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DOCUMENT TITLE: PRIMARY DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR EVERGREEN
RIDGE

DECLARANT: TEANAWAY RIDGE, LLC, a Washington Limited Liability
Company

LEGAL DESCRIPTION: See EXHIBIT "A".

ASSESSOR'S TAX PARCEL NO.: 20-14-12-020-00014

**PRIMARY DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS FOR EVERGREEN RIDGE**

This Primary Declaration of Covenants, Conditions and Restrictions for the property described in EXHIBIT "A" (the "Declaration") is given as of the 28th day of September, 2004, by TEANAWAY RIDGE, LLC, a Washington Limited Liability Company (the "Declarant")

WHEREAS, the Declarant is the owner of certain real property located in Kittitas County, Washington, legally described on Exhibit A attached hereto and incorporated herein by reference.

WHEREAS, It is the intent of the Declarant that certain qualities and assets of the Property be preserved, and it is desirable to protect the present and future property values and the enjoyment thereof; and, to that end, the Declarant desires a means to preserve and protect the intended character of the Property.

NOW, THEREFORE,

Declarant declares that all of the Property shall be held, sold and conveyed subject to the following restrictions, covenants, conditions, reservations, easements, assessments and lien rights, all of which are for the purpose of enhancing and protecting the value, desirability, and attractiveness of the Property. These restrictions, covenants, conditions, reservations, easements, assessments and lien rights shall run with the Property and shall be binding upon all persons or entities now having or hereafter acquiring any right, title, or interest in and to the Property, or any part thereof, and these restrictions, covenants, conditions, reservations, easements, assessments and lien rights shall be binding upon their respective heirs, successors, and assigns, and shall inure to the benefit of each individual and/or entity having or hereafter acquiring any right, title, or interest in and to the Property, or any part thereof, and their heirs, successors, and assigns.

1. **DEFINITIONS.** For the purpose of this Declaration and any amendments hereto, the following terms shall have the following meanings and all definitions shall be applicable to the singular and plural forms of such terms:

1.1 "Additional Property" means any land, whether or not owned by Declarant, which may be made subject to this Declaration as provided in Section 2 and which shall thereafter be a part of the Property.

1.2 "Address of Record" shall mean the official address of the Lot Owner(s), as maintained in the records of the Declarant and, after the transition date, the Association, to serve as the location for notices of pending meetings, elections and official proceedings pursuant to this Declaration. It shall be the lot owner's responsibility to provide the Declarant and, after the transition date, the Association with the Lot Owner's mailing address.

1.3 "Affiliate" means any entity which controls, is under the common control with or is controlled by Declarant.

1.4 "Architectural and Landscaping Review Committee" shall mean the subcommittee of the Association established by the Board, consisting of three Association Board members. The Architectural and Landscaping Review Committee shall have the responsibility for reviewing and approving improvements to the lots by Owners to ensure compliance with this Declaration.

1.5 "Articles" means the Articles of Incorporation of the Association.

1.6 "Assessments" means all assessments and other charges, fines and fees imposed by the Association in accordance with this Declaration, including, without limitation, General Assessments, Special Assessments, and Specific Assessments.

1.7 "Association" shall mean the Mountain Ridge Resort Communities Owners' Association, a Washington Non-Profit Corporation, comprised of the Lot Owners.

1.8 "Auditor" means the Auditor of Kittitas County, Washington, or such successor agency charged with maintaining the real estate records for property within Kittitas County.

1.9 "Board of Directors" and "Board" shall mean the individuals selected by the Declarant or elected by the Association to manage and administer the Mountain Ridge Resort Communities Owners' Association in accordance with the Bylaws of the Association and this Declaration.

1.10 "Bylaws" shall mean the Bylaws of the Association as initially promulgated by the Declarant, and as amended from time to time, which, with this Declaration, provide for the organization of the Association and for the administration of the Association.

1.11 "Community Improvements" means all real and personal property, including easements and leasehold interests, designated as such in this Declaration, in any Supplemental Declaration subjecting additional property within the Mountain Ridge Resort Communities to this Declaration or in any conveyance to the Association, and for which the Association has maintenance, insurance, operating, or other responsibility under this Declaration or other agreements entered into by the Association. The Community Improvements shall also include all real and personal property which the Association owns, leases, or otherwise holds possessory or use rights in for the common use and enjoyment of all Owners and occupants of the property subject to this declaration and such additional property which may be added in the future.

1.12 "Construction" and "Constructed" shall mean any construction, reconstruction, erection or alterations of a Structure, except that which may take place entirely within and affects only the interior of an existing Structure.

1.13 "Declarant" shall mean the party developing the Property and signing this Declaration, or the heirs, successors or assigns thereof.

1.14 "Declaration" means this Declaration of Covenants and Easements for the properties described in EXHIBIT "A" as the same may be amended or supplemented from time to time in accordance with the provisions hereof.

1.15 "Development Period" shall mean the period of time between the date of this declaration and the Transition Date.

1.16 "Governmental Authority" means the County of Kittitas, the State of Washington, the United States of America or other governmental entity or agency that has or acquires jurisdiction over the Property or any portion thereof, or sales of the Property, from time to time.

1.17 "Lot" shall mean any parcel of land within the Property created pursuant to and in compliance with the rules, regulations, ordinances and/or laws applicable thereto, regardless of ownership or date created.

1.18 "Lot Owner" shall mean any person or entity that holds fee title or a vendee's interest under a real estate contract of any Lot. The word Lot Owner shall also be construed to include any person or entity that has, or claims to have, a legal or equitable interest in a Lot, including but not limited to, lien claimants, easement holders, tenants or other persons in possession. Regardless of the number of persons or entities which may qualify as a Lot Owner as defined herein, each Lot shall be entitled to only one vote in any situation in which this Declaration requires the vote of or approval by Lot Owners.

1.19 "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.

1.20 "Mortgagee" shall mean the secured party under a mortgage, deed of trust, or other real property security interest, including a sellers' interest in a real estate contract, covering a Lot or other portion or all of the Property.

1.21 "Mountain Ridge Resort Communities" shall refer to the Property, including any Additional Properties added as provided herein.

1.22 "Owner" means the Person or Persons, including Declarant, owning any Unit in the Property, but does not include a tenant or holder of a leasehold interest or a Mortgagee or other Person holding only a security interest in a Unit. If a Unit is sold under a recorded real estate installment sale contract, the purchaser (rather than the seller) will be considered the Owner unless the contract specifically provides to the contrary. The rights, obligations and other status of being an Owner commence upon the acquiring of the ownership of a Unit and terminate upon disposition of such ownership, but termination of ownership shall not discharge an Owner from its obligations incurred prior to termination.

1.23 "Person" means a human being, a corporation, partnership, limited liability company, trustee or other legal entity.

1.24 "Primary Purpose" The primary purposes of this Declaration is to assure within the Property: (i) standards that will safeguard the privacy and quiet enjoyment of all Lot Owners; and (ii) a uniformity of use and quality of workmanship, materials, design, maintenance and location of Structures with respect to topography, finish grade elevation and adjacent Lots and improvements thereon; and (iii) those purposes and objectives set forth in the Recitals.

1.25 "Property" shall mean the property described herein and shall also specifically include any Additional Properties added as provided herein, and including all improvements and structures now or hereafter placed thereon.

1.26 "Structure" shall mean any building, fence, wall, driveway, walkway, patio, deck, swimming pool, outbuilding, shed or the like located on a Lot.

1.27 "Transition Date" shall mean the date upon which the rights of the Declarant are transferred to the Board as provided herein. 1.28 "Office of Record" shall mean the office of the Declarant and/or the Association.

1.29 "Pets" shall mean dogs, cats, rabbits, caged birds and fowl not including roosters or any other crowing fowl, fish and other small household pets kept for personal enjoyment.

1.30 The singular form of words shall include the plural and the plural shall include the singular. Masculine, feminine, and neuter pronouns shall be used interchangeably.

1.31 "Immediate Family" shall mean husbands, wives, children (including step children), parents and grandparents of a Lot Owner. This definition may be expanded by the Declarant or the Board after the Date of Transition.

1.32 "Water Company" shall mean LCU Inc.

2. **PROPERTY SUBJECT TO DECLARATION.**

2.1 Initial Development. Declarant hereby declares that all of the real property described on Exhibit "A" attached hereto is owned and shall be owned, conveyed, hypothecated, encumbered, leased, used, occupied and improved subject to this Declaration.

2.2 Annexation of Additional Property. Declarant may from time to time and in its sole discretion annex Additional Property so long as such Additional Property is subject to this Declaration and is now owned or hereafter acquired by Declarant or any of its Affiliates; provided, however, that Declarant may also from time to time and in its sole discretion permit other owners of real property to annex such real property. The annexation of such real property shall be accomplished by (i) the annexation of such Additional Property to this Declaration in accordance with the provisions thereof or (ii) a Supplemental Declaration subjecting the Additional Property to this Declaration, which Supplemental Declaration shall be executed by Declarant and, if Declarant does not own such Additional Property, by its owner and shall be recorded with the Auditor.

2.3 Withdrawal of Property. Privately Owned Amenities and any other Property annexed pursuant to Section 2.2 may be withdrawn by Declarant and the Owner of such Property by an Amendment to this Declaration executed by Declarant and such Owner if the property to be withdrawn was originally included in error or if the withdrawal is for the purpose of making minor adjustments to boundary lines. In addition, Declarant may withdraw any property then owned by Declarant or the Association if such withdrawal is a

3.2. Declarant shall have a reasonable time to review the Application and any additional information as may be requested relative thereto which time is at least ninety- (90) days. The Application shall be evaluated as to compliance with the provisions contained herein and with any other Declarations of Covenants, Conditions, and Restrictions which affect the property and approval of the Application shall not be unreasonably withheld. In the event the Declarant has not requested additional information or given approval or disapproval of the Application within 90 days from the date the Application, or additional information if applicable was delivered to it, the Application shall be deemed approved; provided, however, failure by Declarant to act on the Application for approval within the specified time period shall not relieve the Lot Owner from the requirements set forth under this document including the construction, appearance and type of structures permitted on the Lot. In the event an Application is denied approval, the Declarant shall provide, in writing, reasons for said denial.

3.3. There shall be a minimum review fee of \$200 for each submittal to the Declarant, and after the Transition Date, the Association. This fee may be adjusted from time to time by the Declarant and after the Transition Date, the Association.

3.4. Declarant, and after the Date of Transition, the Association may hire an outside entity to review said plans per the requirements of this document. Lot Owners shall pay the actual costs of said review. 4. UTILITIES

4.1 Power is available to each Lot at or near the Lot boundary.

4.2 All electrical, telephone, cable, or other utility services and lines shall be underground.

4.3 Antennas and Satellite Dishes shall not be visible from any street or road and shall be attached to a residence or outbuilding and not extend beyond the top of the residence or outbuilding.

5. WATER. The Property may be served by a private water company, LCU, Inc. a Washington Corporation (hereinafter the "Water Company"). Each Lot is served as required by the regulating authorities. Water rates and usage rules are established by the Water Company which may be amended from time to time. For rate and usage rules contact the Water Company at P.O. Box 254, Cle Elum, WA 98922.

5.1 If a Lot is within the LCU Inc. water service area, as now existing or hereafter amended, the Lot Owner must connect to the LCU Inc. water system and receive all of its water from LCU Inc. Lot Owners shall abide by the LCU Inc. water system plan as approved by the Washington State Department of Health and any rules adopted by LCU Inc. to implement the plan. Lot Owners, if water is provided by LCU, Inc., shall submit a request for a water hookup to LCU Inc. Water meters shall be leased to Lot Owner by LCU Inc. under such terms and conditions as are set by LCU Inc. and said rate shall be combined with the monthly water billings. All repairs for damaged water meters shall be paid by the Lot

Owner. If a meter is damaged beyond use it shall be the responsibility of the Lot Owner to pay for a replacement water meter, including the costs of installation.

5.2 There shall be a connection fee payable by the Lot Owner to connect to the water system owned by the Water Company. Said fee is established by the Water Company's Water Plan and may be amended from time to time.

5.3 The Water Company reserves the right to limit the nature, quantity and use of the water service provided to each Lot to a single residential use located on the lot. Irrigation systems shall take advantage of conservation technology to limit water consumption. Outside irrigation is limited by the Water Company as provided for in the Water Company Water Plan. Certain sections of the Development may be served by a separate irrigation system. To any portion of the Development that is served by this separate irrigation system the Owner of the property is required to use the separate irrigation system and in no way use the domestic water for any outside irrigation.

5.4 It is the goal of the Declarant and the Water Company that the water resource be used conservatively; therefore it shall be the goal of this development to average not more than 7,500 gallons water usage per month per connection. The rates structure established by the Water Company shall reflect this goal.

5.5 If the property is served by the Water Company, no additional wells may be drilled within the boundaries of any Lot, except by the Water Company. No additional wells shall be drilled on any portion of the Property except by the Water Company.

5.6 No cross connections between the Water Company's water system and any other water system are permitted. Owners shall not interconnect any outside water system or source with that of the Water Company's system. If cross connections are found, Lot Owners may lose their ability to continue to be served by the Water Company.

5.7 Other restrictions, regulations and fees may apply to the use of the water provided by the Water Company as shown in the Water Company's Water Plan.

5.8 Lot Owners of occupied or unoccupied lots shall pay the water utility bill monthly to the Water Company, except the initial Lot Owner shall begin paying monthly water bills upon application to Kittitas County for a building permit or six (6) months after the Lot is purchased from the Declarant with the closing date of the transaction starting the six month period, which ever occurs first.

6. SEWER.

6.1 The Property is served by either private septic systems or a private utility company (hereinafter the "Utility Company"). Each Lot is sold with either an approved septic system or a collection pipe and valve which leads to a community drain field or sewer system. If a Lot is served by a septic system or community drain field and at some

time in the future the Utility Company or other entity approved by the Utility Company provides a sewer or community drain field connection to the Lot line, at the option of the Utility Company, said Lot shall connect to said connection and pay any and all connection fees that may apply.

6.2 Lots that are provided a connection to a community drain field or sewer system shall provide and install a check valve, septic tank, effluent pump chamber, pump, bio-filter and all related materials including but not limited to piping, controls and electrical hookups as directed or required by the Utility Company. All electrical installations shall be in conformity with the Uniform Electrical Code and Kittitas County Code. It shall be the Lot Owner's responsibility to provide for periodic cleaning and maintenance of the lot's septic components, including but not limited to bio-filter, effluent pump, check valve, septic tank, and pump chamber as required by the Utility Company. It shall be the Lot Owner's responsibility to, in a timely manner, repair or replace any non-functioning component, including but not limited to bio-filter, effluent pump, tank or tanks, or check valve with replacement parts approved by the Utility Company. Failure of the Lot Owner to maintain the system as required; or repair or replace any non-functioning portion of the system in a timely manner as required shall be just cause for the Utility Company to deny service to the lot until such maintenance, repair or replacement is performed. Non-occupied Lots owned by the Declarant are specifically exempt from this section. Lot Owners of occupied or unoccupied lots that are served by either sewer or community septic systems shall pay the sewer or community septic system utility bill monthly, except the initial Lot Owner shall begin paying monthly utility bills upon application to Kittitas County for a building permit or six (6) months after the Lot is purchased from the Declarant with the closing date of the transaction starting the six month period, which ever occurs first.

6.3 The Utility Company shall provide for disposal of the effluent generated by the septic tank and pump chamber on any Lot which is connected to a community drain field or sewer system, and shall maintain the effluent transport lines and community drain fields serving the Lot from the drainfield side of the check valve through the community drainfield. If major improvements or repairs to the community drain field system are required the Lot Owners utilizing said system shall be responsible for their proportionate share of the costs.

6.4 Lots which are provided a connection to a community drain field or sewer system before occupancy of any Lot, must apply to the Utility Company and receive a septic or sewer hookup approval from the Utility Company to connect to the community drainfield or sewer system, for said Lot. No portion of a lot's sewer or septic system may be placed in service and septic tanks and pump chambers must remain dry and unused until septic hookup to the community septic system is inspected and approved by the Utility Company and completed. If any portion of the system is placed in service before inspection and approval, in violation of this section, the Utility Company may deny service to the property and require pumping and sanitizing of the system prior to performing the required inspection. All costs of pumping and sanitizing will be paid by the Lot Owner.



6.5 Lots which are provided a connection to a community drain field or sewer system are subject to the rates, fees, and rules as established by the Utility Company.

6.6 The Utility Company reserves the right to limit the nature, quantity and use of the service provided to each Lot to residential uses located on the Lot.

6.7 In the event that a regional sewer system is approved, designed, funded, and built, which serves the Property it shall be required that the individual Lots in any portion of the Mountain Ridge Resort Communities will connect to said regional sewer system in a timely manner as determined by and coordinated through the Utility Company. Any and all charges or fees imposed by said regional sewer system for said connection shall be borne by the individual Lot Owners.

7. EASEMENTS.

7.1 Access Easements. Declarant hereby grants, declares, reserves, and establishes the following access easements:

7.1.1 As used herein, the word "access" shall mean ingress and egress by vehicle and/or pedestrian traffic, and the word "utilities" shall, subject to Sections 4, 5 and 6 herein, mean and include the right of locating, constructing, maintaining, repairing, and operating underground lines, pipes and facilities under and across such easement area in order to provide utility services to the subject Lot(s), including, but not limited to, electricity, waste water, sewer, gas, water, telephone, communication and cable television services. The Access & Utility Easements exist for the benefit of the indicated Lots. No Lot shall use the Easements in any manner such as would restrict or prevent the other Lots' usage of the Easements for their intended purposes.

7.2 Declarant does hereby establish, create and reserve for the benefit of itself and all Lot Owners, and their respective heirs and assigns, the easements shown on the face of the various community plats, and/or Surveys and attached to this document as the Exhibit "B-1". Exhibit "B-2" may be amended at any time by the Declarant. Notwithstanding the foregoing there shall be a 15 foot access easement created and established on each side of all lot lines. This easement shall be expanded to a 20 foot easement that is established on the outside of lots boarding the perimeter of the community which may be used for walking and biking trails as well as utility corridors and fire breaks. These easements shall be for the sole use for supplying Utilities within the property. Declarant shall have the sole right to grant the use of these easements to any other entity or utility and this right shall survive the Transition date.

7.3 Utility Easements. Easements shown on the face of the Community Plat and/or surveys for utility service are hereby established, created and reserved for the benefit of the utility providers, for the purposes of ingress, egress, installation, reading, replacing, repairing and maintaining systems, lines, drainage paths, creeks and meters. These easements shall be for the sole use for supplying Utilities within the property. Declarant shall

have the sole right to grant the use of these easements to any other entity or utility and this right shall survive the Transition date.

7.4 **Natural Drainage Easements.** Natural Drainage Easements shall be easements for drainage purposes only and shall not be blocked or moved by property owners. Said drainages shall be managed as provided for herein.

7.5 **Trail Easements.** The Declarant reserves the right to establish certain trail easements which will be for the use of the property owners. Said trail easements may also be used as Utility easements. These easements shall be for the sole use for supplying Utilities within the property. Declarant shall have the sole right to grant the use of these easements to any other entity or utility and this right shall survive the Transition date.

7.6 There shall be no additional easements granted on any Lots without the approval of the Declarant. The authority to grant or approved any additional easements is specifically held by the Declarant and cannot be modified by the Board or by vote of the Owners.

7.7 There shall be no signs, including but not limited to, signs advertising portion of the property for sale, no trespassing signs, political signs, or commercial signs for the purpose of advertising a business.

7.8 No Lot Owner shall have a right to grant any other Lot Owner or the owner of any property not subject to this declaration an easement for any purpose without the written approval of the declarant and, after the Transition date, the Association.

8. ROAD MAINTENANCE AND IMPROVEMENT. The access easements within the Property which provide access from the County and/or state Roads or Highways to the Lots are private roads and shall be maintained by the Association, with the cost of all approved road improvements and/or maintenance and snow removal shared equally by the Lot Owners served by such roads, based upon the number of Lots within the Mountain Ridge Resort Communities regardless of ownership. No Owner shall perform easement maintenance and/or snow removal which is not authorized by the Association. Maintenance shall include the cost of snow removal and the cost of removing and/or controlling any and all noxious weeds growing on or located on the easement. Road maintenance expenses, or portions thereof, shall be assessed against all of the Lots equally.

8.1 Annual Maintenance, not including snow plowing. The Declarant shall, on or before the 15th day of May of each year, present via U.S. mail, to the property owners a report (the "Road Report") that provides information on the condition of the roads and includes recommendations for their improvements and/or maintenance in the form of a motion(s) accompanied with a minimum of two bids for each motion. If the Declarant finds that no annual maintenance of the roads is required the Declarant shall not provide a report.



Any Lot Owner, after the Transition Date, may provide a supplemental report for road improvements and/or maintenance to the Board by the 1st day of June of the same year. Said supplemental report must include recommendations in the form of motions and include two bids for said improvements and/or maintenance. The Board shall incorporate these supplemental motions into a revised Road Report which shall be mailed to the Lot Owners, together with a "Road Maintenance Ballot" on or before the 15th day of June of the same year.

Each Lot Owner shall vote on the proposed motions and return their completed Road Maintenance Ballot to the Declarant on or before the 1st day of July of the same year.

In the event a Lot Owner does not return its completed Road Maintenance Ballot to the Declarant on or before the 1st day of July the same year, Declarant shall be deemed to have the right to cast the unreturned vote(s) as it deems appropriate, in its sole discretion; provided, however, all such unreturned votes shall be cast the same.

It shall require approval by the majority of affected Lot Owners to pass any motion.

Lot Owner qualifications for voting on these issues are as described in Section 1.18 of this document.

8.2 Snow Removal. The Declarant shall contract for snow removal each year and shall notify the Lot Owners of any change to the terms of said contract. Such contract shall provide that roads shall be plowed: (i) at least 16 feet wide; (ii) upon 12 inches of snowfall; (iii) a maximum of once a day. It is the intent of these standards to maintain the roads to a degree passable by four-wheel drive vehicles. It shall be the responsibility of the Lot Owners to plow their own driveways and entry points onto the road system. It should be understood that during high snowfall periods roads may accumulate additional snow prior to and after plowing. Lot Owners shall not push or pile snow anywhere within the road easements or right of ways.

8.3 General Maintenance. It shall be the Declarant's, and after the Transition Date, the Board's responsibility to maintain the roads and road easements, with the exception of Snow Removal which is addressed above, to a standard that is equal to the manner that Kittitas County maintains their roads and road easements. The cost of this maintenance, as determined by the Declarant, and after the Transition Date, the Board, shall be shared equally by all lot owners.

9. MOUNTAIN RIDGE ACTIVITY CENTER AND COMMON AREAS. Declarant intends to, but is not obligated to, develop an activity center located within the property (the "Activity Center"), together with a system of common areas and/or trails over and across the Property and/or other lands, which shall be for the use and benefit of the Lot Owners. The

Activity Center, common areas and trails (collectively, the "Common Elements") shall be owned and managed by Mountain Ridge Activity Center, Inc., a Washington corporation to be formed; provided, however, in the event the Mountain Ridge Activity Center, Inc. elects to transfer ownership and/or management of the Common Elements, or any of them, to the Association, the Association shall assume all rights, responsibilities and liabilities thereto.

9.1 Each Lot shall have use of the Common Areas as set forth in the OPERATING RULES AND REGULATIONS OF THE MOUNTAIN RIDGE ACTIVITY CENTER as may be adopted and amended by the Board of Directors of the Mountain Ridge Activity Center, Inc., and/or the association in the event it owns and/or manages all or a portion of the common elements and shall be liable for an equal pro-rata share in and to the annual costs and expenses relative thereto. Such rights and the obligation for dues will commence upon the opening of the Mountain Ridge Activity Center or any trails of common areas. Such rights and liabilities in and to the Common Areas are private to and shall not be severed from the ownership of a Lot.

9.2 - Annually, the Board of Directors of Mountain Ridge Activity Center, Inc. shall estimate the net charges to be paid during each year and shall include a reasonable reserve fund for maintenance, repairs and replacement of the Common Areas and for acquisition and operating reserves (the "Activity Center Budget"). The Activity Center Budget shall be presented to the Association on or before the 1st day of March of each year, and the "Activity Center Assessment" shall be payable equally by all lot owners on an annual basis. If said estimated sum proves inadequate for any reason, Mountain Ridge Activity Center, Inc. may at any time levy a further assessment.

9.3 The Association shall collect from each Lot Owner an equal pro-rated share of the Activity Center Assessment based upon the total number of Lots in existence as of the date of such assessment, with each one Lot having one equal share of the total obligation, regardless of ownership.

10. DESIGNATION OF COMMUNITY IMPROVEMENTS.

10.1 Initial Community Improvements. The initial Community Improvements are more particularly described on the attached Exhibit "B".

10.2 Additional Community Improvements. Additional Community Improvements may be designed as such (i) in a Supplemental Declaration, (ii) in a conveyance from Declarant to the Association, or (iii) by the Association if otherwise acquired by the Association.

10.3 Conveyance of Community Improvements to Association. Except for portions dedicated to the public or to any Governmental Authority, Declarant may convey or assign, and the Association shall accept, all or selected portions of the Community Improvements free and clear of monetary liens (except for non-delinquent taxes and assessments) not later than the end of the Development Period.

10.4 Dedication of Community Improvements. Subject to the approval of and acceptance by such entity, Declarant or the Association may dedicate, or during the Development Period, Declarant may require the Association to dedicate, portions of the Community Improvements to any Governmental Authority.

11. USE OF COMMUNITY IMPROVEMENTS.

11.1 Use by Owners. Subject to the provisions of this Declaration and the Policies and Procedures adopted hereunder, each Owner shall have a right and easement in and to the Community Improvements for the uses for which they are established, which easement shall be appurtenant to and pass with the title to such Owner's property. Any Owner may extend the Owner's right of use and enjoyment of the Community Improvements to the members of the Owner's family, social or business invitees, and lessees, as applicable, subject to reasonable regulation by the Association. An Owner or a member of the Owners Immediate Family must be present with any individual that the Owner has extended the Owners right of use. Other restrictions may be placed on the Owner's extending their right to use the Community Improvements. An Owner who leases the Owner's property shall be deemed to have assigned all such rights to the lessee of such property for the period of the lease.

11.2 Use by Public. To the extent mandated by any Governmental Authority or when so determined by Declarant, members of the public may have the right to use portions of the Community Improvements at such time and subject to such Policies and Procedures as the Association may establish. In addition, Declarant, during the Development Period, or the Association may designate certain portions of the Community Improvements as semi-public, recreational or service areas which may be used by members of the public on a free or fee-paying basis. In such event, Owners shall be permitted to use such facilities or services either on a free basis or for fees that are no higher than those charged to members of the public for an equivalent use or service.

11.3 Restrictions on Use. The following restrictions shall apply to the Community Improvements or the whole of Mountain Ridge Resort as provided below:

11.3.1 Private Use. The Community Improvements may not be partitioned or otherwise divided into parcels for private use, and no private structure of any type (except utilities or similar facilities permitted by Declarant) shall be constructed on the Community Improvements. The Community Improvements shall be reserved for the use and enjoyment of all Owners, and no private use may be made of the Community Improvements, except for temporary uses as authorized by the Declarant. Nothing in this Declaration shall prevent the placing of a sign or signs on the Community Improvements identifying portions of the Mountain Ridge Resort or identifying trails or items of interest, including traffic and directional signs, provided such signs are placed by Declarant or are approved by the Association.

11.3.2 Prohibited Vehicles. Except to the extent specifically authorized in the Policies and Procedures, golf carts and other motorized off-road vehicles

may not be operated within the Community Improvements. Snowmobiles will be allowed to operate within the Mountain Ridge Resort within the guidelines laid out in the Snowmobile Operation Policies and Procedures. Note: Lot Owners may lose their rights to operate Snowmobiles within the Mountain Ridge Resort if they do not strictly follow all of the Snowmobile Operations Policies and Procedures. Snowmobiles will be required to clearly show an identification number at all times they are operated within the resort. Identification numbers will be issued by the Association after the appropriate application is submitted and processing fee is paid to the Association.

11.3.3 Offensive or Unlawful Activities. No noxious or offensive activities shall be carried on within Mountain Ridge Resort, nor shall anything be done or placed on the Community Improvements which interferes with or jeopardizes the enjoyment of the Community Improvements, or which is a source of annoyance to Owners or occupants. No unlawful use shall be made of the Community Improvements nor any part thereof, and all laws and regulations of all Governmental Authorities shall be observed.

11.3.4 Restrictions in Conveyances. Any restrictions contained in any deed or conveyance conveying the Community Improvements to the Association shall be observed.

11.3.5 Policies and Procedures. In addition to the restrictions in this Declaration, the Declarant from time to time may adopt, modify or revoke such Policies and Procedures governing the conduct of Persons and the operation and use of the Community Improvements as it may deem necessary or appropriate in order to assure the peaceful and orderly use and enjoyment of the Community Improvements. A copy of the Policies and Procedures, upon adoption, and a copy of each amendment, modification or revocation thereof, shall be furnished by the Association to each Owner and shall be binding upon all Owners and occupants of property within Mountain Ridge Resort.

11.3.6 Governing Documents. Use of the Community Improvements shall be subject to any additional restrictions contained in any of the applicable Governing Documents.

11.4 Use By Others. The Activity Center will sell memberships to its facilities outside of the Mountain Ridge Resort Property. These memberships will carry all of the same benefits and responsibilities of the memberships of the Lot Owners. The memberships sold to non lot owners will only entitle the member to use the primary activity center and shall be under such terms and conditions as the Activity Center shall establish.

11.5 Declarant Control. Declarant hereby retains and reserves to itself certain rights as set forth in this Declaration during the Development Period. Such reserved rights are for the purpose of allowing the Declarant to complete the development of the Property in the declarant's discretion and to optimize Declarant's ability to enhance and protect the value, desirability and attractiveness of the Property.

11.5.1 Transition Date. The Transition Date will be the earlier of either: (i) the date designated by Declarant in a written notice to the Lot Owners, which date may be, at Declarant's election, any date after this Declaration has been recorded; or (ii) ten (10) years after the final sale of the Lots in Mountain Ridge Resort Communities, including any Additional Properties that may be added as provided herein.

11.5.2 Declarant reserves the right to assign all or any of its rights, duties, and obligations created under this Declaration.

12. ADDITIONAL PROPERTIES. During the Development Period, the Declarant shall have the right to include additional properties which have been or will be developed in a manner similar to that outlined herein (the "Additional Properties") within the Mountain Ridge Resort Communities and to grant participation, voting rights and obligations on identical terms to the Lot Owners of such Additional Properties. At such time as Declarant elects to extend the rights contained herein to any Additional Properties, Declarant shall execute and record an amendment to this declaration subjecting the Additional Properties to all or portions of this Declaration pursuant to as provided herein.

12.1 In the event any such Additional Properties are not owned by Declarant, the owner or owners of such Additional Properties (the "Additional Developers") shall join with Declarant in the execution of said amendment at which time the Additional Developers shall automatically be included in the definition of Declarant herein, and the Additional Properties shall be included in the definition of Property herein.

12.2 Provided that the Primary Purpose of this Declaration is maintained, Declarant shall have the right to subject the Additional Properties, or portions thereof, to a modified set of Building and Construction Requirements, Sewer provisions and/or Easement provisions as appropriate for the development of such Additional Properties or portions thereof.

13. SECONDARY COVENANTS. Individual areas and plat and/or surveys within the Property will be developed at different times, in phases, and at different standards. Declarant reserves the right to place additional covenants, conditions and restrictions on all or any portion of the property by causing to be recorded a Secondary Declaration which may be applicable to all or any portion of the Property during the development period.

14. MOUNTAIN RIDGE RESORT COMMUNITIES OWNERS' ASSOCIATION.

14.1 Organization. An owners' association shall be organized no later than the date the fifty first Lot in the Property is conveyed by Declarant to a third party. The membership of the Association at all times shall consist exclusively of all the Lot Owners. Each Lot Owner by virtue of these covenants, conditions and restrictions is and must be a member in the Mountain Ridge Resort Community Owner's Association. Attached as Exhibit "C" is the initial Bylaws of the association which Bylaws shall automatically become effective upon the filing with the Washington State Secretary of State's Office of the Articles

of Incorporation. Prior to the establishment of the Association all dues and fees shall be paid to the Declarant. Prior to the Transition Date the Association shall act as an advisory board to the Declarant.

14.2 Board of Directors.

14.2.1 During the Development Period, the Declarant shall be the sole member of the Board of the Mountain Ridge Resort Communities Owners' Association.

14.2.1.1 An interim Board composed of at least three (3) members will be appointed by the Declarant as of the Transition Date and the first order of business of the interim Board shall be to give notice of a date for and establishing procedures for the election of a five-person Board to conduct future business and direct the organization.

14.2.1.2 The elected members of the Board shall take office upon election. The board members shall thereafter each hold office for three (3) years unless he or she shall sooner resign, be removed, or otherwise become disqualified to serve. The Board shall act in all instances on behalf of the Association. In the performance of their duties, the officers and members of the Board are required to exercise (a) if appointed by the Declarant, the care required of fiduciaries of the Lot Owners; or (b) if elected by the Lot Owners, ordinary and reasonable care.

14.2.1.3 The Lot Owners may remove any member of the Board with or without cause, other than a member appointed by the Declarant. The Declarant may not remove any member of the Board elected by the Lot Owners.

14.2.2 Officers of the Association. The Board shall elect the officers. Such officers shall take office upon election. The officers shall be elected annually and each shall hold office for one (1) year unless he or she shall sooner resign, be removed, or otherwise become disqualified to serve. Terms of the officers shall be staggered as set forth in the By Laws.

14.3 Voting. The total voting power of all owners shall be equal to the number of Lots in existence as of the date of such vote, with each one Lot having one vote, regardless of ownership.

14.3.1 Lots owned by multiple individuals must declare to the Board, prior to any vote, who the voting member of the ownership is for any vote taken. If only one of multiple owners of a Lot is present at a meeting of the Association, that owner is entitled to cast the vote allocated to that Lot. The vote for a Lot must be cast as a single vote, and fractional votes shall not be allowed. If joint owners are unable to agree among themselves how their vote shall be cast, they shall lose their right to vote on the matter in question.

14.3.2 Votes allocated to a Lot may be cast pursuant to a proxy duly executed by a Lot Owner. A Lot Owner may not revoke a proxy given pursuant to this section except by actual notice of revocation to the person presiding over a meeting of the Association. To be valid, a proxy must be in writing, dated, signed by the Owner granting the proxy, clearly state the authority of the proxy holder and be registered with the meeting chairperson at the commencement of the meeting. Unless stated otherwise in the proxy, a proxy terminates eleven months after its date of issuance.

14.3.3 Unless specifically provided otherwise herein, all matters requiring a vote of the Lot Owners must be approved by two thirds of the Lot Owners in attendance at a meeting duly called for that purpose at which a voting quorum must be present. Alternatively, proposals may be submitted to the Lot Owners for the written consent of two-thirds of all owners entitled to vote. A voting quorum is based on physical presence and/or valid proxies representing 50% of the qualified voters.

14.3.4 Voting qualifications established by this article may not be expanded, limited, amended or modified. They are fundamental to the operation of this Association and the Declaration.

14.4 Association Responsibilities.

14.4.1 As of the Transition Date, except as may be specifically reserved herein, the rights, duties and responsibilities of Declarant shall be deemed to be automatically transferred to the Association acting by and through their Board.

14.4.2 The Association shall maintain the drainage ditches, creek paths, water bars and other drainage facilities throughout the property; provided, however, Lot Owners adjacent to any drainage facility shall also have the right of maintenance thereto provided that drainage paths may not be moved from original surveyed or platted locations, or changed in size, grade, shape, or in any other manner.

14.4.3 The Association shall maintain the Entry Statements, Community Areas, and Trails.

14.4.4 The Association shall maintain the roads as provided in Section 8 herein.

14.4.5 The Association shall adopt, amend, and/or revoke detailed rules and regulations necessary or convenient from time to time to insure compliance with the general guidelines of this Declaration and to promote the comfortable use and enjoyment of the Property. The rules and regulations shall be binding upon all Lot Owners and occupants and all other persons claiming any interest in the Property. During the Development Period, adoption, amendment, and/or revocation of such rules and regulations does not require approval by the Lot Owners. After the Transition Date such rules and regulations shall be approved by the Lot Owners.

14.4.6 The Association shall collect and disburse those assessments and fees provided for herein and shall maintain separate records for each individual assessment purpose. By way of example, assessments owing due for Road Maintenance and Improvement for a particular road system shall be maintained separately from any other road system assessments and from any Activity Center Assessments.

14.4.7 The Association shall keep detailed financial records. The financial records shall be audited at least annually by a certified public accountant, and audited financial statements shall be available within 120 days of the Association's fiscal year-end; provided, however, such audit may be waived annually by Lot Owners other than the Declarant of Lots to which sixty percent (60%) of the votes are allocated, excluding the votes allocated to Lots owned by Declarant. All financial and other records shall be made reasonably available for examination by any Lot Owner and the owner's authorized agents.

14.4.8 The Association shall do such other matters as may be determined reasonable or necessary by the Board and/or by a majority vote by the Lot Owners.

14.5 Association Powers. The Association shall have those powers reasonably necessary to carry out the responsibilities set forth herein, including, but not limited to:

14.5.1 Adopt and amend Bylaws, rules and regulations;

14.5.2 Enforce the provisions hereof;

14.5.3 Adopt and amend budgets for revenues, expenditures, and reserves, and impose and collect assessments for common expenses from Lot Owners;

14.5.4 Adopt, amend and enforce rules and regulations adopted by the declarant and/or association, in the declarant and/or the association's discretion, relating to the use and management of association property and /or necessary for the proper and efficient administration of these Covenants, Conditions and Restrictions and any Secondary Covenants, Conditions and Restrictions;

14.5.5 Hire and discharge or contract with managing agents and other employees, agents, and independent contractors;

14.5.6 Make contracts and incur liabilities;

14.5.7 Impose and collect any payments, fees, or charges for the use, rental, or operation of the common elements and for services provided to Lot Owners, including enforcing liens against Lots to collect assessments;

14.5.8 Impose and collect charges for late payment of assessments and, after notice and an opportunity to be heard by the Board or by such representative designated by the Board and in accordance with such procedures as provided in the Bylaws or rules and regulations adopted by the Board, levy reasonable fines in accordance with a previously established schedule thereof adopted by the Board and furnished to owners for violations of the Declaration, Bylaws, rules and regulations of the Association. Any charges levied pursuant to this section shall be treated as a lien against the lot owner and the lot and may be collected as provided for herein;

14.5.9 Impose and collect reasonable charges for the preparation and recording of amendments to the Declaration, resale certificates and statements of unpaid assessments;

14.5.10 Provide for the indemnification of its officers and Board and maintain directors' and officers' liability insurance;

14.5.11 Assign its right to future income, including the right to receive common expense assessments;

14.5.12 Acquire, hold, encumber, and convey in its own name any right, title or interest to real or personal property;

14.5.13 Institute, defend, or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more Lot Owners on matters affecting the Property;

14.5.14 Any check written by the Association for an Association expense which exceeds \$2,500.00 shall be signed by two members of the Association board of directors;

14.5.15 Impose and collect fines for violation of rules, after notice and an opportunity to be heard by the Board or by such representative designated by the Board and in accordance with such procedures as provided in the Bylaws or rules and regulations adopted by the Board, levy reasonable fines in accordance with a previously established schedule thereof adopted by the Board and furnished to owners for violations of the Declaration, Bylaws, rules and regulations of the Association. Any fines levied pursuant to this section shall be treated as a lien against the lot owner and the lot and may be collected as provided for in Section 18;

14.5.16 Adopt and enforce rules of the road and related rules for the ownership, operation, use and maintenance of the roads and easements set forth herein. Any fines levied pursuant to this section shall be treated as a lien against the lot owner and the lot and may be collected as provided for in Section 18.

14.6 Liens and Collection of Assessments.

14.6.1 The Board shall acquire and pay for as common expenses any goods or services reasonably necessary or convenient for the efficient and orderly maintenance of the Property.

14.6.2 All unpaid sums assessed by the Association to any Lot shall constitute a lien on the Lot and all its appurtenances from the date the assessment becomes due and until fully paid. The lien for such unpaid assessments shall be subordinate to tax liens on the Lot in favor of any assessing unit and/or special district, and to all sums unpaid on all First Mortgages and/or Contracts of record, but, to the extent permitted by applicable law, shall have priority over all other liens against the Lot. Unpaid Activity Center Assessments, as defined in this document, are assessments and shall be treated as other unpaid sums shall constitute a lien on the Lot and all its appurtenances from the date the assessment becomes due and until fully paid.

14.6.3 A First Mortgage and/or Vendor possession through a Mortgage foreclosure, deed of trust sale, declaration of forfeiture of contract, or by taking a deed in lieu of foreclosure or sale, or a purchaser at a foreclosure or sale, or a purchaser at a foreclosure sale, shall take the Lot burdened with all claims for the share of assessments chargeable to the Lot which became due before such possession. The successor Lot Owner will be liable for the common expenses and assessments that accrue after the taking of possession. Any past-due share of assessments that are not collected shall become new expenses chargeable to all of the Lot Owners, including the Mortgagee or foreclosure sale purchaser and their successors and assigns, in proportion to the number of Lots owned by each of them.

14.6.4 The Board shall publish and maintain a list of common expenses, liens outstanding, and to the extent available, projected expenses for coming periods.

14.6.5 Upon written request of a the holder of a first mortgage or deed of trust, or the vendor on a real estate contract, the Association will furnish a statement of lien balances and the information available to a Lot Owner. A fee equal to the costs of producing said statement will be charged to the individual or entity requesting said statement.

14.6.6 The lien of delinquent assessments may be foreclosed as a mortgage of real property under the laws of the State of Washington. The Declarant or Board, acting on behalf of the Owners Association, shall have the power to bid in the Lot at the foreclosure sale, and acquire and hold, lease, Mortgage, and convey the same.

14.6.7 In addition to constituting a lien on the Lot, all sums assessed by the Board chargeable to any Lot, together with interest, late charges, costs and attorneys' fees in the event of delinquency, shall be the joint and several personal obligations of the owner and any contract purchaser of the Lot when the assessment is made, and their grantees.

Suit to recover personal judgment for any delinquent assessments shall be maintainable without foreclosing or waiving the liens securing them.

14.6.8 The Board may from time to time establish late charges and a rate of interest to be charged on assessments delinquent for a period of more than ten (10) days after the date when due. In the absence of another established, non-usurious rate, delinquent assessments shall bear interest at the rate of 12% per annum. If an installment against a Lot is not paid when due, the Board may elect to declare the entire assessments against the Lot for the remainder of the fiscal year to be immediately due and payable.

14.6.9 In any action to collect delinquent assessments, the prevailing party shall be entitled to recover as a part of its judgment a reasonable sum for attorneys' fees; and all costs and expenses reasonably incurred in connection with the action, in addition to taxable costs permitted by law. The venue of any action upon this agreement shall lie in Kittitas County.

14.6.10 The remedies provided herein are cumulative and the Board may pursue them, and any other remedies which may be available under law although not expressed herein, either concurrently or in any order.

14.6.11 No Lot Owner may avoid or escape liability for assessments provided for herein by abandoning, selling or transferring ownership in his or her Lot.

14.7 The funds of the Association shall not be commingled with the funds of any other association, nor with the funds of any manager of the Association or any other person responsible for the custody of such funds. Any reserve funds of the Association shall be kept in a segregated account and any transaction affecting such funds, including the issuance of checks, shall require the signature of at least two persons who are officers or directors of the Association.

14.7 The Board may exercise any other powers conferred by the Declaration or Bylaws; exercise all other powers that may be exercised in this state by the same type of corporation as the Association; and exercise any other powers necessary and proper for the governance and operation of the Association. The Board may secure a loan to purchase property or provide improvements it deems appropriate.

15. TERM OF COVENANT

The conditions, covenants and restrictions set forth in this Declaration shall run with and bind the Property for thirty (30) years from the date this Declaration is recorded, after which said covenants shall be automatically extended in perpetuity until terminated by any instrument terminating these covenants which has been signed by 75% of the Lot Owners of record at the time of the termination. This Declaration may be amended at any time by the declarant as set forth herein and, after the transition date, only so long as the amendment has



been signed by at least 75% of the Lot Owners of record at the time of the amendment. Amendments must be made in a manner as set forth herein.

16. AMENDMENT.

16.1 Amendments to the Declaration shall be made in an instrument in writing entitled "Amendment to Declaration of Mountain Ridge Resort Communities" which sets forth the entire amendment. Notice of any proposed amendment must be given to all Lot Owners.

16.2 During the Development Period, Declarant reserves the right to amend the Declaration as may be necessary to comply with Federal Home Loan Mortgage Corporation (FHLMC) or Federal National Mortgage Association (FNMA) or Federal Housing Administration (FHA) regulations or requirements as necessary to enable the holders of first mortgages of deeds of trust to sell first mortgages of deeds of trust to FHLMC or FNMA or if such amendment is necessary to secure funds or financing provided by, through or in conjunction with FHLMC or FNMA or FHA. If Declarant, after the Declaration has been recorded, determines that it is necessary to amend the Declaration, then the Declarant is hereby authorized to execute and to have recorded said required amendment or amendments. All Lot Owners hereby grant to Declarant a full and complete power of attorney to take any and all actions necessary to effectuate and record said amendment or amendments and agree that said amendment or amendments shall be binding upon their representatives, successors and assigns to the same extent as if they had personally executed said amendment or amendments. All Lot Owners hereby acknowledge and agree that the power of attorney granted herein shall be deemed coupled with an interest and shall be irrevocable.

16.3 Declarant reserves the right to amend this Declaration, without approval by Lot Owners, as provided herein; provided, however Declarant shall provide Lot Owners with a copy of any such amendment within 10 days of execution thereof.

16.4 Declarant or any Lot Owner may propose amendments to this Declaration. Amendments must comply with the same approval procedure as rules and bylaws, as outlined below. Once an amendment has been adopted by the Lot Owners, the amendment will become effective when recorded in the Auditor's Records of Kittitas County, Washington.

16.4.1 Any proposed amendment must be approved prior to its adoption by a majority of the Board of Directors of the Association, it being understood that, during the Development Period, this right of approval lies solely with the Declarant as the sole Board Member.

16.4.2 Any proposed amendment so approved by the Board, shall then be approved by a two-thirds (2/3) majority of the Lot Owners. Said approval may be evidenced by signature on the amendment document or by certificate contained in the amendment to the effect that the Board is in possession of the written consent to the



amendment by at least a two-thirds (2/3) majority of the Lot Owners. In all events, the amendment shall bear the signature of the president of the Board 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.

16.5 It is specifically covenanted and understood by any parties accepting ownership interest in Lots subject to this Declaration that any amendment to this Declaration properly adopted will be completely effective to amend any or all of the covenants, conditions, and reservations contained herein which may be affected and any or all clauses of this Declaration

17. GENERAL PROVISIONS.

17.1 All notices given under the provisions of this Declaration shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, the notice shall be deemed to have been delivered on the third day of regular mail, postage prepaid, addressed to the Person entitled to such notice.

17.1.1 Owner's Address of Record. Notices to Lot Owners shall be mailed to the Owner's Address of Record. Each Owner must maintain an address of record with the Declarant and, after transition date, the Association. Transfer of property must be accompanied by a notice of change of address given by U.S. Mail to the Declarant and, after transition date, the Association. Failure to maintain a current address waives Owner's right to object to lack of notice of pending meetings, elections and official proceedings pursuant to this Declaration. Absent a valid address of record, the Declarant and, after transition date, the Board may (but is not required to) designate the taxpayer's address shown on the Kittitas County tax rolls as the address of record.

17.1.2 Office of Record. Notices to the Declarant and/or the Association shall be mailed to the Office of Record. The Office of Record's address may be changed from time to time by the execution and recording of an instrument in the Auditors Office of Kittitas County Washington which (i) refers to this Declaration and this Article and (ii) sets forth the Office of Record new address.

17.1.3 Notice of meetings, elections and pending action shall be timely if given by U. S. Mail thirty (30) days in advance of the proposed activity.

17.2 Limitation of Liability. So as long as the Declarant, Association, or Board Member acting on behalf of the Owners to enforce the terms and provisions of this Declaration is acting in good faith, without willful or intentional misconduct, then Declarant, Association, or Board Member shall not be personally liable to any Owner or other person or entity for any damage, loss or prejudice suffered or claimed on account of any act, omission, error or negligence of Declarant, Board or Owner.

17.3 Indemnification. Declarant 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 may be a party, or in which he may become involved, by reason of holding or having held such a position as representing the Lot Owners or their Board under this Declaration, or any settlement thereof, whether or not Declarant holds such position at the time such expenses or liabilities are incurred, except to the extent such expenses and liabilities are covered by insurance and except in such cases wherein Declarant is adjudged guilty of willful misfeasance in the performance of his or her duties.

17.4 Insurance. At such time as the Declarant, and after the transition date, the Board deems appropriate, the Declarant may cause the Owners Association to purchase and maintain as a common expense a policy or policies which the Declarant deems necessary or desirable to provide casualty insurance; comprehensive liability insurance, with such deductible provisions as the Declarant deems advisable; insurance, when available, for the protection of the Declarant, and/or its representatives, from personal liability in the management of the Declarant's duties with respect to the Plat and/or survey; and such other insurance as the Declarant deems advisable.

18. ENFORCEMENT

18.1 During the Development Period, the Declarant shall have the right, but not the obligation, to enforce the provisions of this declaration, and the rules and regulations for the benefit of the Lot Owners. Upon the Transition Date, and without further action by any Person or Persons, (i) the term of the Declarant's management of the Property shall end and all duties shall become the responsibility of the Association and its Board of Directors; and (ii) the Declarant shall be released from any and all liability whatsoever for claims arising out of or in connection with this Declaration.


18.2 If there is a violation of any of the conditions of these covenants, conditions or restrictions as herein set forth or as hereinafter amended, any Lot Owner, joining with other Lot Owners or individually, and/or the Association, shall have the right to proceed at law or in equity to collect damages or to compel compliance with the terms and conditions of these covenants, conditions, restrictions and easements or to prevent the violation or anticipated violation or breach of any covenant, conditions, or restriction contained herein.

18.3 The failure of any Owner to comply with provisions of this Declaration, or the rules and regulations may give rise to a cause of action by the Declarant and/or any aggrieved Lot Owner, the Declarant and/or the Board for recovery of damages, or injunctive relief, or both. If a legal action is brought to interpret or enforce compliance with the provisions of this Declaration, or the rules or regulations adopted by the Declarant or Association, the prevailing party shall be entitled to judgment against the other party for its reasonable expenses, court costs, and attorneys' fees in the amount awarded by the Court. Venue for such proceedings shall be in Kittitas County, Washington.

21. SUPERCEDING DOCUMENT This document fully amends and supercedes that document filed with the Kittitas County Auditor file # 2004-09-01-0047 as provided for in that document.

IN WITNESS WHEREOF, the undersigned being the Declarant herein has hereunto set their hand and seal as of the 28th day of September, 2004.

Declarant
Teaway Ridge, LLC

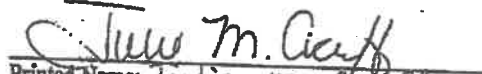

Patrick D. Deneen, Manager

STATE OF WASHINGTON)
County of Kittitas) ss.

On this day, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Patrick Deneen, to me known to be the Manager, respectively of Teaway Ridge, LLC, a Washington Limited Liability Company, the company that executed the foregoing instrument, and acknowledged that the said instrument to be the free and voluntary act and deed of said company, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

GIVEN under my hand and official seal this 28 day of September, 2004.




Printed Name: Julie M. Acliff
Notary Public in and for the State of Washington
My commission expires: 3-6-2005

**EXHIBIT A TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR EVERGREEN RIDGE**

THAT PORTION OF PARCEL 3 AS DESCRIBED AND/OR DELINEATED ON THAT CERTAIN SURVEY AS RECORDED IN BOOK 19 OF SURVEYS, PAGE 198, UNDER KITTITAS COUNTY AUDITOR'S FILE NUMBER 566465, RECORDS OF KITTITAS COUNTY, STATE OF WASHINGTON, AND OF PARCEL 3 AS DESCRIBED AND/OR DELINEATED ON THAT CERTAIN SURVEY AS RECORDED IN BOOK 25 OF SURVEYS, PAGE 193, UNDER KITTITAS COUNTY AUDITOR'S FILE NUMBER 200012290029, RECORDS OF KITTITAS COUNTY, STATE OF WASHINGTON; BEING A PORTION OF THE NORTHWEST QUARTER OF SECTION 12, TOWNSHIP 20 NORTH, RANGE 14 EAST, W.M., IN THE COUNTY OF KITTITAS, STATE OF WASHINGTON, WHICH IS DESCRIBED AS FOLLOWS:

THAT PORTION OF THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 12, TOWNSHIP 20 NORTH, RANGE 14 EAST, W.M., IN THE COUNTY OF KITTITAS, STATE OF WASHINGTON, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF THE NORTHWEST QUARTER OF SAID SECTION 12; THENCE NORTH 89°11'40" WEST ALONG THE NORTH LINE OF SAID NORTHWEST QUARTER OF SAID SECTION 12, 1322.41 FEET TO THE WEST LINE OF THE EAST HALF OF SAID NORTHWEST QUARTER OF SAID SECTION 12; THENCE SOUTH 00°30'01" WEST ALONG THE WEST LINE OF THE EAST HALF OF THE NORTHWEST QUARTER OF SAID SECTION 12, 262.72 FEET TO THE TRUE POINT OF BEGINNING.

THENCE SOUTH 89°29'59" EAST, 267.63 FEET; THENCE SOUTH 43°20'54" EAST, 359.02 FEET; THENCE SOUTH 50°42'52" EAST, 148.89 FEET; THENCE SOUTH 58°00'19" EAST, 326.84 FEET; THENCE NORTH 34°16'17" EAST, 95.05 FEET TO A POINT OF CURVATURE TO THE RIGHT, THE RADIUS POINT OF WHICH BEARS SOUTH 60°36'59" WEST, 248.00 FEET; THENCE ALONG SAID CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 51°06'49" AN ARC LENGTH OF 221.24 FEET; THENCE SOUTH 68°16'12" EAST, 60.00 FEET TO A POINT OF CURVATURE TO THE RIGHT, THE RADIUS POINT OF WHICH BEARS NORTH 68°16'12" WEST, 308.00 FEET; THENCE ALONG SAID CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 12°32'29" AN ARC LENGTH OF 67.42 FEET; THENCE SOUTH 34°16'17" WEST, 175.50 FEET TO A POINT OF CURVATURE TO THE RIGHT; THENCE SOUTHWESTERLY ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 1230.00 FEET THROUGH A CENTRAL ANGLE OF 18°46'45" AN ARC LENGTH OF 403.14 FEET; THENCE SOUTH 53°03'02" WEST, 407.70 FEET TO A POINT OF CURVATURE TO THE LEFT; THENCE SOUTHWESTERLY ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 240.00 FEET THROUGH A CENTRAL



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ANGLE OF 17°00'15" AN ARC LENGTH OF 71.23 FEET; THENCE SOUTH 36°02'48" WEST, 215.62 FEET TO A POINT OF CURVATURE TO THE LEFT; THENCE SOUTHEASTERLY ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 30.00 FEET THROUGH A CENTRAL ANGLE OF 89°59'50" AN ARC LENGTH OF 47.12 FEET MORE OR LESS TO THE NORTHEASTERLY RIGHT-OF-WAY MARGIN OF SR 903; THENCE NORTH 53°57'02" WEST ALONG THE NORTHEASTERLY RIGHT-OF-WAY MARGIN, 120.00 FEET TO A POINT ON A CURVE WHOSE RADIUS POINT BEARS NORTH 36°02'58" EAST, 30.00 FEET; THENCE EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 90°00'10" AN ARC LENGTH OF 47.13 FEET; THENCE NORTH 36°02'48" EAST, 215.62 FEET TO A POINT OF CURVATURE TO THE RIGHT; THENCE NORTHEASTERLY ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 300.00 FEET THROUGH A CENTRAL ANGLE OF 17°00'15" AN ARC LENGTH OF 89.03 FEET; THENCE NORTH 53°03'02" EAST, 77.29 FEET; THENCE NORTH 36°56'58" WEST, 346.52 FEET; THENCE SOUTH 66°58'24" WEST, 125.95 FEET; THENCE NORTH 89°07'41" WEST, 7.87 FEET TO THE WEST LINE OF THE EAST HALF OF THE NORTHWEST QUARTER OF SAID SECTION 12; THENCE NORTH 00°30'01" EAST, 1105.73 FEET ALONG THE WEST LINE OF THE EAST HALF OF THE NORTHWEST QUARTER OF SAID SECTION 12 TO THE TRUE POINT OF BEGINNING.

SITUATED IN THE COUNTY OF KITTITAS, STATE OF WASHINGTON.

EXHIBIT B-1 TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR EVERGREEN RIDGE

ROCK ROSE DRIVE EASEMENT

A 60.00 FOOT WIDE INGRESS, EGRESS AND UTILITY EASEMENT LYING 30.00 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

COMMENCING AT THE WEST QUARTER CORNER OF SECTION 2, TOWNSHIP 20 NORTH, RANGE 14 EAST, W.M., COUNTY OF KITTITAS, STATE OF WASHINGTON; THENCE SOUTH 89°03'43" EAST ALONG THE SOUTH LINE OF THE NORTHWEST QUARTER OF SECTION 12 1323.30 FEET; THENCE NORTH 00°30'01" EAST 1288.44 FEET; THENCE SOUTH 89°07'41" EAST 7.87 FEET; THENCE NORTH 66°58'24" EAST 125.95 FEET; THENCE SOUTH 36°56'58" EAST 406.52 FEET; THENCE NORTH 53°03'02" EAST 330.40 FEET TO A POINT OF CURVATURE TO THE LEFT HAVING A RADIUS OF 1230.00 FEET; THENCE ALONG SAID CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 5°24'51", AN ARC LENGTH OF 116.23 FEET TO THE TRUE POINT OF BEGINNING OF SAID EASEMENT CENTERLINE; THENCE SOUTH 42°23'18" EAST 67.00 FEET TO A POINT OF CURVATURE TO THE RIGHT HAVING A RADIUS OF 275.00 FEET; THENCE ALONG SAID CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 29°34'40", AN ARC LENGTH OF 141.96 FEET; THENCE SOUTH 12°48'38" EAST 163.87 FEET TO A POINT OF CURVATURE TO THE LEFT HAVING A RADIUS OF 275.00 FEET; THENCE ALONG SAID CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 48°10'34", AN ARC LENGTH OF 231.23 FEET; THENCE SOUTH 60°59'12" EAST 393.14 FEET TO THE TERMINUS OF SAID EASEMENT.

AT THE TRUE POINT OF BEGINNING OF SAID EASEMENT THE SIDELINES OF SAID EASEMENT ARE TO INTERSECT THE SOUTHEASTERN BOUNDARY OF PAINTBRUSH DRIVE WITH A 30.00 FOOT RADIUS CURVE CONCAVE TO THE SOUTH ON THE RIGHT AND CONCAVE TO THE EAST ON THE LEFT.

AT THE TERMINUS OF SAID EASEMENT THE SIDELINES OF SAID EASEMENT ARE TO INTERSECT A LINE DRAWN PARALLEL WITH AND 30.00 FOOT NORTHWESTERLY OF THE CENTERLINE OF RIDGE CREST DRIVE WITH A 30.00 FOOT RADIUS CURVE CONCAVE TO THE WEST ON THE RIGHT AND CONCAVE TO THE NORTH AND LEFT.

**EXHIBIT B-2 TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR EVERGREEN RIDGE**

RIDGE CREST DRIVE EASEMENT

A 60.00 FOOT WIDE INGRESS, EGRESS AND UTILITY EASEMENT LYING 30.00 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

COMMENCING AT THE WEST QUARTER CORNER OF SECTION 2, TOWNSHIP 20 NORTH, RANGE 14 EAST, W.M., COUNTY OF KITTITAS, STATE OF WASHINGTON; THENCE SOUTH $89^{\circ}03'43''$ EAST ALONG THE SOUTH LINE OF THE NORTHWEST QUARTER OF SECTION 12 1323.30 FEET; THENCE NORTH $00^{\circ}30'01''$ EAST 1288.44 FEET; THENCE SOUTH $89^{\circ}07'41''$ EAST 7.87 FEET; THENCE NORTH $66^{\circ}58'24''$ EAST 125.95 FEET; THENCE SOUTH $36^{\circ}56'58''$ EAST 406.52 FEET; THENCE NORTH $53^{\circ}03'02''$ EAST 330.40 FEET TO A POINT OF CURVATURE TO THE LEFT HAVING A RADIUS OF 1230.00 FEET; THENCE ALONG SAID CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF $5^{\circ}24'51''$, AN ARC LENGTH OF 116.23 FEET TO THE BEGINNING OF THE ROCK ROSE DRIVE EASEMENT CENTERLINE; THENCE SOUTH $42^{\circ}23'18''$ EAST 67.00 FEET TO A POINT OF CURVATURE TO THE RIGHT HAVING A RADIUS OF 275.00 FEET; THENCE ALONG SAID CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF $29^{\circ}34'40''$, AN ARC LENGTH OF 141.96 FEET; THENCE SOUTH $12^{\circ}48'38''$ EAST 163.87 FEET TO A POINT OF CURVATURE TO THE LEFT HAVING A RADIUS OF 275.00 FEET; THENCE ALONG SAID CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF $48^{\circ}10'34''$, AN ARC LENGTH OF 231.23 FEET; THENCE SOUTH $60^{\circ}59'12''$ EAST 393.14 FEET; THENCE NORTH $29^{\circ}00'48''$ EAST 66.66 FEET TO THE TRUE POINT OF BEGINNING OF SAID EASEMENT; THENCE SOUTH $29^{\circ}00'48''$ WEST 356.68 FEET TO A POINT OF CURVATURE TO THE LEFT HAVING A RADIUS OF 275.00 FEET; THENCE ALONG SAID CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF $11^{\circ}48'48''$, AN ARC LENGTH OF 56.70 FEET; THENCE SOUTH $17^{\circ}12'01''$ WEST 100.93 FEET, MORE OR LESS, TO THE NORTHERN RIGHT OF WAY BOUNDARY OF STATE ROUTE 903 AND THE TERMINUS OF SAID EASEMENT. AT THIS POINT THE SIDE LINES OF SAID EASEMENT ARE TO INTERSECT THE RIGHT OF WAY BOUNDARY WITH A 30.00 FOOT RADIUS CURVE CONCAVE TO THE NORTHWEST ON THE RIGHT AND CONCAVE TO THE NORTHEAST ON THE LEFT.

**BOARD OF COUNTY COMMISSIONERS
COUNTY OF KITTITAS
STATE OF WASHINGTON**

RESOLUTION

NO. 2016 - 072

**IN THE MATTER OF APPROVAL OF THE FINAL DEVELOPMENT PLAN FOR THE
EVERGREEN RIDGE PLANNED UNIT DEVELOPMENT (RZ-01-00010)
AND EVERGREEN RIDGE PHASE 1, DIVISION 5 FINAL PLAT (P-06-00022)**

WHEREAS, An open record hearing was held by the Kittitas County Planning Commission on August 27, 2001 for the purpose of considering a zone change consisting of approximately 75 acres located west of mile post 8 and north of State Route 903 from Rural 3 zone to a Planned Unit Development; and

WHEREAS, After a SEPA threshold determination of non-significance was issued, due notice was given, and public testimony was provided regarding the project, the Kittitas County Planning Commission recommended approval of said proposed rezone; and

WHEREAS, A closed record public hearing was held by the Board of County Commissioners on September 18, 2001, and after consideration of public testimony and findings of fact, the Commissioners approved the proposed Planned Unit Development rezone; and

WHEREAS, On October 2, 2001 the Board of County Commissioners signed Ordinance 2001-17 granting approval of the Evergreen Ridge Preliminary PUD Rezone (RZ-01-00010); and,

WHEREAS, On December 21, 2005 Kittitas County received application to amend the Planned Unit Development to add seventeen (17) acres to the approved project; and

WHEREAS, On May 16, 2006 the Board of County Commissioners signed Ordinance 2006-26 granting amendment to the Evergreen Ridge Preliminary PUD Rezone expanding the PUD area by seventeen acres; and

WHEREAS, After a SEPA threshold determination of non-significance was issued, due notice was given, and public testimony was provided regarding the amendment to the project, the Kittitas County Planning Commission recommended approval of said proposed rezone on March 28, 2006, and

WHEREAS, After a closed record public hearing was held before the Board of County Commissioners on May 2, 2006 to consider the Planning Commission recommendation and the findings of fact, the Board on May 16, 2006 approved the amendment to add 17 acres to the rezone of said Planned Unit Development through Ordinance 2006-026; and

WHEREAS, according to Kittitas County Code 17.36.040, following approval of the preliminary planned unit development plan by the County, and before lot sales or building construction commences, the developer (owner) shall submit a final planned unit development plan for approval by the Board of County Commissioners; and

WHEREAS, the applicant proposed a final planned unit development plan application on May 20, 2013, and submitted additional information requested by staff within a letter dated October 14, 2014, further defining the final planned unit development plan; and

WHEREAS, on March 30, 2016 and on April 6, 2016 said applicant provided such information; and

WHEREAS, final mylars for Phase 1, Division 5, consistent with the final planned unit development plan, were submitted to CDS staff on February 16, 2016 so they could be reviewed concurrently with the final planned unit development plan; and

WHEREAS, the Planned Unit Development known as Evergreen Ridge PUD is located at the site of the originally approved preliminary planned unit development plan established in Ordinance 2001-17 and Ordinance 2006-26

WHEREAS, the Board of County Commissioners on June 7, 2016 reviewed the final development plan for the PUD on this matter; and,


WHEREAS, the following FINDINGS OF FACT have been made concerning said development:

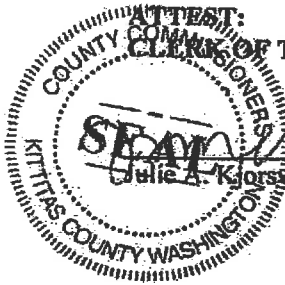
1. On October 2, 2001 the Board of County Commissioners signed Ordinance 2001-17 granting approval of the Evergreen Ridge Preliminary PUD Rezone (RZ-01-00010).
2. On May 16, 2006 the Board of County Commissioners signed Ordinance 2006-26 granting amendment to the Evergreen Ridge Preliminary PUD Rezone expanding the PUD area by seventeen acres.
3. The original proposal was a preliminary planned unit development on approximately 92 acres with varying residential designs and densities through Ordinance 2001-17 and amendment through Ordinance 2006-26.
4. According to Kittitas County Code 17.36.040, following approval of the preliminary development plan by the County, a Final Planned Unit Development Plan shall be submitted to the Department of Community Development Services of Kittitas County meeting various criteria and before lot sales or building construction commences, the developer (owner) shall submit a final development plan for approval by the Board of County Commissioners.
5. Mr. Chad Bala, authorized agent for Teanaway Ridge, LLC, the land owner, submitted a final development plan to Community Development Services on May 20, 2013.
6. After multiple reviews and work with the applicant and with various departments, it has been determined that the planned unit development project will consist of multiple numbers of units, uses and phases consistent with the preliminary planned unit development plan approved in 2001 and amended in 2006.
7. The subject property is located north of State Highway 903 and west of Mile Post 8 being a portion of Section 12 or T. 20N, R.14 E.W.M in the County of Kittitas.
8. The proposed location, phasing, and development character is consistent with the plans previously approved in 2001 and 2006, and further meets the timelines of the Code.

Resolution 2016- 072

NOW THEREFORE, BE IT HEREBY ORDAINED by the Board of County Commissioners of Kittitas County, Washington, after due deliberation and in the best interest of the public, does hereby approve the final planned unit development plan for the Evergreen PUD Rezone (Z-01-00010) and Plat (P-06-00022), adding note #3 which states, "The identified open space tracts shall be proportionately owned by tenants in the common, and retained by each adjoining home owner, and will be assessed, taxed, and foreclosed upon each building lot not fulfilling their obligation."

DATED this 7th day of JUNE, 2016 at Ellensburg, Washington.

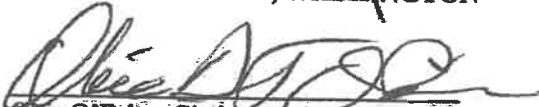
ATTEST:
COUNTY CLERK OF THE BOARD

Julie A. Kojarsnik

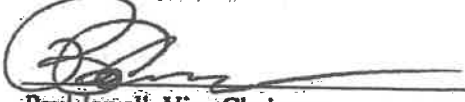


APPROVED AS TO FORM:

Greg Zempel WSBA #19125

**BOARD OF COUNTY COMMISSIONERS
KITITAS COUNTY, WASHINGTON**


Obie O'Brien, Chairman


Paul Jewell, Vice-Chairman


Laura Osiadacz, Commissioner