

# DRAFT OF FOREST RIDGE(SKYLINE RIDGE) CCR'S

WHEN RECORDED, RETURN TO:

Trailside Homes  
Attn: Sean Northrop  
116 ½ South Washington Street  
Seattle, WA 98104

<b>Document Title</b>	Declaration of Covenants, Conditions, and Restrictions for Timberline and Skyline Ridge at Ederra, a Plat Community
<b>Reference Number of Related Document</b>	N/A
<b>Grantor</b>	FRPP Phase 1, LLC, a Washington limited liability company  UKC Holdings, LLC and Kurt Erickson, as tenants in common
<b>Grantees</b>	Timberline and Skyline Ridge at Ederra, a common interest community  Timberline and Skyline Ridge at Ederra Homeowners Association, a Washington nonprofit corporation
<b>Abbreviated Legal Description</b>	Portions of Section 24 and 25, Township 20 North, Range 15 East, W.M., Kittitas County, Washington
<b>Tax Parcel Numbers</b>	Timberline: 959874, 959875, 959876, 959877, 959878, 959879, 959880, 959881, 959882, 959883, 959884, 959885

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**DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS  
FOR TIMBERLINE AND SKYLINE RIDGE AT EDERRA, A PLAT COMMUNITY**

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR Timberline and Skyline Ridge at Ederra, A PLAT COMMUNITY is made this 2nd day of December, 2020, by FRPP Phase 1, LLC, a Washington limited liability company (“**FRPP**”) and tenants in common UKC Holdings, LLC, a Washington limited liability company and Kurt Erickson, an individual (“**UKC**”) (collectively, the “**Declarant**”), as the owner of certain real property situated in Kittitas County, State of Washington, as such property is more specifically described on **Exhibit A**, which is attached hereto and incorporated herein by this reference (the “**Real Property**”).

**RECITALS**

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

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

C. The Plat Community shall initially consist of Timberline (defined below in Article I under “Map”), which includes twelve (12) units. Declarant anticipates adding to this Declaration that certain property described on **Exhibit B** hereto (“**Skyline Ridge**”), which Declarant anticipates subdividing into approximately one hundred seventy-two (172) Units, but could be more Units. This Declaration initially shall govern Timberline, but will govern both Timberline and Skyline Ridge at such time as Declarant amends this Declaration to add the Skyline Ridge property. Timberline consists of Units approximately five (5) acres in size or larger. Skyline Ridge will consist of units approximately one (1) to three (3) acres in size.

D. Timberline and Skyline Ridge are a part of the larger development known as Ederra. Declarant anticipates that Ederra also will include certain property within the City of Cle Elum. Declarant anticipates that the Cle Elum property may include up to 982 units and will be governed by a separate declaration. The Cle Elum property will include units of varying sizes ranging from attached dwellings to large estate-sized parcels. Certain common areas, including without limitation private parks, a clubhouse/lodge, tracts, roadways and trails, may be shared between the unit owners in Timberline, Skyline Ridge, and the Cle Elum property, and Declarant reserves the right herein to grant easements and establish rules and regulations, as well as impose assessments, to facilitate the use and maintenance of such common areas.

E. Declarant anticipates Timberline and Skyline Ridge will share a common roadway, landscaping, entry monumentation and clubhouse facilities to be located on the Skyline Ridge property. Declarant plans for this Declaration to govern both Timberline and Skyline Ridge. Because Skyline Ridge will be subdivided and developed subsequent to Timberline, Declarant reserves in this Declaration certain Declarant Rights to amend the Declaration to facilitate the development of Timberline and Skyline Ridge, as well as grant easements and take other actions necessary for or convenient to the development of Ederra. The Declarant Rights are described in Article 14. THE DECLARANT RIGHTS MAY BE EXERCISED FOR MANY YEARS INTO THE FUTURE AND ANYONE ACQUIRING A UNIT IN TIMBERLINE OR SKYLINE RIDGE SHOULD CAREFULLY REVIEW THIS DECLARATION AND THE DECLARANT RIGHTS RETAINED BY DECLARANT BECAUSE BY ACQUIRING A UNIT OWNERS WILL BE BOUND BY AND SUBJECT TO THE DECLARANT'S DEVELOPMENT RIGHTS.

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

## ARTICLE 1. DEFINITIONS

**Section 1.1** “**Association**” shall mean and refer to Timberline and Skyline Ridge at Ederra Homeowners Association, a Washington nonprofit corporation, its successors and assigns.

**Section 1.2** “**Association Action**” shall mean and refer to a written corporate action of the Association in the form of either a bylaw or resolution duly passed by either the Board or the Unit Owners.

**Section 1.3** “**Board**” or “**Board of Directors**” shall mean and refer to the board of directors of the Association with primary authority to manage the affairs of the Association.

**Section 1.4** “**Common Elements**” shall mean and refer to real estate other than a Unit within the Plat Community owned and/or maintained by the Association. As of the date of this Declaration, the Common Elements consist of: all Common Elements depicted on the Map, including without limitation, the common roadways, trails, and recreational areas identified herein or separately identified in documents recorded in the real property records of Kittitas County, Washington.

**Section 1.5** “**Common Expenses**” means any expense of the Association, including allocations to reserves, as provided for in the Act and this Declaration.

**Section 1.6** “**Declarant**” shall mean and refer to the entity described on the first page of this Declaration and its respective successors and assigns. Nothing contained herein shall be deemed or construed by the Association or by any third party, to create the relationship of principal and agent, or a partnership, or a joint venture, or any association between or among any of the signatories hereto.

**Section 1.7 “Declarant Control Period”** shall mean the period of time from the date of recording of this Declaration until the earlier of: (a) sixty (60) days after conveyance of seventy-five percent (75%) of the Units that may be created to Unit Owners other than Declarant; (b) two (2) years after the last conveyance of a Unit, except to a dealer; (c) two (2) years after any right to add new Units was last exercised; or (d) the day Declarant, after giving notice in a record to Unit Owners, records an amendment to this Declaration voluntarily surrendering all rights to appoint and remove officers and Board members. A partial delegation of authority by the Declarant of any of its management duties described in the Declaration shall not terminate the Declarant Control Period.

**Section 1.8 “Declaration”** shall mean and refer to this instrument, as the same may be supplemented or amended from time to time.

**Section 1.9 “Development Right”** shall mean and refer to those rights of Declarant reserved in Article 14 and elsewhere in the Declaration.

**Section 1.10 “Governing Documents”** shall mean and refer to this Declaration, the Map, the articles of incorporation, bylaws and rules and regulations of the Association, or any other written instrument by which the Association has the authority to exercise any of the powers to manage, maintain, or otherwise affect the Plat Community, as any of the foregoing may be amended from time to time.

**Section 1.11 “Map”** shall mean and refer to the Record of Survey recorded under Kittitas County Recording No. 202010290059 (“**Timberline Map**”). At such time as Declarant amends this Declaration to add the Skyline Ridge property (as described on **Exhibit B**), the amendment will amend this Section 1.11 to reference the map associated with the Skyline Ridge property.

**Section 1.12 “Mortgagee”** means the holder of a security interest on a Unit.

**Section 1.13 “Real Property”** shall mean and refer to that certain real property which is legally described on **Exhibit A** attached hereto, and such additions thereto as may hereafter be brought within the terms and conditions hereof by an appropriate recording.

**Section 1.14 “Reserve Account”** shall have the meaning set forth in Section 3.12 of this Declaration.

**Section 1.15 “Reserve Component”** shall mean a physical component of the Plat Community which the Association is obligated to maintain, repair or replace, which has an estimated useful life of less than thirty (30) years, and for which the cost of such maintenance, repair or replacement is infrequent, significant and impractical to include in an annual budget.

**Section 1.16 “Reserve Study Professional”** shall mean an independent person who is suitably qualified by knowledge, skill, experience, training, or education to prepare a reserve study in accordance with RCW 64.90.

**Section 1.17 “Significant Assets”** shall mean that the current replacement value of the major Reserve Components is seventy-five percent (75%) or more of the gross budget of the Association, excluding the Association’s Reserve Account funds.

**Section 1.18 “Single Family”** shall mean and refer to a single housekeeping unit that includes not more than four (4) adults who are legally unrelated.

**Section 1.19** “SMA” means a Washington State Department of Health-approved satellite management agency for management of a community water system, pursuant to RCW 70.116.134, Chapter 246-295 WAC, and Chapter 246-290 and 246-291 (as may be amended).

**Section 1.20** “SMA Contract” means the contract entered into by and between the Declarant or the Association, and the SMA, for management of the Water System (whether Group A or a Group B system) pursuant to Chapter 246-295 WAC, and Chapter 246-290 and 246-291 (as may be amended).

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

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

**Section 1.23** “Unit” shall mean and refer to any legally segmented and alienable portion of the Real Property created through subdivision or any other legal process for dividing land and subjected to this Declaration by an appropriate recording, with the exception of Tracts and Common Elements. As indicated on the Map, the Plat Community shall initially include 12 Units, but may include up to a maximum of 300 Units.

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

**Section 1.25** “Water System” means the community wells with associated common waterworks equipment, common pumphouse, common distribution pipes, filters, electrical systems, and all appurtenances necessary thereto which exist on, over, under or within Common Elements or Water System Easements (defined below) for the purpose of providing a potable water supply to the Units generally, which water system equipment, lines and improvements extend up to, but not over, an individual Unit.

**Section 1.26** “Water System Easements” means those easements reserved or granted herein or in separate recorded documents by Declarant for the purpose of installing, operating, accessing, maintaining, servicing, testing, monitoring and/or repairing the Water System and any appurtenances thereto, including any backup, supplemental, or replacement well within the one hundred foot (100’) radius area of the wells initially installed as part of the development and including an area defined as ten feet (10’) in width along and abutting any and all of the exterior boundaries of the Units and Common Elements.

## **ARTICLE 2. TIMBERLINE AND SKYLINE RIDGE AT EDERRA HOMEOWNERS ASSOCIATION**

**Section 2.1 Description of Association.** The Association is a nonprofit corporation organized and existing under the laws of the State of Washington charged with the duties and vested with

the powers prescribed by law and set forth in the Governing Documents, as they may be amended from time to time; provided, however, that no Governing Documents of the Association other than this Declaration shall for any reason be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration. The Association shall have a perpetual existence. Upon dissolution or final winding up of the Association entity under the laws of the State of Washington, all of its assets remaining after payment to creditors will be distributed or sold, and the sales proceeds distributed, to the members of the Association entity in accordance with the Articles of Incorporation, Bylaws, and provisions of RCW 24.03 and RCW 64.90. In the case of any conflict between the provisions of RCW 24.03 and the Act, the Act shall control. The Unit Owners are responsible for providing that the Association continues to be a functioning legal entity.

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

**Section 2.3 Votes Appurtenant to Units.** Every Unit Owner shall be a member of the Association. The Unit Owner(s) of a Unit shall be entitled to cast one (1) vote in the Association for each Unit owned. A vote shall be appurtenant to and held and owned in the same manner as the beneficial fee interest in the Unit to which it relates. A vote shall not be separated from ownership of the Unit. Unit Owner voting shall be governed by RCW 64.90.455, as it may be amended.

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

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

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

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

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

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

(i) Complete any improvements indicated on the Map or described in this Declaration or the public offering statement pursuant to RCW 64.90.610(1)(h);

(ii) Exercise any Development Right;

(iii) Maintain sales offices, management offices, signs advertising the Plat Community, and models, as well as hold special events within the Plat Community;

(iv) Use easements through the Common Elements for the purpose of making improvements within the Plat Community or within real property that may be added to the Plat Community;

(v) Make the Plat Community subject to a master association;

(vi) Merge or consolidate a common interest community with another common interest community of the same form of ownership;

(vii) Control any construction, design review, or aesthetic standards committee or process until Declarant no longer owns any Units;

(viii) Attend meetings of the Unit Owners and, except during an executive session, the Board;

(ix) Have access to the records of the Association to the same extent as a Unit Owner (collectively, the “**Special Declarant Rights**”); and

(x) Exercise the rights described in Article 9.

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

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

### **ARTICLE 3. ASSOCIATION BUDGET, ASSESSMENTS, AND LIENS**

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

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

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

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

(iii) To the extent that any expense of the Association is caused by the negligence, gross negligence or willful misconduct of any Unit Owner or that Unit Owner’s tenant, guest, invitee, or occupant, the Association may assess that expense against the Unit Owner’s Unit after notice and an opportunity to be heard, to the extent of the Association’s deductible and any expenses not covered under an insurance policy issued to the Association.

(iv) In the event of a loss or damage to a Unit that would be covered by the Association’s property insurance policy, excluding policies for earthquake, flood, or similar losses that have higher than



standard deductibles, but that is within the deductible under that policy, the Association may assess the amount of the loss up to the deductible against that Unit. This subsection does not prevent a Unit Owner from asserting a claim against another person for the amount assessed if that other person would be liable for the damages under general legal principles.

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

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

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

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

(vi) The current deficiency or surplus in reserve funding expressed on a per Unit basis.

(c) Initial assessments. Until the Board adopts a budget and until the Skyline Ridge clubhouse is open for use, initial assessments, including the Permit Fee described in Article 4, shall be \$185 per month. Upon the issuance of certificate of occupancy for the clubhouse, assessments shall increase to \$340 per month unless and until the Board has adopted a budget with a different assessment obligation.

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

**Section 3.5 Payment of Assessment.** Installments of general assessments may be collected on a monthly, quarterly, semi-annual, or annual basis, as determined by the Board and ratified by the Unit Owners in accordance with Subsection 3.3(a). Unless the Board otherwise provides, one-twelfth (1/12) of the General Assessment shall be due in advance on the first day of each calendar month. Any Unit Owner may prepay one or more installments on any assessment levied by the Association without penalty.

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

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

Upon the closing on any Unit, the buyer thereof shall pay a one-time assessment in the amount of Five Hundred Dollars (\$500.00). This amount shall be in addition to any assessment established by the Association, and shall be paid by all buyers, including builders. This amount may be modified by the Association for conveyances subsequent to the first buyer.

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

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

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

**Section 3.11 Duration of Lien.** Any lien arising pursuant to Section 3.10 shall be a continuing lien in the amount stated in the assessment from the time of the assessment, but expiring pro rata as the assessment payments are made, and shall also be the personal obligation of the person or entity who is the Unit Owner of the Unit at the time of the assessment. The personal obligation to pay a prior assessment shall not pass to successors in interest unless expressly assumed by them; provided, however, that in the case of a sale or contract for the sale of any Unit which is charged with the payment of an assessment, the person or entity who is the Unit Owner immediately prior to the date of such sale shall be personally liable for the amounts of the monthly installments due prior to said date, and the new Unit Owner shall be personally liable for monthly installments becoming due on or after such date. The foregoing limitation on the duration of the personal obligation of a Unit Owner to pay assessments shall not, however, affect the validity or duration of the continuing lien for unpaid assessments against the respective Unit.

**Section 3.12 Reserve Account for Repair or Replacement.** Unless the Plat Community has nominal reserve costs or the cost of a reserve study or update exceeds ten percent (10%) of the Association's annual Common Expenses, the Association shall establish and maintain a reserve fund for major maintenance, repair or replacement of the Common Elements and any improvements thereon ("**Reserve Account**"). Such Reserve Account shall be deposited with a banking institution, and in the name of the Association. The Reserve Account shall be expended only for the purpose of affecting the major maintenance, repair or replacement of the Common Elements and any improvements and community facilities thereon, and to any sidewalks, roads, walls or pathways developed as a part of the Plat Community, equipment replacement, and for operating contingencies of a nonrecurring nature. The Board is responsible for administering the Reserve Account. The Association may establish such other

reserves for such other purposes as it may from time to time consider to be necessary or appropriate. The proportional interest of any Unit Owner in any such reserves shall be considered an appurtenance of his or her Unit and shall not be separately withdrawn, assigned, or transferred from the Unit to which it appertains.

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

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

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

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

**Section 3.15 Limitations on Liability related to Reserve Account and Reserve Studies.** Monetary damages or any other liability may not be awarded against or imposed upon the Association, its officers, the Board, or those persons who may have provided advice or assistance to the Association, its officers, or the Board, for failure to: (a) establish a Reserve Account; (b) have a current Reserve Study prepared or updated in accordance with the requirements of RCW 64.90 and this Declaration; or (c) make the required disclosures in accordance with Subsection 3.3(b) and RCW 64.90.

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

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

#### **ARTICLE 4. WATER SYSTEM**

**Section 4.1 Construction, Approval, and Ownership of Water System.** At Declarant's discretion, after obtaining the requisite governmental approvals for the Water System or the portion thereof that is intended to serve Timberline, Skyline Ridge or any portion thereof separately identified for development in one or more phases (each a "Phase"), and completing construction of the Water System for such Phase, title to and ownership of the portion of the Water System that has been completed for such Phase shall be transferred to and vest in the Association, and the Association shall assume responsibility for all requirements and legal obligations of such Water System, including specifically the obligation to assess and collect from Owners the Permit Fee described in Section 4.6.

**Section 4.2 Authority to Enter into Contracts.** The Association shall enter into such contracts as it deems appropriate to fulfill its obligation to provide a continuous potable water supply for the Units. The Association shall have the authority, administered consistent with the Articles and Bylaws for the Association, to enter into contracts with third parties for the operation and maintenance of the Water System.

**Section 4.3 Association Obligation to Deliver Water.** Subject to the terms of this Declaration and applicable law, the Association shall make available to each Unit Owner from the Water System, an equal and adequate supply of potable water for one residential dwelling on each Unit, with the capacity to provide at least three hundred (300) gallons per Unit per day. Such provision of water may be provided through a contract with a third-party water provider or otherwise. While this is the minimum capacity of water that will be available for use by any one Unit, at any given point in time, the limitations on average daily usage over a period of time discussed in Section 4.8 below shall apply. Any additional subdivision or change in use of any Unit may require a separate source of water supply; however, nothing contained herein precludes Declarant from further subdividing the Property and establishing additional Units served by the Water System, provided service of such additional Units is consistent with and permissible under applicable laws and regulations.

**Section 4.4 Maintenance of Water System.** Upon acquiring title to the Water System, the Association, through contract with a third party or otherwise, shall operate, manage, and maintain the Water System, and provide a continuous supply of water from the Water System to the Units in compliance with applicable regulations of the state and local authorities (including standards for water sampling and reporting), and subject to such reasonable and generally applicable rules and regulations as the Association may adopt or ratify. The Association shall maintain, either as owner or through a contract with a third party, the Water System so that there will be no leaks, seepage, or other defects that may cause contamination of the water supply, or injury or damage to persons or property. Pipe material used in repairs shall comply with all applicable codes and shall meet approval of the regulatory authority with jurisdiction. Cost of repairing, operating, and maintaining the Water System (including common distribution pipelines) shall be borne equally by the Unit Owners, and imposed upon such Unit Owners by the Association in accordance with 4.15.

**Section 4.5 Water Right Permits.** Water Permit No. G4-35273P (Timberline, formerly known as Ponderosa Pines) authorizes the use of water within the area depicted on the Timberline Map. Water Right Permit No. G4-35284P (Skyline Ridge, formerly known as Forest Ridge) authorizes the use of water within the area depicted in the Skyline Ridge Map. Scatter Creek Resources L.L.C., a

Washington limited liability company (“SCR”) currently holds the Water Right Permits. SCR has or will soon sell and convey the Water Right Permits to the Association under a purchase and sale agreement. The terms of the sale are a purchase price of \$1,263,700, with a 30-year amortization and interest rate of 4%, and monthly individual payments for each unit of \$50.00. The monthly amount due shall be adjusted to an amount equaling the number of Units sold by Declarant multiplied by \$50. After execution of the purchase and sale agreement and recording of all sale documents, SCR shall assign the Water Right Permits to the Association.

**Section 4.6 Permit Fee.** The Association shall levy and collect as assessments from each Unit Owner such Owner’s share (“Permit Fee”) of the purchase price of the Water Right Permits. The Association shall be responsible for collecting the Permit Fee and making payment to SCR as provided in the purchase and sale agreement. The assessment for each Unit Owner shall commence upon conveyance of a Unit from Declarant to the new Unit Owner. The monthly assessment for the Permit Fee shall be Fifty Dollars (\$50.00) and the total Permit Fee shall be amortized over 360 monthly payments for each Unit’s proportionate share of the water Right Permit. The Permit Fee may be contained in the Association’s annual operating budget, but the Permit Fee shall apply regardless of whether the Owners ratify or disapprove the budget. The Permit Fee shall be superior to any lien for assessments levied by the Association. The Association hereby guarantees to SCR to make payment according to the purchase agreement with SCR. The Association shall enforce and recover the Permit Fee pursuant to the personal obligation, lien foreclosure and other enforcement provisions provided herein for Assessments (see e.g., Sections 3.10 and 4.18). SCR shall, upon reasonable advance notice, have the right to inspect and audit the Association’s books and records related to the collection and payment of the Permit Fee. The Association shall participate in a final accounting as necessary and appropriate in order to establish that all payments required under the purchase agreement have been made. SCR is a third-party beneficiary of the assessments for recovery of the Permit Fee and may enforce the collection of such assessments as provided in Sections 3.10 and 4.18. The Permit Fee is in addition to fees and assessments the Association may charge for the delivery of water and assessments for the operation and maintenance of the Water System as provided in 4.4 and 4.15. All references to SCR in this Declaration shall include SCR’s successors and assigns.

**Section 4.7 Individual Unit Owner Obligations.** Each Unit Owner shall individually be responsible for providing and installing, at the Unit Owner’s own cost, a meter box to meter the water usage by such Unit Owner. Further, an easement is hereby granted over and across each Unit to provide access to the meter box on each Unit so that the meter may be read by the SMA or other third party with similar authority and each Unit Owner hereby grants the right to the SMA or other third party to enter their Unit for purposes of reading the meter. The installation, maintenance, repair, and replacement of the pipe supplying water to the Unit, downstream from the meter box/service connection shall be the sole responsibility of the Unit Owner of such Unit. Each Unit Owner, as pertains to such Unit Owner’s use of the Water System, shall be responsible for complying with those rules, regulations, and contracts adopted, ratified, or entered into by the Association with respect to the Water System, which shall include the conditions of the Water Right Permits.

**Section 4.8 Water Usage Limitations.** The water use for each Unit and for the Common Elements shall be in accordance with the terms, conditions, and covenants of the Water Right Permits. Water Right Permit No. G4-35273P allows a maximum of four (4.0) acre feet per year, with each Unit within the Timberline Map allowed to use an average of three hundred (300) gallons per day for both indoor domestic use and outside irrigation. Water Right Permit No. G4-35284P authorizes a maximum of seventy-five (75) acre feet per year, with each Unit allowed to use an average of three hundred (300) gallons per day for both indoor domestic use and outside irrigation. By executing this Declaration, the

Unit Owners confirm that they have read the Water Right Permit and associated Report of Examination for their respective Map. Among other restrictions, the Water Right Permits require that each user of water provide a meter to monitor water usage and perform periodic reporting of such usage. The Association will be responsible for monitoring water usage and activity related to the Common Elements and the Units. Trees and shrubs are prohibited over any septic drain fields within the Property and the Association and Unit Owners shall comply with all requirements of the Washington State Department of Ecology (“**Ecology**”) and any other government entity with jurisdiction affecting water service to the Property related to landscaping over septic drain fields. The Association and Unit Owners agree not to perform any acts on the land or enter into any agreements that would result in limiting the quantity of water available as it relates to the Water Permits.

**Section 4.9 Irrigated Areas.** Except as provided in Section 4.10, irrigated lawns and gardens shall be limited based on the terms of the Water Right Permits to an annual average of 150 gallons per day or 54,750 gallons per year, which, based upon a water application of 24 inches per year, would allow the irrigation of 2,950 square feet per Unit during the irrigation season. Irrigation shall be by underground sprinklers or above-ground drip irrigation systems. All watering shall occur between midnight and 5 a.m. or on a schedule as established by the Association or the SMA. The Association may establish temporary or permanent limits on the maximum daily gallons per Unit at any time in order to manage irrigation uses within the capacity of the community water system. No more than two (2) outside hose-bibs per home are allowed. The portion of a Unit not covered with a structure or impervious surface shall be landscaped using naturally occurring grasses and plants that are drought tolerant or other vegetation as provided for in rules and regulations adopted by the Association or as authorized by the Architectural Control Committee.

**Section 4.10 Additional Availability of Water.** Unit Owners may obtain additional water for irrigation by applying to and obtaining authorization from Ecology. The Declarant may offer for purchase available mitigation credits for the approval of a permit for the additional irrigation. The application must be approved by the Declarant during the Declarant Control Period, and by the Association after transfer of the Water System and assignment of the Water Right Permits to the Association. The Association must approve the application to Ecology for the additional irrigation water. A right for additional irrigation water cannot conflict with the Water System plan, regulatory requirements, and the terms and conditions of the Water Right Permits. The Unit Owner shall be responsible for all costs associated with obtaining the permit for the additional irrigation water.

**Section 4.11 Water System Easements.** Declarant reserves all rights in and to such improvements and the property upon which they are situated, including the right to grant easements or use rights therein, subject only to Declarant’s commitments in this Declaration. Declarant and the Association reserve the right to install additional water distribution system components provided no proposed additions will impact the approved primary dwelling and accessory building locations. At the time Declarant transfers ownership of the Water System to the Association, Declarant will grant and convey to the Association, perpetual, non-exclusive easements (Water System Easements, as defined in Section 1.26) for the purpose of installing, operating, accessing, maintaining, servicing, testing, monitoring, and/or repairing the Water System and any appurtenances thereto, including any backup, supplemental, or replacement well, within the one hundred foot (100’) radius area, and including an area defined as ten feet (10’) in width along and abutting the interior of any and all boundaries of the Units and Common Elements. No permanent structure shall be constructed in the Water System Easement except as needed for the operation of the Water System. The Water System Easement shall allow the repair and maintenance of the Water System and anything necessary to the operation of the Water System. The Unit Owners shall promptly execute any additional documents

necessary to create or effectuate the Water System Easement. The Water System Easement shall exist in perpetuity or until such time the Association vacates the easement.

**Section 4.12 Decisions on Water System.** Decisions pertaining to the maintenance and management of the Water System shall be made by the Board.

**Section 4.13 Satellite Management Agency.** If required under applicable law, Declarant (prior to formation of the Association) or the Association, through its Board, shall enter into a contract with a licensed Satellite Management Agency for the management of the Water System (“SMA Contract”). In the event the SMA Contract is entered into by Declarant, the SMA Contract shall immediately be deemed assigned and assumed by the Association upon the Association’s acquisition of the Water System. Upon expiration or sooner termination of the SMA Contract, or at such time as state and local regulations no longer require such SMA Contract, the Association may, in accordance with the provisions herein, take such action as it deems appropriate for management of the Water System. In the event the SMA fails to provide service in accordance with applicable governmental rules and regulations, the Association or Unit Owner(s) shall immediately notify the SMA. The Association or the SMA shall have sixty (60) days, after notification, or an amount of time agreed to by the authority having jurisdiction, to take corrective action to be in compliance with applicable governmental rules and regulations. If the SMA fails to meet these deadlines, then the Association, acting through the Board, may terminate the SMA rights and obligations set forth in this section and retain another qualified utility service provider to install and/or operate the Water System.

**Section 4.14 Exclusive Right to Supply Water.** No ground water wells of any kind or character shall be drilled or developed upon the Property or upon or under any Unit except as may be undertaken by the Declarant during the Declarant Control Period or the Association as part of the Water System. All domestic water needs for any Unit and any portion of the Property shall be obtained solely from the Water System operated and maintained by the Association (or a third party under contract with the Association). Each Unit Owner shall be responsible for the costs of construction, operation, and maintenance of all portions of the domestic water system on the Owner’s Unit downstream from the meter box/point of connection to the Water System, which construction, operation, and maintenance shall be performed pursuant to standards, rules, and regulations established by the SMA, and any applicable plumbing or building codes.

**Section 4.15 Imposition of Fees and Charges.** The Association or the SMA shall be responsible for charging Unit Owners reasonable fees for operating and maintaining the Water System as provided in 4.4, fees for each connection to the Water System, as well as the Permit Fee and other fees associated with the SMA Contract. All such fees shall be assessed, collected and enforced under Article 3 of this Declaration.

**Section 4.16 Reserve Account.** Declarant or the Association may establish a reserve account for the benefit of the Water System pursuant to the reserve account provisions in Article 3. The funds in the reserve account designated for the Water System shall be utilized for the purposes of taking and submitting water samples for quality analysis and operating, maintaining, repairing, or replacing the Water System. Funds for the reserve account shall be assessed, collected and enforced pursuant to Article 3 and this Declaration.

**Section 4.17 Special Assessments for Water System Improvements.** Pursuant to Section 3.9, the Association shall have the right to make special assessments and surcharges against the Property and all Units (or a portion of the Units, if fair and appropriate) for Water System



improvements, modifications, or redevelopment, whether or not the same may be necessitated by reason of rules and regulations promulgated by governmental agencies. Such special assessments shall be assessed, collected and enforced pursuant to Article 3 and this Declaration.

**Section 4.18 Permit Fee Lien.** In addition to the Association's lien authority under section 3.10, if the payment of part or all of the Permit Fee is not made by the Association within thirty (30) days of its due date which is the result of one or more Unit Owner(s) not making payment, the unpaid amounts shall constitute a lien against the Unit that has not paid SCR as provided in section 4.6. The unpaid balance shall bear interest from such due date at the maximum rate permitted by law. By acceptance of a deed to a Unit, recording of a real estate contract therefor, or any other means of acquisition of an ownership interest, and whether or not it is expressed in the deed or other instrument, each Unit Owner shall be deemed to grant thereby to SCR, its agents and employees, the right and power to bring all actions against such Unit Owner personally for collection of such assessments as a debt, and to enforce the liens created herein in favor of SCR by foreclosure of continuing liens in the same form of action as is then provided for the foreclosure of a mortgage of real property. The terms of the duration of the lien in section 3.11 are incorporated herein. All references to SCR in this Declaration shall include SCR's successors and assigns.

**Section 4.19 Provisions for Continuation of Water Service.** In the event that the quantity of water from the well(s) or Water System becomes inadequate or the quality becomes unsatisfactory as determined by the governmental agency with jurisdiction, the Association shall be responsible for identifying and developing a new source of water. Prior to development of, or connection to a new source of water, the Association shall obtain written approval from the appropriate jurisdictional agencies. Each Unit Owner, through Association assessments, shall share equally in the cost of developing the new source of water and installing the necessary equipment associated with the new source.

**Section 4.20 Representations and Warranties.** DECLARANT REPRESENTS THAT IT HAS, OR WILL, OBTAIN INITIAL, REQUISITE APPROVAL FROM THE APPROPRIATE GOVERNMENTAL AGENCIES TO RENDER THE WATER SYSTEM OPERATIONAL. APART FROM SUCH SINGULAR REPRESENTATION, NEITHER DECLARANT NOR THE SELLER OF THE PROPERTY MAKES ANY REPRESENTATION, WARRANTY OR GUARANTY ABOUT THE QUANTITY OR QUALITY OF WATER FROM THE WELL OR THE WATER SYSTEM, ABOUT THE WATER SYSTEM'S FUTURE COMPLIANCE WITH REGULATIONS GOVERNING THE WATER SYSTEM, OR ABOUT ANY OTHER ASPECT OF THE WATER SYSTEM. In the event that the regulations governing Water System change, or the nature of the residences or number of persons served cause the system to be reclassified, then the Association at that time shall be responsible for taking all actions necessary to comply with the laws and regulations then in effect for such classifications.

**Section 4.21 Restriction on Furnishing Water to Additional Parties.** No person or entity shall provide water from the Water System herein described to any other persons, properties, or dwelling without the prior written consent of a majority of all the members of the Association and written approval from the Washington State Department of Health.

**Section 4.22 Prohibited Practices; Restricted Uses Near Well.** No Unit Owner or other person, entity, heirs, successors, and/or assigns, shall locate, construct, maintain or suffer to be located, constructed or maintained within one-hundred (100) feet of any well herein described, any of the following, as long as the same is operated to furnish water for public consumption: septic tanks and drainfields, sewer lines, underground storage tanks, county or state roads, railroad tracks,

vehicles, hams, feeding stations, grazing animals, enclosures for maintaining fowl or animal manure, liquid or dry chemical storage, herbicides, insecticides, hazardous waste, structures, or garbage of any kind. Water pipelines for distribution or individual service shall not be installed within twenty (20) feet of a septic tank or within ten (10) feet of sewage disposal drainfield lines.

**Section 4.23 Cross-Connection.** Cross connection of any portion or segment of the Water System with any other water source is prohibited without the prior written approval of the Kittitas County Department of Public Health and/or other appropriate governmental agency.

**Section 4.24 Water Conservation.** In an effort to conserve water and reduce water consumption, each Unit Owner shall landscape its respective Unit(s) with drought tolerant plants, minimize areas of irrigated lawn, and install and use only low flow plumbing fixtures in the residential dwelling on each Unit.

**Section 4.25 Rules and Regulations.** Notwithstanding any suggestion to the contrary herein, the Association may adopt such additional, reasonable rules and regulations for the operation of the Water System, including but not limited to, the termination of the provision of water from the Water System to any Unit if the Unit Owner of such Unit does not pay its share of fees and assessments for costs associated with the Water System within forty-five (45) days of the due date.

**Section 4.26 Amendments Ineffective without SCR Approval.** Until the Permit Fee described in Article 4 has been paid in full for all Units, no amendment to Article 4 shall be effective without the express written consent of SCR, its successors or assigns.

## **ARTICLE 5. ARCHITECTURAL REVIEW COMMITTEE**

**Section 5.1 Architectural Review Committee.** An Architectural Review Committee (“ARC”) consisting of at least three (3) members, but in any event always an odd number of members, is hereby created with the rights and powers set forth in this Declaration. The initial members of the ARC shall be representatives appointed by Declarant. ARC members shall not be entitled to compensation for their services hereunder, except as may be determined by the Board of Directors. Declarant shall have the right and power at all times to appoint or renew the appointment of the members of the ARC or to fill any vacancy during the Declarant Control Period. After the Declarant Control Period, the Board shall have the power to appoint and remove the members of the ARC.

**Section 5.2 Prohibition of Alteration and Improvement.** Subject to the exemption of Declarant hereunder, no structure or improvement (including fencing, paving, and outdoor improvements such as playsets, fountains, lighting, rock walls or patio areas), or material alteration of any kind to a Unit, which alteration or improvement will be visible from the primary dwelling on a Unit or from a Common Element (including roadways) shall be commenced, installed, erected, painted or maintained, until the Owner has filed an application for the same with the ARC and the ARC has granted approval or otherwise authorized the Owner to proceed, all as further outlined below or in rules and regulations that the ARC may adopt and distribute. The Declarant is not subject to this prohibition or any of the provisions of Article 5 and is not required to submit plans or seek approval of its development plans from the ARC.

**Section 5.3 Rules and Regulations.** The ARC may adopt such reasonable rules and regulations as necessary to carry out the purposes of this Declaration, including but not limited to rules setting forth specific processes for submittal and approval of plans, guidelines setting forth general criteria to be considered by the ARC in evaluating applications, design guidelines controlling the design

and color of improvements, and fees associated with actual costs incurred by the ARC for review and processing. Upon adoption or amendment of any such rules and regulations, the ARC shall promptly disseminate them to all Owners. The ARC may perform such other duties as from time to time shall be assigned to it by the Board, including the inspection of construction in progress to assure its conformance with plans approved by the ARC.

**Section 5.4 Non-Liability of ARC Members.** Neither the ARC, Declarant, nor any member, employee, agent, officer, director, affiliate or shareholder thereof shall be liable to the Association, or to any Owner for any loss, damage or injury arising out of or in any way connected with the performance of the ARC's duties hereunder unless due to the willful misconduct or bad faith of the ARC or member. The ARC shall review and approve or disapprove all plans submitted to it for any proposed structure, improvement or alteration, solely on the basis of the criteria established in this Declaration and set forth in any duly adopted architectural review guidelines promulgated to all Owners. ARC review and decisions shall be made in accordance with due process, and applied uniformly to the Units to the maximum extent possible given the individual and unique nature of various Units. The ARC shall not be responsible for reviewing, nor shall its approval of any plan or design be deemed approval of, any plan or design from the standpoint of structural safety or conformance with building, zoning or other codes.

**Section 5.5 Jurisdiction and Purpose.** The ARC shall review proposed plans and specifications for construction of all residences and other Structures within the Plat Community, including any additions, exterior alterations, fences, major landscaping, clearing, painting, paving and excavation. Until Declarant no longer owns any Units, a prospective Unit Owner shall submit architectural and landscaping plans and specifications to the ARC for its review prior to closing the purchase of a Unit. Prior to submittal to the ARC, the Unit Owner shall verify all improvements meet all local municipal codes. The ARC assumes no liability and holds no authority to approve, permit, or allow any construction on behalf of the local governing authorities. The ARC shall adopt and publish rules and procedures for the review of such plans and specifications. It shall be the obligation of each Unit Owner or prospective Unit Owner to be familiar with the rules and procedures of the ARC. As conditions precedent to approval of any matter submitted to it, the ARC shall find:

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

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

(c) Site Considerations. General site considerations, including site layout, relationship of site to vegetation, natural features, open space and topography, orientation and locations of buildings, vehicular access and driveway lighting, circulation and parking, setbacks, height, walls, fences and similar elements have been designed to be compatible with the overall design of the Plat Community. Any clearing, grading, site disturbance, or other construction activity shall comply with site retention, stormwater, and geotechnical requirements and guidelines provided by law and adopted by the Board or the ARC.

(d) Landscape Considerations. General landscape considerations, including the location, type, size, color, texture and coverage of plant materials, provisions for irrigation, maintenance

and protection of existing landscaped areas and similar elements have been considered to ensure visual relief, to complement buildings and Structures, and to provide an attractive environment for the enjoyment of the Unit Owners in general and the enhancement of the property values in the Plat Community.

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

**Section 5.6 Approval Procedures.** Two copies of a preliminary application for approval must be submitted in writing to the ARC at the registered office of the Association. Within fifteen (15) days following receipt of a preliminary application, the ARC shall notify the applicant in writing as to whether the application is complete and, if not, of any additional information that may be required before the ARC can review the application. The ARC's rules and procedures may specify the payment of a reasonable nonrefundable fee, to be set forth in the ARC rules, for the purpose of defraying the costs associated with the ARC's review of the preliminary application. This fee may be adjusted from time to time by the ARC in accordance with its rules and procedures. The ARC shall review the application in accordance with the provisions of this section as soon as possible after a complete application has been filed. The decision of a majority of the members of the committee shall be the decision of the ARC. One copy of approved plans will remain in the ARC's files. All disapproved plans will be returned to the applicant.

**Section 5.7 Failure of ARC to Take Action.** Except as provided in Section 5.8 below, in the event that the ARC fails to respond to an applicant's complete and properly submitted application within thirty (30) days after the ARC has notified the applicant that the application is complete, formal written approval will not be required, and the applicant shall be deemed to have fully complied with the provisions for approval; provided, however, if the ARC delivers notice of the need for one (1) thirty (30) day extension prior to expiration of the above-referenced thirty (30) day period, the ARC shall have thirty (30) additional days to make its decision.

**Section 5.8 ARC's Obligation.** The ARC, in its deliberations and in the discharge of its obligations hereunder, shall act objectively and fairly in making decisions concerning various plans, specifications, plot plans and landscape plans submitted to it by various applicants for consideration in accordance with the provisions of this Declaration. Further, the determinations of the ARC as to noncompliance shall be in writing, signed by the ARC, and shall set forth in reasonable detail the reason for noncompliance. The ARC may approve, approve with conditions, or disapprove an application or any part thereof. In all cases, the sole responsibility for satisfying the provisions of this Declaration and all local building codes and governmental requirements rests with the applicant. In consideration of the ARC's review of an applicant's application, the applicant shall indemnify and hold the ARC harmless from any claim or damages resulting from applicant's failure to comply with applicable building codes or other governmental requirements.

**Section 5.9 Exemptions and Variances From ARC Requirements.** The ARC may, upon request, grant exemptions and variances from the rules and procedures of the ARC and the requirements of this Declaration when the party requesting such exemption or variance establishes to the satisfaction of the ARC that the improvements or other matters which are desired by the applicant are aesthetically as appealing, suited to climatic conditions, and compatible with the overall character of the development as are similar improvements or matters which conform to the requirements of this Declaration. Request for an exemption or variance shall be submitted in writing to the ARC and shall contain such information as

the ARC shall from time to time require. The ARC shall consider applications for exemption or variance and shall render its decisions within thirty (30) days after notice to the applicant of proper submission. The failure of the ARC to approve an application for an exemption or variance shall constitute disapproval of such application.

**Section 5.10 Construction Deposit.** For purposes of protecting the Common Elements and Common Element improvements against damage during construction by a Unit Owner, his or her contractors and agents, the ARC has authority, but is not mandated, to require a cash deposit from each Unit Owner to whom approval of plans is given of an amount deemed appropriate by the ARC for such purposes (“**Construction Deposit**”), if the ARC finds that potential damage can be done to the Common Element(s) caused by Unit Owner’s proposed construction. Unless the ARC determines a different amount is appropriate, the Construction Deposit shall be Ten Thousand Dollars (\$10,000.00). In the event a Unit Owner, his or her contractor, agents or employees causes any damage or destruction to any portion of the Common Elements or Common Element Improvements, the ARC shall notify such Unit Owner and request the replacement or repair of the item or area damaged or destroyed. The Unit Owner shall have a period of two (2) business days after the date of receipt of such notice to advise the ARC of its intended course of action and its schedule for correction of the damage, and to commence such correction. The ARC shall in its sole discretion approve or disapprove such course and schedule, and the Unit Owner agrees to make such changes thereto as are necessary to obtain the ARC’s approval. If the Unit Owner fails to correct the damage in the manner or within the time approved by the ARC, the ARC may, at its option, perform such work as is necessary to remedy the situation on behalf and at the expense of the Unit Owner and apply the Construction Deposit against the cost thereof. If the cost of such work exceeds the total amount of the Construction Deposit, the Unit Owner shall pay the Association that excess cost within ten (10) days of demand by the ARC. Upon completion of construction of the Improvements on the Unit, and following a joint inspection of the Improvements and Unit by the Unit Owner and the ARC to verify that no damage to the Common Elements and/or Common Element Improvements has occurred, the ARC shall make a final determination of compliance and return the remaining balance, if any, of the Construction Deposit to the Unit Owner, without interest within ten (10) days of such final determination.

**Section 5.11 Failure of Applicant to Comply.** Failure of the applicant to comply with the rules and procedures of the ARC or the final application as approved by the ARC shall, at the election of the Association’s Board exercised after thirty (30) days’ written notice to such applicant, constitute a violation of this Declaration. In that event, the Board shall be empowered to assess a penalty commensurate with the violation, which shall constitute a lien against such Unit, enforceable as provided herein and/or pursue any other remedy, including, but not limited to, an action for injunctive relief or specific performance.

## **ARTICLE 6. LIEN ENFORCEMENT**

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

**Section 6.2 Lien Priority.** The Association’s lien has priority over all other liens and encumbrances on a Unit except the lien provided in Section 4.6 and:

- (a) Liens and encumbrances recorded before the recordation of this Declaration;

(b) Except as otherwise provided in this section, a security interest on the Unit recorded before the date on which the unpaid assessment became due; and

(c) Liens for real estate taxes and other state or local governmental assessments or charges against the Unit.

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

(i) The Common Expense assessments, excluding any amounts for capital improvements, based on the periodic budget adopted by the Association pursuant Article 3, above, along with any specially allocated assessments that are properly assessable against the Unit under such periodic budget, which would have become due in the absence of acceleration during the six (6) months immediately preceding the institution of proceedings to foreclose either the Association's lien or a security interest described in (b) above;

(ii) The Association's actual costs and reasonable attorneys' fees incurred in foreclosing its lien but incurred after the giving of the notice described in (iii) below; provided, however, that the costs and reasonable attorneys' fees that will have priority under this subsection (ii) shall not exceed two thousand dollars (\$2,000) or an amount equal to the amounts described in (i) above, whichever is less;

(iii) The amounts described in (ii) above shall be prior only to the security interest of the holder of a security interest on the Unit recorded before the date on which the unpaid assessment became due and only if the Association has given that holder not less than sixty (60) days' prior written notice that the owner of the Unit is in default in payment of an assessment. Upon payment of the amounts described in (i) of the preceding sentence by the holder of a security interest, the Association's lien described in this section shall thereafter be fully subordinated to the lien of such holder's security interest in the Unit.

## ARTICLE 7. DESIGN AND USE REGULATIONS

**Section 7.1 Land Use and Building Type.** The Real Property is intended to be developed and maintained as a rural, recreational, residential community, available for year around use and occupancy. A goal and objective of this Declaration is to maintain a quality community appearance, ensure compatible development of land and structures, and to protect and enhance real estate values. The Real Property is designed and intended to be a territorial view community, and all design and improvement guidelines, and all covenants, conditions, and restrictions contained herein shall be construed to further this intent that views from the building pad of each Unit remain unobstructed by any man-made structures or alterations. The following residence and use provisions are designed to: (1) preserve and enhance views of the surrounding landscape, (2) preserve the beauty of the existing landscape while enhancing views and usability of the Real Property, (3) allow privacy on Units, and (4) create homes, structures and landscapes with respect to the existing features and topography. All these objectives will be considered in support of encouraging high-quality, unique, architecturally designed classical and contemporary Northwestern mountain style homes while allowing a degree of architectural freedom and preserving or enhancing community values. The ARC shall have authority to interpret the design and use regulations set forth herein, together with any additional guidelines duly adopted by the ARC. The ARC shall interpret its rules and the provisions hereof to further the intention of this paragraph and to ensure design and construction of site alterations and structure construction reasonably consistent

with the design guidelines established by Declarant and/or adopted by the ARC. The imposition of penalties, fines, and other enforcement action shall be vested with the Board.

**Section 7.2 Minimum Dwelling Size.** Each dwelling structure shall consist of a minimum of nine hundred (900) square feet, exclusive of basement, garages, patios, breezeways and detached storage rooms. For purposes of this provision, a dwelling with a finished daylight basement may include the daylight basement area as a maximum of fifteen (15%) of the total square footage required. The term “finished” means that the interior of the daylight basement area is improved with flooring, insulation enclosed by a wall surface, lighting and electrical outlets. Single and two-story rectangular masses are not allowed. Projections such as decks, alcoves, balconies, and dormers shall be used to detail building forms.

**Section 7.3 Grading.** Grading and drainage improvements to the site shall be designed to reduce on-site and off-site erosion impacts and to result in a natural transition and blending of grades and to comply with plat conditions, Geotech recommendations, Rules and Regulations, and design guidelines.

**Section 7.4 Retaining Walls.** No retaining walls in excess of 3-feet in height shall be constructed without prior approval by the ARC, which approval may be withheld in the reasonable discretion of the ARC. If retaining walls are necessary, and are visible from the Common Elements, Easements or any other Unit, the following shall apply: (a) retaining walls shall be built of natural stone or concrete that has been cast with a natural, rough, unfinished, and nonsymmetrical design; (b) the tops and ends of retaining walls shall blend with natural contours and shall not end abruptly; (c) vegetation may be planted at the top and bottom of all retaining walls to soften the visual impact on the surrounding landscape.

**Section 7.5 Driveways.** Driveways and garage layouts shall be designed to diminish the visibility of parking, driveways and garage doors from the Common Elements and adjacent Units. One driveway entrance per Unit shall be permitted from the Common Element, unless otherwise approved by the ARC. Driveway aprons will be provided at a minimum depth of three (3) feet and a minimum width of 20 feet with the same material as the Common Element road paving material. Driveway pavement is to be joined to roadways by a full depth cut with a tack coat to create a full depth butt joint. Driveways shall be ditched and include a culvert where necessary to prevent any sediment deposit onto Common Element roads and easements.

**Section 7.6 Garages.** All Units improved with homes that exceed One Thousand Five Hundred (1,500) square feet shall provide a minimum of two enclosed parking spaces on the Unit. Garages are to be situated in a manner that screens garage doors and guest parking from views to the extent practical.

**Section 7.7 Roofs.** All roofs and roof materials shall be fire retardant and as approved by applicable governmental authorities. Subject to governmental approval, the following roof materials are permitted: metal, tile, slate, or architectural composition (30-year or comparable) shingles, and comparable roofing materials. Cedar shakes or shingles shall not be permitted. Roof coverings placed on all new buildings and on all buildings being re-roofed shall be of fire resistant/retardant materials with no less than a "Class A" rating as defined by the Uniform Building Code Standard No. 32-7, or as otherwise approved in writing with supporting reasons by the Kittitas County building inspector/fire marshal.

**Section 7.8 Construction Materials.** Any building constructed on a Unit shall be built of new materials, with the exception of “décor” items such as used brick, weathered planking, and similar items. Exterior wall materials shall be natural wood, concrete, metal, refined or natural logs, native stone,

faux stone with a native appearance, or suitable synthetics such as cement fiber or masonry. Reflective materials shall not be used. Architectural concrete is permitted. Wood walls shall have vertical, board and batten or shingle, ship lap, or horizontal siding. Stonewalls are to appear structural and not veneered. Where accent materials about corners, said corners shall be wrapped in the accent materials for a minimum distance of twenty-four (24) inches on each face.

**Section 7.9 Windows and Doors.** Windows and doors shall be wood, vinyl clad, or metal clad with a natural finish. Windows and doors shall be of moderate hues and/or muted or neutral earth tones and shall be approved by the ARC.

**Section 7.10 No Mobile or Modular Homes.** No mobile, modular, or factory-built housing (as that term is defined in RCW 43.22.450 as in effect at the time of execution of this Declaration) shall be permitted on any Unit except as otherwise approved by the Declarant and meeting all other design guidelines and restrictions.

**Section 7.11 Antennae, Wind Turbine Towers and Satellite Dishes.** Power, telephone, and other utilities shall be installed underground or in conduit attached to the structure. Standard TV antennas and satellite dishes that are one meter or less in diameter are permitted, provided that, to the maximum extent achievable without unreasonable expense or interference with reception, such devices are situated and designed in a way to be discrete, hidden from adjacent Units and Common Elements, and otherwise located in a way that is consistent with the health, safety, and quality of the community. All other exterior antennae, satellite dishes, wind turbines, towers and other similar devices for radio, power generation, television or other reception are prohibited, except to the extent state or federal law requires otherwise.

**Section 7.12 Fencing.** All fencing is subject to review and approval by the ARC. Any fences and fencing approved by the ARC shall be primarily of wood, shall be of muted or neutral earth tones, natural or weathered, and shall be wood rail variety, including three rail, split rail, and similar open style fencing. No fencing shall be visible from any Common Element or any other Unit unless a variance is approved by the ARC. No closed board fencing shall be approved. No barbed wire or any kind of metal fencing, concrete block, plastic or composite may be used on the perimeter of the Unit. Low stonewalls are permitted. Fence height shall be a maximum of 4 feet from ground elevation. Prior to applying stain to any fence, Unit Owners shall first obtain approval of the type of fence stain to be used from the ARC. Unless otherwise approved by the ARC, all fences must be stained to match the stain originally approved by the ARC.

**Section 7.13 Sport Courts, Pools and Play Areas.** The colors and style of outdoor structures are to be the same or complementary to the house and shall be of natural, forest or muted earth hues.

**Section 7.14 Outbuildings.** All outbuildings (detached garages, etc.) must match or complement the dwelling in roofing and siding material, color, trim application and design. The building should be placed in an unobtrusive location within the primary building site designated by Declarant or, if not designated by Declarant, as approved by the ARC. All outbuildings require ARC approval pursuant to Article 5.

**Section 7.15 Exterior Colors.** Exterior colors of all buildings, including roofs, shall be muted earth tones approved by the ARC.

**Section 7.16 Exterior Lighting.** All exterior lighting shall be designed primarily in the form of down-lighting, and shall be designed in a manner as to minimize glare to other Units. Subtle up-



lighting for vegetation and the main home accent shall be approved if the impact on neighboring lots is minimal, and the fixtures do not emit stray light. All outdoor lighting is subject to the review of the ARC.

**Section 7.17 Vehicles.** No vehicles, (including, but not limited to cars, trucks, boats, trailers, campers, motorcycles and snowmobiles) shall be parked in Common Elements (including Common Element roads) or the public right of way unless the area has been expressly designated and labeled as such by the Association.

**Section 7.18 Leasing and Rental Restrictions.** Units may be leased or rented for any duration, including on a short-term (daily or greater) basis, provided that each lease or rental agreement shall be in writing and shall by its terms provide that it is subject in all respects to the provisions of the Governing Documents. Further, the Association at any time, and the Declarant during the Declarant Control Period, shall have the right to adopt rules and regulations regarding such rentals, including without limitation restricting the number of days Units can be rented in a year, limiting the number of guests who can occupy a Unit at any one time, limiting the percentage of Units within the Real Property that can be leased or rented, requiring prior approval from the Association to operate a Unit as a rental property, and imposing any other reasonable rules or restrictions that the Declarant or Association believes is in the best interest of all the Unit Owners. The Association may levy fines pursuant to Section 11.4 for noncompliance with this Declaration or any adopted rules and regulations. The Association at any time, and the Declarant during the Declarant Control Period, also shall have the right to amend this Declaration pursuant to Article 12 to add new requirements or restrictions, or to change the leasing and rental provisions in any way. Any failure by a lessee to comply with the terms of the Governing Documents shall be a default under the lease, whether or not it is so expressed therein.

**Section 7.19 Animals.** No animals, livestock, or poultry of any kind shall be raised, bred, or kept in the Plat Community except as specifically provided herein. Domesticated dogs, cats, or other conventional household pets may be kept if they are not kept, bred, or maintained for any commercial purposes, and all animals must be in compliance with applicable codes and regulations. "Other conventional household pets" shall include only traditionally domesticated pets and shall not include any form of poultry (i.e., domestic fowl, including but not limited to chickens, turkeys, ducks, and geese) or any exotic pets such as large or potentially dangerous reptiles, potentially harmful insects, bees, large birds, wild animals, and animals not normally domesticated, all of which are strictly prohibited in the Plat Community. No domestic pet may be kept if its presence or actions constitute a public or private nuisance. Pets shall be registered, licensed, and inoculated from time to time as required by law. When not confined to the Unit Owner's Unit, pets within the Plat Community shall be leashed and accompanied by a person responsible for cleaning up any animal waste. No pets shall be tethered to any rope, cord, chain, etc., while outdoors on a Unit within the Plat Community for longer than two hours at a time.

**Section 7.20 Commercial Uses.** No commercial enterprise, including itinerant vendors, shall be permitted on any Unit; provided, however, that the Association may, by adopting rules and regulations, permit specified home occupations to be conducted if allowed by law and if such occupation will not, in the reasonable judgment of the Association, cause traffic congestion or other disruption of the Plat Community; and provided further that no signs or advertising devices of any character shall be permitted.

**Section 7.21 Vehicle Storage.** No storage of goods, vehicles, boats, trailers, trucks, campers, recreational vehicles or other equipment or device shall be permitted in open view from any Unit or Common Element, except this shall not exclude temporary (less than forty-eight (48) hours) parking of up to two (2) vehicles on the designated driveway areas adjacent to garages on the Units. Upon forty-eight (48) hours' notice to the Unit Owner of an improperly parked or stored vehicle, boat, or other equipment,

the Association has authority to have removed at the Unit Owner's expense any such vehicle visible from the street that is parked on any Unit, street or within a Common Element for more than forty-eight (48) hours. All inoperable, stored, or occasional use vehicles, recreational vehicles, motor homes, trailers, ATV's, off road vehicles, snowmobiles, motorcycles, commercial vehicles, boats and equipment must be stored inside of an enclosed building (constructed and approved through the ARC) in a location not directly visible from any residence on a Unit or from any Common Elements unless explicitly approved in writing by the ARC.

**Section 7.22 Garbage.** All trash shall be placed in sanitary containers that are screened so as not to be visible from adjoining Units, structures, streets or roadways. No Unit or any portion thereof shall be used as a dumping ground for trash or rubbish of any kind. Yard rakings, dirt and debris resulting from landscaping work or Construction shall not be dumped onto adjoining property or streets or roadways.

**Section 7.23 Signs.** Except for entrance, street, directional, traffic control, and safety signs, no promotional signs or advertising devices of any character shall be posted or displayed in the Plat Community; provided, however, that one temporary real estate sign not exceeding six (6) square feet in area may be erected upon any Unit or attached to any residence placed upon the market for sale or lease. Any such temporary real estate sign shall be removed promptly following the sale or rental of such Unit or residence. In addition, nothing in this section shall be construed to prohibit the display of signs regarding candidates for public or Association office, or ballot issues, on or within a Unit, so long as such signs are no larger than four (4) square feet and in place no longer than sixty (60) days. Flags of the United States or the State of Washington are not considered signs hereunder and are permitted, provided, however, that the Association may place reasonable restrictions on the time, place and manner of display as permitted by federal and state law. The foregoing notwithstanding, for up to one year after the sale of the last Unit in the Real Property that is owned by Declarant or its authorized agent, may display signs up to 64 sq. ft in size at the entrance and along Common Element roadways adjacent to the public right-of-way and/or at the entry to the Real Property to advertise Units or homes.

**Section 7.24 No Obstruction of Easements.** No structure, planting, or other material shall be placed or permitted to remain upon the Real Property which may damage or interfere with any easement or the installation or maintenance of utilities, or which may unreasonably change, obstruct, or retard direction or flow of any drainage channels. No decorative planting, structure or fence may be maintained within an easement area.

**Section 7.25 Unit Owners' Maintenance Responsibilities.** The maintenance, upkeep, and repair of individual Units and homes shall be the sole responsibility of the individual Unit Owners thereof, and in no way shall it be the responsibility of the Association, its agents, officers or directors. Unit Owners shall maintain their Units and homes in good repair and in a clean, sightly, and sanitary condition at all times. Without limitation as to the foregoing, each Unit Owner shall be obligated to keep his or her Unit and home in a clean, sightly and sanitary condition and maintain the landscaping on his or her Unit in a healthy and attractive state and in a manner comparable to that on the other Units in the Plat Community. No storage of firewood shall be permitted in front yards. After thirty (30) days' written notice to a Unit Owner from the Association of such Unit Owner's failure to so maintain his or her home or Unit, and after approval by a two-thirds (2/3) majority vote by the Board, the Association shall have the right, through its agents and employees, to enter upon any Unit which has been found to violate the foregoing standards in order to restore the home or Unit to such standards. The cost of such work shall be a special assessment on such Unit Owner and his or her Unit only.

**Section 7.26 Weapons.** No firearms of any kind or nature, including rifles, handguns, bows, slingshots, BB guns, slings, traps, or any other like weapon, shall be used or discharged within the Plat Community except by authorized governmental officials.

**Section 7.27 Nuisances Prohibited.** No noxious or offensive activity shall be conducted in any portion of the Plat Community, nor shall anything be done or maintained therein in derogation or violation of the laws of the State of Washington or any other applicable governmental entity. Nothing shall be done or maintained on any portion of the Plat Community which may be or become an annoyance or nuisance to the neighborhood or detract from the value of the Plat Community. The Association shall determine by Association Action whether any given use of a Unit unreasonably interferes with the rights of the other Unit Owners to the use and enjoyment of their respective Units or of the Common Elements, and such determination shall be final and conclusive.

**Section 7.28 Preservation of Landscaping.** No party subject to the terms of this Declaration or his/her/their agents, employees or guests shall destroy or otherwise materially adversely impact landscaping on Common Elements and/or dedicated Tracts, or as otherwise governed by applicable laws, codes and regulations.

**Section 7.29 Temporary Structures.** No Structure or improvement of a temporary character, including without limitation a trailer, recreational vehicle, tent, shack, garage, barn, or other outbuilding shall be installed, placed or used on any Unit as a dwelling or residence, either temporarily or permanently unless the same has been approved in writing by the ARC during construction of the primary dwelling.

**Section 7.30 Window Coverings.** Within ninety (90) days of occupancy of a residence on a Unit, curtains, drapes, blinds or valances shall be installed on all bedroom, bathroom and closet windows and all main windows in the great room that are visible from adjacent Units. No newspapers, bed sheets or other makeshift window coverings shall be visible from the exterior of the residence.

**Section 7.31 Unit Size Restriction.** No Unit or portion of a Unit in the community shall be divided and sold or resold or ownership changed or transferred, whereby the ownership of any portion of the Plat Community shall be less than the area required for the use district in which located.

**Section 7.32 Damage.** Any damage to streets, Common Element Improvements, entry structures, fences, landscaping, mailboxes, lights and lighting standards by Unit Owners, their children, contractors, agents, visitors, friends, relatives or service personnel shall be repaired and restored to like new condition by such Unit Owner within twelve (12) days from the occurrence of such damage. After thirty (30) days' written notice to a Unit Owner from the Association of such Unit Owner's failure to so repair, and after approval by a two-thirds (2/3) majority vote by the Board, the Association shall have the right, through its agents and employees, make such repairs on behalf of such Unit Owner. The cost of such work shall be a special assessment on such Unit Owner and his or her Unit only.

**Section 7.33 Outdoor Fires.** No incinerators or other open waste burning fires shall be permitted. Burning of yard waste and forest debris shall be permitted from October 15th to April 30th, provided that nothing in this Section shall be construed to authorize fires or burning that is otherwise prohibited by law. The foregoing sentence notwithstanding, the Board may prohibit any and all outdoor burning and any indoor wood fireplace use for a temporary period based on high fire danger. No fires of any kind indoor or outdoor other than gas flame are allowed from June 15th to October 15th. The

Association may further limit fires at any time. All outdoor fire and fire pit areas shall be subject to “Firewise” provisions as required or recommended by Kittitas County.

**Section 7.34 Landscape and Building Envelope.** Landscaping and/or the area around any structures shall be in compliance with forest fuels management and fire prevention practices published by Kittitas County. Landscaping shall use natural and indigenous materials to create a transition between the natural environment and any improvements. Use of natural and existing features including rock outcroppings and vegetation in the landscape design is encouraged.

**Section 7.35 Fire Prevention.** Owners are responsible for obtaining a copy of Kittitas County “Recommendations for Fire Safety and Prevention” as updated. Each Owner shall regularly maintain a defensible space around the perimeter of all improvements which space shall be kept free of all combustible materials including dead vegetation and forest debris. Failure to comply with this maintenance provision shall subject Owners to fines and/or other actions by the Association. The Association shall have the right to enter any Unit or Common Element to bring such areas into compliance with Kittitas County requirements or guidelines for fire prevention. All forested areas on a Unit are the responsibility of the Owner and must be maintained annually to reduce debris and potential fire fuels.

**Section 7.36 Time of Completing Construction.** Any improvement or structure erected or placed on a Unit shall be completed as to exterior appearance, including finished painting, within twelve (12) months from the date of commencing site work for construction. The ARC may extend the time for completion upon a showing of good cause, at the sole discretion of the ARC. The Association is authorized to impose a fine of One Thousand Dollars (\$1,000.00) upon any Owner failing to meet the timelines provided in this Section 7.36 for every thirty (30) days after the effective deadline that an Owner continues to fail to complete the improvement or structure as required by this Section 7.36.

**Section 7.37 Wood Burning Stoves.** The use of wood burning stoves is prohibited.

**Section 7.38 Vehicular Use of Common Elements.** Vehicular use of Common Element roads shall be solely for ingress and egress to a Unit, Common Elements, or to nearby trails lying outside of the Real Property. Ingress and egress to all Units is permitted by any and all motor or human powered vehicles, including electric vehicles, bicycles, helicopters, all-terrain vehicles (ATVs), ‘side by sides’, snowmobiles, and any other recreational vehicles. The Board, by resolution, or the Declarant in absence of a Board, may set a speed limit for Common Element Roads.

**Section 7.39 Outside Storage.** No machinery, equipment, or personal property shall be stored outside on any Unit or Common Element. (This provision shall not preclude playground equipment or storage within permanent accessory structures, as reviewed and approved by the ARC, nor shall it preclude the presence of outdoor patio furniture that is in designed for outdoor use and is being used for leisure or enjoyment).

**Section 7.40 Motor Homes, Recreational Vehicles and Vacation Trailers.** Motor homes, recreational vehicles and vacation trailer (“RVs”) may be parked or utilized on any Unit provided they are not visible from any Common Element or other Unit. Any RV that is visible from a Common Element or Unit may be parked or utilized not ore than two (2) weeks per calendar year, but not more than three consecutive days per month, unless stored in a structure approved by the ARC and constructed consistent with the design and use regulations herein.

**Section 7.41 Mail Boxes.** Mailboxes shall be at specified group locations as per U.S. Post Office requirements, and shall be designed in accordance with any specifications that may be established by the ARC.

**Section 7.42 No Warranty of Enforceability.** Declarant makes no warranty or representation as to the present or future validity or enforceability of any regulations contained in this Declaration. Any Owner acquiring a Unit in reliance on one or more of such restrictive covenants shall assume all risks of the validity and enforceability thereof and, by acquiring the Unit agrees to hold Declarant harmless therefrom.

## ARTICLE 8. COMMON ELEMENTS

**Section 8.1 Title to Common Elements.** All Common Elements were dedicated in accordance with the terms of the Map upon recording of the Map or upon conveyance to the Association. Every Common Element shall be subject to an easement of common use and enjoyment in favor of the Association and every Unit Owner, their heirs, successors, and assigns, in accordance with the terms and conditions of the Governing Documents and the Map.

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

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

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

(b) **Common Element Budget Process.** As part of establishing its annual budget, the Board shall deliver the Common Element Budget to the Common Element Committee for review and approval. All proposed Common Element Budgets shall at a minimum provide funds for maintenance,

repair and replacement of the Common Elements consistent with the quality, nature and location of the community and in a manner that other communities similar in quality, nature and location to the community are maintained. Upon receipt from the Board, the Common Element Committee shall have thirty (30) days to review and approve, or propose changes to, the proposed Common Element Budget. So long as the members of the Common Element Committee are appointed by Declarant, the Board shall adopt the Common Element Budget as approved or revised by the Common Element Committee; provided, however, Declarant shall be responsible for paying any difference in costs between the Board's proposed Common Element Budget and the revised Common Element Budget prepared by the Common Element Committee. Once the members of the Common Element Committee are appointed by the Board, the Board shall have the option of either adopting the Common Element Committee's proposed Common Element Budget or rejecting any revisions; in either case, Declarant shall have no obligation for payment of any portion of the Common Element Budget. Such review and approval process shall be repeated for any changes to the Common Element Budget following the adoption of the annual budget pursuant to Section 3.3. Nothing herein will diminish or waive any duty the Board would otherwise have to fund common expenses from assessments under this Declaration or Chapter 64.90 RCW.

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

**Section 8.5 Snow Removal.** The Association shall be responsible for snow removal within the Real Property as the Association deems appropriate in its sole discretion. The costs of such snow removal shall be a Common Expense specially allocated to the Units benefiting from such removal. The Association shall prepare a snow removal plan and include snow removal within the Association's budget.

## **ARTICLE 9. CERTAIN GRANTS, EASEMENTS, COVENANTS AND RESTRICTIONS**

**Section 9.1 View Preservation.** The "View Corridor" relates to the views of surrounding mountains and terrain ranging from the Colockum Range to the east and north east, Lookout Mountain to the East, the Yakima Valley to the south east, Taneum Ridge and Peoh Point area to the south, and Stampeded Pass and Snoqualmie Pass areas to the west. This restriction shall be liberally construed so as to maintain views from the Units.

**(a) Tree and Vegetation Installation.** No tree or vegetation shall be installed on a Unit which, at the time of installation, or when full grown, would materially impede the View Corridor from the primary dwelling on a Unit, where such primary dwelling is constructed in a location designated by Declarant, or approved by the ARC.

**(b) Tree and Vegetation Removal.** Vegetation or trees in excess of ten feet in height or ten inches in diameter may be limbed-up or trimmed by a certified arborist, but shall not be removed or topped without prior approval of the ARC, and then only for the purpose of maintaining a View Corridor, or establishing the building site, surrounding yard, driveway, and improvement footprint, or to meet any fire prevention purposes described in Article 7, or to meet conditions of subsections (c) or (d) below, with such removal being the minimum necessary to accommodate the approved improvements and create and preserve the view corridor from the Unit. Tree removal shall not be permitted within twenty feet (20') of any shared lot line, except as

may be necessary to remove diseased and dangerous trees, as certified diseased or dangerous by a licensed and or accredited arborist or forester.

**(c) Tree and Vegetation Removal for View Preservation.** In the event trees or other vegetation have grown to a height or width that impedes the View Corridor from another Unit, the Owner of the Unit with the impacted View Corridor shall have the right to require that the trees or vegetation restricting the Unit's View Corridor be modified (limbed, topped or removed as chosen by the Unit Owner of the trees or vegetation in question) to maintain the View Corridor. The Owner of the Unit whose View Corridor is impacted shall submit a demand to the offending Owner(s) and shall be responsible for full payment of the cost of such modification. In the event the Unit Owners in question cannot agree on this issue, the issue shall be submitted to the Board, prior to any removal of vegetation, and the Board shall make the final decision. Unit owners are encouraged to photograph and otherwise document the view from their Units at the time of acquisition in order to demonstrate the how trees and vegetation later impede that view, however, the impact of trees and vegetation on the view may be demonstrated by other means, such as an arborist's opinion.

**(d) Tree and Vegetation Removal for View Preservation by Declarant.** The Declarant shall have the right to limb, top or remove such trees on all Units, after Units have been sold to Owners, as is necessary to create and/or preserve the View Corridor from each Unit that has not been sold to and closed by a third-party Owner. The Declarant shall make reasonable efforts to preserve existing trees to the extent such preservation is consistent with the creation and/or preservation of View Corridors from other unsold Units. Declarant shall provide the Unit Owner whose trees are affected at least fourteen (14) days advance written notice of any work being done on the Unit Owner's property, and Declarant shall be responsible for all costs associated with the limbing, topping, or removal of trees under this Subsection.

**Section 9.2 Blanket Utility Easement.** Declarant hereby reserves an easement over, under, through and across the entirety of all Units for the location, installation, construction, repair and replacement of all utilities, including without limitation, telephone, cable, internet, electricity, gas, and water lines, pipes, and appurtenances as necessary or convenient, as determined by Declarant in Declarant's sole discretion, to facilitate the construction and use of the Real Property and specifically for the completion of the Water System, including water lines and appurtenances within, across and through all Units.

## **ARTICLE 10. INSURANCE; CASUALTY LOSSES; CONDEMNATION**

**Section 10.1 Insurance Coverage.** Commencing not later than the time of the first conveyance of a Unit to a person other than the Declarant, the Association must maintain in its own name, to the extent reasonably available and subject to reasonable deductibles:

(a) Real Property insurance on the Common Elements and on property that must become Common Elements, insuring against risks of direct physical loss commonly insured against, as near as practicable to the full insurable replacement value (without deduction for depreciation) of the Common Elements, exclusive of land, excavations, foundations, and other items normally excluded from property policies;

(b) Commercial general liability insurance, including medical payments insurance, in an amount not less than One Million Dollars (\$1,000,000.00) covering all occurrences commonly insured

against for bodily injury and property damage arising out of or in connection with the use, ownership, or maintenance of the Common Elements and, in cooperatives, of all Units;

(c) Fidelity insurance; and

(d) Such other insurance as the Association deems advisable; provided, that notwithstanding any other provisions herein, the Association shall continuously maintain in effect casualty, flood, and liability insurance and a fidelity bond meeting the insurance and fidelity bond requirements for similar projects established by Federal National Mortgage Association, Governmental National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Housing Authority, and Veterans Administration, so long as any of them is a Mortgagee or Unit Owner, except to the extent such coverage is not available or has been waived in writing by such agencies.

**Section 10.2 Casualty Losses.** In the event of substantial damage to or destruction of any of the Common Elements, the Association shall give prompt written notice of such damage or destruction to the Unit Owners and to all Mortgagees who have requested notice of such damage or destruction from the Association. Insurance proceeds for damage or destruction to any part of the Common Elements shall be paid to the Association as a trustee for the Unit Owners, or its authorized representative, including an insurance trustee, which shall segregate such proceeds from other funds of the Association.

**Section 10.3 Condemnation.** In the event any part of the Common Elements is made the subject matter of any condemnation or eminent domain proceeding, or is otherwise sought to be acquired by any condemning authority, the Association shall give prompt notice of any such proceeding or proposed acquisition to the Unit Owners and to all Mortgagees who have requested notice of any such proceeding or proposed acquisition from the Association. All compensation, damages, or other proceeds therefrom, shall be payable to the Association.

## ARTICLE 11. ENFORCEMENT

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

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

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

**Section 11.4 Right to Assess Penalty on Unit for Violations of Declaration.** The Board, by simple majority vote, shall determine whether a Unit Owner has breached, or a Unit is in breach, of any of the covenants, conditions, and restrictions provided herein. After thirty (30) days' written notice to such



Unit Owner, the Unit Owner shall have an opportunity to be heard by the Board regarding the violation. After such hearing, the Association by a two-thirds (2/3) majority vote of the Board, is empowered to assess a penalty in accordance with an established schedule of fines adopted by the Board and furnished to the Unit Owners. Such penalty shall be a levied special assessment and constitute a lien against the Unit, enforceable as provided herein.

## ARTICLE 12. AMENDMENT

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

**Section 12.2 Amendments by Unit Owners.** Except in cases of amendments that may be executed by the Declarant or the Association pursuant to Section 12.1 or as expressly permitted in accordance with the Washington Uniform Common Interest Ownership Act, this Declaration may be amended only by vote or agreement of the Declarant and Unit Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated. During the Declarant Control Period, no amendment shall be effective without the express written consent of Declarant. Until the Permit Fee described in Article 4 has been paid in full for all Units, no amendment to Article 4 shall be effective without the express written consent of SCR, its successors or assigns.

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

## ARTICLE 13. GENERAL PROVISIONS

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

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

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

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

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

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

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

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

Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation.

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

**Section 13.10 Assignment; Binding on Successors.** This Declaration shall run with the Real Property and apply to and bind the successors and assigns in interest and all parties having or acquiring any right, title or interest in the Real Property or any portion thereof. If Declarant conveys all of its right, title and interest in and to the Real Property to any partnership, individual or individuals, corporation or corporations, then and in such event, Declarant shall be relieved of the performance of any further duty or obligation hereunder, and such partnership, individual or individuals, corporation or corporations, shall be obligated to perform all such duties and obligations of the Declarant.

**Section 13.11 Invalidity of Any Provision.** If any provision of this Declaration is deemed invalid or in conflict with any law of the jurisdiction where the Real Property is situated, the validity of all other provisions shall remain unaffected and in full force and effect.

**Section 13.12 Conflict of Property Documents.** Notwithstanding anything else contained in this Declaration, if this Declaration materially conflicts with any preexisting easement, declaration of covenants, requirement or restriction that has been recorded against the Real Property and continues in full force and effect, then the more restrictive provision shall govern and nothing contained in this Declaration shall be construed to release any Owner from compliance with the foregoing. If there is any conflict among or between the following documents governing the Real Property, priority shall be assigned in the following order: Plats; this Declaration; Articles of Incorporation; Bylaws; rules and regulations (if any) of the Association or ARC; other recorded documents; unrecorded contracts and agreements. Notwithstanding the foregoing, any provision in any of the documents, which is for the protection of mortgagees, shall have priority over any inconsistent provision in that document or in any other such document.

## **ARTICLE 14. PHASED DEVELOPMENT; DEVELOPMENT RIGHTS**

**Section 14.1 Subsequent Development.** Declarant reserves for itself, its successors and assigns, during the Declarant Control Period, the right, by amendment to this Declaration recorded in the Kittitas County Recorder's Office, in one or more phases, to subject additional properties to this Declaration (including specifically but without limitation the Skyline Ridge property) or to withdraw undeveloped property from it. Each Unit Owner appoints and constitutes the Declarant as his/her attorney-in-fact to adopt and file amendments to this Declaration necessary to add or subtract such properties. The original Unit Owners shall be benefited by any Common Elements on additional property the Declarant elects to add to the Plat Community, either through Association ownership and/or control of said additional Common Elements or by easements of use and enjoyment in favor of said original Unit Owners on said additional Common Elements. The owners of such property added by Declarant to the Plat Community shall have an easement for use and enjoyment of the existing Common Elements and shall have all the obligations to pay their pro rata cost of maintaining the Common Elements, unless otherwise provided herein. The Declarant shall also have as a Development Right the right to extend existing easements and may create new easements over the Units still within Declarant's control so as to provide access and service to the additional properties. Neither the Association nor any Unit Owners shall have any right in any additional property, nor shall this Declaration have any effect on such additional property until it is subjected to this Declaration by adoption of an amendment to this Declaration recorded

in the Kittitas County Recorder's Office describing such additional property or by addition to the Map. The rights reserved by Declarant in this section may be exercised by Declarant during the Declarant Control Period at Declarant's sole discretion.

**Section 14.2 Rights and Obligations.** The owners of properties added to the Plat Community shall be members of the Association, and shall be entitled to all benefits and subject to all obligations of a member, including, but not limited to, the right to vote in Association elections and the obligation to pay assessments as set forth herein. If Declarant elects to withdraw undeveloped property from this Declaration, such withdrawn property shall no longer have any membership rights in the Association or hereunder.

**Section 14.3 No Requirement to Add.** Nothing contained in this Declaration shall be construed to require the Declarant to subject additional properties to this Declaration.

**Section 14.4 Control.** Declarant shall have and hereby reserves as a Development Right for itself, its successors, and assigns, an easement for the right, during the Declarant Control Period and any period thereafter in which Declarant is a Unit Owner, to utilize the Common Elements for its business uses and purposes, including, but not limited to, uses and purposes related to the construction, promotion, sale and development of the Plat Community. If additional properties are subjected to this Declaration pursuant to this article, Declarant shall have an easement as described in this section on the Common Elements located therein. Upon termination of the Declarant Control Period, Declarant's easement shall automatically terminate except as to Units for which Declarant owns. Control and the management and administration of the Common Elements shall vest in the Association at the end of the Declarant Control Period subject to the Declarant's aforementioned rights of use.

**Section 14.5 Dedication to Governmental Entities.** Until the termination of the Declarant Control Period, Declarant reserves as a Development Right the right to withdraw any undeveloped part of the Real Property from this Declaration and to dedicate, transfer or convey it to any state, county, municipal or other governmental entity any such part of the Real Property or reserve it for Declarant's use and/or sale. The rights reserved by Declarant in this section shall be exercised by Declarant at Declarant's sole discretion.

**Section 14.6 Period of Development.** Declarant is undertaking certain improvements to the Property in conjunction with its development as a rural residential community. Hence, for the duration of the Declarant Control Period, nothing in this Declaration shall be construed to restrict Declarant or its builders, contractors, subcontractors, or agents from doing on any part of the Property (except on a Unit that has been sold to a third party) whatever is reasonably necessary or advisable in connection with the development of the Property as a rural residential community, including but not limited to: (a) subdividing or adjusting the boundaries of any Unit or Common Area in a manner consistent and in compliance with Kittitas County Code and all applicable laws; (b) erecting signs or structures associated with marketing Units for sale; or deviating from the design and use provisions set forth herein, if, in Declarant's sole discretion, such deviation benefits the community as a whole

**Section 14.7 Owner Cooperation.** The recording and/or amendment of this Declaration shall constitute evidence of agreement by each Owner pursuant to RCW 58.17.212 or RCW 58.17.215 (as may be amended) to plat alterations or subdivision of the Property consistent with the terms herein. Each Owner covenants that he will take such action and execute such documents, including plat amendment applications, as may be necessary for Declarant to exercise its rights under this Section.

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









**Exhibit A**

**Legal Description of Real Property**

**Timberline**

**LOT 1A**

LOT 1A, AS PER SURVEY THEREOF RECORDED IN BOOK 43 OF BLA, PAGES 67 - 70, UNDER AUDITOR'S FILE NO. 202010290059, BEING A PORTION OF SECTION 25, TOWNSHIP 20 NORTH, RANGE 15 EAST, W.M., IN THE COUNTY OF KITTITAS, STATE OF WASHINGTON.

**LOT 2A**

LOT 2A, AS PER SURVEY THEREOF RECORDED IN BOOK 43 OF BLA, PAGES 67 - 70, UNDER AUDITOR'S FILE NO. 202010290059, BEING A PORTION OF SECTION 25, TOWNSHIP 20 NORTH, RANGE 15 EAST, W.M., IN THE COUNTY OF KITTITAS, STATE OF WASHINGTON.

**LOT 3A**

LOT 3A, AS PER SURVEY THEREOF RECORDED IN BOOK 43 OF BLA, PAGES 67 - 70, UNDER AUDITOR'S FILE NO. 202010290059, BEING A PORTION OF SECTION 25, TOWNSHIP 20 NORTH, RANGE 15 EAST, W.M., IN THE COUNTY OF KITTITAS, STATE OF WASHINGTON.

**LOT 4A**

LOT 4A, AS PER SURVEY THEREOF RECORDED IN BOOK 43 OF BLA, PAGES 67 - 70, UNDER AUDITOR'S FILE NO. 202010290059, BEING A PORTION OF SECTION 25, TOWNSHIP 20 NORTH, RANGE 15 EAST, W.M., IN THE COUNTY OF KITTITAS, STATE OF WASHINGTON.

**LOT 5**

LOT 5, LP-07-42 PLAT OF PONDEROSA PINES, AS PER PLAT THEREOF RECORDED IN BOOK 12 OF PLATS, PAGES 145 - 147, UNDER AUDITOR'S FILE NO. 201606290011, BEING A PORTION OF SECTION 25, TOWNSHIP 20 NORTH, RANGE 15 EAST, W.M., IN THE COUNTY OF KITTITAS, STATE OF WASHINGTON.

**LOT 6**

LOT 6, LP-07-42 PLAT OF PONDEROSA PINES, AS PER PLAT THEREOF RECORDED IN BOOK 12 OF PLATS, PAGES 145 - 147, UNDER AUDITOR'S FILE NO. 201606290011, BEING A PORTION OF SECTION 25, TOWNSHIP 20 NORTH, RANGE 15 EAST, W.M., IN THE COUNTY OF KITTITAS, STATE OF WASHINGTON.

**LOT 7A**

LOT 7A, AS PER SURVEY THEREOF RECORDED IN BOOK 43 OF BLA, PAGES 67 - 70, UNDER AUDITOR'S FILE NO. 202010290059, BEING A PORTION OF SECTION 25, TOWNSHIP 20 NORTH, RANGE 15 EAST, W.M., IN THE COUNTY OF KITTITAS, STATE OF WASHINGTON.

LOT 8A

LOT 8A, AS PER SURVEY THEREOF RECORDED IN BOOK 43 OF BLA, PAGES 67 - 70, UNDER AUDITOR'S FILE NO. 202010290059, BEING A PORTION OF SECTION 25, TOWNSHIP 20 NORTH, RANGE 15 EAST, W.M., IN THE COUNTY OF KITTITAS, STATE OF WASHINGTON.

LOT 9A

LOT 9A, AS PER SURVEY THEREOF RECORDED IN BOOK 43 OF BLA, PAGES 67 - 70, UNDER AUDITOR'S FILE NO. 202010290059, BEING A PORTION OF SECTION 25, TOWNSHIP 20 NORTH, RANGE 15 EAST, W.M., IN THE COUNTY OF KITTITAS, STATE OF WASHINGTON.

LOT 10A

LOT 10A, AS PER SURVEY THEREOF RECORDED IN BOOK 43 OF BLA, PAGES 67 - 70, UNDER AUDITOR'S FILE NO. 202010290059, BEING A PORTION OF SECTION 25, TOWNSHIP 20 NORTH, RANGE 15 EAST, W.M., IN THE COUNTY OF KITTITAS, STATE OF WASHINGTON.

LOT 11

LOT 5, LP-07-42 PLAT OF PONDEROSA PINES, AS PER PLAT THEREOF RECORDED IN BOOK 12 OF PLATS, PAGES 145 - 147, UNDER AUDITOR'S FILE NO. 201606290011, BEING A PORTION OF SECTION 25, TOWNSHIP 20 NORTH, RANGE 15 EAST, W.M., IN THE COUNTY OF KITTITAS, STATE OF WASHINGTON.

LOT 12A

LOT 12A, AS PER SURVEY THEREOF RECORDED IN BOOK 43 OF BLA, PAGES 67 - 70, UNDER AUDITOR'S FILE NO. 202010290059, BEING A PORTION OF SECTION 25, TOWNSHIP 20 NORTH, RANGE 15 EAST, W.M., IN THE COUNTY OF KITTITAS, STATE OF WASHINGTON.

**Exhibit B**

**Skyline Ridge**

PARCELS A-1, A-2, A-2, A-3, A-4,B-1, B-2, B-3, B-4, C-1, C-2, D-1 AND D-2, OF THAT CERTAIN SURVEY RECORDED OCTOBER 27, 2005 IN BOOK 31 OF SURVEYS, PAGES 224 AND 225, UNDER AUDITOR'S FILE NO. 200510270006, BEING A PORTION OF SECTION 24, TOWNSHIP 20 NORTH, RANGE 15 EAST, W.M., IN THE COUNTY OF KITTITAS, STATE OF WASHINGTON.