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South Hill Developers
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Document Titles(s):

Declaration of Covenants, Conditions, & Restrictions of South Hill Manors

Reference Number(s) of Related Documents Being Assigned or Released:

Additional reference number(s) can be found on page _____ of document.

Grantor(s):

South Hill Developers, LLC

Additional grantor(s) can be found on page _____ of document.

Grantee(s):

South Hill HOA

Additional grantee(s) can be found on page _____ of document.

Legal Description: (Abbreviated form is acceptable, i.e., Section/Township/Range/Qtr Section or Lot/Block/Subdivision)

Final Plat of South Hill Manors

Additional legal(s) can be found on page _____ of document. NE 1/4 of NW 1/4 & S 1/2 of SE 1/4 of Sec 24, T.08N Range 29E WM

Assessor's 15-Digit Parcel Number:

☒ Property Tax Parcel ID number is not yet assigned.

Additional number(s) can be found on page _____ of document.

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Rev. 04/10/2024

DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
OF
SOUTH HILL MANORS

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF SOUTH HILL MANORS

SOUTH HILL DEVELOPERS, INC., a Washington corporation (the "Declarant"), is the owner of real property located in Benton County, Washington and legally described as follows:

See Exhibit "A" attached hereto and incorporated herein by this reference (the "Property"). The Property is also referred to herein as "South Hill Manors" or the "Development".

The Declarant does hereby establish the following protective covenants, conditions and restrictions for the Property and the South Hill Manors Homeowners Association, a common interest community pursuant to Chapter 64.90 RCW (the "Covenants"). The Declarant is establishing these Covenants with the intention of creating a general and flexible plan of development for the Property. The Covenants run with the Property and are binding on and for the benefit of the present and future owners of the Property.

1. DEFINITIONS

Defined terms will appear throughout this Declaration with the initial letter of such term capitalized. Unless the context clearly states otherwise, the following terms used in this Declaration are defined as follows:

1.1 "Association" shall mean and refer to the South Hill Manors Homeowners Association, its successors and assigns. The Association shall be formed as a nonprofit corporation under the laws of the state of Washington.

1.2 "Board" shall mean and refer to the Board of Directors of the Association.

1.3 "Common Areas" shall initially mean and refer to any private access or maintenance roads, easement areas, signage, drainage swales and ponds, snow storage areas, landscaping, and tracts, together with improvements constructed thereon, now or in the future.

1.4 "Declaration" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions of South Hill Manors recorded in the Office of the Benton County Auditor, as it now exists or is hereafter amended.

1.5 "Declarant" shall mean and refer to SOUTH HILL DEVELOPERS, INC., a Washington corporation, and its successors or assigns.

1.6 "Lot" shall mean and refer to any residential plot of land shown upon the subdivision map for the Property recorded by the Declarant.

1.7 "Majority of Owners" shall mean and refer to the Owners holding more than 50% of the total votes entitled to be cast (as opposed to a majority of Owners attending a meeting). Any specified fraction or percentage of the Owners means the Owners holding that fraction or percentage of the total votes entitled to be cast. Unless otherwise specified, any provision herein requiring the approval of the Owners means the approval of a Majority of Owners.

1.8 "Owner" shall mean and refer to the one or more persons or entities holding the following interests of record with the Benton County Auditor: (i) fee simple title to any Lot that is a part of the Property; or (ii) contract purchaser in a real estate contract to any Lot which is part of the Property. The term Owner shall exclude those having an interest merely as security for the performance of an obligation.

1.9 "Property" or "Development" shall mean and refer to that certain real property described in Exhibit "A", and the Plat of South Hill Manors, Plat No. 0803, records of Benton County, Washington.

1.10 "Transition Date" shall mean and refer to the first to occur of:

1.10.1 December 31, 2035;

1.10.2 Two years after the last conveyance of a lot (except to a dealer);

1.10.3 Sixty (60) days after title to 75% of the lots on the Property owned by the Declarant is conveyed to any third party for value, other than as security for performance of any obligation; or

1.10.4 Such other date as Declarant requires the Owners to assume control of the Association. The transition shall take effect the day after the Declarant, following notice to the Owners, records an amendment to the Declaration voluntarily surrendering the right to appoint and remove officers and board directors.

Nothing set forth above shall preclude the Declarant from transferring ownership and/or management of all or any portion of the Common Areas to the Association, from time to time.

2. RESERVED DECLARANT'S RIGHTS

As set forth in this Article 2, prior to the Transition Date, the Declarant has retained and reserved certain rights with regard to the Property, the Development, the Association, and this Declaration.

2.1 Boundary Line Adjustments. Declarant shall retain and have the right, in Declarant's sole discretion, at any time and from time to time to adjust any lot lines, boundaries, tracts, or configuration of the Property with respect to any Lots, Common Areas, or other property which are retained by or otherwise owned or controlled by Declarant; provided, however, Declarant shall not have the right or authority to move or adjust the boundary of any Lot(s) owned by another party without first obtaining the consent of such Owner.

2.2 Right to Create and Maintain Easements. Declarant retains the right to create any reasonable easements, roadways, or rights-of-way over any portion of the Property still owned or controlled by the Declarant (including Common Areas) that are intended to facilitate access to and from, utility corridors, common areas, and the like for the benefit of the Development. The Declarant reserves the right to transfer any easements (including roads) to the Association for management and maintenance by the Association at any time.

2.3 Temporary Declarant Control. All of the rights duties and functions of the Association shall be exercised only and entirely by the Declarant until the Transition Date, subject to Sections 2.3.1, 2.3.2, and 2.3.3, below. To carry out this provision, Declarant may, from and after the date of recording thereof, adopt and enforce temporary Bylaws, rules and regulations for the Association; appoint board members and officers of the Association; give notices and call meetings; determine, assess, collect, receive and expend assessments and Association funds; hire a manager or other employees; hire a professional management company or other service agencies as required; purchase supplies and equipment and determine maintenance and other policies; set up and maintain Association books and accounts; and generally exercise all powers necessary to carry out the provisions of the Declaration. Acceptance of an interest in the Property described in this Declaration indicates acceptance of the management authority of Declarant until the Transition Date, and in carrying out the same, Declarant is entitled to the power, indemnities and protections set forth in the Declaration for the Association and in the Articles of Incorporation for the Association. The Declarant shall transfer all Common Areas and the management and control thereof (including any associated improvements) to the Association on or before the Transition Date. Until the Transition Date, the Declarant shall not receive or otherwise be entitled to a fee for management of the Property or of the Association pursuant to this Declaration, the Bylaws of the Association, or any rules and regulations adopted by the Association, except as follows: (a) costs associated with hiring a manager, professional management company, or retaining services on behalf of the Association, but only to the extent of the actual costs incurred by the Declarant, and (b) the initial assessment paid at the time of a sale of a Lot as set forth in Section 3.11.5, below, to cover the costs of formation of the Association, including creation of governing documents.

2.3.1 The Declarant has formed the Association. The Declarant shall appoint no fewer than five (5) Board members, subject to Sections 2.3.2 and 2.3.3 below. Board members appointed by the Declarant are not required to be Owners.

2.3.2 Within sixty (60) days after the conveyance of 25% of the Lots within the Property, at least one (1) member of the Board shall be elected by the lot Owners; provided, however, that if the Board is composed of five (5) or more members, the lot Owners shall have the right to elect not less than 25% of the Board members; provided further, within sixty (60) days after the conveyance of 50% of the lots, the Lot Owners shall have the right to elect not less than 33% of the Board members (i.e. one member of a three member board, two members of a five member board, etc.).

2.3.3 The Board in existence at that time set forth in Section 2.3.2 shall continue to act on behalf of the Association until such member is elected and takes office. The Declarant expressly reserves the right to veto or approve any proposed action by the Board or the Association until the Transition Date.

2.4 Sales Purpose. So long as the Declarant is an Owner, the Declarant shall have the right to maintain sales offices, management offices, and models on vacant or unsold lots.

2.5 Snow Storage. The Declarant reserves the right to designate snow storage areas within the Common Areas.

3. HOMEOWNERS ASSOCIATION

3.1 Purpose. The Association shall be formed by the Declarant for the primary purpose of managing the Common Areas and enforcing the Declaration.

3.2 Membership. Every person or entity who is an Owner shall become a member of the Association. Membership shall be appurtenant to and may not be separated from the Owner's interest in the lot. All Owners shall have rights and duties as specified in this Declaration, and in the Articles, Bylaws, rules and regulations of the Association. The Association shall initially be governed by the Declarant until the Transition Date, subject to the Section 2.3, above, regarding Temporary Declarant Control. Thereafter, the Association shall be governed by the Board of Directors.

3.3 Voting Rights. Subject to the conditions of this Declaration and the Bylaws of the Association, the Owner of a lot shall be entitled to one vote.

3.4 Voting Rights - Multiple Ownership of a Lot. If the Owner of a Lot is more than one individual, the individuals shall specify, in writing to the Association, which individual has the right to cast votes in the Association for the Lot. If the Owner is not an individual, then the Owner must appoint, in writing to the Association: (i) an individual who is a partner or member, if the Owner is or includes a partnership or limited liability company; or (ii) an officer of the corporation, if the Owner is or includes a corporation; or (iii) a Trustee of the trust, if the Owner is or includes a trust; or (v) an owner of the entity, if the Owner is or includes a person other than an individual, a partnership, limited liability company, a corporation, or a trust. In the absence of such written

specification, assessments shall nevertheless be charged against the Lot and Owner thereof, but there shall be no right to vote.

The individual designated as set forth above shall be the only person entitled to vote for the Owner of the Lot at Association meetings and elections and such designation shall remain in effect until the Association receives a new designation consistent with this Section 3.4. The Owner may change the designation by providing written notice of such change to the Association; provided each such individual is otherwise eligible, and subject to such reasonable rules, regulations, and processing fees, as the Board from time to time may adopt.

3.5 Property Rights in Common Areas. Except as set forth in this Section 3.6, below, every Owner, and their guests or tenants, shall have a common right to use and enjoy the Common Areas located within the Property, which rights shall be appurtenant to and shall pass with the transfer of every Lot, subject to the following conditions and restrictions:

3.5.1 The right of the Association to adopt reasonable rules and regulations regarding the use of the Common Areas;

3.5.2 The right of the Association to exclusive use and management of said Common Areas for any purpose including, but not limited to, landscaping, drainage, snow storage and utilities (e.g. pumps, pipes, wire, conduits and other utility equipment, supplies and materials);

3.5.3 The rights reserved to the Declarant in the Declaration; and

3.5.4 The other restrictions, limitations and reservations contained or provided for in this Declaration, the Articles and Bylaws of the Association, and reasonable rules or regulations adopted by the Declarant prior to the Transition Date, or subsequently by the Board.

3.6 Maintenance.

3.6.1 Except as set forth in Sections 3.6.2 and 3.6.3, below, the Association shall maintain the Common Areas (including those Common Areas or elements transferred pursuant to Article 2), and improvements located thereon in the same condition as a reasonable prudent Owner would maintain their own home and property so that the appearance will reflect a high pride of ownership.

3.6.2 Each Owner shall be responsible for maintaining in a first class condition, free of any weeds or debris, any and all sidewalks, drainage swales, and landscaping out to the curb fronting the Owner's Lot. This responsibility shall exist whether or not said sidewalks, drainage swales, and landscaping are installed on the Lot, in a public right of way, an easement, Common Area, or otherwise. If the Owner fails to so maintain said sidewalks, drainage swales and landscaping, the Association shall have the rights provided in this Declaration. As to the

drainage swales, the Owner is responsible for the maintenance of the surface as set forth herein (the Association is responsible for the proper functioning of the drainage swales, including the repair, maintenance and replacement of the drainage facilities).

3.6.3 The Owners of Lots 1 through 7 and Lots 16 through 29 shall be responsible to install, maintain, repair, and replace, at their sole cost and expense, a fence along their Lot(s) boundary which abuts or faces the Kennewick Irrigation District ("KID") Canal. Each Owner shall submit its fence design, together with plans for the dwelling, to the Architectural Committee for approval in accordance with the terms of this Declaration. Upon approval, an Owner shall provide notice to KID (either in person or by phone to the KID Engineering Department, at 2015 S Ely Street, Kennewick, WA 99338) of the Owner's intent to begin working on the fence five (5) business days prior to beginning construction. Owners shall allow KID, its agents, employees, or representatives access to the Lot to inspect construction of the fence. Construction of the fence shall occur prior to the Owner obtaining a certificate of occupancy for any dwelling constructed on the lot. Regardless of whether construction of a dwelling has been commenced, the fence on each lot shall be fully constructed no later than December 31, 2030. If any lot is without a fence on December 31, 2030, KID shall have the right, power, and authority to enter onto such lot and construct a fence. The expense and costs associated with such construction may be filed as a lien against the lot, and become a personal debt and obligation of the Owner of the lot at the time of construction. Each Owner, at its sole cost and expense, shall maintain and repair the fence in good order, sound structural and operating condition, in a clean and first class condition that is inviting to the public. If any Owner of the Lots identified in this Section 3.6.3 fails comply with the requirements regarding the fencing, the Association shall have the rights provided in this Declaration.

3.6.4 Each Owner hereby covenants and agrees to maintain their respective Lot or property in the same condition as a reasonable prudent Owner would maintain their own home so that the appearance will reflect a high pride of Ownership. If any Owner shall fail to so maintain their Lot or property, the Association shall have the right to notify said Owner in writing of the maintenance required. If said maintenance shall not be performed within thirty (30) days from the date said notice is delivered to the non-performing Owner, the Association shall have all remedies as provided in this Declaration.

3.7 Common Expense.

3.7.1 Certain expenses shall be paid by the Association for the benefit of all Owners and shall be referred to as common expenses. The common expenses shall be paid by the Association from assessments collected from Owners on a monthly, quarterly, semi-annual, or annual basis, or as a special assessment. All expenses of maintaining, operating, repairing, and replacing the Common Areas, whether held by the Declarant or the Association, shall be common expenses. These maintenance and operation costs of the Association shall include, but are not limited to, the following:

a. The expenses of maintaining, repairing, replacing, managing, and operating the Common Areas, including the expenses associated with complying with the Maintenance Agreement, dated NOVEMBER 25TH, 2025, between the Association and the City of Kennewick, and on file with Benton County;

b. The cost of maintaining property and liability insurance coverage held by the Association (or the Declarant until the Transition Date);

c. Costs of operating the Association; and

d. Any other expense which shall be designated as a common expense in the Declaration or, from time to time, by the Declarant or the Board (as applicable).

3.7.2 An adequate reserve fund for maintenance and replacement of Common Areas, and improvements thereon and therein, shall be established and shall be funded by depositing into said fund a portion of the assessments collected from the Owners. The portion of the assessments deposited into said reserve fund shall be determined by the Declarant until the Transition Date, and thereafter by the Board. The creation, funding, management and oversight of the reserve fund shall comply with Chapter 64.90 RCW, as existing or hereafter amended (see, specifically, RCW 64.90.535 and 64.90.540, as existing or hereafter amended). Unless exempt as set forth in RCW 64.90.545, as existing or amended, the Association shall prepare an initial reserve study consistent with RCW 64.90.545 within ninety (90) days following the sale of 50% of the Lots by the Declarant. The frequency of subsequent reserve studies and updates thereto requested by the Association shall be governed by RCW 64.90.545, as existing or amended.

3.7.3 The Board must prepare, or caused to be prepared, at least annually, a financial statement of the Association in accordance with generally accepted accounting practices, and an annual budget consistent with RCW 64.90.525. All assessments and funds shall be deposited in the name of the Association with a qualified financial institution. Comingling of funds is prohibited.

3.8 Assessments.

3.8.1 From and after the date of the first sale from the Declarant to an Owner is executed and the transaction relating thereto is closed, each Lot shall be subject to monthly, quarterly, semi-annual, or annual assessments or charges in an amount to be determined by the Declarant until the Transition Date, and thereafter by the Board. The amount of assessments shall be that necessary to pay common expenses, including the reserve fund. The amount of the assessments may be increased or decreased periodically as may be necessary from time to time to properly provide for payment of said common expenses, and reserves.

3.8.2 The assessments shall be apportioned equally so that each Lot pays the same assessment for common expenses.

3.8.3 The Board or an officer of the Association designated by the Board shall, upon written demand, furnish a certificate in writing, setting forth whether the assessments on a specified Lot have been paid. A reasonable charge may be set by the Board for the issuance of these certificates.

3.8.4 In addition to the assessments authorized above, the Board may levy, in any year, one or more special assessments for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of facilities in the Common Areas, including the necessary fixtures and personal property related thereto, or for any other purpose determined necessary by the Board. The special assessment shall be apportioned consistent with Section 3.8.2, above. Special assessment may be payable in monthly installments, quarterly installments, or such other periodic installments as shall be determined by the Board. The approval of special assessments must follow the requirements for adoption of annual budgets as set forth in RCW 64.90.525.

3.9 Collection of Assessments, Enforcement of Declaration, Attorneys' Fees and Costs.

3.9.1 All assessments, together with interest, costs of collection and reasonable attorneys' fees, shall be charged against and shall be a continuing lien upon said Lot against which each assessment is made. Said lien shall have all the incidents of a mortgage on real property. Each such assessment, together with interest, costs of collection and reasonable attorneys' fees, shall also be the personal obligation of the Owner at the time the assessment fell due. The Board may authorize an officer of the Association to sign a document indicating the principal amount of the lien and to record said document with the Benton County Auditor. The costs of preparing, recording, and releasing the lien shall become part of the costs included in the lien pay-off.

3.9.2 If any assessment is not paid within thirty (30) days after its due date, the assessment shall bear interest from the due date at the higher of twelve (12) percent or the maximum rate allowed by law. Each Owner hereby expressly vests in the Association or its agents the right and power to bring all actions against such non-paying Owner personally for the collection of delinquent assessments as a debt or to enforce lien rights of the Association by all methods for the enforcement of such liens, including non-judicial or judicial foreclosure by an action brought in the name of the Association as described in Section 3.11.3, and each owner hereby expressly grants to the Association the power of sale in connection with such liens. The liens shall be in favor of the Association, shall be for the benefit of the Association, and the amount of said liens shall include interest, costs of collection, and reasonable attorneys' fees. In the event the Association retains an attorney to (a) enforce said liens, (b) collect any amounts due the Association, (c) seek compliance with the Declaration, Articles, Bylaws, rules and regulations of the Association, or (d)

bring suit seeking remedies at law or in equity, arising from any breach, anticipated breach, non-compliance, or failure to adhere to the Declaration, Articles, Bylaws, rules and regulations of the Association, then, the Association shall be entitled to the award of reasonable attorneys' fees and costs incurred. In the event any Owner shall be in arrears in the payment of the assessments due or shall be in default of the performance of any of the terms of the Articles, Bylaws, or rules and regulations of the Association or this Declaration for a period of thirty (30) days, said Owner's right to vote shall be automatically suspended and shall remain suspended until all payments are brought current and all defaults remedied. In addition, the Association shall have other remedies against such delinquent or defaulting Owners as may be provided in the Articles, Bylaws, rules, and regulations of the Association, and this Declaration.

3.9.3 Foreclosure. A lien arising under this Declaration may be enforced as follows:

a. Judicially, by the Association or its authorized representative, in the manner set forth in Chapter 61.12 RCW. Upon an express waiver in the complaint of any right to a deficiency judgment in a judicial foreclosure action, the period of redemption shall be eight (8) months. Nothing in this Section shall prohibit an Association from taking a deed in lieu of foreclosure.

b. Non-judicially, by the Association, in the manner set forth in RCW 61.12. The Declaration, by this reference, is intended to contain a grant of each Lot subject to an assessment in trust to secure the obligations of the Owners of the Association for the payment of assessment under RCW 64.90.485. Each Owner, as Grantor, does hereby grant the Owner's Lot and improvements thereon, in trust, to TitleOne, 1919 N Pittsburgh St, Suite A, Kennewick, WA99336, as trustee, which trustee is hereby qualified under RCW 61.24.010, to secure the obligations of the Owners to the Association for the payment of assessments. The Association may designate a successor Trustee at any time in writing without necessity of amendment to the Declaration.

By acquisition of a Lot, and without necessity of further grant or authorization, the Owner as Grantor, hereby bargains, sells and conveys in trust to the trustee, with power of sale, operative in the case of a default in the obligation to pay assessments, the property representing such Lot, which real property is not used principally for agricultural or farming purposes, together with all the tenements, hereditaments, and appurtenances then or thereafter thereunto belonging or in any way appertaining, and the rents, issues and profits thereof, to secure such assessment payments, in favor of the Association as Beneficiary. In any proceedings to non-judicially foreclose a lien against any Lot or Owner(s) for non-payment of delinquent assessments, the Association shall be entitled to receive a reasonable sum for attorney's and trustee's fees, and all costs and expenses reasonably incurred in preparation for or in the prosecution of same, including but not limited to title search and guarantees, service and postage, and the like.

3.9.4 The Association or its authorized representative shall have the power to purchase the Lot at any foreclosure sale and to acquire, hold, lease, mortgage, or convey the

same.

3.10 Indemnification. To the fullest extent permitted by law, every director, officer and employee of the Association and the Declarant, every committee member of the Association, and every other person serving as an employee or direct agent of the Association and the Declarant, shall be indemnified by the Association against all expenses and liabilities, including without limitation attorneys' fees, reasonably incurred by or imposed upon them in connection with any proceeding to which they may be a party, or in which they may become involved, by reason of their being or having served in such capacity on behalf of the Association, or any settlement thereof, whether or not they are a director or officer or serving in such other specified capacity at the time such expenses are incurred, provided that the Board shall determine, in good faith, that the act, omission, or refusal to act of such officer, director, other person, or Declarant was not grossly negligent, fraudulent, or criminal in the performance of their duties. The foregoing rights of indemnification shall be in addition to and not exclusive of all other rights to which such persons may be entitled at law or otherwise.

3.11 Non-Liability of Directors, Officers and Employees. To the fullest extent permitted by law, the Declarant, the Board, the committees of the Association and any member thereof, including any directors, officers or employees of the Association or of the Declarant, shall not be liable to any Member, Owner, occupant, the Association or any other person for any decision, approval or disapproval of drawings or specifications (whether or not defective), course of action, act, inaction, omission, error, negligence or the like made in good faith and which Declarant, the Board, committee or officer or director reasonably believed to be within the scope of their respective duties.

3.12 Common Area Ownership. To the extent Declarant holds ownership of any of the Common Areas, Declarant shall transfer its interest to all property to be permanently designated as Common Areas to the Association on or before the Transition Date by means of a quitclaim deed. The Declarant may record one or more quitclaim deeds, from time to time, to the Association transferring the property to be permanently designated as Common Areas. Except as permitted in this Declaration, the Common Area shall remain undivided, and no Owner shall bring any action seeking partition of any portion of the Common Area without the written consent of all Owners. This Section shall not prohibit the Board from acquiring and disposing of tangible personal property nor from acquiring and disposing of real property, or any interest therein, as a Common Area subject to this Declaration.

3.13 Enforcement by Declarant. After the Transition Date, in the sole discretion of the Declarant, the Declarant may veto, enjoin, prevent or set aside any action of the Association, including the actions of its Board, or of any Neighborhood Committee, that may impair, prejudice or otherwise interfere with the Declarant's reserved rights set forth in this Declaration.

4. GENERAL COVENANTS

4.1 Design Review. No site grading or construction (including residence or outbuildings) shall occur, and no fence, retaining wall, boundary wall, landscape, hardscape or artwork shall be

erected, placed or altered on any Lot until construction plans and specifications have been approved by the Board. The plans and specifications must show the location of the structure (including fence, wall, outbuilding, etc.), the location and the surfacing of the driveway and the landscaping for the entire Lot. If less than the entire Lot is impacted, the plans and specifications shall address, at a minimum, that portion of the Lot at issue, but the Board reserves the right to request plans and specifications for the entire Lot, in its sole discretion. The Board shall review the plans and specifications and consider the quality of workmanship and materials, harmony of external design with existing structures and the overall development of the Property, conformity with these covenants and location of the structures and landscaping with respect to topography and finished grade elevations. Exterior paint and stain colors shall be selected in a manner that blends harmoniously with the surrounding architecture and landscape. Bright colors and reflective materials shall be prohibited. The Board may delegate this function to a Design Review Committee appointed by the Board. Either the Board or the Design Review Committee may employ an architect or designer to review the plans at the expense of the Owner. In furtherance of the goals set forth in Articles 4 and 5 of the Declaration, the Board may adopt guidelines, recommendations, additional design standards, and specifications (altogether, the "Guidelines and Standards"). The Guidelines and Standards are intended to (a) supplement Articles 4 and 5 of the Declaration, (b) provide general instruction to the Owners and (c) provide guidance to the Design Review Committee. Once adopted, the Guidelines and Standards, as amended from time to time, will be incorporated herein by this reference and binding on all Lots.

4.2 Architectural Review.

4.2.1 No grading or construction of a residence shall occur on a Lot without prior architectural review and approval by the Board or Design Review Committee. An application for architectural review by an Owner will be reviewed and recommendations made by the Board or the Design Review Committee within fifteen (15) days from date of receipt of such plans, submittals or resubmittals. No construction activities may commence until the Owner receives the written recommendations of the Board or the Design Review Committee.

4.2.2 The drawings set forth below must be included with each application. Other drawings or exhibits may be included if the Owner feels that they might be of help to the Board in reviewing the project. The Board will not review incomplete applications.

a. Site Plan, including finished grade of the Lot;

b. Floor Plans;

c. Elevations;

d. Building Specifications: Building specifications should fully describe all materials, colors, and finished to be visible on the building exterior. All colors shall be earth tones or consistent with a color palate set forth in the Guidelines and Standards;

e. Landscaping Plans;

f. Driveway Location, Dimension and Surfacing;

g. Location of Fences and Walls; and

h. On site stormwater plans.

4.3 Subdivision; Lot Line Elimination. No Lot may be further divided.

4.4 Maintenance of Vacant Lots. Vacant Lots shall be maintained in a manner which enhances rather than detracts from the overall appearance of the Property. Lots should be mowed periodically during the summer to provide a routinely maintained appearance. Upon thirty (30) days' notice to the Owner, the Association shall have the right at all times to enter upon any Lot to remove debris or other waste material and to mow overgrown vegetation and to charge the expense thereof to the Owner as an assessment. The Association shall have all rights and remedies for the collection of said assessment as provided in this Declaration.

4.5 Nuisances. Any activity carried on or upon any Lot which may be or becomes a nuisance is prohibited. Uses and activities on or within an Owner's Lot shall not unreasonably or excessively inflict upon adjacent property smoke, dirt, dust, glare, odors, steam, vibration, noise, electrical interference, or excessive hazard.

4.6 Electrical, Telephone, Fiber Optics and CATV Service. Overhead utilities, of any kind or nature, are prohibited. Specifically, and not by way of limitation, no outdoor overhead wire or service drop for the distribution of electric energy, telecommunications, fiber optics, CATV purposes, or otherwise, nor any pole, tower or other structure supporting said outdoor overhead wires, shall be erected, placed or maintained. All Owners shall use underground service to connect to all underground utilities, including but not limited to electrical, telephone, fiber and CATV.

4.7 Animals. No animals shall be allowed except traditional household pets, which are defined as and limited to cats, dogs, caged birds and household pets such as rabbits, guinea pigs, hamsters, and the like, and up to three (3) chickens. Roosters and other livestock are expressly prohibited. Breeding is expressly prohibited. All pets must be kept within the boundary of the Owner's Lot (on a leash or within a fenced yard). Owners exercising their pets within the Property, within public right of way or on any Common Areas, will be responsible for keeping their pet on a leash and for cleaning up after their pets. Outside animal waste must be properly disposed of on a timely and frequent basis to prevent any odors spreading onto adjacent lots.

4.8 Refuse. No trash, garbage, rubbish, refuse or other solid waste of any kind, including particularly, inoperable automobiles, appliances and furniture, shall be thrown, dumped, stored, disposed of, or otherwise placed or kept on any part of the Property. Garbage and similar solid waste shall be kept in sanitary containers well suited for that purpose. Garbage cans and sanitary containers shall be screened, enclosed or otherwise out of view as discussed in Section 4.17 (Sightliness) of these covenants.

4.9 Temporary Dwellings and Buildings; Declarant Exemption. No mobile homes,

trailers, basement, tents or other outbuilding shall be used on any Lot at any time, either temporarily or permanently, as a residence. During construction of a permanent residence, a temporary construction office may be permitted, but such use shall be limited to six (6) months. Such construction office must be located on the Lot under construction, unless otherwise approved in advance by the Declarant. Under no circumstances may the construction office or other vehicle be used as a living facility for Owner(s) or construction worker(s).

No outhouse or lavatory shall be erected or maintained or placed on any Lot; such convenience must be incorporated within or be a part of the building to which they appertain. However, during the construction of a residence, Owners and their contractors shall provide workers with on-site bathroom facilities.

The Declarant is exempt from this Section 4.7. The Declarant may construct temporary signage, structures, sales office(s), or model homes, or the like at any time through the Transition Date.

4.10 Rentals. With regard to occupancy of a Lot by someone other than the Owner and their immediate family, the following restrictions shall apply with regard to all such arrangements:

4.10.1 The Lease or use of a portion of the residence (e.g. rent "by the room") or a portion of the Lot are expressly prohibited.

4.10.2 Any rental, lease or use for a period less than ninety (90) days is expressly prohibited.

4.11 Landscaping; Final Grading. The landscaping approved by the Board must be completed on each Lot as soon as practical after completion of construction of a residence on the Lot, but no later than three (3) months from the date the residence is occupied; provided that if a residence is first occupied during the period August 1st to February 28th, the landscaping must be completed no later than the immediately following May 31st. No trees, hedges or shrubs shall be grown or maintained in a fashion which unreasonably interferes with another Lot Owners' use and enjoyment of their Lot. Unreasonable interference could include, but is not limited to: tree or plant heights in excess of roof line of residence, a tree or plant that that grows across Lot boundaries, and the like. The Board shall determine whether any given tree, hedge or shrub unreasonably interferes with those rights and such determination shall be conclusive. All fruit trees shall be kept insect and disease free. Lawns shall be watered, cut and neatly trimmed during the period May through September at least weekly. The final grade of each Lot must transition naturally between Lots without transferring or increasing drainage impacts to adjacent Lots.

4.12 Easements. In general, there are two categories of easements that may be created as part of the development of the Property, including:

4.13 General Easements. This category of easement is for utilities, stormwater drainage, lighting, mail boxes, snow storage, entry ways, and the like that are reserved as delineated on the face of the plat for the benefit of some or all of the Property. This category of

easement may or may not also be a Common Area. Within these easements no structure, planting or other material shall be placed or permitted to remain by an Owner of a Lot burdened by said tract or easement which may damage or interfere with the installation and maintenance of utilities or other common improvement or amenities-constructed in the easement, or which may change the direction or flow of water in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements. The surface of the common easement area on each Lot shall be maintained continuously by the Owner of the Lot, except for those improvements for which the Association is responsible.

4.14 Public Easements. This category of easement is for the benefit of the public and is not a common easement. Public easements will be dedicated and delineated on the face of the plat. The surface of the public easement on each Lot shall be maintained continuously by the Owner of the Lot, except for those improvements for which a public authority, utility company, or other entity is responsible. The Owner shall not have the right to (a) erect or maintain any buildings or structures within the public easement, (b) plant trees, shrubs, or vegetation having deep root patterns which may cause damage to or interfere with the utilities or other improvements placed within the public easement, or (c) develop, landscape, or beautify the easement area in any way which would unreasonably increase the costs of restoring the public easement following any work by the public entity.

4.15 Stormwater Drainage. No Owner shall change or interfere with the stormwater drainage within the Property without the prior written approval of the Association, and of the local entity with jurisdiction over the Property, if necessary. All Lots shall install individual on-site stormwater retention systems during construction on the Lots, unless exempted as part of the building permit approval process. Said individual stormwater retention systems shall be installed as required by Benton County and if connected to a stormwater retention system, then additional approval is required by the Association. As set forth in Section 3.7.1(a), above, a manual has been adopted that addresses stormwater obligations, including the operation, maintenance and repair of any stormwater retention systems within the Common Areas. The Association shall ensure compliance with said manual.

4.16 Excavations/Drilling. No excavation for minerals, stone, gravel or earth shall be made upon any Lot other than excavation necessary for construction of the residence on a Lot, retaining and court walls, outbuildings and pools, and for the purpose of contouring, shaping, fencing and generally improving any Lot as approved by the Board. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon, under, or in any Lot, nor shall wells, tanks, tunnels, excavations or shafts be permitted upon or in any Lot that is related in any way to the extraction or exploration of oil, minerals, or other resources. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot.

4.17 Signs. No sign of any kind may be erected, placed or maintained on any Lot or on any building or structure thereon, in the Common Areas, or in the public right of ways, except one "For Sale" sign placed on the Lot by a builder or Lot Owner to advertise that Lot for sale. No "For

Sale" sign may be more than six (6) square feet, except with the prior written permission of the Board. Marketing and "For Sale" signs placed in or near the Property by the Declarant prior to the Transition Date are exempt from this Section. The Board may adopt reasonable rules and regulations either allowing or prohibiting the temporary placement of political signs, yard-sale or garage-sale signs, and the like, to the extent not inconsistent with applicable law. Directional signage installed by the Declarant or the Association are exempt from these provisions. The Declarant may install such directional signage as may be reasonably necessary, in its sole discretion, or as may be required by the local governmental entity with jurisdiction over the Property. The Declarant may also install an Association monument on any Common Areas it deems desirable.

4.18 Antennae. No antennae or satellite dish of any sort may be installed or maintained by an Owner on the front of any residence or structure to be visible from the street or public areas fronting the Owner's Lot. Unless state or federal law supersedes this provision, no (a) antennae or (b) satellite dish shall be greater than twenty-four inches (24") in diameter, shall be allowed.

4.19 Sightliness. All service areas, clotheslines, mechanical equipment, other equipment, motorcycles, snowmobiles, motor homes, boats, recreational vehicles, any vehicle too large for the garage, wood piles, storage piles, and garbage cans or receptacles shall be kept on the Lot and walled or screened to conceal them from the view of other Lots, streets or public areas within the Property.

4.20 Businesses. No store, business, commercial, retail or services activity, of any kind or nature, shall be conducted or permitted upon any Lot, except as follows: a home occupation business that does not have employees is permitted subject to the following conditions: (a) the Owner must obtain the advance written approval of the Board, (b) the Owner must obtain the necessary approvals of any governmental entity with jurisdictional over the Property, and (c) the number of customer visits shall be limited to no more than five (5) visits per day.

4.21 Fire Safety. Except as otherwise set forth herein, there shall be no open, exterior fires permitted on any Lot within the Development. The use of barbecues and decorative, outdoor gas fire pits shall be permitted on residential Lots.

4.22 Firearms. The use of firearms or explosives, including fireworks, except such fireworks as may be expressly approved by the Board, are prohibited, except the use of explosives as is required for construction work authorized in advance by the Board.

4.23 Driveways. All individual or shared driveways and parking areas shall be surfaced by concrete, pavers, or asphalt pavement. Shared driveways shall be designed in conformance standards identified by the permitting agency as a condition of development.

4.24 Storage Tanks. No above or underground storage tanks for fuel or gas shall be permitted within the Property, except for above ground tanks for common residential uses (e.g. barbecue, fireplace, stove, etc.). All allowed above ground tanks for common residential use shall be screened from view and installed or placed behind the front line of the residence on a Lot.

4.25 Vehicle Repairs. All vehicle repairs shall be performed inside a closed garage.

4.26 Repair. All buildings located on any lot shall be kept in good repair and in an attractive condition.

4.27 Parking. All lots shall have at least a two-car, attached or detached garage and a minimum of one (1) off-street parking space (excluding garage). Trucks larger than one ton, construction type equipment and mobile or stationary trailers shall be permitted within the development and parked on the streets so long as said vehicles are for the limited purpose of completing improvements within the Development. Unlicensed or inoperable vehicles must be stored in the garage so as not to be visible from the street or common areas. Extended overnight street parking is prohibited for vehicles used or owned by the Owners or their guests. Overnight street parking for vehicles used or owned by the guests of Owners is permitted, so long as said parking is infrequent, short in duration, and an isolated, non-recurring event. The intent of this provision is to limit the amount of cars regularly parked outside an Owner's garage. Garages are to be used for the purpose of housing cars, storage, and for no other purpose. Owners should prioritize parking cars in the garage where feasible. Notwithstanding the foregoing, emergency vehicles (police, fire, ambulance, emergency medical service vehicles) that are used as a condition of employment (i.e. not for convenience) may be parked outdoors

4.28 Recreational Vehicle (RV) Parking. RV parking is prohibited unless (a) the RV is contained in an enclosed structure which may be satisfied by using just one of the parking bays in a multi-bay garage; or (b) the RV is behind the front line of the residence and screened from view by a six (6) foot high solid fence. On-street parking and driveways shall not be used for storage or parking of Recreational Vehicles. Recreational Vehicles include but are not limited to boats, water craft, trailers, campers, motor homes, **4X4's,** off road vehicles, and the like.

4.29 Swimming Pools. Swimming pools must be approved by the Board before installation. Swimming pools shall be designed as being visually connected to the residence through walls, decks, or courtyards. Swimming pools and related equipment, pumps and the like must be screened from view of neighbors, streets, and public places. Screening includes the use of fences, vegetation and/or other approved structures. Above-ground pools are expressly prohibited.

4.30 View Protection and Obstruction. It is the intent of this Association to preserve, to the extent reasonably practicable, the scenic views enjoyed by the Owners of Lots within the Association, including but not limited to views of hillsides, valleys, water features, or other natural or architectural vistas. No Owner shall construct, install, plant, or maintain any improvement, structure, fence, wall, hedge, tree, shrub, or other landscaping feature on any Lot or within any exclusive use area, easement area, or common area (if under the control of the Owner) that unreasonably obstructs or interferes with another Owner's preexisting view as of the date these restrictions are recorded. A view obstruction shall be deemed *unreasonable* if the improvement or vegetation exceeds 20 feet in height from the original grade and materially impairs a previously existing line of sight that was open and established for a continuous period of at least 3 years. The determination of "unreasonable" shall consider, among other factors, the topography, natural growth patterns, architectural style of the community, and existing development patterns. Owners shall regularly trim and maintain any trees, shrubs, or vegetation on their Lot to ensure ongoing

compliance with this Section. If a dispute arises concerning compliance with this provision, the matter may be submitted to the Board or a designated architectural or compliance committee for review and determination. The Board may, upon written application by an Owner, grant a variance to this restriction if it determines, in its sole and reasonable discretion, that the variance will not materially affect the views of neighboring Lots or otherwise conflict with the community's aesthetic or safety interests.

4.31 Letter and Delivery Boxes. The Declarant will install approved postal boxes at locations and in clusters approved by the post office. The Board in the future may renegotiate with the post office and alter the system initially installed.

4.32 Address Identification. Individual address identification devices for each residence shall be installed by the Lot Owner and must be complimentary to the exterior of the residence and comply with local regulations. No "unique" identification devices will be installed.

4.33 Utilities. Each Lot owner shall be separately responsible for contracting with the applicable public service purveyor for service of utilities to the Lot and any structure thereon. A contract for utility service shall be entered into at the time of application for a building permit for new construction. All connections shall be made and charges for such connections paid at time of application and prior to receipt of a certificate of occupancy. Each Lot owner shall be responsible for maintaining continuous utility service to any residence on the owner's Lot (whether or not such residence is used for fulltime occupancy), and complying with all terms and conditions of connection and service, including payment, established by the utility service provider.

5. BUILDING COVENANTS

5.1 Single Family Dwellings. Each Lot may only have one single-family dwelling with one (1) attached or detached, two or more, car garage, and one (1) accessory dwelling unit or accessory building. Unless exempt from the review and approval process, every single-family residence, garage, and accessory building shall be submitted to and approved in advance by the Board and/or Design Review Committee as set forth in Article 4.

5.1.1 Accessory buildings are subject to the following additional conditions: accessory structures must (a) blend with the residence, be constructed with compatible or complimentary materials as the residence, and have a similar or complimentary color scheme as the residence; and (b) be placed behind the front line or facade of the residence. For purposes of the foregoing and this Declaration, "accessory building" is limited to a single building for (a) storage of lawn and recreation equipment, or (b) a shop area (where all materials and equipment are stored within the accessory building).

5.2 Existing Structures. No existing structure of any nature shall be moved onto any Lot, except for accessory structures approved in advance by the Board (i.e. a manufactured storage shed approved by the Board that meets the conditions of Section 5.1).

5.3 Manufactured or Mobile Homes. No manufactured, modular or mobile homes may

be placed on any Lot.

5.4 Code; Setbacks. All buildings shall conform to the Uniform Building Code and any code adopted by the governmental entity with jurisdiction over the Property, as may be amended from time to time.

5.5 Material. The use of new materials is required on all construction within the Property, except for the use of used brick. No reflective finishes shall be used on exterior surfaces, including, but not limited to: roofs, projections above roofs; fences; doors; trims; window frames; pipes; equipment; etc.

5.6 Height limit. The maximum height of any structure placed on the Lot shall be that as allowed by the governmental entity with jurisdiction over the Property at the time of building permit application, subject to other view and visibility restrictions contained in this Declaration. Notwithstanding the foregoing, no structure placed on Lots four (4) through eight (8) shall exceed twenty-six (26) feet above grade the natural grade of the Lot at the time of recording of this Declaration.

5.7 Roofs.

5.7.1 Roof Slopes. Except as otherwise set forth herein, all roof slopes or pitches of residences, including garages, are to be no more than 4" in 12", except for minor, accent, roof slopes may be approved by the Declarant or the Board as part of the design review process. Owners are encouraged to create attractive roof lines, including the modulation thereof, whenever possible. Roof form and creative appearance will be an important consideration when the Board is determining the acceptability of the home design.

5.7.2 Roof Materials. Except as otherwise set forth herein, all roof materials shall meet the 25-year architectural composition standards and the applicable standards of the governmental entity with jurisdiction over the Property at the time the roof is installed. Subject to Board or Design Committee Approval, small accent roofs may be made from metal or composite.

5.8 Dwelling Size. Split level designs are discouraged and will only be permitted if approved in advance by the Board pursuant to Section 7.6. Single story designs shall have a gross floor area of no less than 2,000 square feet. Two story and one and one-half story designs shall have a gross floor area of not less than 1,600 square on the first story, and not less than 2,100 square feet of gross floor area. The definition of "gross floor area" in this Section does not include garages, balconies, patios and the like.

5.9 Garage Doors. All garages must be equipped with garage doors at time of construction of the garage.

5.10 Fences, Dog Runs, Walls, and Retaining Devices. Except as otherwise set forth herein, no fence or wall may be constructed without the prior written approval by the Board, except

as follows: (a) border walls and fences in front yards not exceeding three (3) feet in height are permitted, and (b) decorative iron or similar artistic fencing or walls used sparingly as landscape accents within the front yard, but not as a border fence or wall, are permitted. Any fence or wall that is built must be maintained in a desirable and attractive manner, so that it is not broken, leaning, or otherwise having an unsightly appearance. All border fences or walls must be constructed of vinyl, split-faced block, or wrought iron. As indicated above, chain link fences are prohibited, but vinyl coated chain link style fencing may be installed, if approved by the Board, for interior fencing only (not as a border fence, i.e. placed on or near the property line). Further, vinyl coated chain link style fencing may be installed on the rear lot line of all Lots abutting the Kennewick Irrigation District Canal. The color of fences on adjoining Lots shall be a consideration in the Board's approval with the goal to promote aesthetic consistency. Maximum fence height shall be the lesser of six (6) feet above finished lot grade or the maximum permitted by the governmental entity with jurisdiction over the Property. Fences must be finished so as to present an attractive appearance on both sides. All fences shall comply with the minimum fence setback requirements of the local governmental entity with jurisdiction over the Property. Dog runs must be concealed from neighboring views.

5.11 Time of Completion. Any residential construction or other activity approved by the Board to occur on or within an Owner's Lot shall be completed within twelve (12) months of commencement of construction, unless a longer time frame is approved by the Board at the time the plans are approved pursuant to Section 4.1 and 4.2. In the event the Association notifies an Owner, in writing, that the period to complete construction has expired, then the Owner shall pay the Association the sum of $100 per day for each day following the receipt of the written notice. The Declarant and any contractor retained by the Declarant are exempt from the time limitations set forth in this Section.

6. ADMINISTRATIVE COVENANTS

6.1 Duration. The Property is subject to the above restrictions and covenants which shall run with the land and shall be binding on the Owners, and on all parties and persons claiming an interest therein in perpetuity, subject to any amendments as set forth below.

6.2 Amendment. Amendment of this Declaration shall be by a vote equal to or greater than sixty-seven percent (67%) of the Owners; provided, that the Declarant may amend this Declaration in its sole discretion following thirty (30) days advance notice to the Owners as follows: (a) so long as the Declarant owns or has the purchaser's interest in any real estate contract with regard to two-thirds (2/3) of the Lots subject to this Declaration, or (b) the Declarant has specifically reserved the authority to amend the Declaration as set forth elsewhere in this Declaration, and an Owner has not objected to amendment as provided in RCW 64.90.285(13), as existing or amended.

6.2.1 Declarant reserves the right to amend the Declaration as may be necessary to comply with Federal Home Loan Mortgage Corporation, or Federal National Mortgage Association, or Federal Housing Administration regulations or requirements.

6.2.2 If the Declarant, in its sole discretion, determines that it is necessary to

amend the Declaration, then the Declarant, on behalf of all Owners and the Association, is hereby authorized to execute and to have recorded said amendment or amendments, subject to the conditions set forth above. All Owners hereby grant to the 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 respective Lots and upon them and their heirs, personal representatives, successors and assigns to the same extent as if they had personally executed said amendment or amendments. All Owners hereby acknowledge and agree that the power of attorney granted herein shall be deemed coupled with and interest and shall be irrevocable.

6.3 Severability. The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any provision shall not affect any other provision hereof.

6.4 Interpretation. The terms and conditions of this Declaration shall govern in all disputes regarding the Property, including any real property annexed thereto, arising from or related to this Declaration.

6.5 Assignment. Declarant's rights and obligations set forth herein may be assigned without restriction at any time before the Transition Date.

6.6 Variance. The Declarant until the Transition Date, and thereafter the Association acting through the Board (the "Board"), shall have the authority to grant variances from the conditions set forth in Articles 4 and 5 of the Declaration where it can be shown that, owing to special and unusual circumstances related to a specific Lot, the literal interpretation of the Declaration would cause undue or unnecessary hardship or where varying from the Declaration is determined by the Declarant or the Association to be consistent with the intent of the Declaration and consistent with the overall development of the Property. Prior to the Transition Date, the Declarant may grant such variances at its discretion and without consulting the Board or any Neighborhood Committee. All variances are ineffective unless the variance is recorded with the Benton County Auditor. No variance shall unfairly or unreasonably operate to the detriment of others or to the development of the Property.

In granting a variance, the Declarant or Board may attach conditions that it finds necessary to protect the best interests of the Development and to otherwise achieve the purposes of the Declaration. Each variance application shall be accompanied by an application fee equal to $500 which may be amended from time to time by the Board.

6.6.1 The following factors shall be considered in reviewing whether to grant a variance:

a. The variance is necessary to recognize substantial changes to other property in the neighborhood or general vicinity;

b. The plight of the applicant is due to unique circumstances such as

topography, lot size or shape, or size of structures, over which the applicant has no control;

c. The hardship asserted by the applicant is not the result of the applicant's or the Owner's action or inaction;

d. The authorization of the variance shall not be materially detrimental to the purposes and objections of the Declaration, or be injurious to the Property;

e. The hardship asserted by the applicant results from the application of the Declaration to the Property; and

f. The variance will not create a situation which is incompatible with the intent of the Declaration and the overall development of the Property.

6.6.2 A request for a variance may be initiated by an Owner or his or her authorized agent by filing an application with the Board.

6.6.3 Before a request for a variance is acted upon by the Board, notice of the application must be conspicuously posted on the lot. The notice must clearly state the substance of the variance request, the deadline for submitting written comment (which time shall not be less than ten (10) days after the posting of the notice), and the address for submitting written comment. Only an Owner (or authorized agent) may submit comment. The Board may not take action on the variance prior to the date set forth in the notice for receiving comment.

6.6.4 The Board may postpone a decision on a variance in order to obtain additional information. Upon recessing for this purpose, the Board shall provide the Owner with written notice of the postponement stating the number of days the decision will be delayed.

6.6.5 Any Owner, or his or her agent, may at any time request withdrawal or postponement of consideration of the variance application, but in no event may the Owner postpone consideration of the variance application for more than thirty (30) days.

6.6.6 The Board shall render its decision on a variance application within thirty (30) days following the receipt thereof. The Board shall cause written notification of its action to be mailed to the Owner for a variance within five (5) days after the decision has been rendered.

6.6.7 The decisions of the Board with regard to a variance application shall be based on the facts and circumstances at the time of the application. Prior decisions of the Board shall not be deemed a waiver of the Association's, the Declarant's or the Board's right to insist on strict performance of this Declaration and shall not set a precedent with regard to future applications for a variance.

7. DISPUTE RESOLUTION AND LIMITATION ON LITIGATION

7.1 Consensus for Association Litigation. Except as provided in this Section, after the Transition Date, the Association shall not commence a judicial or administrative proceeding without

the approval of Owners representing at least sixty-seven percent (67%) of the total votes in the Association. This Section shall not apply, however, to: (a) actions brought by the Association to enforce the Declaration against an Owner (including, without limitation, the foreclosure of liens); (b) the collection of assessments; (c) proceedings involving challenges to ad valorem taxation; (d) counterclaims brought by the Association in proceedings instituted against it; or (e) actions brought by the Association against any contractor or vendor arising out of a contract for services or supplies between the Association and such contractor or vendor.

7.2 Alternative Method for Resolving Disputes. Declarant, the Association, its officers, directors, and all Owners subject to this Declaration, any person not otherwise subject to this Declaration who agrees to submit to this Article (collectively, "Bound Parties") hereby agree to encourage the amicable resolution of disputes involving the Property, without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees to submit those claims, grievances or disputes described in Section 7.3 ("Claims") to the procedures set forth in Section 7.4 in lieu of filing suit in any court.

7.3 Claims. Unless specifically exempted below, all Claims arising out of or relating to the interpretation, application or enforcement of the Governing Documents, or the rights, obligations and duties of any Bound Party under the Governing Documents or relating to the design or construction of improvements on the Properties shall be subjected to the provisions of Section 7.4. For purposes of Article 7 of this Declaration "Governing Documents" shall include the following: Declaration and amendments thereto, Articles of Incorporation, bylaws, rules and regulations of the Association, manuals and documents adopted by the Declarant or the Association and recorded against the Property or on file with Benton County as part of the development approval for the Property.

Notwithstanding the above, unless all parties thereto otherwise agree, the following shall not be Claims and shall not be subject to the provisions of Section 7.4:

7.3.1 any suit by the Association against any Bound Party to collect or enforce common expenses, special assessments, or other sum set forth in this Declaration;

7.3.2 any suit by the Association to obtain equitable relief (i.e., temporary restraining order, injunction, or specific performance) and such other ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association's ability to enforce the provisions of this Declaration;

7.3.3 any suit by a Bound Party for declaratory or injunctive relief which seeks a determination as to applicability, enforcement, clarification, or interpretation of any provisions of the Declaration;

7.3.4 any suit between Owners, which does not include Declarant or the Association as a party;

7.3.5 any suit in which any indispensable party is not a Bound Party;

7.3.6 any suit as to which any applicable statute of limitations would expire within one hundred eighty (180) days of giving the Notice required by Section 7.4.1, unless the party or parties against whom the Claim is made agree to toll the statute of limitations as to such Claim for such period as may reasonably be necessary to comply with this Article; and

7.3.7 any suit or dispute between Owner or Owners and a Builder or Builders with respect to (i) any statutory warranty, (ii) any contractual warranty, including without limitation, any limited warranty provided by any such Builder, and/or (iii) any construction defect claim.

With the consent of all parties thereto, any of the above may be submitted to the alternative dispute resolution procedures set forth in Section 7.4.

7.4 Mandatory Procedures.

7.4.1 Notice. Any Bound Party having a Claim ("Claimant") against any other Bound Party ("Respondent") (collectively, the "Parties") shall notify each Respondent in writing (the "Notice"), stating plainly and concisely:

a. the nature of the Claim, including the Persons involved and Respondent's role in the Claim;

b. the legal basis of the Claim (i.e., the specific authority out of which the Claim arises);

c. Claimant's proposed remedy; and

d. that Claimant will meet with Respondent to discuss in good faith ways to resolve this Claim.

7.4.2 Negotiation and Mediation.

a. The Parties shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Notice, the Board may appoint a representative to assist the Parties in negotiation.

b. If the Parties do not resolve the Claim within thirty (30) days of the date of the Notice (or within such other period as may be agreed upon by the Parties) ("Termination of Negotiations"), Claimant shall have thirty (30) additional days to submit the Claim to mediation under the auspices of any dispute resolution center or an independent agency providing dispute resolution services in Benton County.

c. If Claimant does not submit the Claim to mediation within such time, or does not appear for mediation, Claimant shall be deemed to have waived the Claim, and

Respondent shall be released and discharged from any and all liability to Claimant on account of such Claim; provided nothing herein shall release or discharge Respondent from any liability to anyone other than Claimant.

d. Any settlement of the Claim through mediation shall be documented in writing by the mediator and signed by the Parties. If the Parties do not settle the Claim within thirty (30) days after submission of the matter to mediation, or within such time as determined by the mediator, the mediator shall issue a notice of termination of the mediation proceedings ("Termination of Mediation"). The Termination of Mediation notice shall set forth that the Parties are at an impasse and the date that mediation was terminated.

e. Within ten (10) days of the Termination of Mediation the Claimant shall make a final written settlement demand ("Settlement Demand") to the Respondent, and the Respondent shall make a final written settlement offer ("Settlement Offer") to the Claimant. If the Claimant fails to make a Settlement Demand, Claimant's original Notice shall constitute the Settlement Demand. If the Respondent fails to make a Settlement Offer, Respondent shall be deemed to have made a "zero" or "take nothing" Settlement Offer.

7.4.3 Final and Binding Arbitration.

a. If the Parties do not agree in writing to a settlement of the Claim within fifteen (15) days of the Termination of Mediation, the Claimant shall have fifteen (15) additional days to submit the Claim to arbitration in accordance with Section 7.4.3(b), by providing written notice of intent to arbitrate to the Respondent. If not timely submitted to arbitration or if the Claimant fails to appear for the arbitration proceeding, the Claim shall be deemed abandoned, and Respondent shall be released and discharged from any and all liability to Claimant arising out of such Claim; provided, nothing herein shall release or discharge Respondent from any liability to anyone other than Claimant.

b. The Claim shall be settled by arbitration pursuant to RCW Chapter 7.04A, et. seq., as it now exists or is hereafter amended, except as herein modified. Such arbitration shall be before one disinterested arbitrator, if one can be agreed upon, otherwise before three disinterested arbitrators, one named by Claimant, one by Respondent, and one by the two thus chosen. If all arbitrators have not been appointed within ten (10) days after written notice of demand for arbitration is given by the Claimant, then any Bound Party may apply to the Benton County Superior Court, upon not less than (5) days written notice to the other Parties, for appointment of the necessary arbitrators remaining to be appointed, and the judicial appointment shall be binding and final. The arbitrator or arbitrators shall determine the controversy in accordance with the laws of the state of Washington as applied to the facts found by him/her or them. The arbitrator or arbitrators may grant injunctions or other relief in such controversy or claims. The decision of the arbitrator or arbitrators shall be final, conclusive and binding on the Parties and a judgment may be obtained in any court having jurisdiction.

c. Section 7.4.3 is an agreement to arbitrate and is specifically

enforceable under Washington's applicable arbitration laws. The arbitration award (the "Award") shall be final and binding, and judgment may be entered upon it in any court of competent jurisdiction to the fullest extent permitted under Washington laws.

7.5 Allocation of Costs of Resolving Claims. Each Party shall bear its own costs, including attorneys' fees. Each Bound Party shall share equally all costs and expenses of the mediator(s) and all filing fees and costs of conducting the arbitration proceeding ("Post Mediation Costs").

Any Award which is equal to or more favorable to Claimant than Claimant's Settlement Demand shall add Claimant's Post Mediation Costs to the Award, such costs to be borne equally by all Respondents. Any Award which is equal to or more favorable to Respondent than Respondent's Settlement Offer shall award to such Respondent its Post Mediation Costs, except as otherwise provided in this Section.

7.6 Enforcement of Resolution. If the Parties agree to a resolution of any Claim through negotiation or mediation in accordance with Section 7.4.2 and any Party thereafter fails to abide by the terms of such agreement, or if any Party fails to comply with an Award, then any abiding or complying Party may file suit to enforce such agreement or Award without the need to again comply with the procedure set forth in Article 7. In such event, the Party taking action to enforce the agreement or Award shall be entitled to recover from the non-complying Party (or if more than one non-complying Party, from all such Parties pro rata) all costs incurred in enforcing such agreement or Award, including, without limitation, attorneys' fees and court costs.

Adopted this 24th day of November, 2025

DECLARANT – SOUTH HILL DEVELOPERS, INC.

By: Charles Barr
Its: Treasurer

STATE OF WASHINGTON)
) ss.
County of Benton)

I certify that I know or have satisfactory evidence that Charles Barr is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the President of SOUTH HILL DEVELOPERS, INC. to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Given under my hand and official seal this 24 day of Nov., 2025.

Janice McClain

NOTARY PUBLIC in and for the State of Washington residing at Benton.
My commission expires: 03/15/29.

Notary Public
State of Washington
JANICE MCCLAIN
License Number 190686
MY COMMISSION EXPIRES
March 15, 2029