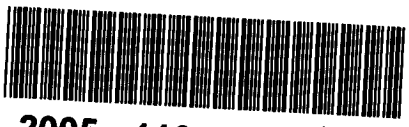
FILED FOR RECORD AT THE REQUEST
OF Craig Heckman
RECORDED IN RECORDS OF CLALLAM CO
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RETURN ADDRESS
Craig Heckman
3105 Chrisfield
Port Angeles WA
98363



2005 1164049 Clallam County

(31)

Please print neatly or type information

Document Title(s)
7TH AVE. TOWNHOMES
Covenants Conditions + Restrictions

Reference Numbers(s) of related documents
2005-1164048 14/77 Plats

Additional Reference #'s on page____

Grantor(s) (Last, First and Middle initial)
Craig & Amy Heckman

Additional Grantors on page____

Grantee(s) (Last, First and Middle initial)
Public

Additional Grantees on page____

Legal Description (abbreviated form: lot, block, plat or section, township, range, quarter/quarter)
Section 30 township 30 North, Range 3 West, W.M

Additional legal is on page____

Assessor's Property Tax Parcel/Account Number

Additional parcel #'s on page____

The Auditor/Record will rely on the information provided on this form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein.

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

OF

7TH AVE TOWN HOMES

CLALLAM COUNTY, WASHINGTON

THIS DECLARATION is made this 31st day of August, 2005, by the undersigned, hereafter referred to as "Declarant".

DESCRIPTION OF THE LAND

A Declarant owns certain real property located within the State of Washington, which property and improvements are commonly known as 7th Ave Town Homes, located in Clallam County, Washington, and legally described in attached Exhibit A (the "Project") All Common Areas of the Project are shown on the Plat Maps recorded m conjunction with this Declaration.

B For the benefit and protection of the Project, to enhance its value and attractiveness, and as an inducement to lenders and investors to make and purchase loans secured by Lots within the Project, Declarant agrees to provide herein for a method of use and architectural control within the Project

NOW, THEREFORE, Declarant hereby declares that the Lots described herein shall be held, conveyed, encumbered, leased, rented, used, occupied and improved subject to the following uniform covenants, conditions, restrictions, reservations, grants of easement, rights, rights-of-way, liens, charges and equitable servitudes.

Any conveyances, transfer, sale, assignment, lease or sublease of a Lot in the Project shall and hereby is deemed to incorporate by reference all provisions of this Declaration. The provisions of this Declaration shall be enforceable by Declarant, any Lot Owner, the Association, and any first mortgagee of any Lot.

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ARTICLE I

INTERPRETATION

1.1 **Liberal Construction**. The provisions of this Declaration shall be liberally construed to effectuate Its purpose of creating a uniform plan for the operation and maintenance of the Project.

1.2 **Covenant Running with Land.** It is intended that this Declaration shall be operative as a set of covenants running with the land, or equitable servitudes, binding on Declarant, Its successors and assigns, all subsequent Owners of the Project or any Lots, together with their grantees, successors, heirs, executors, administrators, devisees or assigns

1.3 **Declarant is Original Owner**. Declarant is the original Owner of all Lots and Project and will continue to be deemed the Owner thereof except as conveyances or documents changing such Ownership regarding specifically described Lots or portions of the Project are filed of record

1.4 **Captions.** Captions given to the various articles and sections herein are for convenience only and are not intended to modify or affect the meaning of any of the substantive provisions hereof

1.5 **Definitions.**

1.5.1 "ACC" shall mean the Architectural Control Committee provided for in Article 6

1.5.2 "Association" shall mean the Owners' Association provided for in Article 4 and its successors and assigns

1.5.3 "BOARD" shall mean the Board of Directors of the Association provided for in Article 5

1.5.4 "Bylaws" shall mean the duly adopted bylaws of the Association

1.5.5 "Common Area" shall mean all real property (including the improvements thereto) owned by the Association or by the Owners m common for the common use and enjoyment of the Owners and shall include (unless/until dedicated to a governmental entity) an Common Areas described on the Plat Map, Project entry sign(s) and landscaping, planter islands on roads or cul-de-sacs, and mailbox stands serving more than one Lot

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1.5.6 "Declarant" shall mean the undersigned (being the sole Owner of the real property described m Exhibit A hereof) and its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development and by written Instrument in recordable form be specifically assigned the rights and duties of Declarant.

1.5.7 "Declaration" shall mean this declaration and any amendments thereto

1.5.8 "Home" shall mean and refer to any structure, or portion of a structure, located on a Lot, which structure is designed and intended for use and occupancy as a residence by a single family or which is intended for use in connection with such residence.

1.5.9 "Lot" shall mean and refer to any plot of land shown upon any recorded Plat Map of the Project excluding Common Areas, as well as any unplatted plots of land within the Project Lot shall not include any land now or hereafter owned by the Association or by all of the Lot Owners as tenants in common, nor include any land shown on a Plat Map but dedicated to the public or to a governmental entity

1.5.10 "Mortgage" shall mean a recorded mortgage or deed of trust that creates a lien against a Lot and shall also mean a real estate contract for the sale of a Lot

1.5.11 "Mortgagee" shall mean the beneficial Owner, or the designee of the beneficial Owner, of an encumbrance on a Lot created by mortgage or deed of trust and shall also mean the vendor, or the designee of a vendor, of a real estate contract for the sale of a Lot

1.5.12 "Owner" shall mean and refer to the record Owner, whether one or more persons or entitles, of a fee simple title to any Lot which is a part of the Project, and, except as may be otherwise expressly provided herein, shall, m the case of a Lot which has been sold pursuant to a real estate contract, include any person of record holding a vendee's interest under such real estate contract, to the exclusion of the vendor thereunder. Any person or entity having such an interest merely as security for the performance of an obligation shall not be considered an Owner

1.5.13 "Person" shall include natural persons, partnerships, limited liability companies, corporations, associations and personal representatives

1.5.14 "Project" shall mean the real estate described in Exhibit A and all Improvements and structures thereon, including such additions thereto as may hereafter be brought within the Jurisdiction of the Association

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1.5.15 "Plat Map" shall mean the Plat Map(s) approved by the appropriate governmental entity and recorded in conjunction with or subsequent to this Declaration, which Plat Maps depict the layout of the Lots on the Project

1.6 Percentage of Mortgagees. For purposes of determining the percentage of first mortgagees approving a proposed decision or course of action, a mortgagee shall be deemed a separate mortgagee for each Lot on which it holds a mortgage that constitutes a first lien on said Lot

1.7 Percentage of Owners. For purposes of determining the percentage of Owners approving a proposed decision or course of action, an Owner shall be deemed a separate Owner for each Lot owned.

ARTICLE 2

OWNERSHIP OF COMMON AREA

2.1 **Ownership of Common Area.** All Common Areas shall be owned by the Owners of all the Lots as tenants in common. The Common Area shall exclude those portions of common areas (and improvements thereto) which have been or may hereafter be, dedicated to and owned by the public or a governmental entity The Common Area shall for all purposes be under the control, management and administration of the Declarant until all Class B membership (as defined m Article 4) terminates, and under the control, management and administration of the Association on behalf of the Owners thereafter The Association (and the Owners who are members thereof) have the responsibility and obligation to maintain, repair and administer the Common Area In a clean, attractive, sanitary and safe condition and In full compliance with applicable, governmental laws, roles and regulations and the provisions of this Declaration

ARTICLE 3

OWNER'S PROPERTY RIGHTS

3.1 **Owner's Rights of Enjoyment.** Every Owner shall have a non-exclusive right, in common with all Owners, of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions

3.1.1 The right of the Association to limit access to those portions of the Common Areas, which in the opinion of the Board are dangerous.

3.1.2 The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon any Common Area

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3.1.3 The right of the Association to suspend the voting rights and right to use of the Common Areas by an Owner for any period during which any assessment against such Owner's Lot remains unpaid, and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations. Until all Class B membership terminates, the Association shall be required to exercise Its right to suspend the voting rights of, and the right to the use of the recreational facilities by, a member for non-payment of an assessment, upon the request of the Declarant

3.1.4 The right of the Association to limit the number of guests of members

3.1.5 The right of the Association, in accordance with this Declaration and its Articles of Incorporation and Bylaws, to borrow money for the purpose of improving the Common Area and facilities and in aid thereof to mortgage said property, but the rights of such mortgagee in said property shall be subordinate to the rights of the Owners hereunder and subject to the provisions of Section 11.5.

3.1.6 The right of the Association to take such steps as are reasonably necessary to protect any property mortgaged m accordance with Section 3.1.5 against foreclosure, including, but not limited to, the right to charge admission and other fees as a condition to continued enjoyment by the Owners and, if necessary, to open the enjoyment of such properties to the public

3.1.7 Until all Class B membership terminates, the exercise of all of the rights and powers set forth m subsections 3.1.2, 3.1.3, 3.1.4, 3.1.5 and 3.1.6 shall require the prior written approval of Declarant

3.2 **Delegation of Use.** Any Owner may delegate (in accordance with the Bylaws), his/her right of enjoyment to the Common Area and facilities to the members of his/her family, or his/her tenants or contract purchasers who reside on the Owner's Lot and (subject to regulation by the Association) to his/her temporary guests.

ARTICLE 4

OWNERS' ASSOCIATION

4.1 **Establishment**. Until necessary, the Declarant(sole owner) shall act as the "Association". All references made to ownership, class B membership, the Board, and voting rights will be addressed in the future with an amendment to this declaration of covenants, conditions, and restrictions.

4.2 **Bylaws of Association.** Bylaws for the administration of the Association and the Project and to further the intent of this declaration, may be adopted or amended by the Owners at a regular of special meeting, provided, that the initial Bylaws shall be adopted by Declarant. In the event of any conflict between this Declaration and any Bylaws, the provisions of this Declaration shall prevail.

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ARTICLE 5

MANAGEMENT OF THE ASSOCIATION

5.1 **Administration of the Development**. The Owners covenant and agree that the administration of the Project shall be in accordance with the provisions of this Declaration and the Bylaws of the Association

5.2 **Management by Declarant.** The Declarant until amended shall manage the Project on behalf of the Association.

5.3 **Management by Elected Board of Directors.** At the expiration of Declarant's management authority under Section 5.2, power and authority shall vest m the Board of Directors elected from among the Lot Owners . The number of directors shall be specified in the Bylaws and shall be sufficient to adequately handle the affairs of the Association The Board may delegate all or any portion of its management duties to a managing agent or officer of the Association as provided for m the Bylaws All Board offices shall be open for election at an organizational meeting The Board shall elect from among its members a president who shall preside over meetings of the Board and the meetings of the Association

5.4 **Authority and Duties of the Board.** On behalf of and acting for the Association, the Board (or the Declarant or Declarant's managing agent as provided m Section 5.2 hereof), for the benefit of the Project and the Owners, shall have all powers and authority permitted to the Board under this Declaration and any applicable law, including but not limited to the following.

5.4.1 **Assessments.** Establish and collect regular assessments (and to the extent necessary and permitted hereunder, special assessments) to defray expenses attributable to carrying out its duties hereunder and maintain an adequate reserve fund for the maintenance, repair, improvement and replacement of those portions of the Common Area or facilities which must be maintained, repaired or replaced on a periodic basis, which reserve shall be funded by the above assessments the Association may impose and collect charges for late payments of assessments

5.4.2 **Service.** Obtain the services of persons or firms as required to properly manage the affairs of the Project to the extent deemed advisable by the. Board including legal and accounting services, property management services as well as such other personnel as the Board shall determine are necessary or proper for the operation of the Common Area, whether such personnel are employed directly by the Board or are furnished by the manager or management firm or agent

5.4.3 **Utilities.** Obtain water, sewer, garbage collection, electrical, telephone, gas and any other necessary utility service, Including utility easements and street lighting, as required for the Common Area.

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5.4.4 **Insurance**. Obtain and pay for policies of insurance or bonds providing Common Area casualty and liability coverage, and for fidelity of Association officers and other employees, the requirements of which are more fully set forth In Article 15.

5.4.5 **Maintenance and Repair of Common Areas.** Pay for the costs of painting, maintenance, repair and all landscapmg and gardening work for all Common Area, and Improvements located thereon, so as to keep the Project in a good, clean, attractive, sanitary and safe condition and in full compliance with applicable governmental laws, rules and regulations and the provisions of this Declaration. The foregoing shall include the cost of maintaining storm retention ponds or similar facilities, if any, the cost of maintaining, repairing and replacing mailbox stands that serve more than one (1) Lot, and such replacing and repairing of furnishings and equipment, if any, for the Common Area as the Board shall determine are necessary and proper

5.4.6 **Maintenance of Rights of Way**, etc. To the extent deemed advisable by the Board, pay for the costs of maintaining and landscaping rights of way, traffic islands and medians, or other similar areas which are within or adjacent to the Project boundaries, and which are owned by or dedicated to a governmental entity, if said governmental entity fails to do so, provided, the Lot Owner at the Owner's expense (rather than the Association) shall maintain and landscape such areas as are adjacent to such Owner's lot.

5.4.7 **Fences. Landscaping. etc.** To the extent deemed advisable by the Board, pay for the cost of construct, maintaining, repairing and replacing: perimeter and interior fences, If any, and landscaping and improvements on Common Area easements, if any, which are located on or across Lots, provided, the Board at its option may require a Lot Owner at the Owner's expense to maintain and repair and replace such fences, landscaping and Improvements as are adjacent to such Owner's Lot All such perimeter and interior fences shall be constructed, installed repaired and replaced m accordance with the Common Fence Design of the project.

5.4.8 **Enforce Declaration.** Enforce the applicable provisions of the Declaration for the management and control of the Project

5.4.9 **Contracting: and Payment for Materials. Services. etc.** Contract and pay for any materials, supplies, labor or services which the Board should determine are necessary or proper for the enforcement of tins Declaration, including legal, accounting, management or other services, provided that if for any reason any materials, supplies, labor or services are provided for particular Lots or their Owners, the cost thereof shall be specially charged to the Owners of such Lots

5.4.10 **Attorney"in-Fact.** Each Owner, by the mere act of becoming an Owner, shall irrevocably appoint the Association as his/her attorney-in-fact, with full power of substitution, to take such action as reasonably necessary to promptly perform the duties of the Association and Board hereunder, including but not limited to the duties to maintain, repair and improve the Project, to deal with the Project upon damage or

destruction, to grant easements and licenses over Common Areas, and to secure insurance proceeds

5.4.11 **Borrowing of Funds.** In the discharge of its duties and the exercise of its powers as set forth herein, but subject to the limitations set forth herein, the Board may borrow funds on behalf of the Association

5.4.12 **Adoption of Rules and Regulations; Fines.** When and to the extent deemed advisable by the Board, to adopt reasonable rules and regulations governing the maintenance and use of the Project and other matters of mutual concern to the Lot Owners, which rules and regulations are not inconsistent with this Declaration and the Bylaws and which treat all Owners fairly and on a non-discriminatory basis. The Board may impose and collect charges for late payments of assessments and, after notice and an opportunity to be heard by the Board or by a representative designated by the Board In accordance with procedures as provided in the Bylaws or rules and regulations adopted by the Board, levy reasonable fines in accordance with a previously established schedule adopted by the Board and furnished to the Owners for violation of the Bylaws, rules and regulations of the Association

5.4.13 **Additional Powers of Association.** In addition to the duties and powers of the Association as specified in this Declaration, but subject to the provisions of this Declaration, the Association, acting through its Board, shall have the power to do all other things that it may deem reasonably necessary to carry out its duties and the purposes of this Declaration

ARTICLE 6

ARCHITECTURAL CONTROL

6.1 Construction and Exterior Alteration or Repair.

6.1.1 All buildings and structures (Including, without limitation, concrete or masonry walls, rockeries, fences, sheds, swimming pools, if any, or other structures) to be constructed within the Project, and all exterior alterations and repairs (including, but not limited to, re-roofing or repainting) of any buildings or structures on the Project and visible from any public street, Common Area or other Lot must be approved in writing by the Board, or by an Architectural Control Committee ("ACC") composed of three (3) or more representatives appointed by the Board, provided, that so long as Declarant owns any Lots within the Project, Declarant at its option may exercise all of the rights and powers of the Board under Section 6.1 including without limitation the appointment of members of the ACC. References in this Article 6 to the ACC shall be deemed to include the ACC, the Board, or the Declarant, as Circumstances may dictate. Complete plans and specifications, including colors, of all such proposed buildings, structures, and exterior alterations and repairs, together with detailed plans showing the proposed location of the same on the particular building site and other data requested by the ACC, shall be submitted to the ACC along with a written request for approval signed by the Owner.

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Any exterior modifications m accordance with plans and specifications developed by the Declarant and filed with the Board at the time of transfer (pursuant to Article 5.3) shall be deemed approved exterior modifications

6.1.2 The ACC will review all requests for approval of construction, alteration or repair for quality of workmanship and materials planned and for conformity and harmony of the external design with proposed or existing structures on neighborhood residential Lots or building sites, and for location of the building with respect to topography, finish grade elevation and building setback restrictions

6.1.3 In the event the ACC falls to approve or disapprove such request wthm ninety (90) days after all required plans and specifications have been submitted to it, such approval shall be deemed given by the ACC

6.1.4 All plans and specifications for approval by the ACC must be submitted in duplicate, at least ninety (90) days prior to the proposed construction or exterior alteration or repair starting date. Construction, alteration or repair shall not be started until written approval thereof is given by the ACC.

6.1.5 The ACC may require that said plans or specifications be prepared by an architect or a competent house designer, approved by the ACC. One complete set of said plans and specifications shall in each case be delivered to and permanently retained by the ACC. All buildings or structures (including but not limited to garden sheds) shall be erected or constructed, and all exterior alterations or repairs made, by a contractor, house builder or other person or entity approved by the ACC. The ACC shall have the right to refuse to approve any design, plan or color for such improvements, construction, or exterior alteration or repair visible from a public street, Common Area or other Lot which is not suitable or desirable, in the ACC's reasonable opinion, aesthetic or otherwise

6.1.6 In so passing upon such design, the ACC shall have the right to take into consideration the suitability of the proposed building or other structure, and the material of which it is to be built, and the exterior color scheme, to the site upon which it is proposed to be erected, the harmony thereof with the surroundings, and the effect or impairment that said structure will have on the view or outlook of surrounding building sites, and any and all factors, which, In the ACC's opinion, could affect the desirability or suitability of such proposed structure, improvements, or exterior alteration or repair

6.1.7 The ACC shall have the right to disapprove the design or installation of a swimming pool or any other recreational structure or equipment, in the ACC's reasonable opinion, aesthetic or otherwise. In so passing upon such design or proposed installation, the ACC shall have the right to take into consideration the visual impact of the structure and the noise impact of the related activities upon all of the properties located In close proximity Any enclosure or cover used in connection with such a recreational structure or equipment, whether temporary, collapsible, seasonal, or whatever, shall be treated as a permanent structure for the purposes of these covenants, and shall be subject to all the

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conditions, restrictions, and requirements as set forth herein for all buildings and structures

6.1.8 The ACC shall have the right to require, at a Lot Owner's expense, the trimming or topping (or, if deemed necessary by the ACC, removal) of any tree, hedge or shrub on a Lot which the ACC determines is unreasonably blocking or interfering with the view or access to sunlight of another Lot

6.1.9 Approval by the ACC is independent of, in addition to, and not to be construed as a representation as to compliance with, any requirements for a permit, license or other approval by Clallam County or other applicable governmental or quasi-governmental entity The Lot Owner is responsible for obtaining any such governmental approvals.

6.1.10 Declarant (Including any successor in interest to Declarant's status as Declarant) shall not be subject to the restrictions of this Section 6.1 as to any Lot owned by Declarant, whether or not any Class B membership exists and whether or not management of the Association has been relinquished by Declarant pursuant to Section 5.2 hereof

6.2 **Sales Facilities of Declarant.** Notwithstanding any provision in this Declaration to the contrary, Declarant (and Its agents, employees and contractors) shall be permitted to maintain during the period of sale of Lots and/or Homes upon such portion of the Project (other than Lots sold by Declarant) as Declarant may choose, such facilities as in the sole opinion of the Declarant may be reasonably required, convenient or incidental to the construction, sale or rental of Lots and Homes, including but not limited to, a business office, storage area, signs, model units, sales office, construction office, and parking areas for all prospective tenants or purchasers of Declarant

6.3 **Variances.** The Board may upon written request of an Owner, grant a variance from the requirements of Article 7 only in cases where, because of the physical characteristics of the Lot, strict enforcement would result in an unnecessary hardship. The Board may only grant a variance from the provisions of Sections 7.11 through 7.17, 7.19 through 7.21, 7.23, 7.29, or 7.36. The Board's authority to grant such a variance shall not be delegated to the ACC prior to granting such a variance, the Board shall hold an open hearing at which other Owners may comment at least fifteen (15) days prior to such hearing, the Board shall give written notice of the nature of the requested variance to the Owner of each Lot immediately adjacent to the Lot for which the variance is requested, to other Owners that would reasonably be affected by the variance, and by requiring the Owner requesting the variance to post a notice on such Owner's Lot in a form reasonably satisfactory to the Board

6.4 **Appeals.** Any aggrieved Owner may appeal a decision of the ACC to the Board by written notice within sixty (60) days after the ACC's written decision. The Board will review the ACC decision at the Board's next regularly scheduled meeting (but in any event not later than thirty (30) days after receipt of the notice of appeal). The

Board shall give written notice to the appealing Owner of the time and place of such meeting at least five (5) days in advance

ARTICLE 7

USE AND MAINTENANCE OBLIGATION OF OWNERS

7.1 **Maintenance of Lots.** Each Owner, at said Owner's sole cost and expense, shall promptly and continuously maintain, repair and restore said Owner's Lot (including the yard and landscaping) and Home and other improvements located thereon, and also such other areas as may be required pursuant to Sections 5.4.6 and 5.4.7, in a good, clean, attractive, safe and sanitary condition and in full compliance with all applicable governmental laws, rules and regulations and the provisions of this Declaration and the rules and regulations of the Association.

7.2 **Residential Use.** Except as provided in Section 7.6, all Lots and Improvements located thereon shall be used, improved and devoted exclusively to residential use. Nothing herein shall be deemed to prevent the Owner from leasing a Lot and improvements subject to all of the provisions of the Declaration

7.3 **Restriction on Further Subdivision.** No Lot or portion of a Lot shall be divided and sold or resold, nor ownership changed or transferred whereby the ownership of any portion of this Project shall be less than the area required for the use district in which located, provided, the foregoing shall not prohibit deeds of correction, deeds to resolve boundary disputes and similar corrective instruments. Lots may be joined and joined Lots may subsequently be subdivided only into the Lots originally joined

7.4 **N/A**

7.5 **Zoning Regulations.** Zoning regulations, building regulations, environmental regulations and other similar governmental regulations applicable to the Project shall be observed. In the event of any conflict between any provision of such governmental regulations and the restrictions of this Declaration, the more restrictive provision shall apply.

7.6 **Business Use.** No business of any kind shall be conducted on any Lot with the exception of (a) the business of Declarant in developing and selling all of the Lots, and (b) such home occupation as may be permitted by the appropriate local government and which is not otherwise in violation of the provisions of this Declaration

7.7 **Building Setback Requirements.** All buildings and other Lot improvements shall comply with all applicable governmental requirements, including without limitation minimum setback requirements. No building or other structure shall be located within any building setback line shown on the Plat Map

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7.8 **Oil and Mining Operations.** No oil drilling, oil development operations, all refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted on or in any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot

7.9 **Catch Basin.** The Owner of each Lot shall ensure the cleanmg of all catch basins, if any, located on such Lot at least once prior to September 15 of each calendar year

7.10 **Lot Size.** No residential structure shall be erected or placed on any Lot which has a Lot area of less than that required by the government entity having appropriate jurisdiction over the Project

7.11 N/A

7.12 N/A

7.13 **Mobile or Manufactured Housing.** Custom designs by licensed architects shall be strongly encouraged and any use of repetitive design shall be strongly discouraged and/or prohibited at the discretion of the ACC. The ACC may refuse to approve a plan based on design or repetitive use of a plan, or for failure to meet the approved criteria as set forth. There shall be no mobile or manufactured housing

7.14 **Drivewav Standards.** All driveways shall be constructed of concrete with a minimum of aggregate finish or other material approved by ACC

7.15 **Parking.** Unless substantially screened from view from the street or from the ground level of adjacent Lots and Common Area m a manner reasonably approved by the ACC, no recreational vehicles, commercial vehicles, construction or like equipment, motorcycles, or trailers (utility, boat, camping, horse, or otherwise), shall be allowed to be parked or stored on any Lot or street for a cumulative period in excess of fourteen (14) days in anyone (1) calendar year. No motor vehicles of any kind shall be parked overnight on any street adjoining any Lot or Common Area; provided that, such vehicles belonging to guests of a Lot Owner may occasionally be so parked so long as such parking will not violate any other provision of this Section 7.15. No motor vehicle of any kind that is inoperative by reason of mechanical failure shall be parked or stored on any Lot or in any right-of-way or street adjoining any Lot or Common Area for more than seventy-two (72) hours. The Board shall have full authority to determine, in its sole discretion, if any vehicle is obnoxious or undesirable to other Lot Owners and to enforce this covenant Pursuant to Article 9 of this Declaration, the Association may levy fines or have vehicles that are parked in violation of this Section towed and Impounded at the Owner's expense

7.16 **Roof.** The exterior of all roofs shall be composed of materials approved by ACC. All roofs must have a pitch of at least 4/12 (four on twelve), unless approved by

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the ACC based on considerations regarding a specific Lot. Under no circumstances are flat roofs allowed. Roof material shall be at least twenty-five (25) year architectural composition asphalt shingle, charcoal color, and by a manufacturer approved and accepted by ACC.

7.17 **Exterior Finish.** The exterior of each Home shall be designed, built and maintained in such a manner as to blend in with the natural surroundings, existing structures and landscaping of the Project. All exterior materials and all exterior colors must be approved by the ACC in accordance with the provisions of this Declaration. Exterior trim, fences, doors, railing, decks, eaves, gutters and the exterior finish of garages and other accessory buildings (including garden sheds) shall be designed, built and maintained to be compatible with the exterior of the structures they adjoin. Homes and other structures may be finished in vinyl siding if approved by the ACC. In no event shall T-111 panelized type siding be permitted on any Home or other structure

7.18 **Utilities.** All utilities shall be installed underground. No fuel tank shall be maintained above ground unless properly screened in a manner acceptable to the ACC All lots shall be served by public water and sewer. No wells or septic systems shall be constructed or maintained on any Lot.

7.19 **Antenna.** No antennas, including satellite communication dishes, or such similar devices, (other than "mini dishes" with a diameter less than 40 inches placed in the location approved by the ACC or the Declarant), radio aerials, ham radio broadcast or receiving apparatus, shall be erected, maintained or placed on any Residential Site without specific written approval of the Association. Rotary Beams or other similar devices shall not be constructed on any Residential Site

7.20 **Fencing.** No fences or site-screening improvements shall be erected without the prior written approval of the ACC. Fences may only be placed along the rear property line (except any area within a Native Growth Protection Area/Easement), along the front building line, and from the front buildmg line to the rear Lot line (except any area within a Native Growth Protection Area/Easement), cannot exceed six (6) feet in height above the ground, under no circumstances may obstruct view from any other Lot, must be constructed of wood or other material approved by the ACC, and shall be constructed, maintained, repaired and replaced in accordance with the Common Fence Design, provided that the foregoing height limitation shall not apply to site screening approved by the ACC pursuant to Section 7.15. Hedges or other solid screen planting may be used as Lot line barriers subject to the same height restrictions as fences. No chain-link fences shall be permitted on a Lot. No fence, wall or hedge shall be permitted on a Lot any nearer to any street than a building is permitted under Section 7.7, except that nothing shall prevent the erection of a necessary retaining wall, the top of which does not extend more than three (3) feet above the finished grade at the back of said retaining wall

7.21 **Fireplace Chimneys.** Fireplace chimneys must be constructed with material approved by the ACC and as otherwise required by this Declaration

7.22 **Garbage and Refuse.** No garbage, refuse, rubbish, cuttings, or debris of any land shall be deposited on or left upon any Lot unless placed in an attractive container suitably located and screened from view from the street and from the ground level of adjacent Lots and Common Area Such containers shall be returned to the screened location by the end of each scheduled pick-up day. All equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition. No building material of any land shall be placed or stored on any property within the Project until the Lot Owner is ready to commence construction, and then such materials shall be placed within the boundary lines of the Lot upon which its use is intended. Garbage cans may only be placed in public view on the day of garbage pick-up. All woodpiles and storage areas must be placed so that they do not obstruct or hamper any other Lot Owner's view and must be suitably screened from view from the street and from the ground level of adjacent Lots and Common Area.

7.23 **Games and Play Structures.** No deck, platform, dog house, playhouse or structure of a similar land or nature shall be constructed on any part of a Lot located in front of the rear line of the residence constructed thereon, and any such structure must have prior approval of the ACC.

7.24 **Construction of Signficant Recreation Facilities.** The construction of any significant recreational facilities on any Lot including, but not limited to, such items as swimming pools and tennis, badminton or pickle ball courts shall require the approval of the ACC and shall be subject to the requirements adopted by the ACC

7.25 **Livestock and Poultry.** No animals or reptiles of any kind shall be kept on the Project, except that dogs, cats, and other indoor household pets may be kept provided that they are not kept, bred, or maintained for any commercial purpose. No individual Lot Owner shall keep more than two (2) dogs.

7.26 **Landscaping.** All cleared areas between the front building line and the street shall be fully landscaped within thirty (30) days, depending on weather condition, of the time when Home is ready for occupancy. Owner shall install or have installed fully landscaped rear and side yards within nine (9) months of occupancy unless a longer time is approved by the ACC

7.27 **Signs.** No signs of any kind, nor for any uses, shall be erected, posted, painted or displayed on any Lot or Common Area whatsoever, except for public notices by political divisions of the State or County or as required by law. Any builder or the builders agent may erect and display signs during the period the builder is building and selling property in the Project only with prior approval from ACC. Any Lot Owner or the Lot Owner's agent wishing to sell that Owner's Lot may place signs one (1) "For Sale" sign on the Lot, provided such sign complies with any rules published by the ACC

7.28 **Temporary Structures.** No trader, basement, tent, shack, garage, barn or other outbuildings or any structure of a temporary character erected or placed on the Project shall at any time be used as a residence, even temporarily. No building or

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structure shall be moved on to the Project from any land outside the Project. A trailer may be placed and occupied by the designated subdivision sales agent with the prior written approval of the ACC. A construction shack may be used by an Owner's construction contractor during the construction period

7.29 **Completion of Construction.** All construction shall begin within eighteen (18) months of the date of closing of the sale from the Declarant for each Lot. Any dwelling or structure erected or placed on any Lot shall be completed as to external appearances including finish painting or staining, and shall be connected to sewers within eight (8) months from the date of commencement of construction, unless some longer period of time is approved in writing by the ACC

7.30 **Easements.** Easements for the Installation and maintenance of utilities, drainage and irrigation facilities are reserved as shown on the Plat Map and as described in Article 12. Within these easements no structure, planting or other materials shall be placed or permitted to remain which may damage or interfere with the installation and/or maintenance of such utilities, or which may change the directions of flow of water through a drainage channel in the easement, or which may obstruct or retard the flow of water through drainage channels in the easement. Any easement or portion thereof located on any Lot and all improvements thereon shall be maintained continuously by the Lot Owner

7.31 **Use During Construction.** Except with the approval of the ACC, no person shall reside m any structure on any Lot until such time as the improvements to be erected thereon in accordance with the plans and specifications approved by the ACC have been completed. Completion shall be considered receipt of a final inspection of the dwelling unit by the Sequim Building Department or other applicable government official.

7.32 **Excavations.** Except with the permission of the ACC, or except as may be necessary in connection with the construction of any approved improvement, no excavation shall be made nor shall any dirt be removed from or added to any Lot. Except with permission of ACC, no retaining wall of more than four feet (4) in height (exposed hetght) may be constructed on any Lot

7.33 **Nuisances.** No noxious or undesireable thing, or noxious or undesirable use shall be permitted or maintained upon any Lot or upon any other portion of the Project. If the Board determines that a thing or use is undesirable or noxious, that determination shall be conclusive

7.34 **Clothes Lines.** Other Structures. No clotheslines or other structures of a similar nature shall be visible from any street or the ground level of any adjacent Lot or Common Area

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7.35 **Common Drives.** Common drives, walks (if any) and paths (if any) shall be used exclusively for normal transit and no obstructions shall be placed thereon or therein except by express written consent of the Board

7.36 **N/A**

7.37 **Storm Runoff.** Each Lot Owner shall ensure that all roof downspout drains are properly cleaned and maintained, and that the Tight Line Drainage lines or Storm Infiltration System on each Lot are clean and free of any debris. Due diligence shall be exercised by each Lot Owner to prevent adverse impact of storm runoff onto down stream Lots

ARTICLE 8

COMMON EXPENSES AND ASSESSMENTS

8.1 **Creation of the Lien and Personal Obligation of Assessments.** The Declarant, for each Lot owned within the Project, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association any assessment duly leveled by the Association as provided herein. Such assessments, together with interest, costs, late charges and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment. together with interest, costs, late charges and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal a obligation for delinquent assessments shall not pass to successors in title unless the lien for such delinquent assessments had been properly recorded prior to title transfer or unless expressly assumed by them. Provided, however, that in the case of a sale of any Lot which is charged with the payment of an assessment or assessments payable in installments, the person or entity who is the Owner immediately prior to the date of any such sale shall be personally liable only for the amount of the installments due prior to said date. The new Owner shall be personally liable for installments which become due on and after said date

8.2 **Uniform Rate.** Any assessments which may be leveled from time to time pursuant to the authority of the Board as set forth in Section 5.4.1, shall be fixed at a uniform rate for each Lot, except for assessments leveled against an Owner for the purpose of reimbursing the Association for costs incurred in bringing the Owner or his/her Home and/or Lot into compliance with the provisions of this Declaration Declarant shall not be obligated to pay any assessment leveled against any Lots owned by It. An assessment against a Lot shall be the joint and several personal obligation of all Owners of that Lot

8.3 **Initial Assessment Amount.** Upon the sale of each Lot by the Declarant (whether to a builder or otherwise), each Lot Owner, at the time of hi/her purchase of the Lot, shall pay an annual start-up assessment to the Association in the amount of $200 00.

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Such initial assessment shall be in addition to any annual assessment provided for in this Article 8 and shall be for the purpose of reimbursing the Declarant and/or Association for maintenance and operating expenses of and for the Common Areas during the initial development and house sales period. Notwithstanding the provisions set forth above, the Declarant shall not be liable for any initial assessments assessed or due so long as Declarant owns any Lot

8.4 **Limitation on Annu.at Assessment Amount.**

8.4.1 **Board Authority.** At any time after the sale of the first Lot by the Declarant (whether to a builder or otherwise), the Board shall have the authority, without obtaining prior approval of the Owners, to levy assessments in a given calendar year totaling not more than $250.00 per Lot. Assessments included in the foregoing calculation shall not include any assessments which are levied against an Owner for reimbursing the Association for costs incurred in bringing the Owner or his/her Home and/or Lot into compliance with the provisions of this Declaration nor any initial assessments provided for in Section 8.3. Notwithstanding the provisions set forth above, the Declarant shall not be liable for any fees or assessments assessed or due so long as Declarant owns any Lot

8.4.2 **Inflationary Increase in Dollar Limit.** The dollar amount specified in Section 8.4.1 shall be increased proportionately each year by the increase in the CPI (as hereinafter defined) to adjust for any deflation m the value of the dollar "CPI" means the Consumer Price Index for All Urban Consumers, All Items (Seattle-Tacoma area) (1982-84 = 100) published by the United States Department of Labor, Bureau of Labor Statistics (the "Bureau") Such dollar amount shall be increased commencing on the first day of January, 2007, and on each successive first day of January to an amount derived by adding to the dollar amount In effect for the immediately preceding year an amount calculated by (a) multiplying the dollar amount in effect for the immediately preceding year by (b) the percentage increase, if any, in the CPI published for the date nearest preceding the first day of the immediately preceding year over the CPI published for the date nearest preceding the date of adjustment. If the Bureau discontinues publishing the CPI, the adjustment shall he based upon the substitute index of comparable statistics on the cost of living for the Clallam County area, as shall be computed by an agency of the United States or by a responsible financial periodical of recognized authority selected by the Board Notwithstanding the foregoing, the maximum dollar amount specified in Section 8.4.1 shall not be increased by more than fifteen percent (15%) without the approval of a majority of the member voting at a meeting duly called for such purpose

8.4.3 **Owner Approval Required.** Any assessment to be levied in a given calendar year which would cause the total of all assessments for the year to exceed the sum per Lot permitted by Sections 8.4.1 and 8.4.2 shall require the calling of a meeting of the Association upon notice sent to all members not less than thirty (30) nor more than sixty (60) days In advance of the meeting, and the approval at such meeting of the levy of such assessment by a majority of the Lots represented at such meeting, provided a quorum is present as defined in the Bylaws

8.5 **Manner and Time of Payment.** Assessments shall be payable by each Owner in such reasonable manner as the Board shall designate. Any assessment or installment thereof which remains unpaid for at least fifteen (15) days after the due date thereof shall bear interest at an annual rate equal. to the greater of twelve percent (12%) or the Prune Rate plus three percent (3 %), and the Board may also assess a late charge In an amount not exceeding twenty five (25%) . of any unpaid assessment which has been delinquent for more than fifteen (15) days. "Prime rate" means the prime business lending rate, determined and quoted from time to time by U S Bank, Seattle Main Branch (Or its successor), as the same may be adjusted from time to time. If U.S. Bank ceases to quote a prime rate or a similar rate, the interest rate shall be based upon such similar prime business lending rate as is determined and quoted from time to time by the Wall Street Journal or, if the Wall Street Journal ceases to quote such rate, by a nationally recognized financial publication selected by the Board. If any such prime rate is determined and quoted as a range of rates, the simple average of the high and low rates of such range shall be used

8.6 **Accounts.** Any assessments collected by the Association shall be deposited in one or more Insured Institutional Depository accounts established by the Board. The Board shall have exclusive control of such accounts and shall maintain accurate records thereof, provided however, that the Board may exercise such control through a property manager retained pursuant to Section 5.4.2. No withdrawal shall be made from said accounts except to pay for charges and expenses authorized by this Declaration.

8.7 **Lien.** In the event any assessment or installment thereof remains delinquent for more than thirty (30) days, the Board may, upon fifteen (15) days prior written notice to the Owner of such Lot of the existence of the default, accelerate and demand immediate payment of the entire assessment The amount of any assessment assessed or charged to any Lot plus interest, costs, late charges and reasonable attorneys' fees, shall be a lien upon such Lot. A claim of lien may be recorded in the office where real estate conveyances arc recorded for the county in which this Project is located. Such claim of lien may be filed at any time at least fifteen (15) days following delivery of the notice of default referred to above The hen for payment of such assessments and charges shall have priority over all other hens and encumbrances, recorded or unrecorded, limited as provided in Section 11.1. Suit to recover a money Judgment for unpaid assessments or charges shall be maintainable with or without foreclosure or waiver of the lien securing the same

8.8 **Waiver of Homestead.** Each Owner hereby waives, to the extent of any liens created pursuant to this Article, the benefit of any homestead or exemption law in effect at the time any assessment or installment thereof becomes delinquent or any lien 15 imposed pursuant to the terms hereof.

8.9 **Continuing Liability for Assessments.** No Owner may exempt himself/herself from liability for his/her Assessments by abandonment of his/her Lot

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8.10 **Records. Financial Statements.** The Board shall prepare or cause to be prepared, for any calendar year in which the Association levies or collects any assessments, and shall distribute to all Owners, a balance sheet and an operating (income/expense) statement for the Association, which shall include a schedule of assessments received and receivable, identified by the number of the Lot and the name of the Owner so assessed. The Board shall cause detailed and accurate records of the receipts and expenditures of the Association to be kept specifying and itemizing the maintenance, operating, and any other expenses incurred. Such records, copies of this Declaration, the Articles and the Bylaws, and any resolutions authorizing expenditures of Association funds shall be available for examination by any Owner at reasonably convenient hours

8.11 **Certificate of Assessment.** A certificate executed and acknowledged by the treasurer or the president of the Board, or an authorized agent thereof if neither the president nor treasurer is available, stating the indebtedness for assessments and charges or lack thereof secured by the assessment hen upon any Lot shall be conclusive upon the Association as to the amount of such indebtedness on the date of the certificate, in favor of all persons who rely thereon in good faith. Such a certificate shall be furnished to any Owner or any encumbrancer of a Lot within a reasonable time after request, in recordable form, at a reasonable fee. Unless otherwise prohibited by law, any encumbrancer holding a lien on a Lot may pay any unpaid assessments or charges with respect to such Lot, and, upon such payment, shall have a lien on such Lot for the amounts paid of the same rank as the lien of his/her encumbrance

8.12 **Foreclosure of Assessment Lien. Attorneys' Fees and Costs.** The Declarant or Board, on behalf of the Association, may initiate action to foreclose the lien of, or collect, any assessment. In any action to foreclose the lien of, or otherwise collect, delinquent assessments or charges, any Judgment rendered in favor of the Associtation shall include a reasonable sum for attorneys' fees and all costs and expenses reasonably incurred in preparation for or in the prosecution of said action (including in any arbitration, on appeal, and in any bankruptcy proceeding), in addition to taxable costs permitted by law

8.13 **Curing of Default.** The Board shall prepare and record a satisfaction and release of the lien for which a claim of lien has been filed and recorded in accordance with this Article upon timely payment or other satisfaction of all delinquent assessments set forth m the Notice, and all other assessments which have become due and payable following the date of such recordation with respect to the Lot as to which such claim of lien was recorded, together with all costs, late charges and interest which have accrued thereon. An additional administrative fee of twenty-five dollars ($25.00) covering the cost of preparation and recordation shall be paid to the Association prior to such action. The satisfaction of the lien created by the claim of lien shall be executed by the president or treasurer of the Association or by any authorized representative of the Board. For the purposes of this paragraph, the term "costs" shall include costs and expenses actually incurred or expended by the Association in connection with the cost of preparation and

recordation of the claim of lien and in efforts to collect the delinquent assessments secured by the lien and a reasonable sum for attorneys' fees

8.14 **Omission of Assessment.** The omission by the Board or the Association to fix the estimate for assessments and charges hereunder for the next year before the expiration of any current year shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of the Owner from the obligation to pay the assessments and charges, or any installment thereof for that or any subsequent year. The assessment and charge fixed for the preceding year shall continue until a new assessment or charge is fixed

8.15 **Assessment Deposit.** A Lot Owner may be required, by the Board or by the managing agent, from time to time, to make and maintain a deposit of not more than the total of one (1) annual assessment, plus either one (1) Special assessment if special assessments are payable on an annual basis, or three (3) special assessment installments if special assessments are payable on a monthly or other periodic basis. Such deposit may be collected as are other assessments and charges. Such deposit shall be held in a separate fund, be credited to such Owner, and be for the purpose of establishing a working capital fund for the initial Project operations and a reserve for delinquent assessments. Resort may be had thereto at any time when such Owner is ten (10) days or more delinquent in paying his/her assessments and charges, to meet unforeseen expenditures, to acquire additional equipment or services deemed necessary or desirable by the Board, or as a credit against any annual or special assessments to become due from such Owner. Said deposits shall not be considered as advance payments of annual assessments. All or any portion of such deposit may at any time be refunded to the Owner by the Association in the discretion of the Board, such refund being made as a cash refund or a credit against assessments subsequently to become due or a combination thereof.

8.16 **Exempt Property.** The following property subject to this Declaration shall be exempt from the assessments created herein

8.16.1 All properties dedicated to and accepted by a governmental entity;
8.16.2 All Common Areas, and
8.16.3 All properties owned by a charitable or nonprofit organization or an organization exempt from taxation by the laws of the State of Washington

However, the land or improvements, which are referred to in Sections 8.16.1,8.16.2 and 8.16.3 and which are devoted to dwelling use, shall not be exempt from said assessments

8.17 **Effect of Legal Proceedings.** In any legal proceeding commenced pursuant to Section 9.1.1, and notwithstanding the assessment limitations provided for in this Declaration, the court having jurisdiction over such proceeding shall also have jurisdiction and power to cause assessments to be levied and collected on an equal per Lot basis in such amounts as is reasonably necessary to cause the Project to be properly administered in accordance with the provisions of this Declaration and the Bylaws, or to

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cause the provisions of this Declaration and the Bylaws to be properly applied and enforced.

ARTICLE 9

COMPLIANCE WITH DECLARATION

9.1 **Enforcement.**

9.1.1 Compliance of Owner. Each Owner, Board member and the Association shall comply strictly with the provisions of this Declaration and with the Bylaws and administrative rules and regulations adopted by the Association (as the same may be lawfully amended from time to time). Failure to comply shall be grounds for an action to recover sums due for damages, or injunctive relief, or both, maintainable by the Board (acting through its officers on behalf of the Association and the Owners), or by the aggrieved Owner on his/her own against the party (including an Owner or the Association) failing to comply. In addition, the Association may impose and collect fines as provided in Section 5.4.12 of this Declaration

9.1.2 **Compliance of Lessee.** Each Owner who shall rent or lease his/her Lot shall insure that the lease or rental agreement is in writing and subject to the terms of this Declaration, Articles of Incorporation. and Bylaws Said agreement shall further provide that failure of any lessee to comply with the provisions of said documents shall be a default under the lease

9.1.3 **Attorneys' Fees.** In any action to enforce the provisions of this Declaration, the Articles of Incorporation or the Bylaws, the prevailing party in such legal action shall be entitled to an award for reasonable attorneys' fees and all costs and expenses reasonably incurred in preparation for or prosecution of said action (including in any arbitration, on appeal, or in any bankruptcy proceeding), in addition to taxable costs permitted by law

9.2 **No Waiver of Strict Performance.** The failure of the Board, or Declarant or Declarant's managing agent, as applicable, in anyone or more instances to insist upon or enforce the strict performance of any of the terms, covenants, conditions or restrictions of this Declaration, or of any Bylaws or administrative rules or regulations, shall not be construed as a waiver or a relinquishment for the future of such term, covenant, condition or restriction, but such term, covenant, condition or restriction shall remain in full force and effect no waiver by the Board of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Board

9.3 **Right of Entry.** Violation of any of the provisions hereof shall give to Declarant, its successors, or the Association, the right to enter upon the Lot as to which such violation exists and to abate, correct and remove, at the expense of the Owner thereof, any erection, thing or condition that may be or exists thereon contrary to the provisions hereof. Such entry shall be made only after three (3) days notice to said

Owner and with as little inconvenience to the Owner as possible, and any damage caused thereby shall be repaired by the Association. Declarant, Its successors, or the Association shall not be deemed guilty of any manner of trespass by such entry, abatement or removal

9.4 **Remedies Cumulative.** The remedies provided are cumulative, and the Board may pursue them concurrently, as well as any other remedies which may be available under law although not expressed herein.

ARTICLE 10

LIMITATION OF LIABILITY

10.1 **No Personal Liability.** So long as a Board member, Association committee member, Association officer, Association agent, or Declarant exercising the powers of the Board, has acted in good faith, Without willful or intentional misconduct, upon the basis of such information as may be possessed by such person, no such person shall be personally liable to any Owner, or other party, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error, negligence (except gross negligence), any discretionary decision, or failure to make a discretionary decision, by such person in such person's official capacity, PROVIDED, that this section shall not apply where the consequences of such act, omission, error or negligence are covered by insurance or bonds obtained by the Board pursuant to this Declaration

10.2 **Indemnification of Board Members.** Each Board member or Association committee member, or Association officer, Association agent, or Declarant exercising the powers of the Board, and their respective heirs and successors, shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed in connection with any proceeding to which he/she may be a party, or in which he/she may become involved, by reason of being or having held such position at the time such expenses or liabilities are incurred, except in such cases wherein such person is adjudged guilty of intentional misconduct or gross negligence or knowing violation of law in the performance of his/her duties, and except in such cases where such person has participated in a transaction from which said person will personally receive a benefit in money, property, or services to which said person is not legally entitled, PROVIDED, that, in the event of a settlement, the indemnification shall apply only when the Board approves such settlement and reimbursement as being in the best interest of the Association. Nothing contained in this Section 10.2 shall, however, be deemed to obligate the Association to indemnify any Member or Owner of a Lot who is or has been a Board member or officer of the Association with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of the Declaration as a Member or Owner of a Lot covered thereby and not as a Board member or officer of the Association

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ARTICLE 11

MORTGAGEE PROTECTION

11.1 **Priority of Mortgagee.** Notwithstanding all other provisions hereof, the liens created under this Declaration upon any Lot for assessments shall be subject to tax liens on the Lot in favor of any assessing unit and/or special district and be subject to the rights of the secured party in the case of any indebtedness secured by first lien Mortgages which were made in good faith and for value upon the Lot. Where the Mortgagee of a Lot, or other purchaser of a Lot, obtains possession of a Lot as a result of Mortgage judicial or nonjudicial foreclosure or deed in lieu thereof, such possessor and its successors and assigns shall not be liable for the share of any assessment by the Association chargeable to such Lot which becomes due prior to such possession, but will be liable for any assessment accruing after such possession. Such unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from all of the Lot Owners including such possessor, its successor and assigns.

11.2 **Effect of Declaration Amendments.** No amendment to this Declaration shall be effective to modify, change, limit or alter the rights expressly conferred upon Mortgagees in this instrument with respect to any unsatisfied Mortgage duly recorded unless the amendment shall be consented to in writing by the holder of such Mortgage Any provision of this Article concerning rights of Mortgagees that in inconsistent with any other provision of this Declaration shall control over such other inconsistent provisions

11.3 **Right of Lien Holder.** A breach of any of the provisions, conditions, restrictions, covenants, easements or reservations herein contained shall not affect or impair the lien or charge of any bona fide Mortgage made in good faith and for value on any Lots; provided, however, that any subsequent Owner of the Lot shall be bound by these provisions whether such Owner's title was acquired by foreclosure or trustee's sale or otherwise

11.4 **Change in Manner of Architectural Review and Maintenance Within Project.** The Association shall not, without prior written approval of seventy-five percent (75%) of all first Mortgagees (based upon one (1) vote for each first Mortgage owned) and seventy-five percent (75%) of all Owners (other than Declarant) of record by act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of Homes, the exterior maintenance of Homes, maintenance of walkways, fences and driveways, or the upkeep of lawns and plantings in the development, including the provisions of Articles 4 and 5 hereof.

11.5 **Copies of Notices.** If the first Mortgagee of any Lot so requests the Association in writing, the Association shall give written notice to such first Mortgagee of an Owner/Mortgagor of a Lot has for more than sixty (60) days failed to meet any obligation under this Declaration.

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11.6 **Furnishing of Documents.** The Association shall make available to prospective purchasers, Mortgagees, insurers, and guarantors, at their request, current copies of the Declaration, Bylaws, and other rules governing the Project, and the most recent balance sheet and income/expense statement for the Association, if any has been prepared.

ARTICLE 12

EASEMENTS

12.1 **Association Functions.** There is hereby reserved to Declarant and the Association, or their duly authorized agents and representatives, such easements as are necessary to perform the duties and obligations of the Association as are set forth in the Declaration, or in the Bylaws, and rules and regulations adopted by the Association

12.2 **Easements Over Common Areas.** The Board, on behalf of the Association and all members thereof, and as an attorney-m-fact for all Lot Owners with an Irrevocable power coupled with an interest, shall have authority to grant (in accordance with applicable governmental laws and regulations) utility, road and similar easements, licenses and permits, under, through or over the Common Area, which easements the Board determines are reasonably necessary to the ongoing development and operation of the Project, provided, however, that no easement shall be granted within any Native Growth Protection Area or Native Growth Protection Easement

12.3 **Access to Public Streets.** Each Owner and his/her guests and invitees shall have a perpetual, non-exclusive easement across all roadways constructed within the Project, thereby providing access throughout the Project and to public streets

12.4 **Utility Easements.** On each Lot, easements are reserved as provided by the Plat Map and applicable laws, ordinances and other governmental rules and regulations for utility installation and maintenance, including but not limited to, underground electric power, telephone, water, sewer, drainage, and accessory equipment, together with the right to enter upon the Lots at all times for said purposes.

12.5 **Storm Drainage Easements.** A private perpetual, nonexclusive storm drainage easement is hereby granted and conveyed to the Lot Owners and the Association under and upon the exterior five (5) feet adjoining each side and rear boundary line of each Lot and Tract (except for any portion Within a Native Growth Protection Area or Native Growth Protection Easement). If the boundary line of any Lot or Tract is altered, the easement shall relocate accordingly. The Association shall have the right of ingress and egress and the right to excavate, construct, operate, maintain, repair and/or rebuild an enclosed or open channel storm water conveyance system and/or other drainage facilities under, upon or through the drainage easement, provided, however, that each Lot Owner shall have the explicit responsibility for maintaining the portion of the system located on the Owner's Lot

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ARTICLE 13

TERM OF DECLARATION

13.1 **Duration of Covenants.** The covenants contained herein shall run with and bind the land for a term of thirty (30) years from the date this Declaration is recorded, after which time the covenants shall be automatically extended for successive periods of ten (10) years each, unless an instrument executed in accordance with Section 14.1 below shall be recorded, abandoning or terminating this Declaration.

13.2 **Abandonment of Subdivision Status.** The Association shall not, without the prior written approval of the governmental entity having jurisdiction over the Project and without prior written approval of one hundred percent (100%) of all first Mortgagees (based upon one (1) vote for each first Mortgage owned) and one hundred percent (100%) of all Owners (other than Declarant) of record, seek by act or omission to abandon or terminate the subdivision status of the Project as approved by the governmental entity having appropriate jurisdiction over the Project

ARTICLE 14

AMENDMENT OF DECLARATION, PLAT MAP

14.1 **Declaration Amendment.** Amendments to the Declaration shall be made by an instrument in writing entitled "Amendment to Declaration" which sets forth the entire amendment. Except as otherwise specifically provided for in this Declaration, any proposed amendment must be approved by a majority of the Board prior to its adoption by the Owners. Amendments may be adopted at a meeting of the owners if seventy-five percent (75%) of the Owners vote for such amendment, or without any meeting if all Owners have been duly notified and seventy-five percent (75%) of all the Owners consent in writing to such amendment. Notwithstanding the foregoing, any amendment to a provision of the Declaration establishing, providing for, governing or regulating the following shall require the consent of seventy-five percent (75%) of all the Owners and seventy-five percent (75%) of all the Mortgagees and the consent of the Declarant (so long as Declarant owns any Lots). voting, assessments, assessment liens or subordination of such liens, reserves for maintenance, repair and replacements of Common Areas, insurance or bonds, use of Common Areas, responsibility for maintenance or repairs, expansion or construction of the Project or the addition, annexation or withdrawal of property to or from the Project, boundaries of Lots, converting of Lots into Common Areas or vice versa, leasing of Lots, provisions for the benefit of the Declarant, provisions for benefit of first Mortgagees, or holders, insures or guarantors of first Mortgages, the interests in Common Areas, or imposition of any right of first refusal or similar restrictions on the right of an Owner to sell, transfer or otherwise convey a Lot, provided, that a Mortgagee who fails to respond in writing within thirty (30) days of a written request to approve an amendment shall be deemed to have approved the request. In all events, the amendment when adopted shall bear the signature of the president of the Association and shall be attested by the secretary, who shall state whether the amendment

was properly adopted, and shall be acknowledged by them as officers of the Association. Amendments once properly adopted shall be effective upon recording in the appropriate governmental offices where real estate conveyances are recorded for the county in which the Project is located. It is specifically covenanted and understood that any amendment to this Declaration properly adopted will be completely effective to amend any or all of the covenants, conditions and restrictions contained herein that may be affected and any or all clauses of this Declaration unless otherwise specifically provided in the section being amended or the amendment itself.

14.2 **Plat Map.** Except as otherwise provided herein, to effect an amendment to the Declaration adopted as provided for in Section 14.1, the Plat Map may be amended by revised versions or revised portions thereof, provided that the revised version or revised portions reference the adopted amendment to this Declaration copies of any such proposed amendment to the Plat Map shall be made available for the examination of every Owner. Such amendment to the Plat Map shall be effective, once properly adopted, upon having received any governmental approval required by law and recordation in conjunction with the Declaration amendment in the appropriate governmental office where real estate conveyances are recorded for the county in which the Project is located

14.3 **Amendments to Conform to Construction.** Declarant, upon Declarant's sole signature, and as an attorney-m-fact for all Lot Owners with an irrevocable power coupled with an interest, may at any time, until all Lots have been sold by Declarant, file an amendment to the Declaration and to the Plat Map to conform data depicted therein to improvements as actually constructed and to establish, vacate and relocate utility easements and access road easements

14.4 **Amendments to Conform to Lending Institution Guidelines.** So long as Declarant continues to own one or more Lots, Declarant, upon Declarant's sole signature, and as an attorney-in-fact for all Lot Owners with an irrevocable power coupled with interest, may at any time, until all Lots have been sold by Declarant, file such amendments to the Declaration and Plat Map as are necessary to meet the then requirements of Federal National Mortgage Association, Veterans Administration, Federal Home Loan Mortgage Corporation, or other agencies, institutions or lenders financing and/or title insuring the purchase of a Lot from the Declarant.

14.5 **Article 16 Amendments.** Declarant, upon Declarant's sole signature, and as an attorney-in-fact for all Lot Owners with an irrevocable power coupled with an interest, may at any time, until all Lots have been sold by Declarant, file such amendments to the Declaration and Plat Map as are necessary in the exercise of Declarant's powers under Article 16. Annexations provided for m Article 16 shall be approved and recorded as an amendment to this Declaration as provided in this Article 14

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ARTICLE 15

INSURANCE

15.1 **Insurance.** The Board shall have authority m the exercise of its discretion to obtain and maintain at all times as a common expense a policy or policies and bonds of liability insurance and property insurance covering the ownership, use and operation of all of the Common Area (and Common Area improvements), if any, including common personal property and supplies belonging to the Association, fidelity coverage for Association Board members, (including Declarant), officers, employees or agents, and such other Insurance as the Board may deem advisable or as may be required by the Federal National Mortgage Association, Federal Home Loan Mortgage Association, Veterans Administration or similar agencies or lending Institutions. In the event of damage to or destruction of any part of the Common Area improvements, the Association shall repair or replace the same from the Insurance proceeds available. If such Insurance proceeds are insufficient to cover the costs of repair or replacement of the property damaged or destroyed, the Association may make a reconstruction assessment against all Lot Owners to cover the additional cost of repair or replacement not covered by the insurance proceeds, in addition to any other common assessments made against such Lot Owners.

ARTICLE 16

ANNEXATION OF ADDITIONAL PROPERTIES

16.1 **Annexation by Declarant.** Although not obligated to do so, Declarant reserves the right to develop as single family residential subdivisions additional lands that would be in addition to and are nearby the land. Declarant may cause all or any portion of such additional lands to be annexed to the existing Project without the assent of the members of the Association, PROVIDED, however, that the annexation of additional lands described m this Article shall be adjacent to the then existing Project. Such additional lands shall be deemed "adjacent" to the existing Project even if separated therefrom by land which (I) is owned by Declarant, the Association or the Lot Owners as tenants in common, or (II) is owned by or dedicated to the public or a governmental agency or instrumentality, or (III) is availab1e for the use or benefit of the Association of Lot Owners by easement or otherwise, or (IV) is a public or private street, path, bicycle path, railroad track or other improvement or easement for public transportation or utility service

16.2 **Non-Declarant Annexations.** AnnexatIon of addItIonal lands other than Declarant annexations provided for in Section 16.1 hereof shall require the assent of the Owners, Mortgagees and Declarant as provided in Section 14.1

16.3 **Common Areas Within Additional Lands.** Common Areas within any additional lands subsequently annexed to the existing Project shall be available for the common use of all Owners of Lots within the existmg Project as well as within such subsequently annexed additional lands. Likewise, Common Areas within the existing

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Project shall be available for the common use of all Owners of Lots within such subsequently annexed additional lands as well as within the existing Project

ARTICLE 17

MISCELLANEOUS

17.1 **Notices.** Any written notice, or other document as required by this Declaration, may be delivered personally or by mail. If by mail, such notice, unless expressly provided for herein to the contrary with regard to the type of notice being given, shall be deemed to have been delivered and received forty eight (48) hours after a copy thereof has been deposited m the United States first-class mail, postage prepaid, properly addressed as follows.

(a) If to an Owner, other than Declarant, to the registered address of such Owner, as filed in writing with the Board pursuant to the requirements of the Bylaws

(b) If to Declarant, whether in its capacity as an Owner, or in any other capacity, to the address which Declarant shall have advised the Board in writing

(c) Prior to the expiration of the Declarant's management authority pursuant to Section 5.2, notices to the Board shall be addressed to the address set forth in (b) above. Thereafter, notices to the Board shall be addressed either to an address to be posted by the Board at all times in a conspicuous place or to the registered office of the Association. In addition, from and after the expiration of the Declarant's management authority, notice of the address of the Association shall be given by the Board to each Owner, within a reasonable time after the Board has received actual notice of such Owner's purchase of a Lot.

17.2 **Conveyances. Notice Required.** The right of an Owner to sell, transfer, or otherwise convey his/her Lot shall not be subject to any right of approval, disapproval. first refusal, or similar restriction by the Association or the Board or anyone acting on their behalf An Owner intending to sell a Lot shall deliver a written notice to the Board at least two (2) weeks before closing, specifying the Lot being sold, the name and address of the purchaser, of the c1osmg agent, and of the title insurance company insuring the purchasers interest; and the estimated closing date. The failure of an Owner to properly give such notice to the Board shall not invalidate the sale. The Board shall have the right to notify the purchaser, the title insurance company, and the closing agent of the amount of unpaid assessments and charges outstanding against the Lot, whether or not such information is requested

17.3 **Successor and Assigns.** This Declaration shall be binding upon and shall inure to the benefit of the heirs, personal representatives, successors and assigns of Declarant, and the heirs, personal representatives, grantees, lessees, subleases and assignees of the Owners

17.4 **Joint and Several Liability.** In the case of joint ownership of a Lot, the liability of each of the Owners thereof in connection with the liabilities and obligations of Owners set forth in or imposed by this Declaration shall be Joint and several

17.5 **Mortgagee's Acceptance.**

17.5.1 **Priority of Mortgage.** This Declaration shall not initially be binding upon any Mortgagee of record at the time of recording of this Declaration but rather shall be subject and subordinate to said Mortgage.

17.5.2 **Acceptance Upon First Conveyance.** Declarant shall not consummate the conveyance of title to any Lot until each Mortgagee of record at the time of recording of this Declaration shall have accepted the provisions of this Declaration and made appropriate arrangements for partial release of Lots from the lien of said Mortgage. The issuance and recording of the first such partial release by said Mortgagee shall constitute its acceptance of the provisions of this Declaration and acknowledgment that this Declaration is binding upon all of the Lots remaining subject to its Mortgage, provided, that, except as to Lots so released, said Mortgage shall remain in full effect

17.6 **Severability.** The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability of any other provision hereof

17.7 **Effective Date.** The Declaration shall take effect upon recording

17.8 **Government Right of Access.** Governmental entitles shall have rights of access and inspection for the open space area and any drainage facilities contained therein.

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IN WITNESS WHEREOF, Declarant has executed this Declaration the day and year first hereinabove written

DECLARANT:

STATE OF WASHINGTON)
) ss.
COUNTY OF CLALLAM)

I certify that I know or have satisfactory evidence that Craig Heckman is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute this instrument and acknowledged it to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument

DATED Aug 31st, 2005

CHRIS M. JACKSON NOTARY SEPT 11, 2007 PUBLIC STATE OF WASHINGTON

Print Name: Chris Jackson
Notary Public in and for the State of WA,
residing at Port Angeles WA
My Appointment Expires 9-11-07

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