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Pat Deneen
Cle Elum Pines East LLC
PO Box 808
Cle Elum, WA 98922

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Kittitas County Auditor



AMT 246-

DOCUMENT TITLE: AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CLE ELUM PINES WEST

REFERENCE NUMBER(S)
OF DOCUMENTS ASSIGNED,
RELEASED OR AFFECTING: 200012150018 (release from),
201711170047 (amendment to)

GRANTOR: CLE ELUM PINES EAST LLC, a Washington Limited Liability Company
SSHI, LLC, a Delaware limited liability company

GRANTEE: CLE ELUM PINES WEST OWNERS ASSOCIATION,
a Washington non-profit corporation

LEGAL DESCRIPTION: Lots 1-8, Cle Elum Pines SP, Kittitas County SP-2017-001, Rec. #201710020015; Ptn. Parcel B, BLA Rec. #200011210022
Lots 9-42 and Tract OS-1 and Tract SD-1, Cle Elum Pines West Div 2, Kittitas County Rec. #201805170005; Book 12 of Plats, pages 228-232

Full legal descriptions on page 49

ASSESSOR'S TAX PARCEL NOS.: 960303, 960304, 960305, 960306, 960307,
960308, 960309, 960310 and 960311

**AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS FOR CLE ELUM PINES WEST**

This Amended and Restated Declaration of Covenants, Conditions and Restrictions for Cle Elum Pines West (this "Declaration") is made as of the ____ day of June, 2018, by CLE ELUM PINES EAST LLC, a Washington Limited Liability Company (hereinafter, the "Declarant").

RECITALS

WHEREAS, the Declarant is the owner of certain real property located in the City of Cle Elum (the "City"), County of Kittitas (the "County"), State of Washington (the "State"), which is legally described on EXHIBIT A attached hereto and incorporated herein by reference;

WHEREAS, the Declarant and the City have entered into that certain Cle Elum Pines West Annexation and Development Agreement under City File No. 2012-001, which was approved by the City on September 30th, 2014 (the "Development Agreement"), and all of the real property legally described on Exhibit A and Exhibit B is within the area covered by the Development Agreement;

WHEREAS, the Property was previously encumbered by and included in the area covered by that certain Declaration of Covenants, Conditions and Restrictions for Cle Elum Pines recorded on December 15, 2000 under Kittitas Auditor's File No. 200012150018 ("2000 CC&Rs");

WHEREAS, Declarant released the Property along with certain adjacent real property from the 2000 CC&Rs pursuant to that certain Amendment of Declaration of Covenants, Conditions, and Restrictions recorded on November 11, 2017 under Kittitas Auditor's File No. 201711170047 (the "Amendment"), which Amendment also established new covenants for the Property attached as Exhibit B to the Amendment (the "New CC&Rs"), all in order to separately develop the residential community of Cle Elum Pines West on and from the Property and certain adjacent real property pursuant to the Development Agreement;

WHEREAS, Declarant intends to develop the overall Cle Elum Pines West community pursuant to the Development Agreement in stages, and Declarant has since short platted the Property into 8 Lots pursuant to the Cle Elum Pines West Short Plat recorded under Kittitas Auditor's File No. 201710020015 and 34 Lots and Tract SD-1 pursuant to the Cle Elum Pines West Division 2 recorded under Kittitas Auditor's File No. 20185170005;

WHEREAS, Declarant sold the 8 Lots of the Short Plat on November 21, 2017 and an additional 9 Lots of Division 2 on May 22, 2018 to SSHI LLC, a Delaware limited liability company, dba D.R. Horton ("SSHI"),

WHEREAS, Declarant remains the declarant under the New CC&Rs and now wishes to amend, restate, and replace in full the New CC&Rs with this Declaration, and to separate out the New CC&Rs entirely from the 2000 CC&Rs to ensure that the Property is solely governed by this Declaration and that this Declaration governs the real property within Cle Elum Pines West only as the same is developed;

WHEREAS, SSHI executes this Declaration below to indicate its agreement with the amendment, restatement and replacement of the New CC&Rs and the separate establishment of this Declaration; and

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

DECLARATION

NOW, THEREFORE:

Declarant hereby amends, restates and replaces in full the New CC&Rs. As of the recordation of this Declaration, the New CC&Rs shall be deemed terminated and this Declaration shall hereafter govern the use, ownership, development, maintenance and operation of the Property in accordance with its terms. SSHI executes this Declaration below for the purpose of indicating its consent to the foregoing and agreeing that this Declaration shall be binding upon the 17 Lots currently owned by SSHI that comprise the Property and shall run with the land.

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

This Declaration is recorded against the Property to further defined and be more restrictive than the City Code. Where the City Code is more restrictive than this Declaration, the City Code shall take precedence over this Declaration.

1. **DEFINITIONS.** For the purpose of this Declaration and any amendments hereto, the following terms shall have the following meanings and all definitions shall be applicable to the singular and plural forms of such terms. The singular form of words shall include the plural and the plural shall include the singular. Masculine, feminine, and neuter pronouns shall be used interchangeably.

1.1 “Additional Property” means any land, adjacent to or not adjacent but separated only by a road, trail, right of way or other thoroughfare to lands covered by this Declaration, whether or not owned by Declarant, which may be made subject to this Declaration at a later date, as provided in Section 2.2, and which shall thereafter be a part of the Property once so added to this Declaration.

1.2 “Address of Record” shall mean the official address of the Lot Owner(s), as maintained in the records of the Community and/or the Association, to serve as the location for notices of pending meetings, elections and official proceedings pursuant to this Declaration. It shall be the Lot Owner’s responsibility to provide the Association with the Lot Owner’s mailing address. Unless otherwise identified or notified by a Lot Owner, the Association may, but is not be required to, use the mailing address as shown in the records of the Kittitas County Assessor.

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

1.4 “Architectural and Landscaping Review Committee (ALRC)” shall mean a subcommittee of the Association established by the Declarant and, after the Transition Date, the Board. The ALRC shall have the responsibility for reviewing and approving improvements to and alterations of the Lots by Owners to ensure compliance with this Declaration, subject to rules, regulations and procedures adopted and implemented by the Declarant and, after the Transition Date, the Board.

1.5 “Articles” means the Articles of Incorporation of the Association.

1.6 “Assessments” means all assessments and other charges, fines and fees imposed by the Association in accordance with this Declaration, including, without limitation, General Assessments and any special or other assessments provided for in this Declaration.

1.7 “Association” shall mean Cle Elum Pines West Owners Association, a Washington Non-Profit Corporation.

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

1.9 “Assessor” means the Assessor of Kittitas County, Washington.

1.10 “Board of Directors” and “Board” shall mean the individuals selected by the Declarant or, after the Transition Date, elected by the Association to manage and administer the Cle Elum Pines West Owners Association in accordance with the Articles, Bylaws and this Declaration.

1.11 “Bylaws” shall mean the Bylaws of the Association as initially promulgated by the Declarant, and as amended from time to time.

1.12 “Community Improvements” or “Common Areas” means all common or shared real and personal property of the Community, including easements and leasehold interests, designated as such in this Declaration, in any amendment to this Declaration subjecting Additional Property to this Declaration, or in any conveyance to the Association, or in any declaration of easements creating easements which benefit the real property legally described on EXHIBIT A or any Additional Property that may be hereafter added to this Declaration and/or for which the Association has maintenance, insurance, operating, or other responsibility under this Declaration or other agreements entered into by the Association. The Community Improvements/Common Areas shall also include all real and personal property which the Association owns, leases, or otherwise holds possessory or use rights in for the common use and enjoyment of all Owners and occupants of the Property subject to this Declaration and such Additional Property which may be added in the future as permitted herein. As of the date of this Declaration, the Community Improvements/Common Areas include only the easements granted to the Association in this Declaration and on the existing Short Plat of the Community; there are no other initial common areas or shared facilities within the Community. As Declarant develops the remainder of the Additional Property within Cle Elum Pines West, Declarant shall add and identify those area and the real and property to become Community Improvements and/or Common Areas hereunder in any Supplemental Declaration adding such Additional Property.

Tract FD-1 and Tract A of the initial 8-Lot Short Plat of the Community are not Common Areas. Declarant is required to dedicate Tract A for road purposes and Tract FD-1 was reserved to Declarant as a future development tract for development of future areas that may be added to Cle Elum Pines West. Tract FD-2 of the Cle Elum Pines West Division 2 is the Community are not Common Areas. Declarant has reserved as future development Tract that may be added to Cle Elum Pines West. No portion of Tract FD 2 shall become part of the Community or added to this Declaration until such portion is developed and added to this Declaration pursuant to Section 2.2 below.

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

1.14 “Declarant” shall mean Cle Elum Pines East LLC, a Washington limited liability company, the party that developed the Property (and potentially developing

future phases of Cle Elum Pines West) and signing this Declaration as Declarant below, and the heirs, successors or assigns thereof.

1.15 “Declaration” means this Amended and Restated Declaration of Covenants, Conditions and Restrictions for Cle Elum Pines West, which initial covers the Property described in EXHIBIT A, as the same may be amended or supplemented from time to time in accordance with the provisions hereof.

1.16 “Development Period” shall mean the period of time between the date of the originally filed New CC&Rs and the Transition Date defined below.

1.17 “Governmental Authority” means the City, the County, the State, the United States of America and any other governmental entity or agency that has or acquires jurisdiction over the Property or any portion thereof, or the development of the Property, from time to time.

1.18 [Intentionally deleted]

1.19 “Lot” shall mean any parcel of land within the Property created by any final long or short plat for construction of a residence, pursuant to and in compliance with the applicable rules, regulations, ordinances and/or laws of the Governmental Authority with jurisdiction. If any Additional Property is added to the Property hereunder at a later date, each parcel comprised of a legal buildable lot which will be used for the construction of a residence shall be considered a “Lot.”

1.20 “Mortgage” shall mean a recorded mortgage or deed of trust that creates a lien against a Lot and shall also mean a real estate contract for the sale of a Lot.

1.21 “Mortgagee” shall mean the secured party under a mortgage, deed of trust, or other real property security interest, including a seller’s interest in a real estate contract, covering a Lot or other portion or all of the Property.

1.22 “Cle Elum Pines West” shall refer to the Property, the development of the Property, any Additional Property under the Development Agreement, and all existing and future improvements to the Property, including any Additional Property added as provided herein and developed pursuant to the Development Agreement.

1.23 “Occupant” shall mean a lessee or licensee of an Owner or any other Person or entity, other than an Owner, in lawful possession of a Lot, or a portion of a Lot, with the permission of the Owner.

1.24 “Office of Record” shall mean the primary office of the Manager of the Association or, if no Manager has then been appointed, the address of Declarant prior to the Transition Date (set forth on the cover page of this Declaration) and the address of the primary office of the Association after the Transition Date.

1.25 “Owner” means the Person or Persons, including Declarant, owning any Unit or Lot in the Property, but does not include a tenant or holder of a leasehold interest or a Mortgagee or other Person holding only a security interest in a Unit or a Lot. If a Unit or Lot is sold under a recorded real estate installment sale contract, the purchaser (rather than the seller) will be considered the Owner unless the contract specifically provides to the contrary. The rights, obligations and other status of being an Owner commence upon the acquiring of the ownership of a Unit or Lot and terminate upon disposition of such ownership, but termination of ownership shall not discharge an Owner from its obligations incurred prior to termination. Regardless of the number of persons or entities which may qualify as a Lot Owner as defined herein, each Lot shall be entitled to only one vote in any situation in which this Declaration requires the vote of or approval by Lot Owners.

1.26 “Participating Builder” shall mean a party that purchases unimproved Lots from the Declarant for the purposes of building Residences on such Lots, and offering such Residences for sale (which definition includes SSHI).

1.27 “Person” means a human being, company, corporation, partnership, Limited Liability Company, trust, trustee or other legal entity with the right to hold title to real property.

1.28 “Pets” shall mean dogs, cats, rabbits, caged birds and fowl not including roosters or any other crowing fowl, fish and other reasonable household pets kept for personal enjoyment.

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

1.30 “Property” shall initially mean the Property described herein on EXHIBIT A and shall also thereafter specifically include any additional properties added as provided herein, and including all improvements and structures now or hereafter placed thereon.

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

1.32 “Transition Date” shall mean the earlier of (i) ten (10) years from the date that this Declaration is recorded, (ii) the date the last of the Lots within the Community, as the same may be expanded by the Additional Property, has had a residence constructed thereon and has been conveyed by Declarant and/or Participating Builders to residential owners, provided that the Transitions Date under this clause shall be extended during any

period of time Declarant, its successor or any Participating Builder continues to own Additional Property identified on EXHIBIT A-1 that may be added to the Community at a later date, or (iii) any earlier date upon which the rights of the Declarant are transferred to the Board as provided herein.

1.32 "Unit" shall mean a separate area within a building such as a single condominium abode within a building, a attached housing, zero lot line housing or the like.

2. PROPERTY SUBJECT TO DECLARATION.

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

2.2 Annexation of Additional Property. Declarant hereby reserves, as a development right during the Development Period, the right to and, may from time to time and in its sole discretion, annex Additional Property to this Declaration, so long as such Additional Property is made subject to this Declaration and is now owned or hereafter acquired by Declarant or any of its Affiliates; provided, however, that such real property is adjacent or not adjacent to the Property but separated only by a road, trail, right of way or other thoroughfare to lands covered by this Declaration. Declarant may also from time to time and in its sole discretion permit other owners of real property meeting the foregoing criteria to annex said property into this Declaration. As of the date of this Declaration, Declarant intends to develop the remainder of the land described on EXHIBIT A-1 into future phases of Cle Elum Pines West. Declarant has not finalized the number of Lots, Units and other uses to be made within such future phases; however, should such future phases include single-family residential Lots or Units, Declarant may add such future phases to this Declaration.

2.3 Process for Adding Additional Property. The annexation of such real property shall be accomplished by (i) the annexation of such Additional Property to this Declaration in accordance with the provisions hereof, or (ii) a Supplemental Declaration subjecting the Additional Property to this Declaration, which Supplemental Declaration shall be executed by Declarant and, if Declarant does not own such Additional Property, by its owner and shall be recorded with the Auditor (iii) the filing of a document in the records of Kittitas County extending this Declaration over said Additional Property and subjecting said Additional Property to this Declaration.

2.4 Withdrawal of Property. During the Development Period, the Property legally described on EXHIBIT A and any other Property annexed pursuant to Sections 2.3 and 2.4 may be withdrawn by Declarant and the Owner of such Property by an Amendment to this Declaration executed by Declarant and such Owner. In addition, Declarant may withdraw any

property then owned by Declarant or the Association if such withdrawal is a result of any changes in Declarant's plans for the development of the Property or Cle Elum Pines West generally, provided that such withdrawal is not unequivocally contrary to the overall, uniform scheme of development for the Property, Cle Elum Pines West, and is approved by the Association.

2.5 Membership and Rights. If the Declarant elects to subject Additional Property to this Declaration, Declarant shall grant to the Owners of Lots or Units within such Additional Properties all of the rights and benefits to which Members of the Association are entitled. If the Declarant elects to withdraw undeveloped property from this Declaration, such withdrawn property shall no longer have any Membership rights in the Association or hereunder. The original Owners shall be benefited by any Community Improvements on Additional Property the Declarant elects to add to the Community, either through Association ownership and/or control of said additional Community Improvements or by easements of use and enjoyment in favor of said original Owners on said additional Community Improvements. The Owners of such property added by Declarant to the Community shall have an easement for use and enjoyment of the existing Community Improvements and shall have all the obligations to pay their prorata cost of maintaining the Community Improvements, unless otherwise provided herein. Neither the Association nor any Owners shall have any right in any Additional Property nor shall this Declaration have any effect on such Additional Property until it is subjected to this Declaration by adoption of an Amendment to this Declaration recorded in the Office of the Auditor.

2.5 Dedications. Declarant reserves the right to dedicate any portions of the Property then owned by Declarant and/or the Association to any Governmental Authority, quasi-governmental entity or any entity, including but not limited to an entity qualifying under Section 501(c)(3) of the Internal Revenue Code or similar provisions from time to time for such purposes as Declarant may deem to be appropriate and for the benefit of the Community, including without limitation, for utility stations, equipment, fixtures and lines; streets and roads; sidewalks, trails, open space for habitat, wildlife, waterfowl, fish, vegetation, wetlands or other preservation purposes; recreational facilities; schools; cemeteries; fire, police, security, medical and similar services; and such other purposes as Declarant and such Governmental Authority or quasi-governmental entity shall determine to be appropriate from time to time. Any consideration received by Declarant as a result of such dedication, by reason of any condemnation or any conveyance in lieu of condemnation, shall belong solely to Declarant.

2.7 Addition and Withdrawal Rights. The rights reserved by Declarant in this Section 2 may be exercised by Declarant acting alone and at Declarant's sole discretion. No consent by or joinder of any Lot Owner shall be required on any Supplemental Declaration adding Additional Property or any Amendment withdrawing property or on any dedication made under this Section 2. Each Owner appoints and constitutes the Declarant as his/her attorney-in-fact to adopt and file Amendments and Supplemental Declarations to this

Declaration as necessary or appropriate to add, subtract or dedicate such properties as permitted in this Section 2.

3. ARCHITECTURAL AND LANDSCAPING REVIEW.

3.1 Lot Owners, except Declarant and any Participating Builder approved by Declarant, desiring to do any of the following: 1) construct, 2) alter, 3) repair, or 4) replace any Structure on Lots, including, but not limited to, a residence, garage, outbuildings or other building, fences, landscaping, remove any trees on the Lot, grade or alter the earth on any Lot or alter the slope of any Lot (collectively "Lot Improvements") shall, prior to undertaking the Lot Improvements, submit in writing to the ALRC a request for review and approval, together with a set of plans, timeline, specifications and/or a Tree Thinning and Re-forestation Plan, if applicable (hereinafter the "Application"). Any such Application must be prominently labeled with the Lot Owner's name, mailing address, telephone number, Lot number and Lot address (if one has been assigned) and, if the ALRC so designates, be in the form approved by the ALRC, and delivered to the ALRC at the Office of Record or to its Manager and such Manager's office. In the event the Lot Owner is relying on an agent, contractor, adviser, consultant or other third party to do the work, the Lot Owner shall provide the name, contact information and any applicable required license, insurance and/or permit for the Lot Improvements, all of which shall be subject to the review and approval of the ALRC. In the event the ALRC approves the work, in no event shall that relieve the Lot Owner from compliance with the Declaration and all applicable laws, rules, regulations and permits associated with the work. The plans and specifications submitted as part of the Application shall show the site layout, structural design, exterior materials, and colors, landscaping, grading or altering the earth, fencing, drainage, exterior lighting, irrigation, and other features of proposed Lot Improvements, as applicable (hereinafter the "Plans"). In addition to the Plans, the Lot Owner shall mark on the Lot the corner points of the proposed Structure(s) for review and approval by the ALRC. The ALRC may require the submission of such additional information as may be reasonably necessary to consider any Application.

3.2 The ALRC shall have a reasonable time, a minimum of 30 days, to review the Application and any additional information as may be requested relative thereto. The Application shall be evaluated as to compliance with the provisions contained in this Declaration and the Development Agreement. The Board may develop and revise from time to time a written procedure with applicable guidelines, which may be amended from time to time. The ALRC, the Board, the Association and the Lot Owners shall follow any such written procedure in making, reviewing and approving Lot Improvements.

3.3 The ALRC reserves the right to establish a review fee for any Application and/or Plans. The initial fee shall be \$150 (one-hundred fifty dollars) for each Application submitted, plus \$50 per hour for review time above a reasonable time of review if the project is complicated or requires additional time to review and consider. Fees may be reviewed and modified by the ALRC from time to time. No review fees shall be assessed or

charged to Participating Builders whose plans are generally approved by the Declarant in advance, including SSHI.

3.4 The ALRC may hire an outside professional entity or consultant to review said Plans per the requirements of this Section, if the same is necessary or appropriate given any specialized or particular construction considerations. Lot Owners shall pay the actual costs of any such specialized review.

3.5 The ALRC may approve Plans as submitted, or as altered or amended, or it may grant its approval to the same subject to specific conditions. In all cases, work shall commence within 1 year from the date of approval or conditional approval, and if work is not so commenced, approval shall be deemed revoked unless the ALRC, pursuant to written request made prior to the expiration of said 1 year period, extends the period of time within which work must be commenced. Any improvement commenced pursuant hereto shall be completed within 12 months from the date on which the construction of said improvement began, absent unreasonable hardship, emergency, natural disaster, inclement weather, or other supervening force beyond the control of the Owner and/or its builder. The ALRD may, upon written request made before expiration of the 12 month period, extend the time within which work must be completed. Failure to comply with this Section 10.7 shall constitute a breach of the Declaration and subject the party in breach to the enforcement procedures set forth herein.

3.6 Neither the ALRC nor Declarant (nor any officer, director, member, shareholder, partner, employee, agent or representative of Declarant or ALRC) shall be liable for any damage, loss or prejudice suffered or claimed by any Person on account of: the approval, conditional approval, or disapproval of any Plans, whether or not in any way defective; the construction of any improvements, or performance of any work, whether or not pursuant to approved Plans; or the development of any Lot in the Property. Ultimate responsibility for satisfying all state or local building codes or environmental laws with respect to any project submitted by an Owner hereunder shall rest with the Owner and his contractor. The ALRC and Declarant are not responsible for ensuring that Plans it reviews comply with state or local building codes. The Owner shall hold the ALRC, its members, the Association and the Declarant harmless from any claims based on (i) the failure or other defective condition of an Improvement constructed based on approved Plans to meet any applicable governmental requirements, (ii) any structural failure of an Improvement constructed based on approved Plans, or (iii) the failure of the Owner or his contractor, by construction undertaken in accordance with approved Plans, to comply with any environmental laws, including, but not limited to, those relating to hazardous waste or underground storage tanks.

4. UTILITIES.

4.1 All public and private utilities serving a Lot or a Unit shall be paid for by and shall be the responsibility of the Owner of such Lot or Unit. The Association shall only be responsible for any shared utilities serving common areas and Community Improvements.

4.2 Water, telephone, cable and electricity has or will be installed by Declarant and is available to each Lot at or near the Lot boundary. All utilities are to be installed, repaired, maintained and used as provided for herein or as provided in any other easements, covenants, conditions and/or restrictions that bind the Property concerning its use, development or provision of utilities, or as provided by the City. At the time of initial development, Gas is not available to the Property.

4.3 All electrical, telephone, cable, or other utility services and lines shall be underground, unless otherwise approved by the City and Declarant during the Development Period.

5. WATER.

5.1 The Property is served with water from the City. Each Lot is served as required by the regulating authorities. Water rates are established by the City and may be amended from time to time by the City.

5.2 There shall be a connection fee payable by the Lot Owner to the City. Said fee is established by the City and may be amended from time to time.

6. SEWER.

6.1 The Property is served with Sewer from the City. Each Lot is served as required by the regulating authorities. Sewer rates are established by the City and may be amended from time to time by the City.

6.2 There shall be a connection fee payable by the Lot Owner to the City. Said fee is established by the City and may be amended from time to time by the City.

7. EASEMENTS.

7.1 Access and Utility Easements. The Declarant hereby reserve the right from time to time during the Development Period to unilaterally grant, declare, reserve, and establish the following access and utility easements on portions of the Property that are then still owned by Declarant ("Access and/or Utility Easements"). The Access and/or Utility Easements will be granted, declared, reserved and established in separate documents creating the easements and or secondary covenants, conditions and restrictions conveying portions of the Property. In no event shall Declarant have any right to grant, declare, reserve or establish any Access or Utility Easements on any portion of the Property after Declarant sells the same.

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

7.2 Notwithstanding the foregoing there shall be a 5-foot Utility Easement created and established on each side of any and all Lot lines within the Community, and Declarant hereby grants, reserves and creates the same for the benefit of all Lots and all public and private utility companies providing services or utilities to the Community. These Utility Easements may also be for the use of supplying utilities within the Property or trail systems or Common Improvements, as planned on the various Community plats, surveys, Development Agreement or otherwise.

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

7.4 Snow Removal Easements. Easements shown on the face of any plat of the Community for snow are hereby established, created and reserved for the use of the Association to provide snow removal services to and throughout the Community and surrounding roads as required by the City or the Development Agreement. As of the date hereof, the City requires the Association to perform snow removal services as necessary or appropriate on Frankie Lane within the Community; the City has agreed to perform snow removal services for Marian Drive within the Community. The Association’s obligation to perform snow removal services hereunder is solely within Frankie Lane, Perry Lane, Bala Drive and Landis Lane and those Snow & Utility Easement areas expressly shown and established on any plat of the Community. If any Additional Property is added to the Community at a later date, then the Supplemental Declaration adding such property shall note the snow removal obligations of the Association with respect to the roads and snow removal easements within such Additional Property. Other than the Association’s expressly obligations hereunder with respect to those express areas of snow removal described hereunder within the Community, each Lot Owner shall be solely responsible for any and all snow removal necessary or appropriate on their own Lot.

7.5 Trail Easements. The Declarant reserves the right during the Development Period to establish certain trail easements within portions of the Property or within Additional Property that Declarant continues to own, which will be for the use of the property Owners. Said trail easements may also be used as Utility Easements. Declarant shall have the sole right to grant the use of these trail easements to any other entity or utility during the Development Period. Declarant shall have and reserves the unilateral right to dedicate such trail easements to the Association as Community Improvements or to add such trail easements as Community Improvements hereunder at any time during the Development Period. If added to the Community Improvements, any maintenance of such trails shall be made by the Association as a common expense.

7.6 General. With respect to the easements reference in this Section 7 and any other easements that are reserved or established on the Lots, as provided by any plat of the Community or any other governmental requirements for utility installation and maintenance, snow removal or any similar service, no structure, planting, or other material shall be placed or permitted to remain that may damage, interfere with the installation and maintenance of utilities therein or provision of the services thereof. If any drainage easements are established, then no Owners shall change the direction of flow of drainage channels in the easements, or place any structures that may obstruct or retard the flow of water through drainage channels in the easements. Each Owner hereby agrees not to place locks on structures enclosing utility meters or interfere with the access of utility representatives to said meters or easements. The easement area of each Lot, and all improvements thereon, shall be maintained continuously by the Owner of each Lot in good condition, except for those improvements for which a public authority, utility company or the Association is responsible within the easement areas. If applicable, the Association shall have an easement for the maintenance, repair, replacement, and restoration of the portions of the easements that serve more than one Lot up to the point of connection to the public system.

8. MAINTENANCE AND IMPROVEMENT.

This section refers to the maintenance of road right of ways, easements, utility easements, trail easements and drainage easements and rights of way. Only those road right of ways, easements, utility easements, trail easements and drainage easements and other areas within the Community identified as Community Improvements, common areas or shared facilities for the benefit of the entire Community generally shall be maintained by the Association as a common expense.

8.2 Snow Removal. The City shall provide for snow removal each year for the main access roads identified as Marian Drive and Pines Drive. The Association shall provide for snow removal on Frankie Lane, Perry Lane, Bala Drive and Landis Lane and within the area of the Snow & Utility Easements identified on the initial plat of the Community and any future plats of and added to the Community. All such snow removal shall

be performed by the Association at reasonable intervals and in accordance with good practice in the area and all costs incurred shall be a common expense of the Association hereunder. It is the intent of these standards to maintain the roads to a degree passable by four-wheel drive vehicles. It shall be the responsibility of the Lot Owners to plow their own driveways and entry points onto the road system and any other portion on their Lot outside of areas to be maintained hereunder by the Association. It should be understood that during high snowfall periods roads may accumulate additional snow prior to and after plowing. Lot Owners shall not push or pile snow anywhere within the road right of ways and/or Snow & Utility Easements. Owners shall pay all costs associated with their own snow removal obligations as provided herein.

8.3 General Maintenance. It shall be the City's responsibility to maintain the main access road identified as Marian Drive and Pines Drive to a standard that is equal to the manner that the City maintains their roads. It shall be the Declarants, and after the Transition Date, the Board's responsibility to maintain internal roads of Frankie Lane and any other internal access road identified by the City in future phases of Cle Elum Pines West for snow removal, which is addressed above, and street sweeping to a standard that is equal to the manner that the City maintains their roads and road easements. All such costs incurred by the Association shall be made as a common expense.

8.4 Parking. There shall be no street side parking allowed on Marian Drive or any other main road throughout the Community that is maintained by the City in order to allow the City to perform its snow removal and street sweeping obligations hereunder of the City. Parking on internal roads, such as Frankie Lane, Perry Lane, Bala Drive and Landis Lane and all internal roads otherwise identified by the Association, may be limited by the Association in order to provide the snow removal and street sweeping obligations hereunder required of the Association. The Association shall notify owners in advance of any such internal road parking limitations so that Owner can comply with the same. No vehicle may be parked for a period longer than 72 hours on any internal road within the development without prior approval from the Board of the Association. No vehicle may be parked on any Lot, except on designated and approved driveways or parking areas. Unless otherwise expressly permitted herein, only the cars of guests and visitors may be parked on the internal roads of the Community, subject to the limitations described above, it being the intention to keep internal road parking available as much as possible for guests and visitors. All other vehicles of Owners and Occupants shall be parked in garages or on driveways or other approved parking areas located entirely on a Lot, as set forth herein. No vehicle may be parked on any street or other internal road of the Community if it interferes with or impedes the flow of traffic and use of the Street by others or if it interferes with a Lot Owner's ability to pull out of or into their approved driveways or parking areas. Owners shall abide by the foregoing and the rules, regulations and restrictions of the Community concerning roads, otherwise the vehicles not abiding by these standards may be towed at the Owner's cost.

9. CLE ELUM PINES WEST COMMERCIAL, ACTIVITY CENTER AND COMMON AREAS.

9.1 Potential Future Activity Center. Declarant retains the option to develop an activity center as part of the future phases of Additional Property described on EXHIBIT A-1, which shall be located within the approved commercial property area designated in the Development Agreement (“Activity Center”), together with a system of common areas and/or trails over and across Cle Elum Pines West, which shall be for the use and benefit of the Owners or others as identified by the Declarant. The Activity Center, common areas and trails (collectively, the “Collective Common Elements”) shall be owned and managed by Cle Elum Pines West LLC, a Washington Limited Liability Corporation, or its successor or assigns; provided, however, in the event Cle Elum Pines West LLC, elects to transfer ownership and/or management of the Collective Common Elements, or any of them, to the Association, the Association shall assume all rights, responsibilities and liabilities thereto pursuant to shared use and operation agreements, approved in advance by the Association in its reasonable business judgement, between Cle Elum Pines West LLC and any other owners or users that will have access to and use of such Collective Common Elements. Cle Elum Pines West LLC, a Washington limited liability company, in its sole discretion may transfer ownership and/or operation of the Activity Center and the Collective Common Elements, if ever developed, to one or more third parties. In no event shall Cle Elum Pines West LLC have any obligation to develop the Activity Center, Collective Common Elements or any other aspect of the Additional Property or future phases.

9.2 Fees. If any Collective Common Elements are ever developed and the Association hereunder owns or has use of the same as contemplated in Section 9.1 above, then annually, the Board of Directors of the Association or board governing the Collective Common Elements, as applicable, shall establish a yearly use fee and reserve fund fee for maintenance, repairs and replacement of the Collective Common Areas and for acquisition and operating reserves (the “Activity Center Fees”). The Activity Center Fees shall be presented to the Association on or before the 1st day of March of each year or any other annual date approved by the Association. The Association shall then include in its annual budget an “Activity Center Assessment” based on the Activity Center Fees and such additional fees as the Association assesses pursuant to this Declaration, the Articles and Bylaws. The Activity Center Assessment shall be payable equally by all Lot Owners on an annual basis, together with and as a part of the regular and other Assessments under this Declaration. Notwithstanding anything to the contrary in this Section 9, any Lot Owner shall have the right to affirmatively opt out of its ability to use the Activity Center and other Collective Common Elements by delivering written notice thereof to the Association and/or to the board governing the Activity Center, as applicable. If such Owner delivers such a written notice, then such Owner shall be exempt from the Activity Center Assessment, the operator of the Activity Center or other Collective Common Element shall note the same, and such Owner and their guests, family members and other Occupants shall thereafter no longer have rights to use the Activity Center or Collective Common Elements; provided, however, that said Owner may thereafter opt back in by written notice given to the applicable party and the Activity Center Assessment and all rights to use the Activity Center shall thereafter commence again. In no event, however, shall any Owner be permitted to opt out or back in

more than once per year (that is, if an Owner opts out, it will not be able to opt back in again until the following annual period, and vice versa).

9.2 Collection. The Association shall collect from each Lot Owner an equal pro-rated share of the Activity Center Assessment based upon the total number of Lots in existence as of the date of such assessment that are using the Collective Common Elements, with each one Lot using the same having one equal share of the total obligation, regardless of ownership.

9.3 Use by Others. The Activity Center may sell memberships to its facilities outside of Owners within the Community. These memberships will carry all of the same benefits and responsibilities of the memberships of the Lot Owners. The memberships sold to non-Lot Owners will only entitle the member to use the primary activity center and shall be under such terms and conditions, as the Activity Center Board shall establish. Any use of and fees paid by non-Lot Owners shall be considered when determining the annual budget of the Collective Common Elements so as to fairly establish fees between all parties using the same.

10. DESIGNATION OF COMMUNITY IMPROVEMENTS.

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

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

10.3 Dedication of Community Improvements. Subject to the approval of and acceptance by such entity, Declarant or the Association may dedicate, or during the Development Period, Declarant may require the Association to dedicate, portions of the Community Improvements to any Governmental Authority but Declarant may only require the same if such dedication would not harm the overall intent and operation of the Association or if the Governmental Authority requires it.

11. USE OF COMMUNITY IMPROVEMENTS.

11.1 Use by Owners. Subject to the provisions of this Declaration and the Rules and Regulations that may hereafter be adopted hereunder, each Owner shall have a right to

use the Community Improvements (as the same may be added to from time to time), which right shall be appurtenant to and pass with the title to such Owner's Lots. Any Owner may extend the Owner's right of use and enjoyment of the Community Improvements to the members of the Owner's family, social or business invitees, and Occupants, as applicable, subject to reasonable Rules and Regulations of the Association. Other restrictions may be placed on the Owner's extending their right to use the Community Improvements. An Owner who leases the Owner's property shall be deemed to have assigned all such rights to the lessee of such property for the period of the lease. Notwithstanding the foregoing general grant of rights with respect to Community Improvements (or any other general grant made in this Declaration), all Community Improvements must be used for their intended purpose as set forth on any plat of the Community, in this Declaration and in the Development Agreement and all Community Improvements are subject to any particular restrictions set forth on any plat of the Community, in this Declaration or in the Development Agreement. Further, notwithstanding the foregoing general grant of rights, if any currently existing or future Community Improvement is designated as a steep slope, wetland, native growth protection area, buffer area, or as any other type of sensitive area or restricted use area on any plat of the Community, or in a binding and applicable covenant, then use of such Community Improvement shall be limited to activities approved by such plat, the City, or other governing authority or party which designated the Community Improvement in such fashion. There shall be no general right of common use and enjoyment or access to such restricted Community Improvements; only those permitted uses thereof as set forth herein.

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

11.3 Restrictions on Use. The following restrictions shall apply to the Community Improvements or the whole of Cle Elum Pines West, as the same may be hereafter developed and added hereto, as provided below:

11.3.1 Private Use. The Community Improvements may not be partitioned or otherwise divided into parcels for private use, and no private structure of any type (except by the Declarant) shall be constructed on the Community Improvements. The Community Improvements shall be reserved for the use and enjoyment of all Owners, and no private use may be made of the Community Improvements, except for temporary uses as authorized by the Declarant during the Development Period. Nothing in this Declaration shall prevent the placing of a sign or signs on the Community Improvements identifying portions of

Cle Elum Pines West or identifying trails, dedicated riparian areas or items of interest, including traffic and directional signs, provided such signs are placed by Declarant or are approved by the Association.

11.3.2 Prohibited Vehicles. Except to the extent specifically authorized in the Rules and Regulations, golf carts, snowmobiles, four wheelers and other motorized off-road vehicles may not be operated within the Community Improvements or on Lots. All vehicles operated within the Property must be licensed, insured and street legal and must be operated by a licensed driver. No off-road or similar recreational use by vehicles of any sort shall be permitted on Lots or roads within the Community. Vehicles may be used for transportation from place to place.

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

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

11.3.5 Rules and Regulations. In addition to the restrictions in this Declaration, during the Development Period, the Declarant may and thereafter the Board may from time to time adopt, modify or revoke such Rules and Regulations governing the conduct of Persons and the operation and use of the Community Improvements as it may deem necessary or appropriate in order to assure the peaceful and orderly use and enjoyment of the Community Improvements; provided such Rules and Regulations shall not be inconsistent with this Declaration. The Rules and Regulations may not unreasonably differentiate among Owners, provided the Board may make exceptions to any Rule or Regulation in one or more instances if the particular circumstances warrant the same. The Board may prescribe penalties for violating the Rules and Regulations, including but not limited to suspension of the right to use Common Areas or parts thereof, and the imposition of fines pursuant to a previously adopted schedule thereof. A copy of the Rules and Regulations, upon adoption, and a copy of each amendment, modification or revocation thereof, shall be furnished by the Declarant and, after the Transition Date, the Association to each Owner and shall be binding upon all Owners and occupants of Property. Any such Rules and Regulations, and/or modification thereto, shall become effective thirty (30) days after promulgation and furnishing of the same.

11.3.6 Governing Documents. Use of the Community Improvements shall be subject to any additional restrictions contained in any of the applicable Governing Documents. As used herein, "Governing Documents" shall mean this Declaration, the

Articles of Incorporation, the Bylaws, the Rules and Regulations and any restriction, covenants or similar matter on any plat of the Community.

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

12.1 Transition Date. Upon the occurrence of the Transition Date, Declarant shall turnover operation of the Association and Community to the Board of Directors of the Association and the Members, as provided in the Governing Documents.

12.2 Declarant reserves the right to assign all or any of its rights, duties, and obligations created under this Declaration; provided that any such assignment shall be recorded in the Office of the Auditor.

12.3 All development taking place in Open Space or in or near critical areas shall comply with local government regulations and be in accordance with all applicable Shoreline and floodway ordinances.

13. OPEN SPACE.

13.1 Title to Open Space. Except for the portions dedicated pursuant to Section 2 above, title to the Open Space or any future Open Spaces may be conveyed to and shall be accepted by the Association by Declarant free and clear of monetary liens (except for non-delinquent taxes and assessments).

13.2 Use of Open Space. The Open Space shall not be partitioned or otherwise divided into parcels for residential use, and no private structure of any type (except utility, recreation or similar facilities permitted by Declarant or the Association) shall be constructed on the Open Space. Except as otherwise provided in this Declaration, the Open Space shall be reserved for the use and enjoyment of all Owners and no private use may be made of the Open Space. Nothing in this Declaration shall prevent the placing of a sign or signs upon the Open Space by Declarant or the Association identifying such area and identifying trails or identifying items of interest, provided such signs are approved by the Architectural Committee and comply with any applicable sign ordinances. The Board shall have authority to abate or enjoin any trespass or encroachment upon the Open Space at any time, by any reasonable means and with or without having to bring legal proceedings.

13.3 Easements Retained by Declarant. So long as Declarant owns any Unit or Lot, Declarant shall retain an easement over, under and across any Open Space in order to carry out development, management, sales and rental activities necessary or convenient for the sale or rental of Units. Declarant, for itself and its successors and assigns, hereby retains a right and easement of ingress and egress over, in, upon, under and across any Open Space and the right to store materials thereon and to make such other use thereof as may be reasonably necessary or incident to the construction of other real property owned by Declarant or an Affiliate thereof; provided, however, that no such rights shall be exercised by Declarant in such a way as to unreasonably interfere with the occupancy, use, enjoyment or access to a Lot/Unit by the Owner thereof or such Owner's family, tenants, employees, guests or invitees and all such use shall be made in compliance with all applicable laws, rules and regulations of all Governmental Authorities.

13.4 Easement to Serve Other Residential Areas. Declarant reserves for itself and its duly authorized agents, successors, assigns, and mortgagees, and the developers of Improvements in all future phases of Cle Elum Pines West, a perpetual easement over any Open Space for the purposes of enjoyment, use, access, and development of the property subject to the Development Agreement, whether or not such property is made subject to this Declaration. This easement includes, but is not limited to, a right of ingress and egress over any Open Space for construction, utilities, water and sanitary sewer lines, communication lines, drainage facilities, irrigation systems, signs and ingress and egress for the benefit of other portions of Cle Elum Pines West and any Additional Property that becomes subject to this Declaration or any property in the vicinity of the Residential Areas or additional property that is then owned by Declarant or an Affiliate thereof Declarant agrees that such users shall be responsible for any damage caused to the Open Space as a result of their actions in connection with development of such property. If the easement is exercised for permanent use by such property and such property or any portion thereof benefiting from such easement is not made subject to this Declaration, Declarant, its successors or assigns shall enter into a reasonable agreement with the Association to share the cost of any maintenance of such facilities. The allocation of costs in any such agreement shall be based on the number of residential dwelling units on the property served by the easement and not subject to this Declaration as a proportion of the total number of residential dwellings units within Cle Elum Pines West and on such benefited property.

13.5 Owners' Use. Subject to provisions of this Article, and except for any Restricted Areas, every Owner and the Owner's Occupants and guests shall have a right to use any Open Space within the Community for the uses for which they are established, which right of use shall be appurtenant to and shall pass with the title to every Lot/Unit.

13.6 Extent of Owners' Rights. The rights to the use and enjoyment in any Open Space within the Community shall be subject to the following and all other provisions of this Declaration:

- (a) The Governing Documents;
- (b) Any restrictions or limitations contained in any deed or other instrument conveying such property to the Association;
- (c) Easements reserved to Declarant for itself and the Association for underground installation and maintenance of power, gas, electric, water and other utility and communication lines and services installed by or with the consent of Declarant or with the approval of the Board and any such easement shown on any plat of the residential areas of the Community ("Residential Areas") and for construction, maintenance, repair and use of any Open Space and any Improvements thereon;
- (d) Easements granted by Declarant or the Association to Governmental Authorities or companies providing utility and communications services and to police, fire and other public officials and to employees of utility companies and communications companies serving the Residential Areas;
- (e) The Board's right to:
 - (i) adopt Policies and Procedures regulating use and enjoyment of any Open Space, including rules limiting the number of guests who may use the Open Space;
 - (ii) suspend the right of an Owner to use recreational facilities within the Open Space as provided in this Declaration;
 - (iii) dedicate or transfer all or any part of the Open Space, subject to such approval requirements as may be set forth in this Declaration;
 - (iv) intentionally deleted;
 - (v) permit use of any recreational facilities situated on the Open Space by persons other than Owners, their families, lessees, and guests with or without payment of use fees established by the Board;
 - (vi) designate areas and facilities of Open Space as Public Areas or Restricted Areas;

13.7 Enjoyment of Owners' Rights. Any Owner may extend the Owner's right of use and enjoyment of any Open Space to the members of the Owner's family, Occupants, and social invitees, as applicable, subject to reasonable regulation by the Board.

An Owner who leases the Owner's Lot/Unit shall be deemed to have assigned all such rights to the lessee of such Lot/Unit for the period of the lease,

13.8 Alienation of the Open Space. The Association may not encumber, sell or transfer title to any Open Space owned directly or indirectly by the Association for the benefit of the Owners unless such encumbrance, sale or transfer has been approved by a majority of the voting rights in the Association.

13.9 Community Improvements. Portions of the currently existing or hereafter expanded Cle Elum Pines West may be designated as Community Improvements. The use, maintenance and operation of the Community Improvements shall be governed by the Board as set out herein.

13.10 Open Space Areas. Any area designated as open space on any plat of the Community or in this Declaration is reserved as open space, and shall be free of Residential Improvements.

13.11 Restricted Areas. Declarant or the Association shall have the right from time to time to designate portions of any Open Space that may not be entered or used by any of the Owners other than Declarant and the Association or such of their respective agents or representatives as may be reasonably required for their preservation, care, maintenance or renewal, to enforce these restrictions, or for such other limited purposes that are permitted by Declarant or the Board (the "Restricted Areas"). Restricted Areas may include environmentally or historically sensitive areas, riparian corridors, wetlands, Crystal Creek, riverbanks and other areas adjacent to Crystal Creek, and other areas Declarant or Board desire to preserve in their natural state or otherwise preserve for the protection of wildlife, personal safety, security or other mutually beneficial purposes.

13.12 Easements. Easements may be reserved as part of the Open Space for signage and visual landscape features, or as otherwise provided in the Supplemental Declaration or other instrument establishing the easement. Such easements are to be maintained by the Association and no changes in landscaping will be permitted without written authorization by the Board. No building, wall, fence, paving, landscaping or construction of any type shall be erected or maintained by any Owner so as to trespass or encroach upon easements included in the Open Space.

14. ADDITIONAL PROPERTIES.

14.1 During the Development Period, the Declarant shall have the right to include Additional Properties which have been or will be developed in a manner similar to that outlined herein and to grant participation, voting rights and obligations on identical terms to the Lot Owners of such Additional Properties, all as stated in Section 2 above. At such time as Declarant elects to extend the rights contained herein to any Additional Properties,

Declarant shall execute and record an amendment to this declaration subjecting the Additional Properties to all or portions of this Declaration pursuant to as provided herein.

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

15. PROPERTY RESTRICTIONS.

15.1 Each Lot Owner shall use their respective Lot exclusively for residential purposes except as otherwise provided herein and in such a manner as to not interfere with the reasonable use and enjoyment of a Lot by the other respective Lot Owners or otherwise constitute a nuisance to the other Lot Owners.

15.2 No dwelling shall be erected, altered, placed, or permitted to remain on the Lots other than one (1) single-family residence except as otherwise provided herein. No Lot shall be used for any purpose other than a single-family residence, except as allowed within the Cle Elum Pines West Development Agreement and herein.

15.3 No business or commercial activity is allowed on any Lot, including but not limited to, storage of materials, parking of commercially used vehicles with over two axels or machines or placement of commercial signs and except as allowed within the Cle Elum Pines West Development Agreement. Notwithstanding the foregoing or anything in Section 15.1 above to the contrary, upon written request by an Owner, the Board may allow an Owner to conduct an "in-home business", provided that (i) all business activities are carried on within the Residence, (ii) no commercial signs or advertising are visible, (iii) there are no unreasonable number of employees, clients, customers, tradesmen, student, suppliers, or others that come to the Residence in connection with such business, but in no event in any number that would unduly burden the Community, its parking or create a material amount of additional traffic through the Community, as such standards are determined by the Board in its sole and absolute discretion, and (iv) the residential nature of the development is not otherwise disrupted by this activity. Notwithstanding the foregoing, to the extent required under RCW 64.38.060, operation of an "adult family home" on a Lot shall not be prohibited.

15.4 Commercial farming, ranching, logging, manufacturing and/or agriculture, or the like, is not allowed on any Lot.

15.5 No Lot Owner shall carry on any activity of any nature whatsoever on any Lot that is in violation of laws and statutes of the United States of America, the State of Washington, Kittitas County, City of Cle Elum, or any other applicable Governmental Authority now existing or hereafter created.

15.6 Outside of the development of the Lots into residences, the Property shall be kept in a predominantly natural wooded state as much as possible. Small lawns, flowers and gardens may be planted on Lots. Vegetation on Lots should be of the natural occurring variety to the extent reasonably practicable. All landscaping designs on Lots should rely on water conservation technologies. Except for the construction of residences on Lots, there shall be no removal of healthy live deciduous or coniferous trees unless said removal is part of a landscaping plan or tree-thinning plan submitted to and approved by the Board if required necessary by the Board. Submissions of such plans shall be made as described in Section 3. Said plan must show how the natural environment will be maintained to the extent reasonably practicable. This section specifically recognizes that tree thinning may be needed. Trees shall be thinned in such a manner to enhance the natural environment. Notwithstanding anything in this Section to the contrary, removal of trees is allowable for building sites. Further, this section shall in no way limit a property owner's right to remove a tree, which may be diseased, or constitute a hazard or be a threat to life or property. This section shall in no way limit the Declarant from meeting the requirement harvest timber pursuant to the Development Agreement.

15.7 There shall be no use or storage of any environmentally dangerous materials on any Lot, except typical household products.

15.8 Only those pets listed in Section 1.27 shall be allowed. All pets shall be properly restrained, fenced, maintained and otherwise kept so as to not interfere with any other Lot and/or so as to cause any threat or harm to any person or animal, nor the Lot Owner's use of their property. Activities such as raising pets for 4-H type activities is permitted as well as the breeding and selling of no more than two (2) litters total pets per year; otherwise, all other breeding or raising of animals for commercial purposes is prohibited. Pets, as listed above, are permitted within the trail easements only when accompanied by their owners or owner's agent(s), and are under leash. Proper animal husbandry practices shall be employed to maintain animals in a healthy environment and condition at all times. There shall be no more than 3 pets, as listed above, maintained outside of the primary residence; all other pets must be kept primarily indoors. Owners shall be responsible for cleaning up any and all of their pets' waste on the Property, including on the respective Owner's Lot. If an Owner fails to clean up their animals' waste, the Association may, but shall not be obligated to, take such action as may be necessary to clean up the pets' waste and shall have the right of entry for such purposes. Any costs incurred by the Association in connection with such action shall be deemed to be a Special Assessment of the Owner whose animal(s) created the waste. No animal shall be allowed to make an unreasonable amount of noise or become a nuisance as determined by the Board, at its sole discretion. Notwithstanding anything above, no animal that is considered dangerous, threatening or otherwise harmful to others or that displays any such qualities after being within the Community shall be permitted or allowed to remain within the Community after notice and opportunity to be heard. After notice and an opportunity to be heard, the Board shall have the right to require removal of any animal from the Lot which it finds in its sole discretion to violate this subsection.

15.9 No open fires shall be permitted except (i) when approved by the local fire department, or City, the controlling state agency, and (ii) when contained within a barbecue pit or a rock or concrete lined fire ring not more than 4 feet in diameter or other reasonable sized approved in advance by the Board.

15.10 No inoperable, and/or uninsured, and/or unlicensed motor vehicles, machinery, equipment, camper, boat, boat trailer, recreational vehicle, or similar item shall be stored on any portion of any Lot except within an enclosed garage or outbuilding as allowed under this Declaration.

15.11 No motor vehicle, machinery and/or equipment repair work shall be performed for more than a twenty-four (24) hour period unless contained in a fully enclosed garage or outbuilding. Repair work may only be done on Lot Owners equipment and said work on any equipment shall not exceed 2 days in any month or be completed inside of a building in such a manner so that the work is shielded from view.

15.12 Except on an occasional and temporary basis not to exceed ten (10) days, no more than three vehicles may be parked outside of a garage or building on any Lot. Said vehicles must be in running condition, licensed and insured. It is the intent of these covenants to allow residents and/or Lot Owners to park their personal operating vehicles on their Lot. It is further the intent of these covenants not to allow storage or display of unused or inoperable vehicles, outside of a garage or building on any Lot.

15.13 One recreational vehicle or travel trailer per Lot that is licensed and insured and in good running condition may be parked outside of a garage provided said vehicle is parked in an area on either the rear or side of the residence and that said vehicle or trailer is screened from view of the street by an approved fence or vegetation. There shall be no inhabitation of any recreational vehicles, trailers, or other items that are parked on the property before or after construction except on a temporary basis not to exceed 14 days continuously or 30 days in any given year. Prior to construction, a recreational vehicle may be parked on the property for a period not to exceed four (4) weeks per year. With the written approval of the Board a recreational vehicle or travel trailer may be parked on the Lot during home construction for a period not exceeding six (6) months.

15.14 Except on an occasional and temporary basis not to exceed ten (10) days, no more than four boats, snowmobiles, trailers, or other recreational items, or any combination thereof, may be parked outside of a garage or building on any Lot; provided, however, such items must be licensed, insured, and in operating condition and must be parked in an area on either the rear or side of the structure and screened from view of the street by an approved fence or vegetation.

15.15 Each Lot shall be maintained in good order, condition and repair and shall be kept in a clean, sanitary condition at all times. The Lot shall be kept free of all junk, trash, litter, rubbish, garbage, weeds, debris, containers, equipment, and building materials

(temporary storage during construction phases excluded), and any repairs, painting, landscaping, and/or maintenance shall be prosecuted diligently and continuously from commencement until completion in order to maintain the appearance and condition of the Structures and the Lot. The use of blue tarps is not permitted. Earth toned colored tarps will be permitted. All landscaping shall be maintained as provided in the owners landscaping plan and meet the landscaping maintenance criterion that is established by the Declarant. The Declarant may modify said criteria.

15.16 Garbage receptacles and trash cans shall be sanitary and in complete conformity with municipal sanitary rules and regulations. All garbage and trash containers must be stored in such a manner so that they are not visible from another Lot or from any county or private road and protected from animals. No trash, garbage, ashes, yard rakings, or other organic materials resulting from landscaping activities or other refuse shall be thrown, dumped, piled, stacked, or allowed to accumulate in any way on any Lot, street or driveway. There shall be no burning of garbage or trash.

15.17 Any damage to streets, property improvements, entry structures, fences, landscaping, mailboxes, lights and lighting standards by Lot Owners, their children, contractors, Occupants, agents, visitors, friends, relatives or service personnel shall be repaired by such Lot Owner within ten (10) days from the occurrence of such damage. If the damage is not repaired within the time specified the Board may repair said item and charge the Lot Owner for said repair, including any administrative charges.

15.18 No noxious or offensive activity, including but not limited to the creation of excess levels of noise, dust, noxious odors, or storage of materials or equipment, which may be visually offensive, shall be conducted on any Lot, nor shall anything be done thereon which may be or become an annoyance or nuisance to other Lot Owners or Occupants. The validity of any claims or complaints under this section shall rest with the Board and Lot Owners agree to abide by any decisions of the Board regarding ceasing activities found to not be in compliance with this section.

15.19 Weapons shall be permitted on the Property but may not be discharged except for reasons of self-defense. Any Lot Owners shall allow no discharge such that it violates any law, endangers life, limb or property, or interferes with the use and enjoyment of the Property. Items considered to be weapons shall include but not be limited to bows and arrows, cross bows, any pistol or rifle, shotgun, slingshot, BB gun, or pellet gun, paint ball gun, including any device that propels any object through the air at dangerous speeds. No hunting, trapping, or killing of wildlife shall be allowed on the Property except when reasonably necessary to avoid eminent threat of harm or death.

15.20 No oil, gas or other mineral drilling (not including water), development operations, refining, coring, or other mining operations of any kind shall be permitted upon, in or under any Lot, nor shall wells, tanks, tunnels, or mineral excavations be permitted upon or under any Lot. No structure designed for use in boring for oil or natural gases shall be

erected, maintained, or permitted upon any Lot. Propane tanks and heating oil tanks for residential use are allowed.

15.21 There shall be no parking of vehicles on or within any road right of way or within any road easement, except as permitted herein.

15.22 Except as provided in this Section, no vehicles having in excess of two axels may be parked or stored on any Lot in excess of eight (8) hours. This is not intended to prevent the storage of a motor home as provided within this document.

15.23 All vehicles operated within the Property must be licensed, insured and street legal and must be operated by a licensed driver and only operated on the roads within the property. No off-road or similar recreational use by vehicles of any sort shall be permitted on Lots or roads within the Community. Vehicles may be used for transportation from place to place.

16. BUILDING AND CONSTRUCTION REQUIREMENTS:

16.01 No dwelling or other structure shall be maintained, constructed, located, modified or repaired on any Lot in violation of the requirements of any applicable Governmental Authority.

16.02 No structure shall be maintained, constructed, located, modified, or repaired on any Lot without the Lot Owner or the Lot Owner's contractor obtaining a building permit and any other permits required by any and all Governmental Authority.

16.03 No Structure shall be constructed, located, modified, or repaired on any Lot without the Lot Owner submitting the plans to Board for review and approval pursuant to Section 3 herein. The Lot Owner shall receive written approval from the Board, and include any required City Building Permit Application, before beginning any construction activity of any kind on any Lot including but not limited to earth grading, tree cutting, landscaping, or construction.

16.04 All building designs shall meet the guidelines set forth by the City. All site development, driveways and access routes shall be constructed in such a manner that will allow fire and rescue vehicles access to all Structures on a Lot.

16.05 All residences shall be built to the City Building Code, which is adopted by the governmental authority having jurisdiction over the construction of structures within the Lot.

16.06 Except for any Structure installed or completed by Declarant or a Participating Builder, no pre-manufactured home, mobile home, or trailer home, shall be allowed to be placed on or erected on any Lot, whether temporary or permanent.

16.07 No structures of a temporary character or nature (other than temporary construction-related structures), trailers, shack, garage, barn, mobile homes, or other outbuildings shall be installed, stored, placed or used on any Lot either temporarily or permanently, except as allowed herein or otherwise permitted by the ALRC that are consistent with the general nature of the Community.

16.08 All residences and other Structures shall be placed on a Lot in compliance with all required front, back and side yard setbacks. A variance may be requested and will be granted on a case-by-case basis depending on the Lots characteristics and allowances within the Development Agreement. Residences shall not exceed the height permitted by the City.

16.12 Garages and outbuildings shall be permitted, provided that:

16.12.1 No garage or outbuilding shall be constructed prior to the construction of the single-family residence;

16.12.3 All garages and other outbuildings shall be consistent with the single family residence constructed on a Lot as to the exterior finish, style, and color scheme used.

16.12.4 Garages and outbuildings shall conform with the exterior color and roofing material requirements of the provisions provided herein.

16.13 Architectural design of all buildings or Structures shall be reviewed and approved by the ALRC.

16.13 Exterior finish shall be reviewed and approved by the ALRC.

16.14 Roofs shall be reviewed and approved by the ALRC.

16.15 All residences shall be designed and built taking advantage of low water consumption technology and plumbing fixtures in all areas of the home and landscaping. Wasteful use of water is not permitted.

16.16 All residences shall have at least one readily accessible frost free outside hose bib that may be used for initial fire protection purposes.

16.17 Outdoor mercury vapor, halogen, sodium, or similar yard lights shall be permitted; provided, however, use thereof is limited to between the hours of 6:00 a.m. to 11 p.m. or any other hours established in any Rules and Regulations, as the same may change from time to time. This provision shall allow accent lighting, porch lights, and motion sensitive to similar low intensity lighting not to exceed 350 watts in total or other standards set forth in the Rules and Regulations from time to time.

16.18 All Structures erected on any Lot shall be completed within the time periods set forth in Section 3 above.

16.19 All Lots shall be maintained in a neat and orderly condition during Construction. No dirt, debris, or other materials shall be allowed to come off of any Lot onto any road, common areas, other Lots, or other parts of the Property as a result of any construction or other activities approved hereunder.

16.20 All driveways shall be hard surfaced unless otherwise approved by the City and the ALRC. There shall be only one driveway access to any Lot.

16.21 All utility wires shall be installed and maintained underground, unless otherwise approved by the City and the ALRC.

16.22 All yards, driveways and landscaping must be completed within twelve (12) months from the date of completion of the residence; provided, however with good cause shown, the ALRC may extend this term.

16.23 The ALRC may adopted and thereafter modify from time to time general fencing standards of the Community in the Rules and Regulations. All fences constructed shall, in their design, take into account the terrain where the fence is located and the appearance and effect that it has on the surrounding lots. It is the intent of this section that fences must minimize any disruptive visual impact and be constructed of materials and colors consistent with the housing structures in the development. A fencing plan must be submitted to the ALRC for design approval. All fences shall be constructed of wood and preserved with a natural stain the color of which shall be approved by the ALRC. Fences shall not be allowed in trail or road right of ways or easements. Lot owners should note that fences are allowed within utility easements but it is the Lot owner's responsibility to insure they do not place a fence on top of or within 10 feet of any existing utility or provide the utility provider access to their utilities and remove such fencing temporarily at such Owner's cost upon demand of such utility. Please check with the utility companies prior to constructing a fence. Dog kennels shall be allowed and shall not exceed 300 square feet in size nor 8 feet in height and may be constructed of fencing types approved in advance by the ALRC. Dog kennels shall not be visible from the road nor adjacent structures and shall meet minimum set back for structures and may be fenced with wire as long as they are screened with landscape.

16.24 Exterior colors, including roofing materials and trim, shall be earth tones or shades otherwise approved by the ALRC but shall be as follows: All large areas of color, such as walls and roofs shall be restricted to tones or shades in earth colors or other shades approved by the ALRC.

17. CLE ELUM PINES WEST OWNER'S ASSOCIATION.

17.1 Organization. The Declarant has organized within the State of Washington an owners' association known as "Cle Elum Pines West Owners Association". The Association has been incorporated under the name of Palmer Place Homeowners Association, as a non-profit corporation under Revised Code of Washington, Chapter 24.03. Declarant may change the name of the Association during the Development Period if Declarant elects to use a different name for marketing purposes. The membership of the Association at all times shall consist exclusively of all the Lot Owners. Each Lot Owner by virtue of these covenants, conditions and restrictions is, must and shall be a member in Cle Elum Pines West Owners Association.

17.2 Development Period. Until the termination of the Development Period, the Declarant hereby reserves as a development right for itself, its successors or assigns, the power to exercise all rights, powers and functions of the Association, or the Board thereof, which development right shall be exercised and/or performed solely by Declarant without further authority from or action by the Members. During the Development Period, Declarant shall have no obligation to publish financial statements, hold meetings or otherwise account to or consent with the Members, except as required under RCW 64.38, RCW 24.03 or any other required law, or as expressly required herein. Before termination of the Development Period, the Declarant, acting pursuant to its authority to act on behalf of the Association, shall adopt Bylaws. During the Development Period, Declarant shall have as a development right, the sole authority to amend the Bylaws. The Declarant's control of the Association during the Development Period is established so that the Property, Community, and the Association will be adequately administered in the initial phases of development and to ensure an orderly transition of the Association's operations. Upon termination of the Development Period, administrative power and authority for management of the Common Areas shall pass to the Board of Directors and Members as provided herein and in the Bylaws of the Association.

17.3 Board of Directors. The Association shall be managed by a Board of Directors, elected or appointed in accordance with this Declaration, the Articles, and the Bylaws of the Association. Notwithstanding the foregoing, the Declarant shall have as a Development Right the right to appoint and remove all members of the Board in its sole discretion until the Transition Date. The initial Board of Directors shall be:

Keith Manske, President

SSHI LLC
11241 Slater Ave. NE, Suite 200
Kirkland, WA 98033

Pat Daneen, Vice President

Cle Elum Pines East LLC
P.O. Box 808
Cle Elum, WA 98922

Alan Paszek, Secretary

SSHI LLC
11241 Slater Ave. NE, Suite 200
Kirkland, WA 98033

17.4 Delegation to Manager. To the extent permitted by law, the Board may delegate any of its managerial duties, powers, or functions to any Person or entity as its manager by written instrument (such party, the “Manager”). The Board members shall not be liable for any omission or improper exercise by the Manager of any duty, power, or function so delegated by written instrument authorized and entered into by the requisite vote of the Board.

17.5 Association Responsibilities. The duties and powers of the Association are those set forth in its Articles and Bylaws, together with all general and implied powers as a not for profit corporation under the laws of the State of Washington. The Association shall have the right and power to generally to do any and all things that a corporation organized under the laws of the State of Washington may lawfully do which are necessary or proper in operating for the peace, health, comfort, safety and general welfare of its Members, subject only to the limitations upon the exercise of such powers as are expressly set forth in its Articles, its Bylaws, ay plat of the Community and in this Declaration. As of the Transition Date, except as may be specifically reserved or stated herein, the rights, duties and responsibilities of Association shall be deemed to be automatically transferred to the Board from Declarant.

17.5.1 Specifically, but not by way of limitation, the Association shall effectuate the purposes of this Declaration, including but not limited to: (i) adopting and enforcing Rules and Regulations; (ii) adopting an operating and capital budget; (iii) controlling and administering the Association’s funds, including the levy, collection, and disbursement of Assessments; and (iv) administering and enforcing this Declaration. Subject to any dedications made, other rights granted or other provisions of this Declaration, the Association shall have the authority and obligation to establish, manage, repair, operate, and administer any common areas and any Community Improvements. Subject to the approval of any applicable governmental agency and to the approval of the ALRC, the Association may at any time, and from time to time, construct, reconstruct, improve, replace and/or restore any Improvement or portion thereof upon the common areas and Community Improvements, and the Association may construct, reconstruct, improve and/or replace destroyed trees or other vegetation and plant trees, shrubs, ground cover and other landscaping upon the common areas and Community Improvements. The Association may employ personnel necessary for the effective operation and maintenance of the Common Areas, including the employment of legal and accounting services. Further, the Association shall:

(a) Except where the City of Cle Elum takes the responsibility, shall maintain the Community Improvements and common or shared drainage ditches, creek

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

(b) The Association shall maintain any entry signage for the Community, common areas, shared or common stormwater facilities and Trail signage.

(c) The Association shall maintain the internal roads of the Community as provided herein.

(d) The Association shall keep detailed financial records.

(e) shall do such other matters as may be determined reasonable or necessary by the Board and/or by a majority vote by the Lot Owners.

(f) Adopt and amend Bylaws, Rules and Regulations;

(g) Adopt and amend budgets for revenues, expenditures, and reserves, and impose and collect assessments for common expenses from Lot Owners as provided herein;

(h) Hire and discharge or contract with managing agents and other employees, agents, and independent contractors;

(i) Make contracts and incur liabilities;

(j) Impose and collect any payments, fees, or charges for the use, rental, or operation of the Community Improvements, common elements, for maintenance of right of ways including but not limited to snow removal, street sweeping, and for services provided to Lot Owners, including enforcing liens against Lots to collect Assessments, all as provided herein;

(k) Impose and collect charges for late payment of Assessments and, after notice and an opportunity to be heard by the Board or by such representative designated by the Board and in accordance with such procedures as provided in the Bylaws or rules and regulations adopted by the Board, levy reasonable fines in accordance with a previously established schedule thereof adopted by the Board and furnished to owners for violations of the Declaration, Bylaws, Rules and Regulations of the Association.

(l) Provide for the indemnification of its officers and Board and maintain directors' and officers' liability insurance;

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

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

17.5.2 The Association shall be responsible for the payment of power bills, maintenance, repair, and any other associated operating costs for the common areas, the Community Improvements, and common facilities of the Community, unless that responsibility is otherwise assigned by this Declaration, any plat of the Community or regulations of a Governmental Authority with jurisdiction over any such plat. The Association shall also be responsible for payment of the general expenses and operating costs associated with maintaining, operating and administering the Association and all of its duties and rights under this Declaration. The Board shall acquire and pay for as common expenses any goods or services reasonably necessary or convenient for the efficient and orderly maintenance of the Property and the Association's duties under this Declaration and as necessary to operate the Community.

17.6 Membership. An Owner of a Lot shall automatically be a Member of the Association and shall remain a Member until such Ownership ceases, at which time Membership shall automatically cease. Membership shall be appurtenant to and may not be separated from Ownership of each Lot. The Owners covenant and agree that the administration of the Property shall be in accordance with the provisions of this Declaration, the Articles, and the Bylaws. Except as may otherwise be provided herein, the rights, duties, privileges and obligations of all Members shall be as set forth in this Declaration, the Articles, and the Bylaws. Membership held by any Owner shall not be transferred, pledged or alienated in any way, except upon the sale or encumbrance of such Owner's Lot and then only to the purchaser or Mortgagee of such interest in such Lot. Any attempt to make a prohibited transfer is void and will not be reflected upon the books and records of the Association. Owners shall promptly notify the Board or its Manager of any pending sale or transfer of a Lot so the Association may provide accurate information to any associated escrow, purchaser, transferee or Mortgagee concerning any amounts owed or matters described under this Declaration. All new Owners of Lots shall notify the Board or its Manager promptly upon (but in no event later than 5 business days after) the Close of Escrow or other transfer of a Lot so that the Association may maintain accurate books and records concerning its Members.

17.7 Voting Rights.

17.7.1 Voting Rights. The right to vote may not be severed or separated from any Lot, and any sale, transfer or conveyance of a Lot to a new Owner or Co-Owners shall operate to automatically transfer the appurtenant vote without the requirement of any expressed reference thereto. An Owner may, by written notice delivered to the Board, designate a voting representative for its voting rights if expressly permitted in the Bylaws. Notwithstanding the foregoing, the voting rights of any Member may be suspended as provided in this Declaration, the Articles, or the Bylaws. Member votes may be tabulated by

mail, facsimile, email, or other electronic transmission.

17.7.2 Co-Owners. If an ownership interest in a Lot is held by multiple Persons ("Co-Owners"), the Association shall have no responsibility to accept any vote for such Lot if such vote is disputed among the Co-Owners.

17.7.3 Proxies. Members may vote at any meeting of the Association in person or by proxy. A proxy must be in writing, signed by the designated voting Member for the Lot and filed with the Board in advance of the meeting at which such vote is taken. No Owner may revoke any proxy given by a Member to or in favor of a Mortgagee without the prior written consent of the holder of the Mortgagee.

18. ASSESSMENTS, LIENS AND COLLECTION OF ASSESSMENTS.

18.1 Creation of the Lien and Personal Obligation of Assessments. Each Owner of a Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association any Assessment duly levied by the Association as provided in this Declaration. Such Assessments, together with interest, costs, late charges and reasonable attorneys' fees, shall also be a charge on the land and shall be a continuing lien upon the Lot against which each such Assessment is made. Each such Assessment, together with interest, costs, late charges, and attorneys' fees (including all such costs and fees incurred in connection with collection of the Assessment), shall also be the personal obligation of the Person who was the Owner of such Lot at the time when the Assessment fell due. The personal obligation for delinquent Assessments shall not pass to an Owner's successor in title unless the lien for such delinquent Assessments had been Recorded prior to title transfer, or unless expressly assumed by the successor in title. When Ownership of a Lot changes, Assessments which have been levied but are not yet due and payable in full shall be prorated between the transferor and the transferee based on a 365-day year.

18.2 Liability for Assessments. The Owner of each Lot shall be personally liable for all Assessments imposed on such Lot pursuant to this Declaration, on a joint and several basis. Declarant shall not be obligated to pay any Assessment levied against any Lots owned by it unless a Residence has been constructed on the Lot and such Residence is occupied. No Owner may exempt himself or herself from liability for his Assessments by abandoning any Lot owned by him or her or by not using any Common Areas.

18.3 General Assessments.

18.3.1 Association Budget. The Board shall prepare an operating budget (the "Budget") for the Association for each calendar year. The Declarant shall adopt the initial Budget of the Association. Every Budget shall set forth sums required by the Association, as estimated by the Board, to meet its annual common expenses. Within thirty (30) days after adoption by the Board of any proposed regular or special Budget of the

Association, the Board shall set a date for a meeting of the Owners to consider ratification of the Budget not less than fourteen (14) nor more than sixty (60) days after mailing of the summary. Unless at that meeting the Owners of a majority of the votes in the Association are allocated or any larger percentage required by law or specified in the governing documents reject the Budget, in person or by proxy, the Budget shall be deemed ratified, whether or not a quorum is present. In the event the proposed Budget is rejected or the required notice is not given, the periodic Budget last ratified by the Owners shall be continued until such time as the Owners ratify a subsequent Budget proposed by the Board. General Assessments on each Lot shall commence as follows: (i) for Lots on which Declarant has built a Residence, General Assessments on such Lots shall commence upon the earlier of the close of escrow for the initial transfer of such Lot with a completed Residence, or upon the occupancy of such Residence; (ii) for Lots sold by Declarant to a Participating Builder, General Assessments shall commence on the earlier of the date of the close of escrow for the Participating Builder's sale of the Lot with a completed Residence, or upon the occupancy of such Residence; and (iii) for Lots sold by Declarant to anyone who is not a Participating Builder, General Assessments shall commence on the Close of Escrow. After the Transition Date, the Members of the Association who are obligated to pay General Assessments based on a particular Budget may reject said Budget at a special meeting of the Association by a Majority Vote. After the Transition Date, the Board shall not increase the amount of the General Assessments in any year by more than fifteen percent (15%) without a Majority Vote, in addition to the ordinary Budget ratification process. If during the year the Budget proves to be inadequate for any reason, including nonpayment of any Owner's Assessment, the Board may prepare a supplemental Budget for the remainder of the year. A supplemental Budget that results in an increase in an Owner's Assessments shall be ratified pursuant to this Section. Until General Assessments have commenced on all Lots, Declarant shall have the option for each calendar year of either paying an amount equal to the General Assessments which would have been due with respect to the unoccupied Lots owned by the Declarant had General Assessments commenced thereon or paying to the Association an amount equal to the excess, if any, of actual expenses of the Association over General Assessments levied.

18.3.2 Levy of General Assessment. In order to meet the costs and expenses projected in its Budget, the Board shall determine and levy on every Owner a General Assessment. The Association's Budget shall be divided by the number of Lots to determine the amount of the General Assessment applicable to each Lot. Except as provided in this Section 18 with respect to unoccupied Lots owned by the Declarant or a Participating Builder, each Owner's share of General Assessments shall be calculated by multiplying the number of Lots owned by the Owner by the amount of the General Assessment for each Lot. General Assessments shall be payable in a lump sum annually on the date determined by the Board or may be billed on a quarterly or monthly basis if the Board so elects.

18.3.3 Amount of General Assessment. After ratification of the Budget by the Owners as set forth in Section 18 above, the Board shall notify the Owners of the amount of the General Assessment payable by each Owner for an Assessment Period at

least thirty (30) days in advance of beginning of such Assessment Period. Notice of the General Assessment shall thereupon be sent to each Owner; provided, however, that failure to notify an Owner of the amount of a General Assessment shall not render such General Assessment void or invalid and each Owner shall be obligated for such General Assessment even if no notice is given, and/or notice is given late. Any failure by the Board, before the expiration of any Assessment Period, to fix the amount of the General Assessment hereunder for the next Assessment Period, shall not be deemed a waiver or modification in any respect of the provisions hereof or a release of any Owner from the obligation to pay the General Assessment, or any installment thereof, for that or any subsequent Assessment Period.

18.3.4 Assessment Period. The Assessment Period for General Assessments shall be a calendar year or any other annual period elected by the Board from time to time. The General Assessment for the preceding Assessment Period shall continue until a new Budget is approved.

18.4 Capital Improvement Assessments.

18.4.1 Capital Improvement Work. In addition to the General Assessments, the Board may levy Capital Improvement Assessments at any time for the purpose of paying the cost of any installation, construction, reconstruction, repair or replacement of any capital improvements ("Capital Improvement Work") in or on a common area, or for such other purposes as the Board may consider appropriate. Capital Improvement Assessments shall require a Majority Vote. The total cost of the Capital Improvement Work shall be divided by the number of Lots to determine the amount of the Capital Improvement Assessment applicable to each Lot. Each Owner's share of the Capital Improvement Assessment shall be calculated by multiplying the number of Lots owned by the Owner by the amount of the Capital Improvement Assessment for each Lot. Capital Improvement Assessments shall be payable in one lump sum, or in installments, as determined by the Board. The Association may charge interest on any Capital Improvement Assessment payable in installments, as determined by the Board, and such interest shall become part of the installments due. Capital Improvement Assessments may be levied either before or after the Capital Improvement Work is done, in the discretion of the Board.

18.5 Special Assessments. The Association may levy Special Assessments against one or more Lots as provided in this Declaration. Special Assessments shall be as determined by the Board in accordance with this Declaration. Special Assessments shall be payable in one lump sum, or in installments, as determined by the Board. The Association may charge interest on any Special Assessment, as determined by the Board, and such interest shall become part of the installments due.

18.6 Accounts. Any Assessments collected by the Association shall be deposited in one or more Federally insured institutional depository accounts established by the Board. The Board shall have exclusive control of such accounts, unless the Board authorizes a Manager by written instrument to have access to such accounts for the purposes set forth

herein, in which case all such access by the Manager shall be had under the supervision and authority granted by the Board. The Board shall maintain accurate records of all accounts. No withdrawal shall be made from said accounts except to pay for charges and expenses authorized by this Declaration.

18.7 Records and Financial Statements. The Board shall prepare or cause to be prepared for any fiscal year in which the Association levies or collects any Assessments, a balance sheet and an operating (income/expense) statement for the Association which shall include a schedule of delinquent Assessments identified by the number of the Lot and the name of the Lot Owner; provided, however, such documents need not be prepared by a certified public accountant unless requested by the Board or the Owners by a Majority Vote. The annual financial statement of the Association need not be audited unless (i) the total of all Assessments for the year for all Lots is \$50,000 or more, and (ii) the audit is not waived by at least 67% of votes at a meeting of the Association at which a quorum is present. The Board shall cause detailed and accurate records of the receipts and expenditures of the Association to be kept specifying and itemizing the maintenance, operating, and any other expense incurred. Such records, copies of this Declaration, the Articles and the Bylaws, and any resolutions authorizing expenditures of Association funds shall be available after the Turnover Date for examination by any Owner at convenient weekday hours upon reasonable advance notice.

18.8 Certificate of Assessment. A certificate executed and acknowledged by the Treasurer or the President of the Association (or any Manager or other authorized agent thereof, if neither the President nor Treasurer is available) stating the indebtedness for Assessments and charges, or lack thereof, upon any Lot shall be conclusive upon the Association as to the amount of such indebtedness on the date of the certificate, in favor of all persons who rely thereon in good faith. Such a certificate shall be furnished to any Owner or any Mortgagee of a Lot within a reasonable time after request at a reasonable fee.

18.9 Contribution to Working Capital Fund. In connection with the closing of the sale of each Lot to an Owner other than Declarant, the initial Owner of such Lot (excluding a Participating Builder who acquires Lots from Declarant) shall make a nonrefundable working capital contribution payment to the Association for an initial working capital fund ("Working Capital Fund"), which contribution shall be in an amount equal to \$200.00 per Lot (the "Initial Working Capital Contribution"). The Initial Working Capital Contribution shall not be considered an advance payment of any Assessments hereunder. The Working Capital Fund may be used as determined by the Board.

18.10 Delinquency. Any installment of any Assessment provided for in this Declaration shall be delinquent, if it is not paid on the due date as established by the Board. With respect to each installment of an Assessment not paid within ten (10) days after its due date, the Board may, at its election, require the delinquent Owner to pay a late charge in the amount set forth in a previously approved schedule thereof which has been delivered to the Owners, together with interest on such delinquent sum at a rate to be determined by the Board, but not to exceed the maximum rate permitted by law, calculated from the date of delinquency to and including the date full payment is received by the Association. If any installment of an

Assessment is not paid within thirty (30) days after its due date, the Board shall mail a notice to the Owner and to any Mortgagee of such Owner of Record, specifying (1) that an installment is delinquent; (2) the amount of the Assessment and any late fees and interest accrued thereon; and (3) that (a) failure to cure the default on or before the date specified in the notice may result in acceleration of the balance of the installments of the Assessments for the then current fiscal year and (b) the Association has the right to record a lien ("Association Lien") against the Owner's Lot for the full amount of the Assessment and related charges. The Association shall have the right to accelerate all of the unpaid balance of all Assessments for the then current fiscal year, attributable to that Owner and his Lot or interest therein, after written notice as specified above. Such accelerated Assessments shall be immediately due and payable without further demand. The Association may record a lien against the Owner's Lot and enforce the collection of the Assessments and all charges thereon in any manner authorized by law or by this Declaration.

18.11 Lien and Notice of Lien. Each Owner vests in the Association, or its Manager or assigns, the right and power to bring all actions at law or to foreclose an Association Lien provided for in Section 5.1 against an Owner and such Owner's Lot for the collection of delinquent Assessments. No action shall be brought to foreclose said delinquent Association Lien or to proceed under the power of sale herein provided sooner than thirty (30) days after the date a notice of claim of lien is recorded by the Association in the Auditor's Office and a copy thereof is deposited in the United States mail, certified or registered, postage prepaid, to the Owner of said Lot at said Owner's last known address and to any Mortgagee of said Lot of Record. The notice of claim of lien must contain a sufficient legal description of said Lot, the record Owner or reputed Owner thereof, and the amount claimed, including, at the Association's option, the cost of preparing and recording the notice of claim of lien, interest on said unpaid Assessments and costs of collections, including title reports and attorney's fees. Each Owner, by acceptance of the deed for a Lot subject to this Declaration, acknowledges that all liens authorized hereunder are consensual.

18.12 Foreclosure and Sale. Any such foreclosure and sale provided for in Section 18 shall be conducted in accordance with the laws of the County of Kittitas, State of Washington. The Association, through its duly authorized agents, shall have the power to bid on the Lot at the foreclosure sale and to acquire, hold, lease, mortgage and convey the same.

18.13 Curing the Default. Upon the timely curing of any default for which a notice of claim of lien was recorded by the Association, the Board, or its Manager, shall record an appropriate release of such notice upon payment by the defaulting Owner of a fee to be determined by the Board to cover the cost of preparing and recording such release, together with the payment of such other costs, interests and fees as shall have been incurred by the Association by reason of such default (including reasonable title and attorney's fees incurred).

18.14 Cumulative Remedies. The Association Lien and right of foreclosure and sale thereunder shall be in addition to, and not in substitution for, all other rights and remedies which the Association, and/or its assigns, may have hereunder, in equity and at law,

including, but not limited to, a suit to recover a money judgment for unpaid Assessments, or the suspension of a Member's right to vote or the right to use common areas until any Assessments unpaid for a period in excess of 30 days are paid. Any institution of a suit to recover a money judgment shall not be an affirmation of the adequacy of money damages.

18.15 Subordination of Association Liens. All sums assessed in accordance with the provisions of this Declaration shall constitute a lien on the respective Lot prior and superior to all other liens, except (1) all taxes, bonds, assessments and other levies or liens which, by law, would be superior thereto, (2) the priority of any VA, FHA or FNMA guaranteed loans, to the extent the lien of such loans is required to be superior by law in order for home loans within the Community to qualify under such programs, and (3) the lien or charge of any Mortgage of Record made in good faith and for value and recorded prior to the date on which the notice of claim of lien is recorded. Upon the foreclosure of, or acceptance of a deed in lieu of foreclosure of, such a prior Mortgage, the foreclosure purchaser or deed-in-lieu grantee shall take title free of the lien for unpaid Assessments for all said charges that accrue before the foreclosure or deed given in lieu of foreclosure, but subject to the lien hereof for all charges that shall accrue after the foreclosure or deed given in lieu of foreclosure.

18.16 Exempt Property. The following property is exempt from Assessments herein: (a) all properties dedicated to and accepted by local public authority; (b) all common areas and Community Improvements; (c) all properties the fee title to which is retained by Declarant; and (d) all Lots owned by a Participating Builder for the period which is prior to the earlier of (i) the date of the closing for the Participating Builder's sale of the Lot with a completed Residence, or (ii) upon the occupancy of such Residence.

19. TERM OF COVENANT.

The conditions, covenants and restrictions set forth in this Declaration shall run with and bind the Property for thirty (30) years from the date this Declaration is recorded, after which said covenants shall be automatically extended in perpetuity until terminated by any instrument terminating these covenants which has been signed by or approved by vote of 75% of the Lot Owners of record at the time of the termination. Any such termination shall be recorded in the Auditor's records.

19. AMENDMENT.

19.1 Amendments to the Declaration shall be made in an instrument in writing which sets forth the entire amendment. Notice of any proposed amendment must be given to all Lot Owners.

19.2 During the Development Period, Declarant reserves the right to amend the Declaration as may be necessary to comply with Federal Home Loan Mortgage Corporation (FHLMC) or Federal National Mortgage Association (FNMN) or Federal

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

19.3 Further, during the Development Period, Declarant acting alone and as attorney in fact for all Owners (and all Owners appoint the Declarant as their attorney in fact for such purposes) shall have the right to modify or amend this Declaration for any other reason as necessary or convenient in Declarant's reasonable discretion in order to complete the development and build out of the Community and to ensure the orderly administration of the Community through the Transition Date; provided, however, that (i) any such modification or amendment must be within the spirit and overall intention of the Community as set forth herein; (ii) any modification or amendment shall not provide for any type of non-residential use not presently permitted by this Declaration; (iii) no such amendment or modification shall unreasonably discriminate or otherwise unreasonably differentiate among Owners; and (iv) no such amendment or modification shall materially increase the obligations or materially decrease any right of any Owner hereunder without such Owner's permission. Within 30 days after any such modification or amendment, Declarant shall deliver a written notice of such modification or amendment to each Owner, which notice shall include a copy thereof.

19.4 Any Lot Owner may propose amendments to this Declaration. Once an amendment has been adopted by the Lot Owners, the amendment will become effective when recorded in the Auditor's Records of Kittitas County, Washington.

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

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

be attested by the secretary, who shall state whether the amendment was properly adopted and shall be acknowledged by them as officers of the Association.

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

20. GENERAL PROVISIONS.

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

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

20.1.2 Office of Record. Notices to the Association shall be mailed to the Office of Record or if a Manager is appointed to the Manager's office, which shall then become the Office of Record. The Office of Record's address may be changed from time to time by notice delivered to the Lot Owners.

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

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

20.3 Indemnification. Declarant and any Board Member shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of holding or having held such a

position as representing the Lot Owners or their Board under this Declaration, or any settlement thereof, whether or not Declarant or such Board Member holds such position at the time such expenses or liabilities are incurred, except to the extent such expenses and liabilities are covered by insurance and except in such cases wherein Declarant is adjudged guilty of willful misfeasance in the performance of his or her duties.

20.4 Insurance, Damage, Condemnation.

20.4.1 Insurance Requirements The Board shall procure for the Association, and continuously maintain, as a Common Expense, one or more policies of insurance as follows: (a) insurance against property loss or damage by fire or other hazards covered by the standard extended coverage endorsement in an amount as near as practicable to the full insurable replacement value (without deduction for depreciation) of the Common Areas, or such other fire and casualty insurance as the Board determines will give substantially equal or greater protection, (b) commercial general liability insurance for the use and ownership of the Common Areas, (c) worker's compensation insurance to the extent required by applicable law, (d) insurance against loss of personal property to the Association by fire, theft, and other losses with deductible provisions as the Association deems advisable, and (e) any other insurance the Board deems advisable including, but not by way of limitation, directors' and officers' liability coverage. Such insurance policies shall meet the insurance and fidelity bond requirements for similar projects established by Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Housing Authority, and Veterans Administration, so long as any of them is a Mortgagee or Owner, except to the extent such coverage is not available or has been waived by any of the foregoing. All policies shall include an endorsement providing coverage for Directors and Officers of the Association.

20.4.2 Casualty Losses. In the event of substantial damage or destruction of any Common Area, all applicable insurance proceeds for such damage or destruction shall be paid to the Association for the benefit of the Owners for the purpose of repair, replacement, or other disbursement as determined by the Board.

20.4.3 Restoration of Common Areas. Except as otherwise provided in this Declaration, in the event of any destruction of any portion of the common areas or any other Community Improvements insured by the Association, the Association shall restore and repair the same to its former condition, as promptly as practical, to the extent of any available funds or proceeds. The proceeds of any such insurance shall be paid to the Association for the benefit of the Owners and used for such purpose. The Board is authorized to have the necessary documents prepared and executed, and to take such other action so as to effect such reconstruction as promptly as practical.

20.4.4 Condemnation. In the event that all or any portion of the common areas or improvements shall be taken or condemned by any authority exercising the

power of eminent domain, the condemnation award shall be used to restore the remaining common areas and improvements, and any balance shall be turned over to the Association. The Board shall have the exclusive right to prosecute any such proceedings. The entire award shall be paid to the Association in trust for the benefit of the Owners.

20.5 Mortgagee Provisions. A breach of any of the provisions, covenants, restrictions or limitations hereof or the recordation of any Association Lien or the pursuit of any remedy hereunder shall not defeat or render invalid the lien of any Mortgage of Record. The Owners and their Mortgagees may examine the books and records of the Association, upon serving written notice on the Board. All of the provisions herein shall be binding upon and effective against any Owner whose title to said Lot is hereafter acquired through foreclosure or trustee's sale. The Mortgagee of any Mortgage of Record on any Lot may file with the Board a written request for written notification from the Association of any default by the Mortgagor of such Lot in the performance of such Mortgagor's obligations under this Declaration which is not cured within thirty (30) days, and the Board shall give notice thereof to each such Mortgagee. Each lender which holds a Mortgage encumbering any Lot which obtains title to such Lot pursuant to the remedies provided in such Mortgage, by judicial or non-judicial foreclosure or by deed in lieu thereof, shall take title to such Lot free and clear of any claims for unpaid Assessments or charges against such Lot which accrued before the time such holder acquires title to such Lot.

21. ENFORCEMENT.

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

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

21.3 The failure of any Owner to comply with provisions of this Declaration, or the rules and regulations may give rise to a cause of action by the Declarant and/or any aggrieved Lot Owner, the Declarant and/or the Board for recovery of damages, or

injunctive relief, or both. If a legal action is brought to interpret or enforce compliance with the provisions of this Declaration, or the rules or regulations adopted by the Declarant or Association, the prevailing party shall be entitled to judgment against the other party for its reasonable expenses, court costs, and attorneys' fees in the amount awarded by the Court. Venue for such proceedings shall be in Kittitas County, Washington.

21.4 In the event any suit brought by any party to enforce the terms and conditions of these covenants, conditions, restrictions and easements results in a monetary judgment against a Lot Owner, said judgment shall become a lien against that person or entity's Lot in addition to becoming the personal obligation of that Lot Owner. Said lien shall be foreclosed in the manner as provided by Washington State law. In addition to having the lien, the holder of a judgment against any Lot Owner for any monetary damages awarded as a result of a violation of these restrictive covenants, conditions and restrictions shall have the option of proceeding personally against the owner of a Lot or the option of foreclosing the lien in the Lot Owner's property. In the action foreclosing the lien, the same shall include a reasonable sum for attorney fees and all costs and expenses reasonably incurred in preparation for and in prosecution of such action in addition to taxable costs, all as permitted by law.

21.5 Failure by the Declarant, the Association and/or any Lot Owner in any instance to insist upon the strict compliance with this Declaration or rules and regulations adopted pursuant hereto, or to exercise any right contained in such documents, or to serve any notice or to institute any action, shall not be construed as a waiver or a relinquishment for the future of that or any other term, covenant, condition, or restriction. The receipt of payment of any assessment from an Owner, with knowledge of any breach by the Owner, shall not be a waiver of the breach. No waiver by the Declarant and, after Transition Date, the Board, of any requirement shall be effective unless expressed in writing and signed by the same.

21.6 If any term, covenant or condition of this Declaration or the application thereof to any person or circumstance is, to any extent, invalid or unenforceable, the remainder of this Declaration or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of these Covenants shall be valid and be enforced to the fullest extent permitted by law.


22. FURTHER SUBDIVISION OF LOTS. Except for property owned by the Declarant and approved under Development Agreement there shall be no further subdivision of any Lots after the Effective Date of this Declaration, except as approved in advance by the ALRC.

23. EFFECTIVE DATE. This Declaration shall be effective upon recording.

IN WITNESS WHEREOF, the undersigned being the Declarant herein has hereunto set their hand and seal as of the 20th day of June, 2018.

DECLARANT:

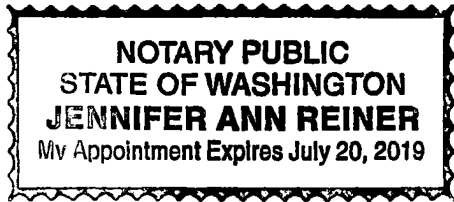
Cle Elum Pines East, LLC a Washington limited liability company

By: 
Patrick D. Deneen, Its Manager

STATE OF WASHINGTON)
) ss.
County of Kittitas)

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

GIVEN under my hand and official seal this 20th day of June, 2018.



Jennifer Ann Reiner
Printed Name: Jennifer Ann Reiner
Notary Public in and for the State of Washington
My commission expires: 7-20-19

**EXHIBIT A TO
AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS FOR
CLE ELUM PINES WEST**

Lots 1 through 8, of Cle Elum Pines West Short Plat, Kittitas County Short Plat No. SP-2017-001, as recorded October 2, 2017, in Book L of Short Plats, pages 132 through 135, under Auditor's File No. 201710020015; being a portion of Parcel B, Book 25 of Surveys, page 167, being a portion of the Northwest Quarter of Section 27, Township 20 N, Range 15 E, W.M., in the County of Kittitas, State of Washington.

LOTS 9 THROUGH 42 AND TRACT SD-1 AND TRACT OS-1, CLE ELUM PINES WEST DIVISION 2, IN THE COUNTY O KITTITAS, STATE OF WASHINGTON, AS PER PLAT THEREOF RECORDE IN BOOK 12 OF PLATS, PAGES 228 THROUGH 232, RECORDS OF SAID COUNTY.

**EXHIBIT B TO
AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS FOR
CLE ELUM PINES WEST**

TRACT FD-2, CLE ELUM PINES WEST DIVISION 2, IN THE COUNTY O KITTITAS,
STATE OF WASHINGTON, AS PER PLAT THEREOF RECORDE IN BOOK 12 OF
PLATS, PAGES 228 THROUGH 232, RECORDS OF SAID COUNTY.