loss commonly insured against. Because there are vertical boundaries that comprise common walls between Units, the insurance maintained under this Section shall include the Units, including without limitation the roof, structural components, exterior bearing walls, foundations, patios, balconies, exterior fixtures, machinery, and exterior equipment. The insurance shall not provide coverage for any interior surfaces, interior fixtures, interior equipment, cabinets, plumbing fixtures, electrical fixtures, furniture, art, personal effects, and appliances or other personal property of the Unit Owners. The total amount of insurance after application of any deductible shall not be less than 100% of the actual cash value of the insured property at the time the insurance is purchased and at each renewal date, exclusive of land, excavations, foundations, and other items normally excluded from property policies.

(b) Commercial general liability insurance, including medical payments insurance, in an amount determined by the Board, but not less than \$1,000,000, covering all occurrences commonly insured against for death, bodily injury and property damage arising out of or in connection with the use, ownership or maintenance of the Common Elements and other portions of the community for which the Association has maintenance responsibilities.

(c) Workers' compensation insurance to the extent required by applicable laws;

(d) Fidelity insurance with coverage to protect against dishonest acts on the part of officers, directors, trustees, employees or the Association and Managing Agent and all other persons who handle or are responsible for handling funds of or administered by the Association. All such fidelity insurance shall name the Association as obligees and shall be not less than the estimated maximum of funds, including reserve funds, in custody of the Association at any time during the term of each policy, but, in no event, shall the aggregate amount of insurance be less than three months' aggregate Assessments including reserve funds. The policy shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.

(e) Such other insurance (including directors' and officers' liability) as the Board deems advisable; provided that notwithstanding any other provisions herein, the Association shall continuously maintain in effect such casualty, flood and liability insurance and a fidelity bond meeting the insurance and fidelity bond requirements for Plat Community projects established by the Federal Housing Administration, the Federal Home Loan Mortgage Corporation, Veterans Affairs, or other governmental or quasi-governmental agencies involved in the secondary mortgage market, so long as any such agency is a Mortgagee or Owner of a Unit within the Plat Community, except to the extent such coverage is not available or has been waived in writing by such agency.

Section 10.2 Coverage Not Available. If the insurance described in Section 10.1 is not reasonably available, or is modified, cancelled, or not renewed, the Association shall promptly cause notice of that fact to be sent to all Owners, to each Eligible Mortgagee and to each Mortgagee to whom a certificate of insurance has been issued at their respective last known addresses. The phrase "Eligible Mortgagee" means the holder of a security interest on a Unit that has filed with the secretary of the association a written request that it be given copies of notices of any action by the association that requires the consent of mortgagees. The Association in any event may carry any other insurance it deems appropriate to protect the Association or Owners.

Section 10.3 Required Provisions. Association insurance policies carried pursuant to Section 10.1 shall:

- (a) Provide a standard mortgagee clause or equivalent endorsement;
- (b) Provide that each Owner is an insured person under the policy with respect to liability arising out of the Owner's interest in the Common Elements or membership in the Association;
- (c) Provide that the insurer waives its right to subrogation under the policy as to any claims against the Association, the Owner of any Unit, and/or their respective agents, employees, or tenants, and members of their household, and of any defense based upon co-insurance or upon invalidity arising from the acts of the insured;
- (d) Provide that no act or omission by any Owner, unless acting within the scope of the Owner's authority on behalf of the Association, nor any failure of the Association to comply with any warranty or condition regarding any portion of the premises over which the Association has no direct control, will void the policy or be a condition to recover under the policy;
- (e) Provide that if, at the time of loss under a policy, there is other insurance in the

name of an Owner covering the same risk covered by the policy, the Association's policy provides primary insurance, and the liability of the insurer thereunder shall not be affected by, and the insurer shall not claim any right of setoff, counterclaim, apportionment, proration, contribution or assessment by reason of any other insurance obtained by or for any Owner or any Mortgagee;

(f) Provide that the policy cannot be cancelled or substantially modified without ten (10) days' prior written notice to the Association and each Mortgagee of a first Mortgage;

(g) Contain no provision (other than insurance conditions) that will prevent Mortgagees from collection of insurance proceeds; and

(h) Contain, if available, an agreed amount and Inflation Guard Endorsement.

(i) Each Owner appoints the Association as attorney-in-fact for the purpose of purchasing and maintaining the insurance required to be obtained by the Association under this Article, including the following: collection and appropriate disposition of the proceeds thereof; the negotiation of losses and execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose.

Section 10.4 Certificate. An insurer that has issued an insurance policy under this Article shall issue certificates or memoranda of insurance to the Association and, upon written request to any Unit Owner or holder of a Mortgage. The insurer issuing the policy may not modify the amount or the extent of the coverage of the policy or cancel or refuse to renew the policy unless the insurer has complied with all applicable provisions of RCW 48.18 pertaining to cancellation or non-renewal of contracts of insurance. The insurer shall not modify the amount or the extent of the coverage of the policy, or cancel or refuse to renew the policy, without complying with the requirements of RCW 64.90.470.

Section 10.5 Notification of Sale of Unit. Promptly upon the conveyance of a Unit, the new Unit Owner shall notify the Association of the date of the conveyance and the Unit Owner's name and address. The Association shall notify each insurance company that has issued an insurance policy to the Association for the benefit of the Owners under this Article of the name of the new Owner and request that the new Owner be made a named insured under such policy.

Section 10.6 Losses. In the event of loss or destruction of any of the Common Elements, the Association shall give prompt written notice of such damage or destruction to the Unit Owners and to all Mortgagees who have requested notice of such damage or destruction from the Association. Any portion of the common interest community for which insurance is required under Section 10.1 and that is damaged or destroyed must be repaired or replaced promptly by the Association unless:

(a) The common interest community is terminated, in which case RCW 64.90.290 applies;

(b) Repair or replacement would be illegal; or

(c) Eighty percent (80%) of the Unit Owners, including every Owner of a Unit or assigned limited common element that will not be rebuilt, vote not to rebuild.

Section 10.7 Claims Adjustment. Any loss covered by the property insurance obtained by the Association under this Article must be adjusted with the Association, but the insurance proceeds for that loss are payable to any insurance trustee designated for that purpose, or otherwise to the Association, and

not to any holder of a Mortgage. The insurance trustee or the Association shall hold any insurance proceeds in trust for Unit Owners and lienholders as their interests may appear. Subject to Section 10.7, the proceeds must be disbursed first for the repair or restoration of the damaged property, and Unit Owners and lienholders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the damaged property has been completely repaired or restored or the Plat Community is terminated.

Section 10.8 Liability for Insurance Deductible and Uninsured Amounts. Notwithstanding any other provision of this Declaration, and except to the extent that (i) a lack of insurance results from the negligence of the Board of the Association or breach of the Board of the Association's duty to insure or (ii) damage is the result of the sole negligence of the Association or failure of a Common Element, the Association and/or Unit Owners are responsible for the cost to repair the damage within the limits of any applicable insurance deductible or any otherwise uninsured amount as follows:

(a) Where damage results from the negligence or misconduct of a Unit Owner or its tenant, guest, invitee, or the family, servants, employees, agents, visitors, licensees, or household pet of that Owner (including any damage from the failure of or failure to maintain, repair or replace any item for which the Unit Owner has the maintenance obligation), the Unit Owner is responsible for such costs;

(b) Where the damage is limited solely to an Owner's Unit, that Unit Owner is responsible for such costs, unless another Unit Owner is responsible for such costs in accordance with subsection (a);

(c) Unless another Owner or Owners are responsible under subsections (a) or (b), where the damage is to more than one Unit or to at least one Unit and the Common Elements, responsibility for such costs shall be pro-rated between the Association and any involved Unit Owner in proportion to the relative cost to repair the damage to the Common Elements and the affected Unit. The Board may determine the relative cost to repair the damage based on a reasonable estimate for such repairs;

(d) Costs for which a Unit Owner is responsible under this Section are considered "loss assessments" and shall be specially charged and assessed against the Unit or Units involved and shall be collectable as Assessments may be collected under this Declaration or at law. See Section 3.2.

Section 10.9 Condemnation. If any part of the Common Elements is subject to any condemnation or eminent domain proceeding or is otherwise sought to be acquired by any condemning authority, the Association shall give prompt notice of any such proceeding or proposed acquisition to the Unit Owners and to all Mortgagees who have requested notice of any such proceeding or proposed acquisition from the Association. All compensation, damages, or other proceeds therefrom, shall be payable to the Association.

Section 10.10 Owner's Insurance. Notwithstanding Section 10.1, each Unit Owner shall obtain and maintain individual homeowner's insurance policy that provides coverage for the Owner's Unit and personal belongings therein, and, to the extent reasonably available:

(a) Loss of use, loss of rental income, and loss Assessment exposures;

(b) Comprehensive personal liability coverage for any damage to other Units or Common or limited common elements arising or resulting from the Owner's negligence, carelessness, or acts or omissions, or from damage caused by fixtures or appliances maintained by the Owner; and

(c) The minimum real property coverage for an Owner policy shall not be less than

the amount of the deductible for the Association's policy of property insurance, or any greater amounts as may be established by the Board.

(d) The minimum loss assessment coverage shall be the amount of the deductible for the Association's policy of property insurance.

Unit Owners shall file a certificate of insurance for such individual policy or policies with the Board within thirty (30) days of any request by the Board. The Association shall have the right but not the obligation to monitor the maintenance of such insurance by Owners.

Section 10.11 Renter's Insurance. Unit Owners shall require any tenants of their Units to obtain renter's insurance to protect the tenants' personal property, provide for loss of use, and to provide general liability insurance for acts and omissions by the tenants and their guests, agents, pets, and invitees.

Section 10.12 Owner's or Renter's Insurance Deductible. Under no circumstances shall the Association pay any insurance deductible due under a Unit Owner's individual insurance policy or any renter's insurance policy. The Board may require a Unit Owner to file a claim under the Owner's policy if the Owner is responsible for damage and has not otherwise paid their obligations for the necessary repairs.

ARTICLE 11. ENFORCEMENT

Section 11.1 Right to Enforce. The Association, Declarant, or any Unit Owner shall have the right to enforce, by any appropriate proceeding at law or in equity, all covenants, conditions, restrictions, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration.

Section 11.2 Remedies Cumulative. Remedies provided by this Declaration are in addition to, cumulative with, and are not in lieu of, other remedies provided by law. There shall be, and there is hereby created, a conclusive presumption that any breach or attempted breach of the covenants, conditions, and restrictions herein cannot be adequately remedied by an action at law or exclusively by recovery of damages.

Section 11.3 Covenants Running with the Land. The covenants, conditions, restrictions, liens, easements, enjoyment rights, and other provisions contained herein are intended to and shall run with the land and shall be binding upon all persons purchasing, leasing, subleasing, or otherwise occupying any portion of the Real Property, their heirs, executors, administrators, successors, grantees, and assigns. All instruments granting or conveying any interest in any Unit shall be subject to this Declaration.

Section 11.4 Right to Assess Penalty on Unit for Violations of Declaration. The Board, by simple majority vote, shall determine whether a Unit Owner has breached, or a Unit is in breach, of any of the covenants, conditions, and restrictions provided herein. After thirty (30) days' written notice to such Unit Owner, the Unit Owner shall have an opportunity to be heard by the Board regarding the violation. After such hearing, the Association by a two-thirds (2/3) majority vote of the Board, is empowered to assess a penalty in accordance with an established schedule of fines adopted by the Board and furnished to the Unit Owners. Such penalty shall be a levied special assessment and constitute a lien against the Unit, enforceable as provided herein. Declarant shall be exempt from penalties.

ARTICLE 12. AMENDMENT

Section 12.1 Amendment by Declarant or Association. Upon thirty (30) days' advance notice to Unit owners, Declarant may, without a vote of the Unit Owners or approval by the Board, unilaterally adopt, execute, and record a corrective amendment or supplement to the Governing Documents to correct a mathematical mistake, an inconsistency, or a scrivener's error, or clarify an ambiguity in the Governing Documents with respect to an objectively verifiable fact including, without limitation, recalculating the liability for Common Expenses or the number of votes in the Association appertaining to a Unit, within five (5) years after the recordation or adoption of the Governing Document containing or creating the mistake, inconsistency, error, or ambiguity. Any such amendment or supplement may not materially reduce what the obligations of Declarant would have been if the mistake, inconsistency, error, or ambiguity had not occurred. Upon thirty (30) days' advance notice to Unit Owners, the Association may, upon a vote of two-thirds (2/3) of the members of the Board, without a vote of the Unit Owners, adopt, execute, and record an amendment to the declaration for the following purposes: (a) to correct or supplement the Governing Documents as provided above; or (b) to remove any language and otherwise amend as necessary to effect the removal of language in direct conflict with the Act.

Section 12.2 Amendments by Unit Owners. Except in cases of amendments that may be executed by Declarant or the Association pursuant to Section 12.1 or as expressly permitted in accordance with the Act, this Declaration may be amended only by vote or agreement of Unit Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated.

Section 12.3 Effective Date & Cross-References. Amendments shall take effect only upon recording in the official real property records of Benton County, Washington. All amendments must contain a cross-reference by recording number to the Declaration and to any prior amendments to the Declaration. All amendments to the Declaration adding Units must contain a cross-reference by recording number to the Map relating to the added Units and set forth all information required under RCW 64.90.225(1) with respect to added Units.

ARTICLE 13. GENERAL PROVISIONS

Section 13.1 Taxes. Each Unit Owner shall pay without abatement, deduction, or offset, all real and personal property taxes, general and special assessments, including local improvement assessments, and other charges of every description levied on or assessed against his or her Unit, or personal property located on or in the Unit. The Association shall likewise pay without abatement, deduction, or offset, all of the foregoing taxes, assessments, and charges levied or assessed against the Common Elements.

Section 13.2 Non-Waiver. No waiver of any breach of this Declaration or failure to enforce any covenant of this Declaration shall constitute a waiver of any other breach, whether of the same or any other covenant, condition, or restriction.

Section 13.3 Attorney Fees. In the event of a suit or action to enforce any provision of this Declaration or to collect any money due hereunder or to foreclose a lien, the unsuccessful party in such suit or action shall pay to the prevailing party all costs and expenses, including title reports, and all attorney fees that the prevailing party has incurred in connection with the suit or action, in such amounts as the court may deem to be reasonable therein, and also including all costs, expenses, and attorney fees incurred in connection with any appeal from the decision of a trial court or any intermediate appellate court.

Section 13.4 No Abandonment of Obligation. No Unit Owner, through his or her non-use of any Common Element, or by abandonment of his or her Unit, may avoid or diminish the burdens or obligations imposed by this Declaration.

Section 13.5 Captions. The captions of the various articles, sections and paragraphs of this Declaration are for convenience of use and reference only and do not define, limit, augment, or describe the scope, content or intent of this Declaration or any parts of this Declaration.

Section 13.6 Severability. Invalidation of any one of these covenants, conditions, restrictions, easements, or provisions by judgment or court order shall in no way affect any other of the same, all of which shall remain in full force and effect.

Section 13.7 Notices. All notices, demands, or other communications ("Notices") permitted or required to be given by this Declaration shall be in the form of a record, in a tangible medium, or in an electronic transmission in accordance with RCW 64.90.515. If mailed, the Notice shall be by certified or registered mail, return receipt requested, with postage prepaid and shall be deemed given three (3) days after the date of mailing thereof, or on the date of actual receipt, if sooner. Notices provided by electronic transmission shall be deemed effective according to the requirements of RCW 64.90.515. All other Notices shall be deemed given on the date of actual receipt. Notice in a tangible medium to a Unit Owner must be addressed to the Unit address unless the Unit Owner has requested, in a record delivered to the Association, that Notices be sent to an alternate address or by other method allowed by this Declaration. If there is more than one Unit Owner of a Unit, Notice to any one such Unit Owner shall be sufficient. The address of Declarant and of the Association shall be given to each Unit Owner at or before the time he or she becomes a Unit Owner. If the address of Declarant or the Association shall be changed, Notice shall be given to all Unit Owners.

Section 13.8 Indemnification. The Association shall indemnify every officer and director authorized to act on behalf of the Association by the Board or by this Declaration against any and all expenses, including counsel fees, reasonably incurred by, or imposed upon, any officer and director in connection with any action, suit or proceeding if approved by the then Board to which he or she may be a party by reason of being or having been an officer and director. The officers and directors shall not be liable for any mistakes of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers and directors may also be members of the Association), and the Association shall indemnify and forever hold each officer and director free and harmless against any and all liability to others on account of any such contract or commitment. The Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation.

Section 13.9 Applicable Law. This Declaration shall be construed in all respects under the laws of the State of Washington.

[Remainder of page left blank; signature follows on next page.]

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration the day and year first above written.

DECLARANT:

**Columbia Valley Property Holdings LLC., a
Washington Limited Liability Company**

Mallikarjuna Vallem

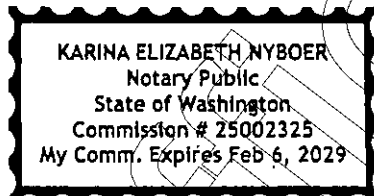
By: Mallikarjuna Vallem

Its: Manager

STATE OF WASHINGTON)
COUNTY OF Benton) ss.

This record was acknowledged before me on April 27, 2026 by
Mallikarjuna Vallem as manager of Columbia Valley
Property Holdings LLC., a Washington Limited Liability Company.

GIVEN under my hand and official seal this 27 day of April, 2026.



Karina Nyboer
NOTARY PUBLIC in and for the
State of Washington.

My commission expires Feb 6, 2029

Exhibit A
Legal Description

LOCATED IN A PORTION OF THE SOUTHWEST QUARTER OF SECTION 22,
TOWNSHIP 9 NORTH, RANGE 28 EAST, W.M., CITY OF RICHLAND, BENTON
COUNTY, WASHINGTON

Parcel Numbers:

S. No.	Lot #	Address			Parcel #
1	Lot-1	2395	Lariat Lane	Richland, WA 99352	122983040000001
2	Lot-2	2396	Lariat Lane	Richland, WA 99352	122983040000002
3	Lot-3	2372	Lariat Lane	Richland, WA 99352	122983040000003
4	Lot-4	2364	Lariat Lane	Richland, WA 99352	122983040000004
5	Lot-5	2356	Lariat Lane	Richland, WA 99352	122983040000005
6	Lot-6	2348	Lariat Lane	Richland, WA 99352	122983040000006
7	Lot-7	2340	Lariat Lane	Richland, WA 99352	122983040000007
8	Lot-8	2332	Lariat Lane	Richland, WA 99352	122983040000008
9	Lot-9	2324	Lariat Lane	Richland, WA 99352	122983040000009
10	Lot-10	2323	Lariat Lane	Richland, WA 99352	122983040000010
11	Lot-11	2331	Lariat Lane	Richland, WA 99352	122983040000011
12	Lot-12	2339	Lariat Lane	Richland, WA 99352	122983040000012
13	Lot-13	2347	Lariat Lane	Richland, WA 99352	122983040000013
14	Lot-14	2355	Lariat Lane	Richland, WA 99352	122983040000014
15	Lot-15	2363	Lariat Lane	Richland, WA 99352	122983040000015
16	Lot-16	2371	Lariat Lane	Richland, WA 99352	122983040000016
17	Lot-17	2379	Lariat Lane	Richland, WA 99352	122983040000017
18	Lot-18	2387	Lariat Lane	Richland, WA 99352	122983040000018
19	Lot-19	1184	Lapins Court	Richland, WA 99352	122983040000019