

AFTER RECORDING RETURN TO:

PARKER VILLAGE, LLC  
800 NE TENNEY ROAD, #110-348  
VANCOUVER, WA 98685

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS**

**FOR**

**PARKER VILLAGE SUBDIVISION**

Grantor/Declarant: Parker Village, LLC

Grantee/Community: Parker Village Subdivision

Abbreviated Legal Description: #15 H M KNAPP DLC 6.71A

Complete legal on Exhibit A attached hereto

Assessor's Parcel No.: 125191-000

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**SCHEDULES:**

- A Description of Real Property Subject to Right to Create Lots

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
PARKER VILLAGE SUBDIVISION**

Parker Village, LLC, a Washington limited liability company, hereinafter referred to as “Declarant”, makes this Declaration as of the \_\_\_ day of March, 2016.

**ARTICLE 1 CONSTRUCTION AND VALIDITY OF DECLARATION**

Declarant owns the real property and improvements located within the City of Camas, County of Clark, State of Washington, commonly known as “Parker Village Subdivision” or the “Property,” and more particularly described in **Exhibit A** attached hereto. Declarant has created an owners association at Parker Village Subdivision to provide for the maintenance, preservation and architectural control of the privately-owned parcels and the Common Areas (as defined below) within the Community. Declarant has imposed these covenants and servitudes to create a comprehensive system of land-use, development and architectural controls within the Property, to enhance the value and attractiveness of the Property and to protect and benefit the interests of the Owners of the Property.

**Section 1.1 Covenant Running With Land.** Declarant submits the Property to this Declaration. This Declaration shall operate as a covenant running with the land, or equitable servitude, and shall bind Declarant, its successors and assigns, and all subsequent Owners of the Property or any part thereof, together with their grantees, successors, heirs, executors, administrators, devisees or assigns. Any conveyance, transfer, sale, assignment, lease or sublease of any real property interest in any portion of the Property, shall and hereby is deemed to incorporate by reference all provisions of this Declaration. The Property shall be held, sold, conveyed, encumbered, leased, rented, occupied and improved subject to these covenants, conditions, restriction, reservations, easements, rights of way, liens, charges and equitable servitudes, which shall be binding on all parties having any right, title or interest in the Property or any part thereof, and shall inure to the benefit of each owner thereof.

**Section 1.2 Severability.** The provisions of this Declaration shall be independent and severable, and the unenforceability of any one provision shall not affect the enforceability of any other provisions.

**Section 1.3 Percentage of Owners or Mortgagees.** For purposes of determining the percentage of Owners or Mortgagees, or percentage of voting power for approving a proposed decision or course of action in cases where an Owner owns, or a Mortgagee holds Mortgages on more than one Unit, such Owner shall be deemed a separate Owner for each such Unit so owned and such Mortgagee shall be deemed a separate Mortgagee for each such first Mortgage so held.

**ARTICLE 2 DEFINITIONS**

**Section 2.1 Words Defined.** For the purposes of this Declaration and any amendments hereto, the following definitions shall apply. The singular form of words includes the

plural and the plural includes the singular. Masculine, feminine and neutral pronouns are used interchangeably.

“**Architectural Control Committee**” or “**ACC**” shall mean any committee established or designated by the Board for the purpose of carrying out some or all of the Board functions set forth in Article 10.

“**Articles**” means the Articles of Incorporation for the Association, as amended from time to time.

“**Assessments**” means all sums chargeable by the Association against a Lot, including, without limitation: (a) base assessments, special assessments and specific assessments; (b) charges and fines imposed by the Association; (c) interest and late charges on any delinquent account; and (d) costs of collection, including reasonable attorneys’ fees, incurred by the Association in connection with the collection of a delinquent Owner’s account.

“**Association**” means the owners’ association identified in Article 3, and its successors and assigns.

“**Association Maintained Area**” shall mean those portions of the Community that the Association is obligated to maintain. The Association Maintained Area is described in Section 3.3 of this Declaration.

“**Board of Directors**” or “**Board**” means the board of directors of the Association, as described in Article 6, and any board, group or entity of the successor or assign to the Association serving in a comparable capacity to the Board of Directors.

“**Building Exteriors**” means the exterior surfaces of the Units, including the roofing surface, skylights, gutters and downspouts, exterior siding surfaces, door frames, window frames, garage doors, railings, exterior lighting and divider fences. The Building Exteriors do not include windows, doors or screens or foundations and do not include systems below the exterior surfaces, such as decking, sheathing, membranes and similar systems.

“**Bylaws**” means the adopted bylaws of the Association as amended from time to time.

“**Class A Members**” shall mean all Owners other than the Declarant when the Declarant is the Class B Member. If the Declarant is no longer the Class B Member, then it shall mean all Owners, including Declarant. If there is no Class B member, it shall mean all Owners.

“**Class B Member**” shall mean the Declarant.

“**City**” shall mean the City of Camas, in the County of Clark, State of Washington.

“**Common Area**” shall mean any and all real property (and improvements thereon) and personal property from time to time owned or leased by the Association, or for which the



Association possessory or use rights, for the common use and enjoyment of the Members. The Common Area may (but need not) include common areas, tot lots, recreational facilities, parks and other open space, lakes, streams, storm water drainage facilities, utility facilities, private streets not dedicated to the City or the State of Washington, trail systems and fencing on common areas.

“**Common Expenses**” means expenditures made by, or financial liabilities of, the Association which are related to the Common Area, the Association Maintained Area, or the general operation of the Association, including without limitation, maintenance and repair of certain exterior portions of the residential improvements constructed on the Lots as provided herein, certain utilities and systems serving such improvements, landscaping maintenance for the Lots, and allocations to reserves.

“**Community**” means the Property described in **Exhibit A**, attached hereto, and all improvements on the Property.

“**Community-Wide Standard**” means the standard of conduct, maintenance, or other activity generally prevailing in the Community. The particular standard may be more specifically determined by the Board. Any such determination must, however, be consistent with the requirements of this Declaration and the Community-Wide Standard originally established by the Declarant.

“**Declarant**” means Parker Village, LLC, a Washington limited liability company. No successor and assignee of the Declarant shall have any rights or obligations of the Declarant hereunder unless such rights and obligations are specifically assigned to such party by written instrument designating the party as Declarant hereunder or which pass by operation of law.

“**Declarant Control**” means the right of the Declarant or persons designated by the Declarant to appoint and remove officers of the Association and members of the Board, pursuant to Article 6.

“**Declarant Control Period**” means the period of time during which the Declarant is entitled to appoint members of the Board. The Declarant Control Period will expire on the first to occur of the following events: (i) the Declarant no longer owns any Property for development or sale in the Community; (ii) the tenth (10th) anniversary of the date on which this Declaration is recorded; or (iii) when, in its sole discretion, Declarant so determines in a notice recorded in the real property records of the County.

“**Declaration**” means this Declaration of Covenants, Conditions, Restrictions and Reservations, as it may be amended from time to time or supplemented in the manner provided herein.

“**Eligible Mortgagee**” means a Mortgagee or an institutional holder, insurer or guarantor of a Mortgage, who has provided written notice to the Association a written request that it be given notice of actions by the Association. The request must state the name and address of the Mortgagee and Lot number related to the Mortgage.

**Entry Monuments**” shall mean any entry monuments, gates, signs, landscaping, lighting and other improvements, including water and electricity, installed by the Declarant or Association to mark the entry to the Community.

**Fire Lanes**” shall mean any areas within any public right-of-way, easement or on private property that is designated for the use, travel and parking of fire trucks and other fire fighting or emergency equipment.

**First Mortgage**” means a Mortgage with first priority over other Mortgages.

**Governing Documents**” means this Declaration, the Articles, the Bylaws, and any rules or regulations adopted by the Board, as they may be amended from time to time.

**Limited Common Area**” means a portion of the Common Area primarily benefiting one or more, but less than all, Lots within the Property, as more particularly described in Article 15.3.

**Lot**” shall mean each of the lots created within the Community as shown on the Plat which will constitute after the construction of improvements, a single-family residence. Ownership of a Lot shall include, and there shall pass with each Lot as an appurtenance thereto, whether or not separately described, all of the right, title and interest of an Owner in the Common Areas and membership in the Association.

**Member(s)**” shall mean the Class A Members and the Class B Member.

**Mortgage**” means a recorded mortgage, deed of trust, real estate contract or similar instrument used for the purpose of encumbering real property in the Community for satisfaction of an obligation.

**Mortgagee**” means any holder of a Mortgage.

**Notice and Opportunity To Be Heard**” means the procedure described in Section 15.5.

**Occupant**” means any Person occupying all or any portion of a Unit or other property located within the Community for any period of time, regardless of whether such Person is a tenant or the Owner of such property.

**Owner**” means the owner of record, whether one or more Persons, of fee title to any Lot located within the Community. “Owner” includes, except as may be otherwise expressly provided herein, any person of record holding a vendee’s interest under a real estate contract, to the exclusion of the vendor thereunder. “Owner” does not include any Person who (i) has an interest in a Lot solely as security for an obligation, monetary or regulatory, nor (ii) is the beneficiary of rights under easements and/or covenants granted by an Owner.

“**Person**” means any natural person as well as a corporation, limited liability company, partnership, limited partnership, trust, or other legal entity.

“**Phase 1 Lot**” shall mean each of the thirty-seven (37) Lots within Phase 1 of the Community as shown on the Plat.

“**Phase 2 Lot**” shall mean each of the twenty-four (24) Lots Phase 2 of the Community as shown on the Plat.

“**Plat**” shall mean the plat for Parker Village Subdivision which depicts the layout of the Lots and Tracts on the Property. The Plat for the Property was recorded at Volume \_\_\_ of Plats, at pages \_\_\_ under Recorder’s File No. \_\_\_\_\_ records of Clark County, Washington.

“**Property**” means the Phase 1 Lots, the Phase 2 Lots and any Additional Property annexed pursuant to Section 2.2 below.

“**Rules and Regulations**” means the policies, procedures, rules or regulations governing use of the Community adopted by the Association, as the same may be amended from time to time.

“**Street Landscaping**” shall mean the street trees, grass, landscaping and vegetation located within or along the private streets in the Community, and shall include any irrigation system for the foregoing and any entry Monuments and associated landscaping.

“**Street Lighting**” shall mean the lighting for the private streets within or adjacent to the Property.

“**Structure**” shall mean anything or object the placement of which upon any Lot may affect the appearance of such Lot, including (i) any building, garage, porch, shed, greenhouse, patio, deck, swimming pool, curbing, paving, tree house, fence, wall, rockery, hedge, sign, statue, basketball goal, pole, antenna, dish or other receiving device, or the like, and (ii) any change of more than six inches in the grade of any Lot.

“**Supplemental Declaration**” means an amendment or supplement to this Declaration which imposes, expressly or by reference, additional restrictions and obligations on all or any portion of the Property.

“**Total Association Vote**” shall mean all of the votes attributable to members of the Association (including votes of Declarant), and the consent of Declarant as long as Declarant owns any Property for development and/or sale in the Community.

“**Tract**” shall mean and refer to any of Tracts A through L shown on the Plat and any improvements thereon.

“**Unit**” shall mean a dwelling unit located on a Lot and any associated improvements.

**ARTICLE 3    DESCRIPTION OF COMMUNITY**

**Section 3.1    Description of Community.** The name of the Community located on the Property is Parker Village Subdivision. The Community contains sixty (60) Lots to be developed in 2 phases and various Tracts as depicted on the Plat.

**Section 3.2    Description of Common Area.** The Common Area, as shown on the Plat, is comprised of the following:

Tracts A, B, C, D, E, F, G, H, I, J and K

Declarant, by recording the Plat, dedicates and conveys without warranty the Common Area to the Association.

**Section 3.3    Description of Association Maintained Area.** The Association Maintained Area is comprised of the following:

Building Exteriors;  
Front and Side Yards of all Lots;  
The Common Area, as provided in Section 3.2 (except any portion maintained by the City);  
The Entry Gate;  
The Entry Monuments;  
The Private Streets;  
The Perimeter Fencing;  
The Street Landscaping; and  
The Offsite Wetlands.

The Association Maintained Area also includes any other areas, facilities, improvements or property acquired by the Association or for which the Association has, or assumes, responsibility pursuant to the Declaration, a Supplemental Declaration or any covenants, contracts or agreements.

**Section 3.4    Conveyance of Common Areas by Declarant to Association.** The Declarant may transfer or convey to the Association any personal property and any improved or unimproved real property, leasehold, easement, or other property interest. Such conveyance shall be accepted by the Association, and the property shall thereafter be Common Areas to be maintained by the Association for the benefit of all or a part of its Members. Except as otherwise set forth herein, Declarant shall not be required to make any improvements whatsoever to property to be conveyed and accepted pursuant to this Section 3.4.

**Section 3.5    Annexation of Additional Property.** Declarant may from time to time and in its sole discretion annex to the Property as Additional Property any real property now or hereafter acquired by it, and may also from time to time and in its sole discretion permit other holders of real property to annex the real property owned by them to the Property. The annexation of such real property shall be accomplished as follows:

a. The Owner or Owners of such real property shall record a declaration that shall be executed by or bear the approval of Declarant and shall, among other things, describe the real property to be annexed, establish land classifications for the Additional Property, establish any additional limitations, uses, restrictions, covenants and conditions that are intended to be applicable to such property, and declare that such property is held and shall be held, conveyed, hypothecated, encumbered, used, occupied and improved subject to this Declaration.

b. The Additional Property included in any such annexation shall thereby become a part of the Property and subject to this Declaration, and the Declarant and the Association shall have and shall accept and exercise administration of this Declaration with respect to the Additional Property.

c. Notwithstanding any provision apparently to the contrary, a declaration with respect to any Additional Property may:

(i) establish such new land classifications and such limitations, uses, restrictions, covenants and conditions with respect thereto as Declarant may deem to be appropriate for the development of the Additional Property.

(ii) with respect to existing land classifications, establish additional or different limitations, uses, restrictions, covenants and conditions with respect thereto as Declarant may deem to be appropriate for the development of such Additional Property.

d. There is no limitation on the number of Lots or Units that Declarant may create or annex to the Property, except as may be established by applicable ordinances of City of Camas. Similarly, there is no limitation on the right of Declarant to annex common property, except as may be established by City of Camas.

e. Nothing in this Declaration shall establish any duty or obligation on Declarant to annex any property to this Declaration, and no owner of property excluded from this Declaration shall have any right to have such property annexed to this Declaration or the Parker Village Subdivision.

f. Upon annexation, additional Lots so annexed shall be entitled to voting rights as set forth in Section 5.5 below.

g. The formula to be used for reallocating the common expenses if additional Lots are annexed and the manner of reapportioning the common expenses if additional Lots are annexed during a fiscal year are set forth in Section 7.7 below.

#### **ARTICLE 4 MAINTENANCE RESPONSIBILITIES**

**Section 4.1 Association's General Responsibility for Association Maintained Area.**

The Association is responsible for the maintenance, repair and replacement, subject to the availability of insurance proceeds, of the Association Maintained Area and any landscaping and improvements therein. The Association must reasonably maintain all such areas and facilities in good repair for their intended use to the Community-Wide Standard . The costs of maintaining the Association Maintained Area shall be a Common Expense assessed against the Lots as set forth in Article 7.

**Section 4.2 Association's Particular Responsibilities for Association Maintained Area.** Without limiting the foregoing, the Association is responsible to maintain and keep (a) all landscaping and improvements on the Common Areas, the Street Landscaping and the front/side yards of all Units, (b) all irrigation systems in place for maintenance of the front/side yards of each Unit (although all costs for water usage in connection with such irrigation shall be the responsibility of the Unit Owner); (c) the Entry Gate and Monuments including the expenses for water and electricity, if any, provided to all such entry features; (d) all storm water drainage facilities serving the Community and not the responsibility of any governmental entity; (e) private streets, sidewalks, retaining walls, plazas and trails, (f) any and all Common Area signage including but not limited to "No Parking" and "Fire Lane" signs, (g) the Street Lighting, and (h) all Limited Common Areas unless maintenance thereof is delegated to the Owners benefited by such Limited Common Areas.

**Section 4.3 Association's Responsibility for Exterior Maintenance.** The Association is not responsible for the maintenance, repair, replacement, painting, sealing and caulking of the Building Exteriors as well as for maintaining, repairing or replacing foundations, any windows or exterior decorative glass including skylights, any exterior doors including garage door panels, or any window screens or screen doors. Notwithstanding anything to the contrary herein, repair or replacement of the Building Exteriors as a result of fire or other casualty shall be performed by and at the sole cost of the Owner or Owners of such Units or other improvements, subject to architectural review pursuant to Article 10 below. Owner or Owners shall also be solely responsible for the cost of any additions or renovations affective the Unit exterior, including maintenance.

**Section 4.4 Association's Responsibility for Maintenance of Utilities and Systems.** Certain utilities such as side sewers and systems such as fire alarm systems and sprinkler systems may serve more than one Unit within the Community and pipes, wires, conduits and other facilities may pass thorough the Units in providing such services. Accordingly, the Association shall provide the ordinary maintenance, repair and replacement such utilities and services for any portions of such systems located outside of a Unit. The cost of such maintenance, repair and replacement shall constitute a Common Expense assessed in accordance with Article 7, unless (i) such repair or replacement results from a fire or other insured casualty in which case such work shall be at the sole cost of the Owner or Owners of such Units or other improvements or (ii) if such costs are determined by the Board, in the exercise of its reasonable discretion to have resulted as a consequence of the conduct of the Owner or occupants of the Lot, or their agents, contractors, employees, licensees, invitees or guests. Each Owner shall be responsible for the maintenance, repair and replacement of the portions of such systems located within their respective Unit.

**Section 4.5** **Assumption of Maintenance Responsibilities for Other Property.** The Association shall have the right, but not the obligation, to maintain other property not owned by the Association, whether within or without the Community, where the Board has determined that such maintenance would benefit all Owners. Without limiting the foregoing, if the City or County fails to maintain any property dedicated to it in conformance with the Community-Wide Standard, the Association may, but is not required to, maintain such property, including the performance of grass cutting and maintenance of shrubs, trees, and flowers.

**Section 4.6** **Maintenance Necessitated By Owner Failure.** In the event that the Association determines that the need for maintenance, repair, or replacement, which is the responsibility of the Association hereunder, is caused through the willful or negligent act of an Owner, or the family, guests, lessees or invitees of any Owner, and is not covered or paid for by insurance, in whole or in part, then the Association may perform such maintenance, repair or replacement at such Owner's sole cost and expense, and all costs thereof shall be added to and become a Specific Assessment against the Lot of such Owner.

**Section 4.7** **Development of Maintenance Program.** The Board shall develop a maintenance plan or engage a consultant in order to maintain the Association Maintained Area in good repair and a neat, clean, attractive condition and shall not allow them to fail, deteriorate or cease functioning through lack of regular or proper maintenance. Without limiting the foregoing, the Board shall develop and adhere to schedules and procedures for the periodic inspection, maintenance, repair and replacement of the Association Maintained Area. The schedules and procedures shall be based upon regular inspections of the Community, regular reserve studies, and sound property management principles and practices and shall be adequate to maintain the Association Maintained Area in the condition required herein. The Board shall keep contemporaneous records of all, inspections, maintenance and repair work, and all improvements to the Association Maintained Area. Within the same time period for delivering notice of the proposed budget for the upcoming year, the Board shall send each Owner a report summarizing (i) the maintenance and repair work on the Community undertaken in the last year, (ii) any deviation from the adopted schedules and procedures, and (iii) the expected maintenance and repairs for the upcoming year.

**Section 4.8** **Annual Inspections.** At least annually after Declarant Control Period, the Association shall have the Community inspected by a qualified building engineer, inspector or architect (the "Inspector") in order to ascertain the physical condition of the Association Maintained Area and to determine whether maintenance, repairs or replacements of any such improvements are indicated. The Owners may waive the inspection for the upcoming year by the vote or consent of Owners who hold more than 50% of the Total Association Vote. The Association will cause the Inspector to prepare and deliver a written report of the inspection to the Board (the "Annual Inspection Report"). The Board shall send each Owner a copy of the Annual Inspection Report with the notices required under Section 7.1.2.

**Section 4.9** **Delegation of Responsibility for Limited Common Areas.** The Board may adopt rules or regulations permitting or requiring Owners to maintain certain Limited Common Areas allocated to the Owners' Lots if it concludes that the Owners will regularly,

properly and consistently maintain the Limited Common Area, and that there is little risk of damage to the Community or cost to the Association from such transfer of maintenance responsibility.

**Section 4.10 Owners' Maintenance Responsibilities.** Except for any maintenance and repairs which are to be performed by the Association under Sections 4.1 through 4.4 of this Declaration, each Owner, at said Owner's cost and expense, is responsible for the maintenance, repair and replacement of the interior of the Owner's Unit and all improvements on the Owner's Lot and the landscaping on the Lot other than the front/side yards as described in Section 4.2. Each Owner must keep the Owner's property in a good, clean, attractive, safe and sanitary condition and in full compliance with all applicable laws, the Governing Documents and the Community-Wide Standard. Without limiting the foregoing, each Owner (i) shall be responsible for the maintenance, repair or replacement of any plumbing fixtures, water heaters, air-conditioning units, fans and heating equipment which serve the Owner's Unit, and (ii) shall keep all porches, patios, decks and yards in a neat, clean and attractive condition, consistent with the Community-Wide Standard.

**Section 4.11 Association Authority to Act for Owner.** If any Owner has failed to meet any of the Owner's obligations for maintenance, repair, or replacement hereunder, the Association may undertake those obligations. If the Board determines that action is appropriate, it shall, except in an emergency situation, give the Owner written notice of the Association's intent to provide such necessary maintenance, repair, or replacement at the Owner's sole cost and expense. The notice shall set forth with reasonable particularity the maintenance, repairs, or replacement deemed necessary. The Owner shall have ten (10) days after receipt of such notice to complete such maintenance, repair, or replacement, or, in the event that such maintenance, repair, or replacement is not capable of completion within a ten (10) day period, to commence such work which shall be completed within a reasonable time. If the Owner does not comply with the provisions of the notice, the Association may provide any such maintenance, repair, or replacement at such Owner's sole cost and expense, and all costs shall be added to and become a Specific Assessment against the Owner's Lot.

**Section 4.12 Maintenance of Offsite Wetlands.** The Association shall maintain as Common Area other property which does not fall within the definition of Common Area, including property dedicated to the public, conservation areas and wetlands dedicated to governmental agencies. The Association shall comply with any maintenance obligations assumed by the Declarant or the Association pursuant to the requirements of the City of Vancouver, the City of Camas, the State of Washington or the Federal government relating to the Property, including the maintenance of wetlands located outside of the Property ("**Offsite Wetlands**"). The Association shall not be liable for any damage or injury occurring on or arising out of the condition of property which it does not own except to the extent that it has been negligent in the performance of its maintenance responsibilities.

## **ARTICLE 5 OWNERS ASSOCIATION**

**Section 5.1 Form of Association.** The Owners of Lots shall constitute an owners association to be known as the Parker Village Subdivision Homeowners Association (the



“**Association**”). The Association shall be a nonprofit corporation formed under the Washington Nonprofit Corporation Act. The rights and duties of the Members of the Association shall be governed by the provisions of this Declaration, the Washington Nonprofit Corporation Act (RCW Chapter 24.03), the Articles and the Bylaws.

**Section 5.2 Powers of Association.** The Association shall have (i) all powers authorized under the Washington Nonprofit Corporation Act; (ii) all powers necessary for the operation of the Community or governance of the Association; (iii) any other powers authorized by this Declaration; and (iv) all powers that may be exercised by any corporation of the same type as the Association. Without limiting the foregoing, the Association may acquire, hold, encumber, convey, and dispose of, in the Association’s name, any right, title, or interest to additional real property or to tangible or intangible personal property, and may arrange for and supervise any additional improvements to the Community

**Section 5.3 Qualifications For Membership.** Each Owner (including the Declarant as to Lots it owns) shall be a member of the Association and shall be entitled to one membership for each Lot owned. Only Owners may be Members of the Association; provided that if a Lot has been sold on contract, the contract purchaser shall exercise the rights of the Owner for purposes of the Association, and shall be the voting representative unless otherwise specified. Ownership of a Unit shall be the sole qualification for membership in the Association.

**Section 5.4 Transfer of Membership.** Ownership of a Lot shall include membership in the Association. The membership of an Owner in the Association is appurtenant to the Lot giving rise to the Membership. The Membership may not be transferred in any way except upon the transfer of title to the Lot and then only to the transferee of title to the Lot. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Unit shall operate automatically to transfer the membership in the Association to the new Owner.

**Section 5.5 Voting.**

**5.5.1 Number and Classes of Votes.** The Association shall have two classes of voting membership.

**Class A.** All Owners, except the Declarant when the Declarant is the Class B Member, will be Class A Members. Each Class A Member will be entitled to one vote for each Lot owned, whether improved or not. When more than one Person holds an interest in any Lot, all such Persons shall be members. The vote for such Lot shall be exercised as the joint owners may decide among themselves, but in no event shall more than one vote be cast with respect to any Lot.

**Class B.** The Declarant will be the Class B member. The Class B Member will be entitled to three votes for each Lot it owns. The Class B class of membership shall cease upon the first to occur of the following events: (i) the number of votes of the Class A members equals the number of votes of the Class B member; (ii) the tenth (10th) anniversary of the date on which this Declaration is recorded; or (iii) when, in its sole discretion, Declarant so determines in a

notice recorded in the real property records of the County. At that time, the Class B Membership will convert to Class A memberships for each Lot still owned by Declarant.

**5.5.2 Voting Owner.** There shall be one voting representative of each Lot. Declarant shall be considered an “Owner” and shall be the voting representative with respect to any Lot owned by Declarant. If a person (including Declarant) owns more than one Lot, the person shall have the votes for each Lot owned.

**5.5.3 Joint Owner Disputes.** The vote of a Lot must be cast as a single vote, and fractional votes shall not be allowed. In the event that joint Owners are unable to agree among themselves as to how their votes shall be cast, they shall lose their right to vote on the matter in question. In the event more than one vote is cast for a particular Lot, none of said votes shall be counted and said votes shall be deemed void.

**Section 5.6 Bylaws.** The Declarant will adopt the initial Bylaws for the Association. The Association may thereafter amend the Bylaws pursuant to Article 16. The Bylaws shall contain provisions substantially as provided for in this Article 5 and in Article 16, and may contain supplementary, not inconsistent, provisions regarding the operation and administration of the Property. The Bylaws shall establish the provisions for quorum, ordering of meetings, and details regarding the giving of notices as may be required for the proper administration of the Association and the Community.

## **ARTICLE 6 MANAGEMENT OF THE ASSOCIATION**

**Section 6.1 Management by Interim Board of Directors.** Prior to the expiration of the Declarant Control Period, the Association will be governed by a board of Directors appointed by the Declarant from time to time or as provided in the Bylaws.

**Section 6.2 Management by Elected Board of Directors.** Within 60 days after the expiration of the Declarant Control Period, the Declarant shall call a Special Meeting of the Members for the purpose of electing a Board, a majority of whom must be Unit Owners. The number of Board members and their terms of services shall be specified in the Bylaws. The Board shall elect officers in accordance with the procedures provided in the Bylaws. The members of the Board and officers shall take office upon election. Removal of Board members, and their terms of service shall be as provided in the Bylaws, except that the Owners may not remove any Director appointed by Declarant pursuant to the Declarant’s right to control the Association.

**Section 6.3 Authority and Duties of the Board.** The Board shall have all powers and authority permitted to the Board under the Governing Documents. The Board shall enforce the provisions of this Declaration for the benefit of the Community and the Owners. Without limiting the foregoing, the Board shall have the following powers and authority:

**6.3.1 Assessments.** Establishing and collecting Assessments pursuant to Article 7 of this Declaration.

**6.3.2 Services.** Obtaining the services of persons or firms as required to properly manage the affairs of the Community to the extent deemed advisable by the Board, including legal and accounting services, property management services, as well as such other personnel as the board shall determine are necessary or proper for the operation of the Community.

**6.3.3 Utilities.** Obtaining all utility services necessary for the Common Areas.

**6.3.4 Insurance.** Obtaining and paying for policies of insurance or bonds as provided by this Declaration.

**6.3.5 Maintenance and Repair.** Performing and paying for maintenance, repair and replacement of Common Areas as provided herein.

**6.3.6 Liens.** Paying any amount necessary to discharge any lien or encumbrance levied against the Property or any part thereof which may or is claimed, in the opinion of the Board, to constitute a lien against the Property or against the Common Areas, rather than merely against a particular Lot. Where one or more Owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it, and any costs and expense incurred by the Board by reason of such lien or liens shall be assessed against the Owners and the Lots responsible to the extent of their responsibility and shall be immediately due and payable to the Association.

**6.3.7 Rules and Regulations.** In adopting, amending or rescinding any Rules and Regulations intended to supplement this Declaration, the Articles and the Bylaws, the Board must give consideration to the matters brought to its attention via the Notice and Opportunity To Be Heard procedures; and must give consideration to the interests of individual Owners and Occupants as well as the interests of the Association. No Rule or Regulation may be arbitrary or capricious. All Rules and Regulations must treat similarly situated Lots, Owners and Occupants similarly. No Rule or Regulation shall be inconsistent with or violate the provisions of the Declaration, Articles or Bylaws.

**Section 6.4 Manner of Acting.** Except when a higher standard is required by a provision of this Declaration, the Board shall act by majority vote. The Board shall act reasonably, in light of the facts determined by the Board, in making all determinations, exercising its discretion, granting or withholding consent, or taking any action on behalf of the Association.

**Section 6.5 Professional Management.** The Declarant or Board may contract with a professional manager to assist the Board in the management and operation of the Community and may delegate such of its powers and duties to the manager as it deems to be appropriate, except as limited herein. Any contract with a manager shall have a term no longer than one year (but may be renewable by agreement of the parties for successive one-year periods) and shall require the manager to maintain fidelity insurance for its officers, employees and agents who handle or who are responsible for handling funds of or funds administered by the Association. All such fidelity insurance shall name the Association as an insured and shall be not less than the estimated

maximum of funds, including reserve funds, in custody of the Association or the manager at any time while the policy is in force, but, in no event, shall the aggregate amount of insurance be less than three months' aggregate Assessments plus reserve funds. The policy shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.

**Section 6.6 Indemnification.** To the fullest extent allowed by applicable Washington law, the Association shall indemnify every officer and director against any and all expenses, including, without limitation, attorneys' fees, imposed upon or reasonably incurred by any officer or director in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which such officer or director may be a party by reason of being or having been an officer or director. The officers and directors shall not be liable for any mistake 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 or directors may also be members of the Associations), and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnifications provided for herein shall not be exclusive of any other rights to which any officer or director, or former officer or director, may be entitled. The Association shall maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such coverage is reasonably available. Any repeal or modification of this Article by the directors or members of the corporation shall not adversely affect any right or protection of any individual who is or was a director or officer of the corporation existing at the time of such repeal or modification. Any managing agent hired by the Association pursuant to Section 6.5 shall be indemnified to the same extent as the officers and directors of the Association.

**Section 6.7 Notice and Opportunity To Be Heard.** Whenever this Declaration requires that an action of the Board be taken after "Notice and Opportunity to be Heard," the following procedure shall be observed: The Board shall give written notice of the proposed action to all Owners, tenants or occupants of Units whose interest would be significantly affected by the proposed action. The notice shall include a general statement of the proposed action and the date, time and place of the hearing, which shall be not less than five days from the date notice is delivered by the Board. At the hearing, the affected person shall have the right, personally or by a representative, to give testimony orally, in writing or both (as specified in the notice), subject to reasonable rules of procedure established by the Board to assure a prompt and orderly resolution of the issues. Such evidence shall be considered in making the decision but shall not bind the Board. The affected person shall be notified of the decision in the same manner in which notice of the meeting was given.

**Section 6.8 Limitation on Action.**

**6.8.1** The Association shall not initiate any action in law or equity on behalf of the Association without the affirmative vote of more than seventy-five (75%) percent of all Owners.

**6.8.2** The Association shall not initiate any action in law or equity on behalf of any individual owner or Owners without the specific and express written consent of each Owner on behalf of whom the Association will sue.

**6.8.3** Except for an action against an Owner pursuant to Section 8 herein, the Association may not initiate any action in law or equity for any claim relating to an Limited Common Area without the specific and express written consent of each Owner of the Limited Common Area.

**Section 6.9 Books and Records.**

**6.9.1 Inspection by Members and Mortgagees.** The Association shall make available for inspection and copying to Member and Mortgagees and the agents or attorneys of any of them, all books and records of the Association upon reasonable advance notice during normal working hours at the offices of the Association, and for a purpose reasonably related to such person's interest as a Member or Mortgagee. The Association may adopt Rules and Regulations with respect to the notice to be given to the custodian of the records, the hours and days when an inspection may be made and the payment of costs for reproduction of documents.

**6.9.2 Financial Statements of the Association.** At least annually, the Board shall prepare, or cause to be prepared financial statements of the Association in accordance with generally accepted accounting principles. The financial statement shall be completed in time for the Association's annual meeting and in any event within 120 days following the end of the fiscal year. Upon written request of FHLMC, Fannie Mae, HUD or VA, if it is a Mortgagee, the Association shall provide within a reasonable time the financial statement of the Association for the preceding fiscal year.

**6.9.3 Audit of Financial Statements.** If the annual Assessments equal or exceed fifty thousand dollars, the financial statements shall be audited at least annually by an independent certified public accountant. The audit may, however, be waived if sixty-seven percent (67%) of the votes cast by Owners, in person or by proxy, at a meeting of the Association at which a quorum is present, vote each year to waive the audit. An Owner or Mortgagee, at the Owner's or Mortgagee's expense, may at any reasonable time conduct an audit of the books of the Board and Association. The Members may, by majority of the votes cast by Owners, in person or by proxy, at a meeting of the Association at which a quorum is present, require the Board to obtain an audit of the financial statements by an independent certified public accountant. The expense of such an audit will be a Common Expense. Any Eligible Mortgagee will be entitled to receive a copy of the audited financial statements upon written request.

**ARTICLE 7 ASSOCIATION FINANCES**

**Section 7.1     Budgeting.**

**7.1.1     Preparation of Budget.** At least 60 days before the beginning of the fiscal year, the Board shall prepare and adopt a budget for the Association for the coming year. The budget must include estimated Common Expenses for the coming year and shall include contributions to the Reserve Fund pursuant to Section 7.2. The budget may take into account any surplus or deficit from prior years and any expected income from sources other than Assessments levied against the Lots. The Declarant shall prepare the initial budget for the first fiscal year of the Association. Prior to the expiration of the Declarant Control Period, the budget may be based on the actual expenses for the Association and need not provide for contributions to the Reserve Fund.

**7.1.2     Ratification of Budget.** Within 30 days after adoption of a proposed budget, the Board shall provide each Owner with a copy of the budget, a notice of the amount of the “Base Assessment” that would be levied under the proposed budget, and notice of a meeting of the Owners to approve the budget. The meeting must be not fewer than 14 days or more than 60 days after mailing of the materials. The budget will be deemed approved by the Owners unless the budget is disapproved at that meeting by Members holding at least sixty-seven percent (67%) of the Total Association Vote. Any such approval will be valid, whether or not a quorum is present. If the Board fails to adopt a budget, fails to send notice or convene a meeting, or if the proposed budget is rejected, the most recently approved budget shall be continue in effect until a new budget is adopted and approved.

**7.1.3     Amendments to Budget.** The Board may revise the budget and the Base Assessment from time to time during the year but any such revision is subject to the notice requirements and the right of the Members to disapprove the revised budget set forth in this Section 7.1.

**Section 7.2     Reserve Funds.** The Board shall establish a reserve fund in the name of the Association to hold funds for (i) the replacement, in whole or in part, of all improvements on the Property that the Association is responsible to maintain pursuant to this Declaration and that will normally require replacement in more than three and fewer than 30 years, (ii) for any improvements in the Association Maintained Area and (iii) any for other items for which reserves are required by the Declaration or Bylaws (“Reserve Fund”). Such Reserve Fund shall be placed in an FDIC insured institution. The Reserve Fund need not include those items that could reasonably be funded from the maintenance fund or operating assessments, or for which one or more Owners are responsible for maintenance and replacement under the provisions of the Governing Documents.

**7.2.1** For purposes of funding the Reserve Fund, the Association shall impose an assessment to be called the “Reserve Fund Assessment” equally against each Lot. The Reserve Fund Assessment shall be based on the reserve study, and updates thereof, described in Section 7.2.3, or other sources of reliable information. Nothing herein shall limit the authority of the Association to establish other separate and unrelated reserve funds that are funded by assessment for reserves that are in addition to the Reserve Fund or that relate only to a particular

type or category of Lot. The Reserve Fund shall be separate from other funds and may be used only for the purposes for which reserves have been established as specified in this Section.

**7.2.2** Any funds established for any of the purposes mentioned in this Section shall be deemed to be within the Reserve Fund notwithstanding that it may not be so designated by the Board of Directors. The amount of the Reserve Fund shall constitute an asset of the Association and shall not be refunded or distributed to any Owner.

**7.2.3** At least every three years, the Board shall obtain from a qualified consultant, a reserve study of the Common Area and Association Maintained Area to determine the requirements of the reserve fund described in this Section 7.2. The reserve study shall include (a) identification of all items for which reserves are required to be established; (b) the estimated remaining useful life of each item as of the date of the reserve study; (c) the estimated cost of maintenance, repair, or replacement of each item at the end of its useful life; and (d) a 30-year plan within regular and adequate contributions, adjusted by estimated inflation and interest earned on the reserve fund, to meet the maintenance, repair, and replacement schedule.

### **Section 7.3 Assessments.**

**7.3.1 Authority to Assess Owners.** The obligation to pay Assessments shall commence as to each Lot after the Board first determines a budget and levies Assessments and after the Lot is first conveyed to an Owner by Declarant. The first annual Base Assessment levied on each Lot shall be adjusted according to the number of months remaining in the fiscal year at the time Assessments commence on the Lot.

**7.3.2 Base Assessment.** The Board is authorized to levy a Base Assessment equally against all Lots to fund the Common Expenses of the Association (not including, for this purpose, contributions to the Reserve Fund). In determining the Base Assessment per Lot, the Board may consider any assessment income expected to be generated from any additional Lots reasonably anticipated to become subject to assessment during the fiscal year. The Base Assessment shall be determined by the projected expenses of the Association for (i) maintenance, repair, replacement and operation of the Common Areas and Association Maintained Area, (ii) premiums for insurance and bonds purchased by the Association, (iii) any deficits remaining from prior fiscal years, (iv) reasonable contingency reserves in the discretion of the Board, (v) costs of inspections and reserve studies, and (vi) any other expenses or liabilities as the Board, in its discretion, expect to incur for the maintenance, repair, replacement or operation of the Common Areas, Association Maintained Area and the Association.

**7.3.3 Special Assessments.** In addition to other assessments authorized by this Article, the Board is authorized to levy Special Assessments against all Lots to cover unbudgeted expenses or expenses in excess of those budgeted. Except as otherwise expressly provided in this Declaration, any Special Assessment must be approved by Members holding more than fifty percent (50%) of the Total Association Vote. Special Assessments shall be payable in such manner and at such times as the Board may determine in its discretion. Special Assessments

may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

**7.3.4 Specific Assessments.** In addition to other assessments authorized by this Article, the Board is authorized to levy Specific Assessments against a particular Lot as follows: (i) to cover the costs of the Association for the maintenance, repair or replacement of Limited Common Areas, such costs to be assessed against the benefited Lots pro rata; and (ii) the costs incurred by the Association to bring the Owner's Lot into compliance with the Governing Documents or incurred as a consequence of the conduct of the Owner or occupants of the Lot, their agents, contractors, employees, licensees, invitees or guests, provided that the Board must give the Owner Notice and Opportunity to Be Heard before levying an Specific Assessment under this sub-clause.

**7.3.5 Time of Payment.** Assessments shall be paid in such manner and on such dates as the Board may establish. The Board may require advance payment of Assessments at closing of the transfer of title to a Lot and may impose special requirements for Owners with a history of delinquent payment. If the Board elects, Assessments may be paid in multiple two or more installments. Unless the Board establishes otherwise, the Base Assessment shall be due and payable in advance on the first day of the fiscal year. If any Owner is delinquent in paying any Assessments or other charges levied on the Owner's Lot, the Board may require the outstanding balance of all Assessments to be paid in full immediately.

#### **Section 7.4 Obligation for Assessments.**

**7.4.1 Personal Obligation.** Each Owner, by accepting a deed or entering into a recorded contract of sale for any portion of the Property, is deemed to covenant and agree to pay all assessments authorized herein. All assessments, together with interest (computed from its due date at a rate of 12% per annum or such higher rate as the Board may establish, subject to the limitations of Washington law), late charges as determined by Board resolution, costs and reasonable attorneys' fees, shall be the personal obligation of each Owner and a lien upon each Lot until paid in full. Upon a transfer of title to a lot, the grantee shall be jointly and severally liable for any assessments and other charges due at the time of conveyance.

**7.4.2 Failure to Assess.** Failure of the Board to fix assessment amounts or rates to deliver or mail each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation or pay assessments. In such event, each Owner shall continue to pay Base Assessments on the same basis as during the last year for which an assessment was made, if any, until a new assessment is levied, at which time the Association may retroactively assess any shortfalls in collections.

**7.4.3 No Exemption.** No Owner is exempt from liability for assessments by non-use of Common Areas, abandonment of the Owner's Lot, or any other means. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessments or setoff shall be claimed or allowed for any alleged failure of the Association or Board to take some action or perform some function required



of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action it takes.

**7.4.4 Certificate of Assessment.** Upon the request of any Owner or Mortgagee, the Board must furnish a statement signed by an officer or authorized agent of the Association stating the amount of unpaid Assessments against that Unit. The Association must furnish the statement within fifteen (15) days after receiving the request. The statement shall be binding on the Association, the Board and every Owner, unless and to the extent known by the recipient to be false. The Board may establish a reasonable fee to be charged to reimburse it for the cost of preparing the statement

**Section 7.5 Declarant's Option to Fund Operating Costs.** During the Declarant Control Period, Declarant may satisfy its obligation for assessments, if any, on Lots which it owns either by paying such assessments in the same manner as any other Owner or by paying the difference between the amount of assessments levied on all other Lots subject to assessment and the amount of actual expenditures by the Association during the fiscal year. Unless Declarant otherwise notifies the Board in writing at least 60 days before the beginning of each fiscal year, Declarant shall be deemed to have elected to continue paying on the same basis as during the immediately preceding fiscal year. Regardless of Declarant's election, Declarant's obligations hereunder may be satisfied by payment of cash or by "in kind" contributions of services or materials, or by a combination of these. After termination of the Declarant Control Period, Declarant shall pay assessments on its unsold Lots in the same manner as any other Owner.

**Section 7.6 Capitalization of Association.** The first purchaser of any Lot other than Declarant or a commercial builder shall, at the time of closing, pay to the Association, in addition to other amounts due, (i) an amount equal to two (2) months' worth of the monthly Assessment against the Lot as a nonrefundable initial contribution to the Association's working capital, and (ii) an amount equal to their respective Lot's portion of the funds paid by Declarant to fund any required escrows. This amount shall be deposited into the purchase and sales escrow and disbursed there from to the Association for use in covering operating expenses and other expenses incurred by the Association pursuant to this Declaration and the Bylaws.

**Section 7.7 Annexation of Additional Property.** When Additional Property is annexed to the Property, the Lots included therein shall become subject to Assessments to the extent provided in Section 7.3 from the date of such annexation. With respect to Annual Assessments and Special Assessments, such Lots shall not be subject to such Assessments until an occupancy certificate is issued for the Unit located on the Lot. All other Lots shall pay such Assessments in the amount then being paid by other Lots. The Board of Directors, however, at its option may elect to recompute the budget based upon the additional Lots subject to assessment and recompute Assessments for all Lots, including the new Lots, for the balance of the fiscal year.

## **ARTICLE 8 LIENS AND COLLECTION OF ASSESSMENTS**

**Section 8.1 Lien for Assessments; Priority.** The Association shall have a lien on each Lot to secure payment of Assessments, as well as interest, late charges and costs of collection,

including attorney's fees. A lien under this Article shall be prior to all other liens and encumbrances on a Lot except: (a) liens and encumbrances recorded before the recording of this Declaration; (b) the lien of a First Mortgage on the Unit recorded before the date on which the Assessment became delinquent; and (c) liens for taxes and other governmental assessments or charges that would be superior by operation of law. Recording of this Declaration constitutes recorded notice and perfection of the lien for Assessments, however, the Association may record a notice of claim of lien for Assessments in the real property records of the county in which the Property is located.

**Section 8.2 Judicial Foreclosure.** The lien arising under this Article may be enforced judicially by the Association or its authorized representative in the manner set forth in RCW 61.12. The Association or its authorized representative shall have the power to purchase the Lot at the foreclosure sale and to acquire, hold, lease, mortgage, or convey the Lot. Upon an express waiver in the complaint of any right to a deficiency judgment in a judicial foreclosure action, the period of redemption shall be eight months. Nothing in this section shall prohibit the Association from taking a deed in lieu of foreclosure.

**Section 8.3 Non-judicial Foreclosure.** A lien arising under this Article may be foreclosed non-judicially in the manner set forth in RCW 61.24 for non-judicial foreclosure of deeds of trust. For the purpose of preserving the Association's non-judicial foreclosure option, this Declaration shall be considered to create a grant of each Lot in trust to Fidelity National Title Insurance Company or its successors or assigns ("**Trustee**"), to secure the obligations of each Unit Owner ("**Grantor**") to the Association ("**Beneficiary**") for the payment of Assessments. Grantor shall retain the right to possession of Grantor's Lot so long as Grantor is not in default of an obligation to pay Assessments. The Trustee shall have a power of sale with respect to each Lot, which becomes operative in the case of a default in a Grantor's obligation to pay Assessments. The Lots are not used principally for agricultural or farming purposes. If the Association forecloses its lien non-judicially pursuant to this Section, it shall not be entitled to the lien priority over mortgages provided in Section 8.1.

**Section 8.4 Receiver Pending Foreclosure.** From the time of commencement of an action by the Association to foreclose a lien for nonpayment of delinquent Assessments against a Lot that is not occupied by the Owner thereof, the Association shall be entitled to the appointment of a receiver to collect from the lessee thereof the rent for the Unit as and when due. If the rent is not paid, the receiver may obtain possession of the Unit, refurbish it for rental up to a reasonable standard, rent the Unit or permit its rental to others, and apply the rents first to the cost of the receivership and attorneys' fees thereof, then to the cost of refurbishing the Unit, then to applicable charges, then to costs, fees, and charges of the foreclosure action, and then to the payment of the delinquent Assessments. Only a receiver may take possession and collect rents under this Section, and a receiver shall not be appointed sooner than 90 days after the delinquency. The exercise by the Association of the foregoing rights shall not affect the priority of preexisting liens on the Unit.

**Section 8.5 Foreclosed Units.** While a Lot is owned by the Association following foreclosure: (i) no right to vote may be exercised on its behalf, (ii) no Assessments may be levied against it, and (iii) each other Lot shall be charged, in addition to its usual Assessment, its pro-rata

share of the Assessment that would have been charged against such Lot had it not been acquired by the Association.

**Section 8.6 Personal Liability for Amounts Due.** In addition to constituting a lien on the Unit, all sums assessed by the Association chargeable to any Lot, including all charges in this Article, shall be the personal obligation of the Owner of the Lot until paid in full. Except as provided in Section 8.7 of this Article, upon transfer of title to a Lot, the transferee shall be jointly and severally liable for any Assessments and other charges due at the time of transfer. The Association may bring an action for money judgment for unpaid Assessments, fines and charges under this Declaration without foreclosing and without waiving the lien described in Section 8.1. Any recovery on such action shall, however, operate to satisfy the lien, or portion thereof to the extent of such recovery.

**Section 8.7 Extinguishment of Lien and Personal Liability.** A lien for unpaid Assessments and the personal liability for payment of Assessments is extinguished unless proceedings to foreclose the lien or collect the debt are instituted within three years after the Assessments sought to be recovered becomes due. The sale or transfer of title to any Lot pursuant to foreclosure of a First Mortgage or shall extinguish the lien as to any installments of Assessments due prior to the Mortgagee's foreclosure. The subsequent Owner of the foreclosed Lot shall not be personally liable for any Assessments or installments thereof that became due prior to such transfer of title. Such unpaid Assessments shall be deemed to be Common Expenses collectible from all the Owners, including such mortgagee or other purchaser of the Lot. Foreclosure of a mortgage does not relieve the prior Owner of personal liability for Assessments accruing against the Lot prior to the date of such sale.

**Section 8.8 Late Charges and Interest on Delinquent Assessments.** The Association may from time to time establish reasonable late charges and a rate of interest to be charged on all subsequent delinquent Assessments or installments thereof. In the absence of another established nonusurious rate, delinquent Assessments shall bear interest from the date of delinquency at the maximum rate permitted under RCW 19.52.020 on the date on which the Assessments became delinquent.

**Section 8.9 Recovery of Attorneys' Fees and Costs.** The Association shall be entitled to recover any costs and reasonable attorneys' fees incurred in connection with the collection of delinquent Assessments, whether or not such collection activities result in suit being commenced or prosecuted to judgment. In addition, the Association shall be entitled to recover costs and reasonable attorneys' fees if it prevails on appeal and in the enforcement of a judgment.

**Section 8.10 Security Deposit.** An Owner who has been chronically delinquent in paying his monthly Assessments may be required by the Board, from time to time, to make and maintain a security deposit not in excess of three months' estimated monthly Assessments, which shall be collected and shall be subject to penalties for nonpayment as are other Assessments. The deposit shall be held in a separate fund, credited to such Owner, and may be resorted to at any time when such Owner is ten days or more delinquent in paying Assessments.

**Section 8.11 Remedies Cumulative.** The remedies provided herein are cumulative and the Board may pursue them, and any other remedies which may be available under law although not expressed herein, either concurrently or in any order.

**Section 8.12 Exempt Property.** The following property is exempt from payment of Assessments: (i) any property dedicated or conveyed to and accepted by any governmental entity or public utility; and (ii) any property owned by the Association for the common use and enjoyment of the Members.

## **ARTICLE 9 PROPERTY RIGHTS; USE RESTRICTIONS**

**Section 9.1 General.** This Article sets out certain use restrictions which must be complied with by all Owners and Occupants. The Board may, from time to time, without consent of Members, promulgate, modify, or delete other use restrictions and rules and regulations applicable to the Community so long as any such restrictions and rules shall be distributed to all Owners and Occupants prior to the date that they are to become effective and shall thereafter be binding upon all Owners and Occupants until and unless overruled, cancelled, or modified in a regular or special meeting by a majority of the Total Association Vote.

**Section 9.2 Property Rights and Easements.** Except as otherwise expressly provided in this Declaration or in the Plat, the Owner of a Lot shall be entitled to the exclusive use and benefit of such Lot. Declarant and any representative of the Association authorized by the Association may at any reasonable time, upon reasonable notice to the Owner, enter upon any Lot for the purpose of determining whether or not the use and/or the improvements on such Lot are then in compliance with this Declaration, or for the purpose of carrying out the Association's maintenance obligations hereunder. No such entry shall be deemed to constitute a trespass or otherwise create any assign easements over or with respect to any Lot to municipalities or other utilities performing utility services and to communications companies.

**Section 9.3 Owner's Easements of Enjoyment.** Subject to the provisions of this Declaration, every Owner and Occupant shall have a right and non-exclusive easement of enjoyment in and to the Common Area, which easement shall be appurtenant to and shall pass with the title to every Lot. No one may use the Common Area in a way to cause unreasonable disturbance of occupants of Units. Use of Common Areas shall be subject to applicable restrictions of any governmental agency, other legal limitations, and such rules and regulations as may be adopted by the Board from time to time.

**Section 9.4 Title to the Common Areas.** Any Common Areas conveyed by the Declarant to the Association by the Plat or otherwise shall be conveyed free and clear of monetary liens and encumbrances. Such conveyances may be made at any time, in the discretion of the Declarant, prior to the date on which the Declarant Control Period ends. In the alternative, Declarant may convey tracts of the Common Area to the City, County or other authorized jurisdiction, and upon such conveyance, such tracts shall no longer be considered Common Areas for the purposes of this Declaration except to the extent provided in the terms of the conveyance. The Association may not by act of omission seek to abandon, partition, subdivide, encumber, sell

or transfer the Common Areas or any portion thereof unless the holders of at least seventy-five percent (75%) of the Class A voting power of the Association and the Class B member, if any, have given their prior written approval. A sale, transfer, or encumbrance of the Common Areas or any portion thereof may provide that the Common Areas so conveyed shall be released from any restriction imposed on such Common Areas by this Declaration. No such sale, transfer, or encumbrance may, however, deprive any Lot of such Lot's right of access or support without the written consent of the Owner of such Lot.

**Section 9.5 Residential Use and Home Occupations.** The Lots and Structures located thereon may be used only for (i) residential purposes, including sleeping, eating, food preparation for on-site consumption by occupants and guests, entertaining by occupants or personal guests, and similar activities commonly conducted within a residential dwelling (without regard to whether the Owner or occupant uses the Unit as a primary or secondary personal residence, on an ownership, rental, lease or invitee basis) or such other reasonable ancillary purposes commonly associated with residential dwellings and otherwise in compliance with this Declaration and all applicable laws for residential dwellings; or (ii) use as a home office or (iii) use for a home business that does not create safety, traffic or parking problems, obtrusive noise, smells or sights, or otherwise violate this Declaration; (iv) the common social, recreational or other reasonable uses of the Community; (v) purposes of operating the Association and managing the Property, or (vi) the business of the Declarant in developing and selling Units or Lots.

**Section 9.6 Restrictions on Storage; Use of Garage.** No Owner may store or allow any occupant or tenant to store any trailers, boats, motor homes, recreational vehicles, motorcycles, or trucks over two tons (except those used by Declarant in connection with the development of the Property or construction of the Units) or any disabled or inoperable motor vehicle on the Property unless any such vehicle is completely enclosed and hidden from view within a garage or within such other enclosure as may be approved in advance by the ACC. Garages must be used for the primary purpose of parking vehicles. Owners may not use garages for storage or other purposes in a way that interferes with the daily use of the garage for parking vehicles. Motor homes, trailers, campers, boats and other recreational vehicles may not be kept in driveways or parking spaces except on a temporary basis for loading or unloading, subject to such rules and regulations concerning parking as may be adopted by the Board. No in-operative vehicle of any type may remain in any driveway or public road for more than 72 hours. Violations of this Section shall subject such vehicles to impound, at the expense and risk of the owner thereof. The Association may adopt rules and regulations to implement these restrictions and provide guidance to Owners.

**Section 9.7 Roads and Sidewalks.** The roads and sidewalks located in Parker Village Subdivision shall be used exclusively for normal access, ingress and egress, and no obstructions shall be placed thereon. Parking is not allowed on any portion of any road except in striped, signed or otherwise designated parking spaces. Parking of vehicles in driveways that blocks or interferes with the flow of traffic on streets or sidewalks is prohibited. Vehicles parked in violation of this Declaration may be towed and stored at the direction of the Board of Directors, with the expense charged to the Owners. Please call Community Management, Inc. main office/after-hours emergency line at 503-233-0300 for towing information.

**Section 9.8 No Nuisances.** Except for the exterior maintenance responsibilities of the Association, it shall be the responsibility of each Owner and Occupant to prevent the development of any unclean, unhealthy, unsightly or unkempt condition on his or her Lot. No property within the Community shall be used in whole or in part, for the storage of any property or thing that will cause such Lot to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; not shall any substance, thing or material be kept that will emit foul or obnoxious odor or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort or serenity of the occupants of surrounding property. No noxious or offensive activity shall be carried on within the Community, nor shall anything be done tending to cause embarrassment, discomfort, annoyance, or nuisance to any Person using any property within the Community. No plant or animal or device or thing of any sort shall be kept on any Lot whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the enjoyment of the Community. Without limiting the generality of the foregoing, no speaker, horn, whistle, siren, bell, amplifier or other sound device, except such devices as may be used exclusively for security purposes, shall be located, installed or maintained upon the exterior of any Lot unless required by law.

**Section 9.9 Subdivision of Lots.** No Lot shall be subdivided or its boundary lines changed except with the prior written approval of the Board. Declarant, however, hereby expressly reserves the right to replat any Lot or Lots owned by Declarant. Any such division, boundary line change or replatting shall not be in violation of the applicable subdivision and zoning regulations.

**Section 9.10 Garbage and Trash Removal.** No Lot, Common Area or other portion of the Property may be used as a dumping ground for rubbish, trash, garbage, litter, junk and other debris. All garbage, trash and yard waste must be placed in appropriate sanitary containers for regular disposal or recycling. Each Owner shall be responsible for the prompt and regular disposal of all of garbage, trash, junk and yard waste from the Owner's Lot. Containers for garbage, trash and yard waste may be placed in public view only on the designated collection day.

**Section 9.11 Animal Restrictions.** No insects, reptiles, poultry or animals of any kind shall be raised, bred or kept in or on any Unit or Lot or on any Common Area, except that domesticated dogs, cats or other usual household pets (hereinafter referred to as "pets") may be kept on the Lots subject to rules and regulations adopted by the Board. All pets when outside a Unit shall be kept on an adequate leash or otherwise prevented from leaving the Lot by a person capable of controlling the pet at all times, by fencing or by a suitable invisible electronic confinement system not dangerous to humans. Pets shall not be allowed to leave excrement on any Lot or on any portion of the Property nor shall they be allowed to bark continuously or make disturbing noises. Any Owner whose pet violates these provisions or who causes any unreasonable noise or damage to persons or property shall be liable to all such harmed Owners and their families, guests, and invitees. The Board may, after Notice and Opportunity to be Heard, require the removal of any pet which the Board finds is disturbing other Owners unreasonably, and may exercise this authority for specific pets even though other pets are permitted to remain.

**Section 9.12 Signs.** No signs may be kept or place on any Lot or mounted, painted or attached to any Unit or Structure upon a Lot so at to be visible from outside the Lot, or mounted on

any vehicle or trailer parked in the Community, or by other means displayed in the Community except as follows: (i) an Owner may erect one sign not exceeding two feet by three feet in dimension, fastened to only a stake in the ground and extending not more than five feet above the surface of the ground, advertising the property for sale or rent, (ii) an Owner may erect one sign, not exceeding one square foot in dimension, displaying the property address and/or resident's name; (iii) signs used by Declarant or other home builders to advertise Lots or Units for sale; (iv) political yard signs displayed prior to any primary or general election, (v) outdoor display of the flag of the United States if the flag is displayed in a manner consistent with federal flag display laws, or (vi) the permanent entry monument signs, and fire lane, road and directional signs for the Property. The Association may adopt reasonable rules and regulations concerning the placement and manner of display of political yard signs, and of the flag of the United States consistent with federal flag display laws. This Section shall not apply to Declarant.

**Section 9.13 Air Conditioning Units.** Except as may be permitted by the Board, no window air-conditioning units may be installed in a Unit.

**Section 9.14 Lighting.** Except as may be permitted by the Board, exterior lighting visible from the street shall not be permitted except for (a) approved lighting as originally installed on a Lot; (b) one decorative post light, (c) street lights in conformity with an established street lighting program for the Community, (d) seasonal decorative lights' installed not more than thirty (30) days before the celebrated holiday and removed within thirty (30) days thereafter, or (e) front house illumination of model Units.

**Section 9.15 Mailboxes.** Mailboxes shall be erected and maintained upon areas determined by the U.S. Postal Service in accordance with the current postal authority standards. Street access to mail boxes shall be continuously maintained between 8:00 a.m. and 5:00 p.m.

**Section 9.16 Security.** Neither the Association, any managing agent retained by the Association, Declarant, nor any successor Declarant shall in any way be considered insurers or guarantors of security within the property, nor shall any of them be held liable for any loss or damage by reason of failure to provide adequate security or of ineffectiveness of security measures undertaken. No representation or warranty is made that any fire protection system, burglar alarm system or other security system cannot be compromised or circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges and understands that each Owner is exclusively responsible for security of their Unit and property and covenants to inform its tenants that the Association, its Board of Directors and committees, any managing agent retained by the Association, Declarant, and any successor Declarant are not insurers and that each person using the Property assumes all risks for loss or damage to persons, to property and to the contents of Lots resulting from acts of third parties. No exterior devices, including, without limitation, window bars, shall be permitted on any Unit or Lot. Signs placed on the Lot or the exterior of the Unit stating that such Unit is protected by a security system shall not be deemed to constitute an exterior security device.

**Section 9.17 Renting and Leasing.**

**9.17.1** With respect to the leasing, renting or creation of any kind of tenancy of a Unit, the Owner (except for a lender in possession of a Lot and improvements located thereon following a default in a first Mortgage, a foreclosure proceeding, or any deed of trust sale or other arrangement in lieu of a foreclosure) shall be prohibited from leasing or renting less than the entire Unit, and for any term less than 30 days, and all leasing or rental agreements shall be in writing and be subject to this Declaration, the Articles and Bylaws, with a default of the tenant in complying with this Declaration, the Articles or Bylaws constituting a default under such lease or rental agreement.

**9.17.2** If a Unit is rented by its Owner, the Board may collect, and the tenant or lessee shall pay over to the Board, so much of the rent for such Unit as is required to pay any amounts due the Association hereunder, plus interest and costs, if such amounts are in default over 30 days. The renter or lessee shall not have the right to contest payment over to the Board, and such payment will discharge the lessee's or renter's duty of payment to the Owner for rent to the extent such rent is paid to the Association, but will not discharge the liability of the Owner (and the Unit under this Declaration for assessments and charges) or operate as an approval of the lease. The Board shall not exercise this power where a receiver has been appointed with respect to the Unit or its Owner, or in derogation of any rights which a Mortgagee of such Unit may have with respect to such rents. Other than as stated herein, there are no restrictions on the right of any Owner to lease or otherwise rent his Unit.

**Section 9.18 Satellite Dishes and Antenna.** No Owner may erect or maintain a television or radio receiving or transmitting antenna, satellite dish or similar implement or apparatus, or solar collector panels or equipment upon any Lot unless such apparatus is erected and maintained in such a way that it is screened from public view along the public street right of way directly in front (and side, in the case of a corner Lot) of the house erected on such Lot; and no such apparatus shall be erected without the prior written consent of the Board. No satellite dish with a diameter exceeding one meter will be permitted without the express prior approval of the Board, which may be withheld in its discretion. The Board, as designated in this Declaration, shall have the absolute authority to determine whether an accessory is adequately screened from public view. The authority of the Board in this matter shall be subject to any regulations issued by the Federal Communications Commission ("FCC") or any other applicable governmental authority.

**Section 9.19 Temporary Structures.** No structure of a temporary character, including, without limiting the generality thereof, any trailer, tent, shack, garage, motor home or mobile home or other outbuilding, and no prefabricated or relocated structure shall be used on any Lot at any time as a Unit, either temporarily or permanently. This restriction shall not be interpreted to limit the right of Declarant to use trailers or outbuildings as sales offices, construction offices, material storage facilities, or sanitation facilities.

**Section 9.20 Clothes Hanging Devices.** Clothes hanging devices exterior to a Unit shall be temporary, unaffixed structures not to exceed six feet in height and shall not be placed nearer to any street abutting the Lot than the side yard setback line or the back of the Unit



constructed on the Lot. Clothes hanging devices shall be screened from public view by a fence approved by the Board.

**Section 9.21 Window Treatment.** No aluminum foil, reflective film or similar treatment shall be placed on windows or glass doors.

**Section 9.22 Exterior Finish.** All exterior walls of all Units shall be completely finished with wood, vinyl, stucco, brick, stone, paneling or other material acceptable to the Board. Notwithstanding the foregoing, the Board is empowered to waive this restriction if, in its sole discretion, such waiver is advisable in order to accommodate a unique or advanced building concept, design, or material, and the resulting structure will not detract from the general appearance of the neighborhood.

**Section 9.23 Use and Disposal of Hazardous Substances.** The Owner of each Lot shall comply with all state, federal and local laws and regulations governing or in any way relating to the handling, storage, use, dumping, discharge or disposal of any hazardous substance or material. No Owner may dispose of or discharge any hazardous substance or materials on any Lot, Common Area, public street or other portion of the Property.

**Section 9.24 Completion of Projects.** Any Structures or improvements, including any repairs or replacement thereof, constructed on any Lot shall be completed as to external appearance, including finish painting, within six months from the commencement of construction except for reasons beyond the control of the Owner, in which case a longer period may be permitted by the ACC. This period may be extended by the ACC due to inclement weather.

**Section 9.25 Outdoor Fires.** Outdoor grills and barbecues may be used for cooking on the Lots when permitted by law. Reasonable and adequate precautions against fires must be taken. Excessive smoke or soot accumulation from fires shall not be allowed.

**Section 9.26 Screened Service Areas.** Unsightly items must be hidden from view within a Unit or garage or within a fenced or screened area where they will not be seen from any Lot or road. Unsightly items shall include, but shall not be limited to, garbage and trash, clothes lines, bicycles, recreational gear, outdoor maintenance equipment, firewood and ladders. The design and materials used for any fenced or screened area shall be consistent with the general appearance of the Unit and must receive prior approval from the ACC.

**Section 9.27 Damage and Repair of Property.** Upon any Substantial Damage (as defined below) to any Unit or Lot, the Owner shall promptly restore and Repair (as defined below) the Unit to substantially the same size and design as the original Unit. The prior written consent or vote of the Board and a majority of the total votes entitled to be cast by the Owners of the Lots is required to rebuild in accordance with a plan that is different from the original plan or as modified by alterations approved by the Board. As used in this Section, Substantial Damage shall mean that in the judgment of a majority of the Board the estimated damage for the Unit exceeds ten percent of the full, fair market value of the Unit before the damage occurred, as determined by the then

current assessment for the purpose of real estate taxation. For all restoration and repair less than Substantial Damage, the Owner must follow the procedures outlined in Article 5.

**Section 9.28 Intrusive Activity.** No Owner shall conduct, permit or allow (i) any noise, vibration, odor or other undesirable effect to emanate from a Unit or Common Element; or (ii) any illegal, noxious or offensive activity to be carried on in any Unit or Common Element. No Owner shall conduct, permit or allow any activity or the keeping of anything in a Unit or a Common Element that may interfere with the other residents' use or enjoyment of their residences, the other Units or Common Elements, threaten the comfort, safety or security of any Owner or its Occupants, or be or become an annoyance or nuisance to other Owners or Occupants. No use or activity that generates noise, vibration, odors or traffic that would generally be considered unacceptable to households in a residential townhouse project shall be allowed.

**Section 9.29 Noise Control.** In addition to the restrictions of Section 10.8, no Owner shall make any modification to or install any appliance or equipment in his Unit or the Common Elements that creates, enhances or allows noise from the Unit to interfere with the other residents' enjoyment of their residence. No Owner may attach sound system speaker to the walls, ceilings, shelves or cabinets of a Unit in a manner that introduces vibrations into the structure of the building. Except for flooring installed by Declarant, an Owner may not install any tile, stone, wood or other hard-surface flooring without the permission of the Board, which approval shall not be unreasonably withheld. The Board may condition approval on compliance with noise transmission standards, the installation of acoustical sub flooring, and/or the use of area rugs or carpeting, to reduce noise transmission between floors.

**Section 9.30 Conveyance by Owners; Notice Required.** The right of an Owner to transfer the Unit shall not be subject to any right of approval, disapproval, first refusal, or similar restriction by the Association or the Board, or anyone acting on their behalf. An Owner intending to convey a Unit must, however, deliver a written notice to the Board and any managing agent at least two weeks before closing specifying (a) the Unit being sold; (b) the name and address of the purchaser, the closing agent, and the title insurance company insuring the purchaser's interest; and (c) the estimated closing date. The Board shall have the right to notify the purchaser, the title insurance company, and the closing agent of the amount of unpaid Assessments and charges outstanding against the Unit, whether or not such information is requested. Promptly upon the conveyance of a Unit, the new Unit Owner shall notify the Association and any managing agent of (i) the date of the conveyance; (ii) the Unit Owner's name and address; and (iii) the name and notice address of every first Mortgagee of the Unit. The Association shall notify each insurance company that has issued an insurance policy under Article 12 of the name and address of the new owner and request that the new Owner be made a named insured under such policy.

**Section 9.31 Perimeter Fences and Walls.** The Declarant may install certain fences, walls or rockeries along the property lines of certain Lots and along NW Brady Road. The Declarant shall also install a landscape buffer around the thirteen (13) off-street parking spaces to be located in Tract H and six (6) off-street parking spaces to be located in Tract J. The Association shall maintain any such buffers, fences, walls or rockeries. The Declarant reserves an easement, one foot wide on each side of each Lot boundary, for itself and for the Association for the

placement and maintenance of fences, walls and rockeries that have been installed by the Declarant for as long as the wall or fence exists.

**Section 9.32 Obstruction of Fire Lanes Prohibited.** Parking is not permitted anywhere along those portions of NW Sage Loop and NW Sage Street located within the Community. The purpose of this restriction is to provide adequate road width for the access of emergency vehicles. The obstruction of a designated Fire Lane by a parked vehicle or any other object is prohibited, shall constitute a traffic hazard as defined in state law and an immediate hazard to life and property. Vehicles parked in violation of this Declaration may be towed and stored at the direction of the Board of Directors, with the expense charged to the Owners. Please call Community Management main office/after-hours emergency line at 503-233-0300 for towing information.

**Section 9.33 Use of Parking Spaces.** Parking located on the Common Areas within the Subdivision is prohibited except in designated parking spaces. The parking spaces may only be used for the parking of operable passenger cars, motorcycles, and passenger vans by Owners or Occupants of the Property. Other types of vehicles, items or equipment (such as boats, trailers, campers, trucks or recreational vehicles) may be kept in such areas only to the extent expressly allowed by the rules and regulations adopted by the Board. No inoperative vehicle may remain in any parking space, road, drive or other Common Area for more than 72 hours. Until all Lots have been sold, the Declarant shall have the right to control the use of any unassigned parking spaces, including use for sales or marketing purposes. The Board may adopt rules further regulating the use of parking spaces. The Board may direct that any unsightly or inoperative vehicle or any other thing improperly parked or kept in a parking space, garage or elsewhere on the Property be removed, and if it is not removed the Board may cause it to be removed at the risk and cost of the Owner thereof.

**Section 9.34 Easements for Withdrawn Property.** The Declarant reserves the right to grant easements over, across, and through the Common Elements of the Subdivision for the benefit of the Declarant and its successors and assigns as present and future owners of any Withdrawable Property, (i) for ingress to and egress over the roadways and parking lots and sidewalks of the Subdivision, (ii) to have access to and to tie into and use any water, sanitary sewer, storm sewer, electricity, gas, telephone, cable, television, or other utility facilities now or hereafter established in the Subdivision, and (iii) the right to use the mail kiosk, the club house and the trash facilities located on such properties. The easements reserved hereby shall not be exercised in a manner that will overload or materially impair the use and enjoyment of the roadways, pathways, and utilities by Owners or the present and future owners of any Development Rights.

## **ARTICLE 10 ARCHITECTURAL CONTROL**

### **Section 10.1 Construction and Exterior Alterations or Repairs**

**10.1.1** All Structures to be constructed, erected, placed or altered within the Property, all exterior alterations and repairs (including, but not limited to, re-roofing or repainting) of any Structures on the Property and visible from any street or other Lot, and any construction or alteration of landscaping on the Property must be approved by the Board or an Architectural Control Committee (“ACC”) composed of three or more representatives appointed by the Board; provided, that until completed Units have been constructed on all of the Lots, Declarant shall act as the ACC. Complete plans and specifications of all such proposed Structures, exterior alterations and repairs, or landscaping together with detailed plans showing the proposed location of the same on the particular building site and other data requested by the ACC shall be submitted to the ACC before construction, alteration or repair is begun. Construction, alteration or repair shall not be started until written approval thereof is given by the ACC.

**10.1.2** The ACC will review submittals as to the quality of workmanship and materials planned and for conformity and harmony of the exterior design with proposed or existing Structures on the Lots and, as to location of the Unit, with respect to topography, finish grade elevation, building setback restrictions, compliance with the Plat, and the architectural guidelines to be adopted by the ACC

**10.1.3** All plans and specifications submitted for approval by the ACC must be submitted in duplicate at least 30 days prior to the proposed construction or exterior alteration or repair starting date. In the event the ACC fails to approve or disapprove such design and location within 30 days after said plans and specifications have been submitted to it, the ACC will be deemed to have given its approval, subject to the provisions of Subsection 10.1.4.

**10.1.4** The maximum height of any building shall be established by the ACC as part of plan approval and shall be given in writing together with the approval. If the ACC has failed to disapprove such design and location within the 30 day limit, and such design and location is thereby deemed approved, the maximum height of any building shall be no greater than 30 feet and must also comply with local zoning, land use and building codes.

**10.1.5** The ACC may require that all plans or specifications be prepared by an architect or a competent house designer approved by the ACC. One complete set of the plans and specifications shall in each case be delivered to and permanently left with the ACC. All buildings or structures shall be erected or constructed, and all exterior alterations or repairs made, by a contractor, house builder or other person or entity approved by the ACC. The ACC shall have the right to refuse to approve any design, plan or color for such improvements, construction or exterior, alteration or repair visible from a street or other Lot which is not suitable or desirable, in the ACC’s opinion, and such refusal may be based entirely on aesthetic or other factors.

**10.1.6** In evaluating any design, the ACC may consider the suitability of the proposed Structure, the material of which it is to be built, the exterior color scheme, the site upon which such buildings or structures are proposed to be built, the harmony thereof with the surroundings, and the effect or impairment that such Structure will have on the view or outlook of surrounding Lots, compliance with the Plat, and any and all other factors which, in the ACC’s

opinion, shall affect the desirability or suitability of such proposed Structure, improvement, or exterior alteration or repair.

**10.1.7** The ACC shall have the right to disapprove the design or installation of a swimming pool or any other recreational structure or equipment deemed undesirable, in the ACC's reasonable opinion, based on aesthetic factors or otherwise. The ACC may consider the visual impact of the proposed structure or equipment and the noise impact of the related activities upon all nearby Lots or Common Area. Any enclosure or cover used in connection with such a recreational structure or equipment whether temporary, collapsible, or seasonal, shall be treated as a permanent structure for purposes of these covenants, and shall be subject to all the conditions, restrictions, and requirements as set forth herein for all buildings and structures.

**10.1.8** The ACC may require, at the Owner's expense, the trimming, topping or, if deemed necessary by the ACC, removal of any tree, hedge or shrub on the Owner's Lot that the ACC determines (i) is interfering with the view or access to sunlight of another Lot or any Common Area, (ii) is interfering with pedestrian travel on sidewalks or walking paths in the community, or (iii) is interfering with safe automobile travel in the community.

**10.1.9** Declarant (including any successor in interest to Declarant's status as Declarant) shall not be subject to the restrictions of this Article 10 as to any Lot owned by Declarant.

**10.1.10** By majority vote, the ACC may adopt or amend architectural guidelines consistent with this Declaration for making its determinations hereunder.

**10.1.11** No Structure shall be erected, altered, placed or permitted to remain on any Lot unless the Structure complies with the Plat, this Declaration and with applicable building codes. The ACC may require that the Owner furnish the ACC with evidence that all necessary permits have been obtained from the City for any work on a Lot for which ACC approval is required under this Section prior to commencement of the work

**Section 10.2 Declarant Facilities.** Notwithstanding any provision in this Declaration to the contrary, Declarant and its agents, employees and contractors shall be permitted to maintain during the period of sale of Lots or Units upon such portion of the Property (other than Lots sold by Declarant) as Declarant may choose, such facilities as in the sole opinion of the Declarant may be reasonably required, convenient or incidental to the construction, sale or rental of Lots and Units, including but not limited to a business office, storage area, signs, model units, sales office, construction office and parking areas for all prospective tenants or purchasers of Declarant.

## **ARTICLE 11 EASEMENTS**

**Section 11.1 Easements For Encroachment And Overhang.** There shall be an appurtenant easement for that portion of the roof of any improvements constructed on any Lot which overhangs an adjacent Lot or Lots to the extent the roof overhang was originally constructed by Declarant. This easement shall allow for the Owner of the benefited Lot to have temporary access to the servient Lot for maintenance, repair and replacement of such roof overhang so long as the benefited Lot Owner indemnifies and holds the servient Owner harmless from any damage to the servient Lot in connection with such maintenance, repair or replacement. There shall be reciprocal appurtenant easements for encroachment and overhang as between each Lot and such portion or portions of the Common Areas adjacent thereto or as between adjacent Lots due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of this Declaration) to a distance of not more than five (5) feet, as measured from any point on the common boundary between each Lot and the adjacent portion of the Common Areas or as between adjacent Lots, as the case may be, along a line perpendicular to such boundary at such point; provided, however, in no event shall an easement for encroachment exist if such encroachment occurred due to willful conduct on the part of an Owner, tenant, or the Association.

**Section 11.2 Easements For Use And Enjoyment.**

**11.2.1.** Every Owner of a Lot shall have a right and easement of ingress and egress, use and enjoyment in and to the Common Areas which shall be appurtenant to and shall pass with the title to each Lot, subject to the following provisions:

(a) the right of the Association to establish reasonable rules and regulations with regard to the operation, maintenance, repair and replacement of the Common Areas including its use and enjoyment by an Owner, and the Owner's family, tenants,

(b) the right of the Association to borrow money for the purpose of improving the Common Areas, or any portion thereof, or for construction, repairing or improving any facilities located or to be located thereon, and to give as security for the payment of any such loan a Mortgage conveying all or any portion of the Common Areas; provided, however, the lien and encumbrance of any such Mortgage given by the Association shall be subject and subordinate to any rights, interests, options, easements and privileges herein reserved or established for the benefit of Declarant, or any Lot or Lot Owner, or the holder of any Mortgage, irrespective of when executed, given by Declarant or any Lot Owner encumbering any Lot or other property located within the Community. (Any provision in this Declaration or in any such Mortgage given by the Association to the contrary notwithstanding, the exercise of any rights therein by the holder thereof in the event of a default there under shall not cancel or terminate any rights, easements or privileges herein reserved or established for the benefit of Declarant, or any Lot or Lot Owner, or the holder of any Mortgage, irrespective of when executed, given by Declarant or any Lot Owner encumbering any Lot or other property located within the Community.); and

(c) the right of the Association to dedicate or transfer all or any portion of the Common Areas subject to such conditions as may be agreed to by the members of the Association. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer has been approved by the affirmative vote of at least two-thirds (2/3) of the Total Association Vote.

**11.2.2.** Any Owner may delegate such Owner's right of use and enjoyment in and to the Common Areas and facilities located thereon to the members of such Owner's family and to such Owner's tenants and guests and shall be deemed to have made a delegation of all such rights to the occupants of such Owner's Lot, if leased.

**Section 11.3 Driveway Maintenance Easements.** Certain Lots may have driveways that abut or are close to the boundary line of the adjacent Lot. Declarant hereby creates an easement in favor of each Lot that has any portion of a driveway within one foot of the boundary line of an adjacent Lot. The easement shall be for the purpose of maintenance, repair or replacement of the driveway on the benefited Lot and shall exist over and across that portion of the adjacent Lot that is necessary for such maintenance, repair or replacement. The benefited Owner must repair any damage to the adjoining Lot and must restore the adjoining Lot to a condition similar to that immediately before use of the adjoining Lot.

**Section 11.4. Easements For Utilities And Systems.** There is hereby reserved to the Declarant and the Association blanket easements upon, across, above and under all property within the Community for access, ingress, egress, installation, repairing, replacing and maintaining all utilities and systems serving the Community or any portion thereof, including, individual Units or other improvements constructed on the Lots. Such utilities and systems shall include, but not be limited to, gas, water, sanitary sewer, telephone and electricity, as well as storm drainage and any other service such as, but not limited to, a master television antenna system, cable television system, fire alarm system, fire sprinkler system or security system which the Declarant or the Association installs to serve the Community or any portion thereof. It shall be expressly permissible for the Declarant, the Association, or the designee of either, as the case may be, to install, repair, replace and maintain or to authorize the installation, repairing, replacing and maintaining of such wires, conduits, cables and other equipment related to the providing of any such utility or service. Should any party furnishing any such utility or service request a specific license or easement by separate recordable document, the Board shall have the right to grant such easement.

**Section 11.5. Easement For Entry.** The Association shall have the right, but shall not be obligated, to enter upon any property within the Community for emergency, security and safety reasons, which right may be exercised by the Association's manager, and all policemen, firemen, ambulance personnel and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner. This right of entry shall include the right of the Board to enter to cure any condition which may increase the possibility of a fire,

slope erosion, or other hazard in the event an Owner or Occupant fails or refuses to cure the condition upon request by the Board.

**Section 11.6. Easement For Maintenance.** Declarant hereby expressly reserves a perpetual easement for the benefit of the Association across such portions of the Property (including Lots), determined in the sole discretion of the Association, as are necessary to allow for the Association's performance of any maintenance or work required under Article 6. Such maintenance shall be performed with a minimum of interference to the quiet enjoyment of Owner's property, reasonable steps shall be taken to protect such property, and damage shall be repaired by the Person causing the damage at its sole expense.

**Section 11.7. Easement For Entry Features.** There is hereby reserved to the Declarant and the Association an easement for ingress, egress, installation, construction landscaping and maintenance of entry features and similar streetscapes for the Community, over and upon each Lot as more fully described on the Plat. The easement and right herein reserved shall include the right to cut, remove and plant trees, shrubbery, flowers and other vegetation around such entry features and the right to grade the land under and around such entry features.

**Section 11.8 Easement for Construction and Sales Activity.** So long as Declarant owns any Property in the Community for development and/or sale, Declarant reserves an easement across all Property for Declarant and any builder or developer approved by Declarant to maintain and carry on, upon such portion of the Property as Declarant may reasonably deem necessary, such facilities and activities as in the sole opinion of Declarant may be required, convenient or incidental to Declarant's and such builder's or developer's development, construction and sales activities related to Property subject to this Declaration, including, but without limitation: the right of access, ingress and egress for vehicular and pedestrian traffic and construction activities over, under, on or in the Community, including, without limitation, any Lot; the right to tie into any portion of the Community with driveways, parking areas and walkways; the right to tie into and/or otherwise connect and use (without a tap-on or any other fee for so doing), replace, relocate, maintain and repair any device which provides utility or similar services including, without limitation, electrical, telephone, natural gas, water, sewer and drainage lines and facilities constructed or installed in, on, under and/or over the Community; the right to carry on sales and promotional activities in the Community; and the right to construct and operate business offices, signs, construction trailers, model Units and sales offices. Declarant and any such builder or developer may use Units, offices, or other buildings owned or leased by Declarant or such builder or developer as model Units and sales offices and may also use recreational facilities available for use by the Community as a sales office without charge. Rights exercised pursuant to such reserved easement shall be exercised with a minimum of interference to the quiet enjoyment of affected property, reasonable steps shall be taken to protect such property, and damage shall be repaired by the Person causing the damage at its sole expense. This Section shall not be amended without the Declarant's express written consent until the Declarant's Control Period has terminated.



**Section 11.9 Utility and Municipal Easements.** The Declarant reserves the right to itself and to the Association for the initial phase and any future phases to grant and record easements to any company or municipality (i) for the installation, construction, maintenance, repair and reconstruction of any utilities serving the Common Areas or Lots, including, without limitation, water, sanitary sewer, storm sewer, electricity, cable television, internet access and telecommunications; (ii) for access through the Common Area to the utility installations, (iii) for rights of way, slopes, cuts, fills, environmentally critical areas, native growth protection areas, public facilities or any other purpose or improvement as may be required for the development, construction or sale of the Community.

**Section 11.10 Party Walls and Foundations.** Each wall that is built as a part of the original construction of the dwellings within the Property and placed upon foundations forming the dividing line between Lots shall constitute a “party wall or party foundation,” certain building elements and facilities, including projections crossing property lines, walls (including the wall protection, foundations, lateral force resisting systems, roofing, exterior finish materials, common wall) between living units, utilities that cross property lines, rain drain and foundation drains and rear access (collectively, the “Elements”) will be shared by the Lots, and the following provisions shall apply:

**11.10.1 General Rules of Law to Apply.** The general rules of law of the State of Washington regarding party walls/party foundations and of liability for property damage due to negligence or willful acts or omissions shall apply to all such party walls and party foundations, to the extent such rules are not inconsistent with the provisions of this Section.

**11.10.2 Sharing of Repair and Maintenance.** To the extent established by a resolution of its Board of Directors, reasonable repairs and maintenance of a party wall or party foundation will be performed by the Association. All maintenance and repair of the Elements shall be performed by the Owners whose dwellings share the wall or foundation, and such owners shall share the cost of maintenance equally. This maintenance responsibility shall include the airspace, if any between party walls.

**11.10.3 Grant of Reciprocal Elements.** The Owners shall have reciprocal easements over the Elements when necessary to use and maintain the Elements as provided herein. Such easements shall be perpetual and non-exclusive.

**11.10.4 Destruction by Fire or Other Casualty.** If an Element is destroyed or damaged, then such Element shall be restored to its former condition in the manner provided in Subparagraph 11.10.2 above.

**11.10.5 Costs.** If an Owner, Occupant, invitee, licensee, or an agent of an Owner or Occupant disturbs the Elements in any way, such Owner shall bear the full cost and responsibility of returning the respective Element to the condition prior to the disturbance, including repair of disturbances that cross the property line. In the event that Owner refuses or neglects to restore the Elements, the other Owners may have repairs made and assess the Owner who disturbed the Elements for the cost of such repairs.

**11.10.6 Structural Elements.** Structural Elements necessary for lateral stability, including but not limited to horizontal and vertical strapping, foundation tie-downs, and plywood sheathing, shall not be altered without the analysis and approval of a structural engineer registered by the State of Washington and by permit from Clark County.

**11.10.7 Weatherproofing.** Notwithstanding any other provision of this Section 11.10, an Owner who by the Owner's negligent or willful act causes the party wall to be exposed to the elements shall bear the cost of furnishing the necessary protection against such elements to the extent such cost is not covered by the Association's insurance policy.

**11.10.8 Speakers.** Speakers for audio equipment may not be mounted on or against party walls without an adequate sound barrier to prevent vibration and transmission of bass sounds outside of the Unit.

**11.10.9 Arbitration.** In the event of any disputes arising concerning a party wall or foundation, or under the provisions of this Section 11.10, the Board of Directors shall act as arbitrators and their decision shall be final.

## **ARTICLE 12 INSURANCE**

**Section 12.1 Insurance To Be Purchased By Association.** The Board shall maintain, to the extent reasonably available, a policy or policies and bonds necessary to provide (a) property insurance on the Common Areas; (b) liability insurance for the Association; and (c) fidelity insurance. The Board shall review at least annually the adequacy of the Association's insurance coverage. All insurance shall meet the insurer qualification standards, and insurance coverage standards of Fannie Mae, HUD, VA and FHLMC so long as any of them is an Eligible Mortgagee or Owner of a Lot, except to the extent such coverage is not available or has been waived in writing by them. The premiums for all insurance obtained by the Association shall be Common Expenses of the Association. The Board is hereby authorized to contract with or otherwise arrange to obtain the insurance coverage required hereunder through the Declarant and to reimburse Declarant for the cost thereof, and Declarant shall be authorized, but not obligated, to purchase such insurance coverage for the benefit of the Association and the Owners upon Declarant and the Board agreeing upon the terms and conditions applicable to reimbursement by the Association for costs incurred by Declarant in obtaining such coverage.

**Section 12.2 Requirements For Association's Property Insurance.** The Board or the duly authorized agent of the Association shall have the authority to obtain insurance for all insurable improvements located on the Common Areas which the Association is obligated to maintain; provided, however, that Units and other improvements on Lots be insured by the Owners thereof, including those portions to be maintained by the Association.

**Section 12.3 Requirements for Association's Liability Insurance.** The liability insurance purchased by the Association shall insure the Board and the Association. The policy shall insure against liability of the insured for property damage, bodily injury or death arising in

connection with the use, operation or maintenance of the Common Areas or other areas under the ownership, control or supervision of the Association, including those portions of the Lots and improvements thereon that are to be maintained by the Association. The policy shall insure against liability in connection with employment contracts of the Association, and may insure against host liquor liability, employers' liability insurance, automobile, liability insurance and such other risks as are customarily covered with respect to residential projects of similar construction, location and use. The limits of liability shall be at least \$1,000,000 per occurrence and \$2,000,000 aggregate. The policy shall contain a "Severability of Interest Endorsement" or equivalent which precludes the insurer from denying the claim of an insured because of the negligent acts of another insured. The policy may contain medical payments coverage and any other coverages that the Board deems advisable.

**Section 12.4 Fidelity Insurance Requirements.** The fidelity insurance shall name the Association as insured. It shall protect against dishonest acts on the part of officers, directors, trustees, and employees of the Association and all other persons who handle or are responsible for handling funds held or administered by the Association, including any managing agent. All such fidelity insurance shall name the Association as an insured and shall be not less than the estimated maximum of funds, including reserve funds, in custody of the Association at any time while the policy is in force, but, in no event, shall the aggregate amount of insurance be less than three months' expected annual Assessments plus reserve funds. The policy shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.

**Section 12.5 Additional Insurance Requirements.** The insurance obtained pursuant to Sections 12.2, 12.3 and 12.4 shall contain the following provisions and limitations:

**12.5.1** Each Owner is an insured person under the policy with respect to liability arising out of the Owner's membership in the Association.

**12.5.2** A waiver of subrogation by the insurer as to any and all claims against the Association, any Owner and/or their respective agents, members of the Owner's household, employees, or lessees.

**12.5.3** Coverage shall not be prejudiced by (a) any act or omission of any Owner unless acting within the scope of the Owner's authority on behalf of the Association; or (b) failure of the Association to comply with any warranty or condition with regard to any portion of the premises over which the Association has no control.

**12.5.4** If, at the time of the loss under the policy, there is other insurance in the name of any Owner covering the same risk covered by the policy, the Owner's policy shall provide primary insurance.

**Section 12.6 Optional Insurance.** If the Board deems it advisable, the Association may also obtain (a) worker's compensation insurance; (b) directors' and officers' liability insurance; and (c) any other insurance.

**Section 12.7 Insurance Purchased by Owners.** Each Unit Owner shall be required to maintain a policy of insurance providing property insurance equal to full replacement value (i.e. one hundred percent of current “replacement” cost) on the Owner’s Unit and liability insurance providing insurance for the Owner. Owner shall designate the Association as an “Additional Insured” under the Owner’s liability insurance policy. The Board may establish the minimum coverage amount and deductibles for Owners’ policies. The Association shall have right but not the obligation to monitor the maintenance of such insurance by Owners and shall have to right, but not the obligation, to obtain such insurance for the Owner if the Owners fails to obtain or maintain and assess the cost to the Owner as a Specific Assessment. Each purchaser of a Lot shall deliver to the Association at closing a certificate of insurance or other proof that such insurance has been obtained.

### **ARTICLE 13 DAMAGE AND DESTRUCTION OF PROPERTY**

**Section 13.1. In General.** The Association shall make and adjust claims for damage or destruction to any portion of the improvements covered by insurance written in the name of the Association, and shall be responsible for repair and reconstruction of the damage. Repair or reconstruction, as used in this Section, means repairing or reconstruct the property to substantially the same condition and appearance that existed prior to casualty, allowing for any changes or improvements necessitated by changes in applicable building codes.

**Section 13.2. Damage and Destruction Affecting Residences; Duty to Rebuild.** If all or any portion of any Unit on a Lot is damaged or destroyed by fire or other casualty it shall be the duty of the Owner to rebuild, repair or reconstruct the Unit. Construction shall be commenced within three (3) months after damage occurs and shall be completed within six (6) months thereafter unless prevented by causes beyond the Owner's control.

**Section 13.3. Damage and Destruction Affecting Common Areas; Duty to Rebuild.** If all or any portion of any Common Area is damaged or destroyed by fire or other casualty it shall be the duty of the Association to rebuild, repair or reconstruct the Common Area. Construction shall be commenced within three (3) months after damage occurs and shall be completed within six (6) months thereafter unless prevented by causes beyond the Board's control. Except as provided by statute, property insurance proceeds received by the Board shall be used exclusively for repair, replacement or reconstruction unless the Board and at least Seventy-Five Percent (75%) of Total Association Vote have given their prior written approval to another use. If the insurance proceeds are insufficient to pay for the cost of repair, reconstruction or replacement of the damaged improvements, the balance shall be paid by the Owners, pro-rated equally among the Units. The responsibility of any Owner for such amounts shall be a Specific Assessment collectable in the manner provided in Articles 7 and 8.

**Section 13.4. Liability for Uninsured Amounts.** Notwithstanding any other provision of this Declaration:

**13.4.1** Liability for the amount of damage within the limits of any applicable insurance deductible or otherwise un-insured shall be the responsibility of an individual

Owner where the damage results from a negligent or intentional action or omission by an Owner, the Occupants, or the family, servants, employees, agents, visitors or licensees of that Owner or Occupant, or from the failure of or failure to maintain any portion of the Unit, including any appliance, equipment, or fixture in a Unit, which that Owner is responsible to maintain in good working order and condition.

**13.4.2** Except as provided in Paragraph 13.4.1, or where the damage is a result of the sole fault of the Association, the liability for the amount of damage within the limits of any applicable insurance deductible on a policy of insurance issued to the Association shall be the responsibility of an individual Owner where the damage involved is limited solely to damage to that Owner's Unit or the Limited Common Areas assigned to that Owner's Unit.

**13.4.3** Except as provided in Paragraphs 13.4.1 and 13.4.2, or where the damage is a result of the sole fault of the Association, liability for the amount of damage within the limits of any applicable insurance deductible on a policy of insurance issued to the Association shall be pro-rated between the Association and any involved Owners in proportion to the relative amounts of damage to the Common Areas and to each of the affected Units, including the Limited Common Areas assigned to such Unit or Units, where the damage involves both the Common Areas and/or one or more Units or the Limited Common Areas assigned to a Unit or Units.

## **ARTICLE 14 PARTY WALLS**

**Section 14.1 General Rules of Law to Apply.** Each wall, fence, driveway, or similar structure built as a part of the original construction on the Lots which serves and/or separates any two adjoining Lots shall constitute a party structure. To the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

**Section 14.2 Maintenance; Damage and Destruction.** The cost of reasonable repair and maintenance of a party structure shall be shared equally by the Owners who make sure of the party structure.

If a party structure is destroyed or damaged by fire or other casualty, then to the extent that such damages is no covered by insurance and repaired out of the proceeds of insurance, any Owner who has used the structure may restore it. If other Owners thereafter use the structure, they shall contribute to the restoration cost in equal proportions. However, such contribution will not prejudice the right to call for a larger contribution from the other users under any rule of law regarding liability for negligent or willful acts or omissions.

**Section 14.3 Right to Contribution Runs with Land.** The right of any Owner to contribution from any other Owner under this Section shall be appurtenant to the land and shall pass to such Owner's successors-in-title.

**Section 14.4 Disputes.** Any dispute arising concerning a party structure shall be handled in accordance with the provisions of Article 13.

**ARTICLE 15 DECLARANT RIGHTS**

**Section 15.1 Construction and Sales Activity.** The Declarant reserves for itself and any successor Declarant the right to complete improvements, create the Community and undertake sales activities, all in conjunction with the easements granted pursuant to Article 11 of this Declaration.

**Section 15.2 Limited Common Areas.** Certain portions of the Common Area may be designated by the Declarant or the Association as Limited Common Area and reserved for the exclusive use or primary benefit of Owners and occupants of specified Lots. By way of illustration and not limitation, Limited Common Areas may include parking spaces or shared driveways serving certain Lots. All costs associated with maintenance, repair, replacement, and insurance of a Limited Common Area shall be allocated pro-rata among the Owners of Lots to which the Limited Common Areas are assigned. The Declarant may designate Limited Common Areas as such in the instrument by which they are conveyed to the Association, on the subdivision plat relating to such Common Area, or in a Supplemental Declaration; provided, however, any such assignment shall not preclude Declarant from assigning use of the same Limited Common Area to additional Lots during the Declarant Control Period. The Association may designate a portion of the Common Area as Limited Common Area and may re-assign Limited Common Area to other Lots upon (i) approval of the Board and (ii) the vote of a majority of the Lots to which any such Limited Common Areas are assigned. Any such assignment or reassignment shall also require Declarant's written consent during the Declarant Control Period. The Declarant's right to assign Limited Common Areas shall expire on-the date that is ten (10) years after the recording of this Declaration.

**Section 15.3 Consolidations.** Declarant shall have the right to consolidate any two or more Lots then owned by it upon receipt of any required approvals from City of Camas, Washington. No other Owner may consolidate any Lots without the prior written approval of the Declarant prior to the expiration of the Declarant Control Period and thereafter by the Board of Directors, which may be granted or denied at the sole discretion of the Declarant or the Board, as applicable. Any approved consolidation shall be effected by the recording of an amendment to this Declaration stating that the affected Lots are consolidated, which amendment shall be executed by the Owner(s) of the affected Lots and by the president of the Association. Once so consolidated, the consolidated Lot may not thereafter be partitioned, nor may the consolidation be revoked except as provided in Section 2.5. Any Lots consolidated pursuant to this section shall be considered one Lot thereafter for the purposes of this Declaration, including voting rights and allocation of Assessments.

**Section 15.4 Subdivisions.** Declarant reserves the right to subdivide any Lots then owned by it upon receiving all required approvals from City of Camas, Washington. In the event any two or more Lots are so subdivided, they shall be deemed separate Lots for the purposes of allocating Assessments under this Declaration. No other Owner of any Lot in the Property may subdivide any Lot without the prior written approval of the Declarant prior to the expiration of the Declarant Control Period and thereafter by the Board of Directors, which consent may be granted or denied at the sole discretion of the Declarant or the Board, as applicable.

**Section 15.5 Withdrawal of Property.** Property may be withdrawn from the Community by duly adopted amendment to this Declaration, except that Declarant may withdraw all or a portion of the Property at any time, subject to the prior approval of City of Camas, Washington. Such withdrawal shall be by a amendment executed by Declarant and recorded in the deed records of Clark County, Washington. If a portion of the Property is withdrawn, all voting rights otherwise allocated to Lots being withdrawn shall be eliminated, and the common expenses shall be reallocated among the remaining Lots. Such right of withdrawal shall not expire except upon sale of the first Lot within the applicable phase of the Property as described above.

**Section 15.6 Transfer of Declarant Rights.** Until any particular Declarant right has expired, the Declarant may transfer all or any portion of that right to any person who is a developer of all or any portion of the property described in **Exhibit A**. Any transfer must be memorialized in an instrument executed by the Declarant, or the Declarant's successor, and the transferee and recorded in the county where the Community is located.

## **ARTICLE 16 AMENDMENT OF DECLARATION ARTICLES OR BYLAWS**

**Section 16.1 Procedures.** Except in cases of amendments that may be executed by the Declarant, the Declaration, Articles and Bylaws may be amended only by vote or agreement of the Owners as specified in this Article.

**16.1.1** Any Owner or Owners may propose amendments to the Board. If approved by a majority of the Board, the amendment shall be submitted to the members of the Association for their consideration. If an amendment is proposed by Owners with twenty percent (20%) or more of the votes in the Association then, the Board shall submit the amendment to the members of the Association for their consideration at the next regular or special meeting for which timely notice can be given. The notice for any meeting at which an amendment will be considered shall include the text of the amendment.

**16.1.2** Amendments may be adopted at a meeting of the members of the Association or by such alternative methods as allowed by the Bylaws, after such notice as is required by the Bylaws has been given to all persons entitled to receive notices.

**16.1.3** Upon its adoption and the receipt of any necessary consent under this Article, an amendment to the Declaration will become effective when it is recorded or filed in the real property records in the county in which the Community is located. No action to challenge the validity of an amendment to the Declaration adopted by the Association pursuant to this Article may be brought more than one year after the amendment is recorded. An amendment to the Articles shall be effective upon filing the amendment with the Secretary of State. An amendment to the Bylaws shall be effective upon adoption.

**16.1.4** Amendments under this Section shall be prepared, executed, recorded and certified on behalf of the Association by any officer of the Association designated for that purpose or, in the absence of designation, by the president of the Association.

**Section 16.2 Consent Required.** Except in cases of amendments that may be executed by the Declarant, the percentages of consent of Owners required for adoption of amendments to the Declaration, the Articles and the Bylaws are as follows:

**16.2.1** An amendment to the Declaration or the Articles shall require the vote or agreement of at least sixty-seven percent (67%) of the Total Association Vote, and an amendment to the Bylaws shall require the vote or agreement of at least fifty-one percent (51%) of the Total Association Vote.

**16.2.2** As long as Declarant owns any property for development or sale in the Community, no amendment to the Declaration, Articles or Bylaws will be effective without the written consent of Declarant, which may be withheld in its sole discretion.

**Section 16.3 Amendments by Declarant.** The Declarant may at any time amend the Declaration, Articles or Bylaws without the approval of the Owners or Association to (i) bring any provision hereof into compliance with any applicable governmental statute, rule or regulation or judicial determination which is in conflict herewith, (ii) to enable any title insurance company to issue title insurance coverage with respect to any Lots, (iii) to comply with the requirements of any institutional or governmental lender or insurer, guarantor or purchaser of Mortgage loans, including Fannie Mae, FHLMC, HUD, or VA, (iv) to correct clerical errors, (v) to reflect the actual location, dimensions or characteristics of the constructed improvements or boundaries of the Lots or Common Area, (vi) to establish, vacate or relocate any utility or access easements, or (vii) to reflect the exercise of a Development Right or Special Declarant Right reserved under this Declaration. Declarant may execute and record any such amendment itself and need not otherwise comply with the requirements of this Article 24.

**Section 16.4 Limitations on Amendments.** No amendment may restrict, eliminate, or otherwise modify any Declarant Right or any right of the Declarant or members of the Board appointed by the Declarant to indemnification provided in the Declaration without the consent of the Declarant or the appointed Board member.

## **ARTICLE 17 ENFORCEMENT OF GOVERNING DOCUMENTS**

**Section 17.1 Rights of Action.** Each Owner and its Occupants, and the Association shall comply strictly with the Governing Documents and the proper decisions of the Board. The Declarant shall enjoy all the rights and assume all the obligations of an Owner as to each unsold Unit owned by the Declarant. The Association acting on behalf of the Owners or any Owner acting on his own behalf may bring an action to recover sums due or damages, or for injunctive relief, or any or all of them, against any party who fails to comply with the Governing Documents and the proper decisions of the Board.

**Section 17.2 Additional Rights.** In addition, the Board may, after Notice and Opportunity to be Heard, take any of the following actions against any party who fails to comply with the Governing Documents and the proper decisions of the Board:



**17.2.1** Require an Owner, at its own expense, to stop work on, and remove, any improvement from such Owner's Lot or other areas of the Community in violation of the Governing Documents and to restore the Unit to its previous condition and, upon failure of the Owner to do so, the Board or its designee shall have the right to enter the property, remove the violation and restore the property to substantially the same condition as previously existed and any such action shall not be deemed a trespass;

**17.2.2** Levy Assessments to cover costs incurred by the Association to cure a violation of the Governing Documents;

**17.2.3** Impose reasonable monetary fines which shall constitute an Assessment and a lien upon the violator's Unit. No fine may be imposed, however, unless pursuant to a previously established schedule thereof adopted by the Board and distributed to Owners;

**17.2.4** Apply a security deposit posted by an Owner to any unpaid utility charges or other Assessments.

**17.2.5** To the extent allowed by applicable law, suspend any services (including utilities) provided by the Association to an Owner or the Owner's Unit if the Owner is more than thirty days delinquent in paying any Assessment or other charge owed to the Association or has failed to replenish any security deposit required by the Association (provided the Association has given Notice and Opportunity to Be Heard to any tenant of the Unit); and

**17.2.6** Exercise self-help or take action to abate any violation of the Governing Documents. Notice and Opportunity to be Heard shall not, however, be required in an emergency situation or in regard to the removal of vehicles or items that are in violation of parking or storage rules and regulations.

**Section 17.3 Remedies Cumulative; Attorneys' Fees.** All remedies set forth in the Governing Documents shall be cumulative of any remedies available at law or in equity. In any action to enforce the Governing Documents, if the Association or Owner prevails, it shall be entitled to recover all costs, including without limitation, its attorneys' fees and court costs, reasonably incurred in such action.

**Section 17.4 Enforcement Discretion; No Waiver.** The decision to pursue enforcement action in any particular case shall be left to the Board's discretion, except that the Board shall not be arbitrary or capricious in taking enforcement action. Without limiting the generality of the foregoing sentence, the Board may determine that, under the circumstances of a particular case:

**17.4.1** The Association's position is not strong enough to justify taking any further action; or

**17.4.2** The covenant, restriction or rule being enforced is, or is likely to be construed as, inconsistent with applicable law; or

**17.4.3** Although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or

**17.4.4** That it is not in the Association's best interests, based upon hardship, expense or other reasonable criteria, to pursue enforcement action.

Such a decision shall not be construed to be a waiver of the right of the Association to enforce such provision at a later time under other circumstances or preclude the Association from enforcing any other covenant, restriction or rule. The receipt by the Board of payment of an Assessment from an Owner, with knowledge of a breach by the Owner, shall not be a waiver of the breach. No waiver by the Board of any requirement shall be effective unless expressed in writing and signed for by the Board. This Section 18.4 also extends and applies to the Declarant.

## **ARTICLE 18 TORT AND CONTRACT LIABILITY**

**Section 18.1 No Personal Liability.** So long as a Board member, or Association committee member, or Association officer, or the Declarant or the Managing Agent has acted in good faith, without willful or intentional misconduct, upon the basis of such information as is then possessed by such person, no such person shall be personally liable to any Owner, or to any other person, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error, or negligence of such person; provided, that this Section shall not apply to deny coverage for any such act, omission, error or negligence under any insurance obtained by the Board.

## **ARTICLE 19 NOTICES**

**Section 19.1 Form and Delivery of Notice.** Unless provided otherwise in this Declaration, all notices given under the provisions of this Declaration or the Bylaws or rules or regulations of the Association shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, the notice shall be deemed to have been delivered upon being deposited in the United States mail, first class, postage prepaid, addressed to the person entitled to such notice at the most recent address known to the Board, the Owner or the Mortgagee. Notice to the Owner of any Unit shall be sufficient if mailed to the Unit address as reflected in the assessor's or treasurer's records of Clark County, if no other mailing address has been given in writing to the Board. Notices to the Board shall be given to the president or secretary of the Association. Notices to the Declarant shall be given at the following address or such other address as Declarant may specify in written notice to the Board or the Owners:

Parker Village, LLC  
800 NE Tenney Road, #110-348  
Vancouver, WA 98685

**ARTICLE 20 MORTGAGEE PROTECTIONS**

The following provisions are for the benefit of holders of first Mortgages on Lots in the Community. The provisions of this Article apply to both this Declaration and to the Bylaws, notwithstanding any other provisions contained therein.

**Section 20.1 Notices of Action.** An eligible Mortgage, who provides a written request to the Association, will be entitled to timely written notice of:

**20.1.1.** Any condemnation loss or any casualty loss which affects a material portion of the Community or which affects any Lot on which there is a first Mortgage held, insured or guaranteed by such eligible holder;

**20.1.2.** Any delinquency in the payment of assessments or charges owed by an Owner of a Lot subject to the Mortgage of such Eligible Mortgage, where such delinquency has continued for a period of sixty (60) days; provided, however, any holder of a first Mortgage, upon request, is entitled to written notice from the Association of any default in the performance by the Owner of the encumbered Lot of any obligation under the Declaration or Bylaws of the Association which is not cured within sixty (60) days;

**20.1.3** Any lapse, cancellation or material modification of any insurance policy maintained by the Association.

**Section 20.2 No Priority.** No provision of this Declaration or the Bylaws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Lot in the case of distribution of such Owner of insurance proceeds or condemnation awards for losses to or taking of the Common Areas.

**Section 20.3 Notice to Association.** Upon request, each Lot Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Lot.

**Section 20.4 VA/HUD Approval.** As long as the Declarant has the right to appoint and remove the directors of the Association and if, and so long as, the project is approved by the U.S. Department of Housing and Urban Development ("HUD") for insuring or the U.S. Department of Veterans Affairs ("VA") for guaranteeing any Mortgage in the Community the following actions shall require the prior approval of the VA and/or HUD as applicable: annexation of additional property to the Community; dedication of Common Areas to any public entity; mergers and consolidations; dissolution of the Association, and material amendment of the Declaration, Bylaws or Articles of Incorporation.

**Section 20.5 Applicability.** Nothing contained in this Article shall be construed to reduce the percentage vote that may otherwise be obtained under the Declaration, Bylaws or Washington law for any of the acts set out in this Article.

## **ARTICLE 21 GENERAL PROVISIONS**

The Declarant reserves the right to assign, transfer, sell, lease, or rent all or a portion of the property then owned by it and reserves the right to assign all or any of its rights, duties and obligations created under this Declaration.

**Section 21.1 Duration.** The covenants and restrictions of this Declaration shall run with the Community, and shall inure to the benefit of all and shall be enforceable by the Association or any Owner, their respective legal representatives, heirs, successors and assigns, perpetually to the extent provided by law; provided, however, if and to the extent that Washington law limits the period during which covenants restricting land to certain uses may run, any provisions of this Declaration affected thereby shall run with and bind the land so long as permitted by such law, after which time, any such provisions shall be (a) automatically extended (to the extent allowed by applicable law) for successive periods of ten (10) years, unless a written instrument reflecting disapproval signed by the then Owners of at least two-thirds (2/3) of the Lots and the Declarant (so long as the Declarant owns any property for development and/or sale in the Community) has been recorded within the year immediately preceding the beginning of a 10-year renewal.

**Section 21.2 Partition.** The Common Areas shall remain undivided, and no Owner nor any other Person shall bring any action for partition or division of the whole or any part thereof without the written consent of all Owners of all portions of the property located within the Community and without the written consent of all holders of all Mortgages encumbering any portion of the property, including, but not limited to, the Lots located within the Community.

**Section 21.3 Captions.** The captions of each Article and Section hereof, as to the contents of each Article and Section, are inserted only for convenience and are in no way to be construed as defining, limiting, extending, or otherwise modifying or addition to the particular Article or Section to which they refer.

**Section 21.4 Perpetuities.** If any of the covenants, conditions, restrictions, or other provisions of this Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until 21 years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.



**EXHIBIT A**

**PARKER VILLAGE SUBDIVISION**

**DESCRIPTION OF REAL PROPERTY SUBJECT TO RIGHT TO CREATE LOTS**

A tract of land located in a portion of the southwest quarter of the southwest quarter of Section 4, Township 1 North, Range 3 East, Willamette Meridian, Clark County, Washington, more particularly described as follows:

Beginning at the southwest corner of said Section 4;  
Thence South 88°29'00" East, along the south line of said Section 4, for a distance of 34.32 feet to the **TRUE POINT OF BEGINNING**;

Thence North 01°21'14" East, for a distance of 555.00 feet;

Thence South 88°29'00" East, for a distance of 616.05 feet to a point on the centerline of Northwest Brady Road;

Thence South 01°29'23" West, along said centerline, for a distance of 555.00 feet to a point on the south line of said Section 4;

Thence North 88°29'00" West, along said south line of Section 4, for a distance of 614.74 feet to the **TRUE POINT OF BEGINNING**.

EXCEPT the following;

Beginning at the southwest corner of said Section 4;

Thence South 88°29'00" East, along the south line of said section 4, for a distance of 34.32 feet

Thence North 01°21'14" East, for a distance of 555.00 feet;

Thence South 88°29'00" East, for a distance of 262.01 feet;

Thence South 01°31'00" West, for a distance of 26.00 feet to the **TRUE POINT OF BEGINNING**;

Thence South 88°29'00" East, for a distance of 196.40 feet;

Thence along the arc of a 126.00 foot radius curve to the left, for an arc distance of 64.96 feet, through a central angle of  $29^{\circ}32'29''$ , the radius of which bears North  $01^{\circ}31'00''$  East, the long chord of which bears North  $76^{\circ}44'46''$  East, for a chord distance of 64.25 feet;

Thence along the arc of a 74.00 foot radius reverse curve to the right, for an arc distance of 29.97 feet, through a central angle of  $23^{\circ}12'30''$ , the radius of which bears South  $28^{\circ}01'29''$  East, the long chord of which bears North  $73^{\circ}34'46''$  East, for a chord distance of 29.77 feet;

Thence along the arc of a curve 20.00 foot radius compound curve to the right, for an arc distance of 33.62 feet, through a central angle of  $96^{\circ}18'21''$ , the radius of which bears South  $04^{\circ}48'58''$  East, the long chord of which bears South  $46^{\circ}39'48''$  East, for a chord distance of 29.80 feet;

Thence South  $01^{\circ}29'23''$  West, for a distance of 187.13 feet;

Thence North  $88^{\circ}30'37''$  West, for a distance of 97.47 feet;

Thence along the arc of a 74.00 foot radius non-tangent curve to the left, for an arc distance of 82.59 feet, through a central angle of  $63^{\circ}56'46''$ , the radius of which bears South  $65^{\circ}27'47''$  West, the long chord of which bears North  $56^{\circ}30'35''$  West, for a chord distance of 78.37 feet;

Thence North  $88^{\circ}28'58''$  West, for a distance of 139.19 feet;

Thence North  $01^{\circ}31'00''$  East, for a distance of 22.00 feet;

Thence North  $88^{\circ}29'00''$  West, for a distance of 6.00 feet;

Thence North  $01^{\circ}31'00''$  East, for a distance of 118.00 feet to the **TRUE POINT OF BEGINNING.**

Containing 6.71 acres, more or less.