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Document Title: Amended and Restated Declaration of Protective Covenants, Conditions and Restrictions for Westbrooke Division II

Reference Numbers of Related Documents: Declaration & Amendments: 200609080014, 201112130363, 202606090133
 Plats: 9404290791 (Ph. 1), 9512130433 (Ph. 2)

Grantor(s): Westbrooke II Homeowners Association, a WA nonprofit corporation

Grantee(s): Westbrooke II Homeowners Association, a WA nonprofit corporation

Legal Description (abbreviated): Plat of Westbrooke Division II – Phase I, recorded on April 29, 1994, under Auditor's File No. 9404290791, records of Pierce County, Washington, and Plat of Westbrooke Division II – Phase II, recorded December 13, 1995, under Auditor's File No. 9512130433, records of Pierce County, Washington, and all amendments and additions thereto.

Assessor's Tax Parcel No. 4001090010 through 4001090240;
 4001240250 through 4001240560;
 4001090570 through 4001090760;
 4001090770

****THIS PROJECT IS A COMMON INTEREST COMMUNITY SUBJECT TO THE PROVISIONS OF RCW 64.90**

For reference only, not for re-sale.

**AMENDED AND RESTATED DECLARATION OF PROTECTIVE COVENANTS,
CONDITIONS AND RESTRICTIONS FOR WESTBROOKE DIVISION II**

Pursuant to RCW 64.90.370 of the Washington Uniform Common Interest Ownership Act (the "Act"), the Westbrooke II Homeowners Association, a Washington non-profit corporation (the "Association"), hereby amends the Restatement of Declaration of Protective Covenants, Conditions and Restrictions for Westbrooke Division II recorded under Pierce County Auditor's File No. 200609080014 ("Joint Declaration"), which previously amended and superseded the original Declarations for Westbrooke Division II – Phase I recorded under Pierce County Auditor's File No. 9404290790 and for Westbrooke Division II – Phase II recorded under Pierce County Auditor's File No. 9511270144 (collectively, the "Initial Declarations") and subjected the two phases to one Joint Declaration. This current document shall provide that the Act will apply to the Plat of Westbrooke Division II – Phase I established and recorded on April 29, 1994 under Pierce County Auditor's File No. 9404290791 and to the Plat of Westbrooke Division II – Phase II established and recorded on December 13, 1995 under Pierce County Auditor's File No. 9512130433 (collectively the "Plat"), and all amendments and/or additions thereto, together with all building improvements and structures thereon and all easements, rights and appurtenances belonging thereto, and all items of personalty intended for use in connection therewith subject to the provisions of all applicable statutes, regardless of what the otherwise applicable community association statute(s) provided before the Act was adopted. Following due notice to all members as required by RCW 64.90.370, the required percentage of members have approved this Amended and Restated Declaration.

This Amended and Restated Declaration is intended to amend in its entirety, replace and supersede the Joint Declaration and all amendments thereto. It is agreed by acceptance of a conveyance, contract for sale, lease, rental agreement or instrument, or any privileges of use or enjoyment, respecting the Property or any Lot within the Plat, that this Declaration, together with the Plat referred to herein and any amendments thereto, states covenants, conditions, restrictions and reservations effecting a common plan to promote the orderly use and enjoyment of all said real property within the Plat and to protect and otherwise generally benefit all Owners of said real property and upon each such Lot as a parcel of real property, and upon its Owners and possessors, and their heirs, personal representatives, successors and assigns, through all successive transfers of all or part of the Property or any security interest therein, without the requirements of further specific reference or inclusion in deeds, contracts or security instruments, and regardless of any subsequent forfeiture, foreclosure, or sale of Lots under security instruments.

**ARTICLE I.
DEFINITIONS**

Section 1.1 **Words Defined.** For the purposes of this Declaration and any amendments hereto, the following definitions shall apply:

The "**Act**" means the Washington Uniform Common Interest Ownership Act, codified in RCW 64.90, as amended from time to time.

Allocated Interests means undivided interest in the Common Areas, the Common Expense Liability and votes in the Association allocated to each Lot in the Plat as set forth in Section 5.3.

Articles means the Articles of Incorporation for the Association.

Assessment means all sums chargeable by the Association against a Lot including, without limitation: (a) Regular and special assessments for Common Expenses, charges, and fines imposed by the

Association; (b) interest and late charges on any delinquent account; and (c) costs of collection, including reasonable attorneys' fees, incurred by the Association in connection with the collection of a delinquent Lot Owner's account.

Association means the owners association identified in Article 7, its successors and assigns, and organized pursuant to the Act, the Governing Documents, and all amendments thereto.

Board of Directors and Board means the body with the primary authority to manage the affairs of the Association as described in Article 8.

Bylaws means the bylaws of the Association as they may from time to time be amended which, with this Declaration, provide for the organization of the Association and for the administration of the Property.

Common Area means any real estate other than a Lot within the Plat that is owned or leased either by the Association or in common by the Lot Owners. Common Area shall be synonymous with "Common Elements" as used herein or in the Act.

Common Expenses means expenditures made by, or financial liabilities of, the Association, together with any allocations to reserves.

Common Expense Liability means the liability for Common Expenses allocated to each Lot pursuant to Section 5.3.

Community means Westbrooke Division II, created upon the recording of the Initial Declarations and the Plat.

Conveyance means any transfer of the ownership of a Lot, including a transfer by deed or by real estate contract, but shall not include a creation, transfer or release of a security interest.

Declaration means this Declaration for Westbrooke II, by which the Property is submitted to the provisions of the Act and as it may from time to time be amended.

Eligible Mortgagee means the holder of a mortgage on a Lot that has filed with the secretary of the Association a written request that it be given copies of notice of any action by the Association that requires the consent of Mortgagees.

Foreclosure means a forfeiture or judicial or nonjudicial foreclosure of a mortgage or a deed in lieu thereof.

Governing Documents means the Declaration, the Plat, the Articles of Incorporation, the Bylaws, the Rules of the Association adopted as provided in the Declaration and Bylaws, or any other written instrument by which the Association has authority to exercise any of the powers provided in the Act or to manage, maintain, or otherwise affect the Property, as each may be amended or adopted from time to time.

Identifying Number or Lot Number means a symbol or address that identifies only one Lot in the Plat.

Lot means any one of the residential lots located within the Property as shown on the Plat. The term "Lot" shall have the same meaning as the term "Unit" as defined in the Act, except to the extent defined otherwise in this Declaration.

Managing Agent means the person/company designated by the Board under Section 8.3.

Mortgage means a mortgage, deed of trust or real estate contract covering a Lot or other portion of the Plat.

Mortgagee means the secured party under a mortgage, deed of trust, or other real property security interest covering a Lot and, for the purposes of this Declaration, shall include the vendor under a real estate contract.

Notice and Opportunity to be Heard means the procedure described in Section 8.6.

Owner or Lot Owner means and refers to the record owner, whether one or more persons or entities, of any Lot, including any persons or entities purchasing a Lot pursuant to the terms of a recorded real estate contract, but excluding those persons or entities having an interest in any Lot merely as a security for the performance of an obligation. The term "Lot Owner" shall have the same meaning as the term "Unit Owner" as defined in the Act, except to the extent defined otherwise in this Declaration.

Occupant means anyone who occupies a Lot as a permanent residence or who stays overnight in any Lot more than fourteen (14) days in any calendar month or more than sixty (60) days per calendar year.

Person means an individual, corporation, business trust, estate, the trustee or beneficiary of a trust that is not a business trust, partnership, limited liability company, association, joint venture, public corporation, government, or governmental subdivision, agency, or instrumentality, or any other legal entity.

Plat means the official map for the Plat of Westbrooke Division II – Phase I, recorded under Pierce County Auditor's File No. 9404290791 and the Plat of Westbrooke Division II – Phase II, recorded under Pierce County Auditor's File No. 9512130433, and any amendments thereto.

Purchaser means a person, other than a Declarant or dealer, which by means of a voluntary transfer acquires a legal or equitable interest in a Lot other than as security for an obligation.

Real Property or Property means any fee, leasehold or other estate or interest in, over, or under land, including structures, fixtures, and other improvements thereon and easements, rights and interests appurtenant thereof which by custom, usage, or law pass with a conveyance of land although not described in the contract of sale or instrument of conveyance, including parcels, with or without upper or lower boundaries, and spaces that may be filled with air or water.

Residence shall mean the single-family dwelling structure constructed on any Lot.

Specially Allocated Expense means any expense of the Association, including allocations to reserves, allocated on a basis other than the Common Expense Liability as required by this Declaration.

Tenant means and includes a tenant, lessee, renter or other non-Owner Occupant of a Lot that is not occupied by its Owner. For the purposes of the Declaration, the term Tenant shall not include a Related Party.

Section 1.2 Form of Words. The singular form of words shall include the plural and the plural shall include the singular. Masculine, feminine, and gender-neutral pronouns shall be used interchangeably.

Section 1.3 Statutory Definitions. Some of the terms defined above are also defined in the Act. The definitions in the Declaration are not intended to limit or contradict the definitions in the Act. If there is any inconsistency or conflict, the definition in the Act will prevail.

ARTICLE 2.

CONSTRUCTION AND VALIDITY OF DECLARATION

The Declaration and the Act provide the framework by which the Plat Community is created and operated. In the event of a conflict between the provisions of the Declaration and the Act the statute shall prevail. In the event of a conflict between the provisions of this Declaration and the Bylaws, the Declaration shall prevail except to the extent the Declaration is inconsistent with the Act. The creation of the Plat Community shall not be impaired and title to a Lot and its interest in the Common Areas shall not be rendered unmarketable or otherwise affected by reason of an insignificant failure of the Governing Documents or any amendment thereto to comply with the Act.

ARTICLE 3.

NAME OF PLAT COMMUNITY

The name of the Community subject to this Declaration and created by the Plat is Westbrooke Division II.

ARTICLE 4.

DESCRIPTION OF LAND

A parcel of land, located in Pierce County, Washington, shown on that certain Plat recorded under Pierce County Auditor's File No. 9404290791 (Phase I) and Pierce County Auditor's File No. 9512130433 (Phase II), and all amendments thereto. The legal description is as set forth in Schedule A.

ARTICLE 5

DESCRIPTION OF LOTS; ALLOCATED INTERESTS

Section 5.1 Number and Identification of Lots. The Plat Community has seventy-six (76) residential Lots. The Identifying Number and location of the Lots is shown on the Plat.

Section 5.2 Lot Boundaries. The boundaries of the Lots are as shown on the Plat and shall include all Residences, structures, improvements, and fixtures now or hereafter located within said space.

5.2.1 The boundary of a Lot may be relocated only by an amendment to the Declaration as set forth herein.

5.2.2 Access to Common Ways. Each Lot has access directly to Common Areas/Easements including walks, drive aisles and/or driveways.

5.2.3 Access to Public Streets. The Common Areas have direct access to a public street.

Section 5.3 Allocated Interests. The Allocated Interests of each Lot in the Plat Community for the purposes of undivided interest in the Common Areas, Common Expense Liability and voting is equal to a fraction, the numerator of which is one (1) and the denominator of which is the total number of Lots in the Plat Community. Each Lot Owner is entitled to one (1) vote for each Lot owned.

ARTICLE 6. COMMON AREAS

Section 6.1 Common Areas. The Common Areas are all portions of the Plat Community other than the individual Lots including those areas on the Plat Map designated as Open Space and Wetland Habitat areas and identified as Tracts A & B, and the area designated a Storm Water Retention area and identified as Tract C. Each Lot Owner has an equal undivided interest in these areas and shall share a 1/76th cost of taxes, liability, ownership and maintenance applicable to the same.

Section 6.2 Maintenance of Common Areas. The Association shall have the right and the obligation to maintain, repair and replace, reconstruct and make necessary improvements to all Common Areas, or shall contract for such maintenance, repair, replacement, reconstruction and improvements, to keep the Common Areas and all improvements thereon in a good, sanitary and attractive condition for the benefit of all Lot Owners. With regard to Tracts A and B it is strictly understood that no construction, invasion, violation and/or intrusion by either man and/or machinery is permissible. The only exception to this would be for purposes of plant re-vegetation and/or fencing maintenance. The Association may provide such additional common maintenance within the Plat which it determines to be in the best interests of the Lot Owners. The Board shall acquire and pay for as a Common Expense of the Association all goods and services reasonably necessary or convenient to perform its responsibilities set forth in this Section for the efficient and orderly maintenance of the Common Areas.

Section 6.3 Members' Easements of Enjoyment. Subject to the provisions herein, every Member shall have a right and nonexclusive easement of enjoyment in and to the Common Areas and for ingress and egress over and through the Common Areas and such easement shall be appurtenant to and shall pass with the title to every Lot and upon recordation of a contract of sale of any Lot, subject to the right of the Association to adopt reasonable rules governing the use of the Common Areas and the personal conduct of persons authorized to use said areas, and to establish appropriate penalties for the violation of those rules.

Section 6.4 Delegation of Use. Each Owner shall have the right to use the Common Areas in common with all other Owners and a right of ingress and egress over the Common Areas for access to his or her Lot and for utilities serving the Lot. The right to use the Common Areas extends not only to each Owner, but also to his agents, vendors, tenants, family members, invitees, and licensees. The right to use the Common Areas shall be governed by the provisions of the Act, this Declaration, the Bylaws, and the Rules and Regulations of the Association. An Owner's right of access to the Lot and for utilities cannot be suspended by the Board for violations of the Governing Documents or nonpayment of Assessments.

Section 6.5 Conveyance or Encumbrance of Common Areas. Portions of the Common Areas not necessary for the habitability of a Lot may be conveyed or subjected to a security interest by the Association of the Owners having at least eighty percent (80%) of the votes in the Association. Any purported conveyance, encumbrance, judicial sale or other voluntary or involuntary transfer of an interest in the Common Areas shall be void unless the Lot to which that interest is allocated is also transferred. Any agreement to convey Common Areas or to subject them to a security interest must be evidenced by the execution of an agreement, or ratifications of an agreement, in the same manner as a deed, by at least eighty percent (80%) of Lot Owners.

The agreement must specify a date after which the agreement will be void unless recorded before that date and only becomes effective upon recording in Pierce County.

ARTICLE 7. THE ASSOCIATION

Section 7.1. General. The Westbrooke II Homeowners Association is a Washington non-profit corporation organized and operated pursuant to RCW 24.03A to further and promote the common interest of the Owners and to provide for the maintenance and management of Common Areas as set forth in this Declaration. The Association, through its Board of Directors, shall have such powers in the furtherance of its purpose as are set forth in the Act and the Governing Documents. The number of Board members, qualifications and procedures for election to the Board shall be provided in the Bylaws.

Section 7.2. Membership. Each Lot Owner shall be a member of the Association and shall be entitled to one membership for each Lot owned, which membership shall be considered appurtenant to that member's Lot. Ownership of a Lot shall be the sole qualification for membership in the Association. A membership shall not be transferred in any way except upon the transfer of title to the Lot and then only to the transferee of title to the Lot; provided, that if a Lot has been sold on contract, the contract Purchaser shall exercise the rights of the Owner for purposes of the Association and the Governing Documents, except as hereinafter limited, and shall be the voting representative unless otherwise specified. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Lot shall operate automatically to transfer the membership in the Association to the new Owner. Each Lot Owner shall be subject to the Governing Documents as they may from time to time be adopted or amended by the Association.

Section 7.3. Number of Votes. There shall be one (1) vote for each Lot, for a total of seventy-six (76) votes. When more than one person or entity owns an interest in any Lot, the vote for that Lot shall be exercised as the Owners decide but, in no event, shall more than one vote be cast with respect to any Lot nor shall any vote be divided. Except as otherwise specified in the Governing Documents, a simple majority of votes shall be required for any action.

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

Section 7.4. Powers of the Association.

7.4.1 Mandatory Authority. The Association, acting by and through the Board of Directors, its officers, manager or other duly authorized agents or representatives, shall:

- (a) Adopt Bylaws;
- (b) Adopt budgets for revenues, expenditures, and reserves pursuant to Article 9;
- (c) Impose and collect Assessments for Common Expenses from Lot Owners;
- (d) Prepare financial statements as set forth in Section 7.5.3;
- (e) Deposit and maintain funds of the Association in accounts as set forth in Section 7.5.4.

7.4.2 Discretionary Authority. The Association, acting by and through the Board of Directors, its officers, manager or other duly authorized agents or representatives, may:

- (a) Amend the Governing Documents and adopt and amend rules and regulations;
- (b) Amend budgets for revenues, expenditures, and reserves pursuant to Article 9;
- (c) Hire and discharge or contract with managing agents and other employees, agents, and independent contractors;
- (d) Institute, defend or intervene in litigation, arbitration, mediation or administrative proceedings or any other legal proceedings in its name on behalf of two or more Lot Owners on matters affecting the Plat Community;
- (e) Make contracts and incur liabilities;
- (f) Regulate the use, maintenance, repair, replacement, and modification of the Common Areas and contract with third parties to accomplish these objectives;
- (g) Cause additional improvements to be made as part of the Common Areas;
- (h) Acquire, hold, encumber, and convey in its own name any right, title, or interest to real or personal property but Common Areas may only be conveyed or subjected to a security interest pursuant to Section 6.5 herein;
- (i) Grant easements, leases, and licenses, through or over the Common Areas and petition for or consent to the vacation of streets and alleys;
- (j) Impose and collect any payments, fees, or charges for the use, rental or operation of the Common Areas, for services provided to Lot Owners and/or for moving in, moving out, or transferring title to Lots;
- (k) Impose and collect charges for late payment of Assessments as further provided in Articles 9 and 10;
- (l) Enforce the Governing Documents 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 this Declaration, the Bylaws, or rules and regulations adopted by the Board, impose and collect reasonable fines for violations of the Governing Documents in accordance with a previously established schedule thereof adopted by the Board and furnished to the Owners pursuant to the requirements for notice in this Declaration and the Bylaws;
- (m) Provide for the indemnification of its officers and Board and maintain directors' and officers' liability insurance;
- (n) Borrow money and assign its right to future income, including the right to receive Assessments, subject to Section 8.7;
- (o) Suspend any right or privilege of a Lot Owner who fails to pay an Assessment, but may not (i) deny a Lot Owner or other Occupant access to the Owner's Lot; (ii) suspend a Lot Owner's right to vote, or (iii) withhold services provided to a Lot or Lot Owner by the Association if the effect of withholding the service would be to endanger the health, safety or property of any person;
- (p) Establish and administer a reserve account and prepare a reserve study;
- (q) Exercise any other powers conferred by the Declaration or Bylaws;
- (r) Exercise all other powers that may be exercised in this state by the same type of corporation as the Association; and
- (s) Exercise any other powers necessary and proper for the governance and operation of the Association.

Section 7.5 Association Accounts and Records.

7.5.1 Association Records. The Association shall maintain the following:

- (a) The current budget, detailed records of receipts and expenditures affecting the operation and administration of the association, and other appropriate accounting records within the last seven (7) years;

(b) Minutes of all meetings of its Lot Owners and Board other than executive sessions, a record of all actions taken by the Lot Owners or Board without a meeting, and a record of all actions taken by a Committee in place of the Board on behalf of the Association;

(c) The names of current Lot Owners, addresses used by the Association to communicate with them, and the number of votes allocated to each Lot;

(d) Its original or restated Declaration, organizational documents, all amendments to the Declaration and organizational documents, and all rules currently in effect;

(e) All financial statements and tax returns of the Association for the past seven (7) years;

(f) A list of the names and addresses of its current Board members and officers;

(g) Its most recent annual report delivered to the Washington Secretary of State;

(h) Financial and other records sufficiently detailed to enable the Association to provide resale certificates as required by the Act;

(i) Copies of contracts to which it is or was a party within the last seven (7) years;

(j) Materials relied upon by the Board or any Committee to approve or deny any requests for design or architectural approval for a period of seven (7) years after the decision is made;

(k) Materials relied upon by the Board or any Committee concerning a decision to enforce the governing documents for a period of seven (7) years after the decision is made;

(l) Copies of insurance policies under which the Association is a named insured;

(m) Any current warranties provided to the Association;

(n) Copies of all notices provided to Lot Owners or the Association in accordance with the Act or the Governing Documents; and

(o) Ballots, proxies, absentee ballots, and other records related to voting by Lot Owners for one year after the election, action, or vote to which they relate.

(p) Originals or copies of any plans and specifications delivered by the Declarant pursuant to RCW 64.90.420(1);

(q) Originals or copies of any instruments of conveyance for any Common Areas within the Plat Community but not appurtenant to the Lots delivered by the Declarant pursuant to RCW 64.90.420(1); and

(r) Originals or copies of any permits or certificates of occupancy for the Common Areas in the Plat Community delivered by the Declarant pursuant to RCW 64.90.420(1).

7.5.2 Examination of Association Records. Any Lot Owner, Mortgagee, or their authorized agents may examine the books and records of the Association on reasonable advance notice during working hours at the offices of the Association or its managing agent, provided that the records described in Section 7.5.1(c) herein are not required to be made available for examination and copying by Mortgagees and shall not contain the electronic addresses of Lot Owners who have elected to keep such addresses confidential. The Association shall redact or remove any information from the books and records provided to a Lot Owner or Mortgagee to the extent required by RCW 64.90.495. The Association may charge a reasonable fee for producing and providing copies of any such records and for supervising the Lot Owner's inspection of such records, except that a Lot Owner is entitled to receive from the Association a free annual electronic or written copy of the list retained under Section 7.5.1(c) herein. A right to copy records under this Section includes the right to receive copies by photocopying or other means, including through an electronic transmission if available upon request by the Lot Owner. The Association is not obligated to compile or synthesize information. Information provided pursuant to this Section shall not be used for commercial purposes.

7.5.3 Financial Statements; Reconciliation. At least annually the Association must prepare, or cause to be prepared, a financial statement of the Association in accordance with accrual-based accounting practices. If the aggregate annual Assessments of the Association are \$50,000 or more, the Board shall obtain

an audit of the financial statements by a certified public accountant. If the aggregate annual Assessments of the Association are less than \$50,000, an annual audit is also required but may be waived annually by Lot Owners holding at least a majority of the votes in the Association. Such audit obtained by the Board shall be a Common Expense.

7.5.4 Association Funds. The Association must keep all funds of the Association in the name of the Association with a bank, savings association, or credit union whose deposits are insured by the federal government, except as provided in RCW 64.90.535. The funds must not be commingled with the funds of any other association or with the funds of any managing agent of the Association or any other person or be kept in any trust account or custodial account in the name of any trustee or custodian.

Section 7.6 Meetings, Notice Requirements.

7.6.1 Annual Meetings. There shall be an annual meeting of the members of the Association in March at such reasonable place and time as may be designated by written notice from the Board. At the annual meeting there shall be presented an accounting of the Common Expenses, itemizing receipts and disbursements for the preceding fiscal year, and the allocation thereof to each Owner, and the estimated Common Expenses for the coming fiscal year.

7.6.2 Special Meetings. Special meetings of the members of the Association may be called at any time to address any matter affecting the Plat Community or the Association, by written notice of the President of the Association, upon the written request of a majority of the Board, or upon the written request of Lot Owners having at least ten percent (10%) of the votes in the Association.

7.6.3 Notice. Not less than fourteen (14) nor more than fifty (50) days in advance of any meeting, the Secretary or other officer specified by the Bylaws shall cause notice to be provided as set forth in the Bylaws. The notice of any meeting shall state the date, time and place of the meeting and the items on the agenda to be voted on by the members of the Association including, but not limited to, the general nature of any proposed amendment to the Governing Documents and any proposal to remove a director. If the Association does not provide notice to Lot Owners of a special meeting within thirty (30) days after the requisite percentage of Lot Owners request the Secretary to do so, the requesting members may directly provide notice to all Lot Owners of the meeting. Where an event or condition that could not have been reasonably foreseen renders it impracticable to provide notice as otherwise required, notice must be given at least seven (7) days before the meeting and by means of electronic communication to Owners whose electronic address or phone number is known to the Association.

**ARTICLE 8.
THE BOARD**

Section 8.1 Selection of the Board and Officers. The affairs of the Association shall be governed by a Board of Directors. The number of Directors and their terms of service shall be specified in the Bylaws. The Board shall elect officers in accordance with the procedures provided in the Bylaws. The Directors and officers shall take office upon election and shall hold office until such time as their successor takes office.

Section 8.2 Powers of the Board. Except as provided in the Act or the Governing Documents, the Board shall at all times act on behalf of the Association and shall exercise all powers of the Association including, but not limited to, enforcing the provisions of the Governing Documents.

Section 8.3 Managing Agent. The Board may, to the extent it deems advisable, contract with an experienced professional Managing Agent to assist the Board in the management and operation of the Plat Community and may delegate such of its powers and duties to the Managing Agent as it deems to be appropriate, except as limited herein. Subject to the ability to negotiate alternate terms, any contract with a Managing Agent should have a term no longer than one (1) year (but may be renewable by agreement of the parties for successive one-year periods) and shall be terminable by the Board without payment of a termination fee, either (1) for cause, on thirty (30) days' written notice, or (2) without cause, on not more than ninety (90) days' written notice.

Section 8.4 Limitations on Board Authority. The Board shall not act on behalf of the Association to: (i) amend the Governing Documents in any manner that requires the vote or approval of the Lot Owners under this Declaration; (ii) terminate the Plat Community pursuant to Article 20 and RCW 64.90.290; (iii) elect members of the Board or determine the qualifications, powers, duties, or terms of office of members of the Board. Further, nothing herein contained shall be construed to give the Association authority to conduct an active business for profit on behalf of all of the Owners or any of them. The Board may, in accordance with the Bylaws, fill vacancies in its membership not resulting from removal by the membership for the unexpired portion of any term or, if earlier, until the next regularly scheduled election of the Board.

8.4.1 Adoption or Amendment of Rules. The Board must, before adopting, amending, or repealing any rule, give all Owners notice of its intention to adopt, amend, or repeal a rule and provide the text of the rule or the proposed change, and the date on which the Board will act on the proposed rule or amendment after considering comments from Owners. Following adoption, amendment or repeal of a rule, the Board must give notice to the Owners of its action and provide a copy of the new or revised rule. The Board may adopt rules to establish and enforce construction and design criteria and aesthetic standards. If the Board elects to do so, then it must adopt procedures for enforcement of those standards and for approval of construction applications, including a reasonable time within which the Board or appropriate Committee must act after an application is submitted and the consequences of its failure to act. All rules must be reasonable and must be applied on a uniform, nondiscriminatory basis. All rules must comply with those regulatory limitations stated in RCW 64.90.510. In interpreting those regulatory limitations, the Board shall be given maximum authority and discretion allowed thereunder to limit signs, solar panels, and other displays that are visible to the public or other Owners.

Section 8.5 Removal of Directors. Lot Owners present in person, by proxy, by means of communication as set forth in the Bylaws, or by absentee ballot at any meeting of the Lot Owners at which a quorum is present and at which the removal of the Board member(s) was listed in the notice of the meeting may remove any Board member elected by the Lot Owners, with or without cause, if the number of votes in favor of removal cast by Lot Owners entitled to vote for election of the Board member proposed to be removed is at least the lesser of (a) a majority of the votes in the Association held by such Lot Owners or (b) two-thirds of the votes cast by such Lot Owners at the meeting. At such a meeting, the Director(s) being considered for removal shall be provided reasonable opportunity to speak before the vote. Any such vote to remove a Director shall be conducted by secret ballot.

Section 8.6 Right to Notice and Opportunity to Be Heard. Whenever this Declaration or the Act requires that an action of the Board be taken after "Notice and Opportunity to be Heard," the following procedure shall be observed: The Board shall give written notice of the proposed action to all Owners, Tenants or Occupants of Lots whose interest would be significantly affected by the proposed action. The notice shall include a general statement of the proposed action and the date, time and place of the hearing, which shall be not less than five (5) days from the date notice is delivered to the Board. At the hearing, the affected person shall have the right, personally or by a representative, to give testimony orally, in writing or both (as specified

in the notice), subject to reasonable rules of procedure established by the Board to assure a prompt and orderly resolution of the issues. Such evidence shall be considered in making the decision but shall not bind the Board. The affected person shall be notified of the decision in the same manner in which notice of the meeting was given.

Section 8.7 Borrowing by Association. In the discharge of its duties and the exercise of the power and authority as set forth herein, but subject to the limitations of this Declaration, the Board may borrow funds on behalf of the Association and to secure the repayment of such funds, assess each Lot (and the Owner thereof) for said Lot's pro rata share of said borrowed funds based on the Allocated Interest assigned to each Lot. The obligation to pay the pro rata share shall be a lien against said Lot and the Allocated Interest appurtenant to said Lot. Provided, that the Owner of a Lot may remove said Lot and the Allocated Interest appurtenant to such Lot from the lien of such assessment by payment of the Common Expense Liability attributable to such Lot. Subsequent to any such payment, discharge, or satisfaction, the Lot and the allocated interest in the Common Areas appurtenant thereto shall thereafter be free and clear of the liens so paid, satisfied, or discharged. Such partial payment, satisfaction, or discharge shall not prevent the lienor from proceeding to enforce their rights against any Lot and the Allocated Interest in the Common Areas appurtenant thereto not to be paid, satisfied, or discharged.

8.7.1 Owner Ratification. Any borrowing by the Association that is to be secured by an assignment of the Association's right to receive future income requires ratification by the Lot Owners as follows:

(a) The Board must provide notice of the intent to borrow to all Lot Owners. The notice must include the purpose and maximum amount of the loan, the estimate amount and term of any assessments required to repay the loan, a reasonably detailed projection of how the money will be expended, and the interest rate and term of the loan;

(b) In the notice, the Board must set a date for a meeting of the Lot Owners, which must be not less than fourteen (14) and no more than fifty (50) days after mailing of the notice, to consider ratification of the borrowing;

(c) Unless at that meeting, whether or not a quorum is present, Lot Owners holding a majority of the votes in the Association reject the proposal to borrow funds, the Association may proceed to borrow the funds in substantial accordance with the terms contained in the notice.

Section 8.8 Emergency Action. In an emergency, deemed to be an event or condition or a state of emergency declared by a government for an area that includes the Plat Community that constitutes an imminent: (i) threat to the health or safety of the public or residents of the Plat Community; (ii) threat to the habitability of the Lots; or (iii) risk of substantial economic loss to the Association, this Section shall govern the authority of the Board to respond to the emergency and shall prevail over any inconsistent provision of RCW 64.90 or of the Governing Documents. In such an emergency, the Board shall be authorized to take the following actions pursuant to RCW 64.90.502:

8.8.1 Call a meeting of the membership to respond to an emergency by giving notice to the Owners in a manner that is practicable and appropriate under the circumstances;

8.8.2 Call a Board meeting to respond to an emergency by giving notice to the Lot Owners and Directors in a manner that is practicable and appropriate under the circumstances;

8.8.3 Take action it considers necessary, as a result of the emergency, to protect the interests of the Lot Owners and other persons holding interests in the Plat Community, acting in a manner reasonable under the circumstances without regard to limitations in the Governing Documents.

8.8.4 If, under Subsection 8.8.3, the Board determines by two-thirds vote that a special assessment is necessary:

(a) The Assessment becomes effective immediately or in accordance with the terms of the vote; and

(b) The Board may spend funds paid on the Assessment only in accordance with the action taken by the Board.

8.8.5 Use funds of the Association, including reserves, to pay the reasonable costs of an action under Subsection 8.8.3.

A quorum shall not be required for a meeting pursuant to this Section and after giving notice as required herein the Board may take action by vote without a meeting. After taking action pursuant to this Section, the Board shall promptly notify the Lot Owners of the action in a manner that is practicable and appropriate under the circumstances.

ARTICLE 9.

BUDGET AND ASSESSMENTS

Section 9.1 Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year.

Section 9.2 Preparation of Budget. Not less than sixty (60) days before the end of the fiscal year the Board shall prepare a budget for the Association for the coming year. In preparing its budget the Board shall estimate the Common Expenses of the Association to be paid during the year, make suitable provision for accumulation of reserves, including amounts reasonably anticipated to be required for maintenance, repair, and replacement of the Common Areas and shall take into account any surplus or deficit carried over from the preceding year and any expected income to the Association. The budget must include: (i) the projected income to the Association by category, (ii) the projected Common Expenses by category, (iii) the amount of the Assessments per Lot and the date the Assessments are due, (iv) the current amount of regular Assessments budgeted for contribution to the reserve account, (v) a statement of whether the Association has a reserve study that meets the requirements of RCW 64.90.550 and, if so, the extent to which the budget meets or deviates from the recommendations of that reserve study; and (vi) the current deficiency or surplus in reserve funding expressed on a per Lot basis. If during the year the budget proves to be inadequate for any reason, including nonpayment of Assessments, the Board may prepare a supplemental budget for the remainder of the year. A supplemental budget that results in increase in an Owner's Assessments shall be ratified pursuant to Section 9.3.

9.2.1 Common Expenses. The following expenses shall be considered in common with all Lot Owners: operation and maintenance of Common Areas including designated Common Areas; operation and maintenance of street lighting (where applicable), Common Area sprinkler systems and security gates; maintenance of Common Area roadways and landscaping, including all perimeter landscaping, fencing and sidewalks, maintenance of signage, fencing where applicable, monumentation, gazebos, sitting structures, and mail box structures; and operation and maintenance of the storm sewer system which shall include execution of a contract with a company to clean said system at the discretion of the Board, but not to exceed every fourth year commencing from the date of installation. Said company shall have the required expertise and equipment

necessary to complete the aforementioned in a workmanlike manner consistent with industry standards. Common expenses shall be inclusive of the cost of liability and casualty insurance in whatever amount is reasonable and deemed appropriate by the Board as required by Article 14. Common Expenses do not include interior sidewalks frontage to each Lot, which is the financial responsibility of the Lot Owner(s).

Section 9.3 Ratification of Budget. Within thirty (30) days after adoption of any proposed budget for the Plat Community, the Board shall provide a copy of the budget to all Lot Owners and set a date for a meeting of Owners to consider ratification of the budget not less than fourteen (14) nor more than fifty (50) days after providing the budget. Unless at that meeting the Owners to which a majority of the votes in the Association are allocated reject the budget, the budget and the Assessments against the Lots included in the budget are ratified, whether or not a quorum is present. In the event the proposed budget is rejected or the required notice is not given, the periodic budget last ratified by the Lot Owners shall be continued until the Lot Owners ratify a subsequent budget proposed by the Board.

Section 9.4 Assessments for Common Expenses. The sums required by the Association for Common Expenses, as reflected by the annual budget and any supplemental budgets, shall be divided into such installment period as deemed to be appropriate by the Board to be paid over the period covered by the budget or supplemental budget. Except as provided in Section 9.5, all Assessments shall be levied at a uniform rate for all Lots. The Association must provide at least one method of accepting payment of Assessments from Lot Owners at no charge or as a Common Expense.

Section 9.5 Specially Allocated Expenses. The Association may, to the extent reasonably practicable, in a reasonable and non-discriminatory manner, specially allocate any Common Expense or portion thereof benefiting fewer than all of the Lots exclusively against the Lots benefited in proportion to the benefit received; provided, that if the Common Expense is for maintenance, repair, or replacement of a Common Area, the expense may be assessed exclusively against such Lots only if the Declaration reasonably identifies the Common Expense by specific listing or category. Common Expenses which the Board may levy as a Specially Allocated Expense shall include:

9.5.1 Utility Costs. The Board may elect that the costs of specified services or utilities may be assessed in proportion to respective usage, whether metered, billed in bulk based on Lot count, or reasonably estimated, or upon the same basis as such charges are made by the utility provider.

9.5.2 Owner Misconduct. To the extent that any Common Expense is caused by the willful misconduct, gross negligence or negligence of an Owner or Tenant, guest, invitee or Occupant of any Lot, including but not limited to pursuant to Article 13, or by the Lot Owner's failure to comply with a maintenance standard prescribed by the Declaration or a rule which results in damage or loss, the Association may, after Notice and Opportunity to be Heard, assess such expense against that Lot. Such assessment may be imposed even if the Association maintains insurance which covers the damage or Common Expense incurred but shall be limited to the actual expense incurred by the Association; provided, where the damage or Common Expense is the result of the negligence of the Owner or the Owner's Tenant, guest, invitee or Occupant the Assessment shall be limited to the expense incurred less any insurance proceeds received by the Association, whether the difference results from the application of a deductible or otherwise.

In determining whether a Specially Allocated Expense is practicable, the Association shall consider the extent to which certain Lots benefit more than other Lots regarding expenses involved in each case, whether it is possible to separately contract for the applicable service, and the amount of the liability or expense involved. The Board shall have discretion to not make any Specially Allocated Expenses and, instead, treat the expense as a Common Expense, if the Board determines that the administrative burden is disproportionate to the

differential achieved by the Specially Allocated Expense. The Association may impose deposit requirements, late charges, billing procedures, and other similar measures regarding Specially Allocated Expenses as the Association may determine is appropriate in its reasonable discretion.

Section 9.6 Special Assessments. For those Common Expenses which cannot reasonably be calculated and paid on a monthly basis, the Board may levy a special assessment for such expenses against the Lots subject to ratification by the Owners pursuant to Section 9.3. The Board may provide that the Special Assessment may be due and payable in installments over any period it determines and may provide a discount for early payment.

Section 9.7 Reserves. The Board shall create and maintain from regular Assessments a reserve fund for replacement of those Common Areas which can reasonably be expected to require replacement or a major repair prior to the end of the useful life of the Plat Community. The Board shall calculate the contributions to said reserve fund so that there are sufficient funds therein to replace, or perform such major repair, to each Common Area component covered by the fund at the end of the estimated useful life of each such Common Area.

Section 9.8 Notice of Assessments. The Board shall notify each Owner in writing of the amount of the general and special assessments to be paid for the Owner's Lot and shall furnish copies of all budgets and the Common Expense Liability allocations which apply to the Lot, on which the general and special assessments are based. The Board shall furnish the same information to an Owner's Mortgagee if so requested.

Section 9.9 Payment by Owners. Each Owner shall be obligated to pay their respective share of Common Expenses and Specially Allocated Expenses made pursuant to this Section to the Treasurer for the Association or the Managing Agent in such reasonable manner and timing as the Board shall designate. Special Assessments shall be paid annually or in equal monthly or other periodic installments and in such other reasonable manner as the Board designates. No Owner may exempt themselves from liability for payment of Assessments for any reason, including waiver of use or enjoyment of the Common Areas or abandonment of the Owner's Lot. Any Assessments not paid within a grace period established by the Board shall be delinquent and subject to late charges, interest charges and collection procedures as provided herein.

Section 9.10 Proceeds Belong to Association. All assessments and other receipts received by the Association on behalf of the Plat Community shall belong to the Association.

Section 9.11 Failure to Assess. Any failure by the Board or the Association to make the budgets and assessments hereunder before the expiration of any year for the ensuing year shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of the Owners from the obligation to pay assessments during that or any subsequent year, and the monthly assessments amounts established for the preceding year shall continue until new assessments are established.

Section 9.12 Reconciliation of Assessments to Actual Expenses. The Association shall establish and maintain its accounts and records in such a manner that will enable it to deposit the Assessments for Common Expenses, including allocations to reserves, and income to the Association to the account of the appropriate Lots and make its expenditures from the appropriate accounts. In order that the Lot Owners are correctly assessed for the actual expenses of the Association, the accounts of the Association shall be reconciled at least annually unless the Board determines a reconciliation would not result in a material savings to any Lot Owner. Any surplus funds remaining after the payment of or provision for Common Expenses and any prepayment of reserves shall not be credited to the benefit of, or paid to, Lot Owners except pursuant to the Board's reasonable discretion that such action is in the best interests of the Association.

Section 9.13 Certificate of Unpaid Assessments; Resale Certificates. Upon the request of any Owner or Mortgagee of a Lot, the Board will furnish a certificate stating the amount, if any, of unpaid assessments charged to the Lot. The certificate shall be conclusive upon the Board and the Association as to the amount of such indebtedness on the date of the certificate in favor of all Purchasers and mortgagees of the Lot who rely on the certificate in good faith. The Board may establish a reasonable fee to be charged to reimburse it for the cost of preparing the certificate. In addition, the Board shall furnish resale certificates to the extent required by RCW 64.90.640 and shall provide such other information as may be reasonably requested by an Owner or its Mortgagee including an estoppel certificate confirming the identity of the Owner, its voting representative, amount and status of payment of Assessments, any significant anticipated expenses which are not reflected in the budget or for work which adequate reserves are not maintained, a summary of any pending or threatened litigation, whether the Owner or its Occupants and Invitees are in compliance with this Declaration and any rules and regulations adopted by the Board. The estoppel certificate shall be based on the actual knowledge of the Directors then serving on the Board and a reasonable review of the books and records available to them.

Section 9.14 Recalculation of Assessments. If Common Expense Liabilities are reallocated, Common Expense Assessments, Special Assessments, and any installment thereof not yet due shall be recalculated in accordance with the reallocated liabilities.

ARTICLE 10.

LIEN AND COLLECTION OF ASSESSMENTS

Section 10.1 Assessments Are a Lien; Priority. Unpaid Assessments shall be the separate, joint and several personal debts of the Owner or Purchaser by voluntary conveyance of Lots for which the same are assessed. Suit to recover a money judgment for unpaid Assessments shall be maintainable without foreclosing or waiving the lien securing the same. The Association has a statutory lien on each Lot for any unpaid assessment against a Lot from the time the assessment is due. The Association's lien has priority over all other liens and encumbrances on a Lot except: (a) liens and encumbrances recorded before the recording of the Initial Declarations; (b) mortgages and other security interests recorded before the due date of the unpaid assessment except as provided below in this Section; and (c) liens for real property taxes and other state or local governmental assessments or charges against the Lot. If the Association gives the holder of those security interests described in (b) of this Section not less than sixty (60) days prior written notice of delinquent assessments that complies with RCW 64.90.485(3)(a)(iii), then the Association's lien shall have priority over such security interests for those Common Expense Assessments, including Special Assessments, but excluding any amounts for capital improvements, which would have become due in the absence of acceleration during the six months immediately preceding the institution of proceedings to foreclose either the Association's lien or such security interest, together with costs of foreclosure and attorneys' fees to the extent allowed by RCW 64.90.485. This limited lien priority over such security interest shall not be available if the Association forecloses its lien non-judicially. A Mortgagee of a Lot that obtains possession through a mortgage foreclosure or deed of trust sale, or by taking a deed in lieu of foreclosure or sale, or a Purchaser at a foreclosure sale, shall take the Lot free of any claims for the share of assessments by the Association chargeable to the Lot which became due before such possession, but will be liable for the assessments and other authorized expenses accruing after such possession.

Section 10.2 Lien May be Foreclosed; Judicial Foreclosure. The lien arising under this Article may be enforced judicially by the Association or its authorized representative in the manner set forth in RCW 61.12 or nonjudicially as set forth in Section 10.2.1. The Association or its authorized representative shall have the power to purchase the Lot at the foreclosure sale and to acquire, hold, lease, mortgage, or convey

the same. 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 Article prohibits the Association from taking a deed in lieu of foreclosure. Except as otherwise provided in the Act or the Declaration, the holder of a mortgage or other Purchaser of a Lot who obtains the right of possession of a Lot through foreclosure shall not be liable for any Assessments or installments thereof that became due prior to such right of possession. Such unpaid assessments shall be deemed to be Common Expenses collectible from all the Owners, including such mortgagee or other Purchaser of the Lot. Foreclosure of a mortgage does not relieve the prior Owner of personal liability for assessments accruing against the Lot prior to the date of such sale.

10.2.1 Nonjudicial Foreclosure. A lien arising under this Article may be foreclosed nonjudicially in the manner set forth in RCW 61.24 for nonjudicial foreclosure deeds of trust. For the purpose of preserving the Association's nonjudicial foreclosure option, this Declaration shall be considered to create a grant of each Lot in trust to Chicago Title Insurance Company of Washington, Inc. or its successors or assigns ("Trustee"), to secure the obligations of each Lot Owner ("Grantor") to the Association ("Beneficiary") for the payment of assessments, subject to the right that the Association shall maintain the right to appoint any otherwise qualified Trustee as Successor Trustee. Grantor shall retain the right to possession of Grantor's Lot so long as Grantor is not in default of an obligation to pay assessments. The Trustee shall have a power of sale with respect to each Lot, which becomes operative in the case of a default in a Grantor's obligation to pay assessments. The Lots are not used principally for agricultural or farming purposes. If the Association forecloses its lien nonjudicially pursuant to this Section, it shall not be entitled to the lien priority over mortgages provided in exception (b) of Section 10.1.

Section 10.3 Appointment of Receiver. In an action by the Association to collect Assessments or to foreclose a lien on a Lot, the court may appoint a receiver to collect all sums alleged to be due and owing to a Lot Owner before commencement or during pendency of the action. The receivership is governed by RCW 7.60. During pendency of the action, the court may order the receiver to pay sums held by the receiver to the Association for any Assessments against the Lot. The exercise by the Association of the foregoing rights shall not affect the priority of the preexisting liens on the Lot.

Section 10.4 Assessments Are Personal Obligation. In addition to constituting a lien on the Lot, all sums assessed by the Association chargeable to any Lot, including all charges provided in this Article, shall be the personal obligation of the Owner of the Lot when the Assessment is made. Suit to recover personal judgment for any delinquent assessments shall be maintainable without foreclosing or waiving the liens securing them.

Section 10.5 Extinguishment of Lien and Personal Liability. A lien for unpaid assessments and the personal liability for payment of assessments is extinguished unless proceedings to enforce the lien or collect the debt are instituted within six (6) years after the amount of the assessments sought to be recovered becomes due.

Section 10.6 Joint and Several Liability. In addition to constituting a lien on the Lot, each assessment shall be the joint and several obligation of the Owner or Owners of the Lot to which the same are assessed as of the time the Assessment is due. In a voluntary conveyance, the grantee of a Lot shall be jointly and severally liable with the grantor for all unpaid Assessments against the grantor up to the time of the grantor's conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. Suit to recover a personal judgment for any delinquent assessment shall be maintainable in any court of competent jurisdiction without foreclosing or waving the lien securing such sums.

Section 10.7 Late Charges and Interest on Delinquent Assessments. Any unpaid assessment or charge shall bear interest at the rate of twelve percent (12%) per annum from due date until paid. The Association may from time to time establish reasonable late charges and modify the rate of interest to be charged on all subsequent delinquent payments up to the maximum rate permitted under RCW 19.52.020 beginning on the date on which the assessments became delinquent.

Section 10.8 Recovery of Attorneys' Fees and Costs. The Association shall be entitled to recover any costs and reasonable attorneys' fees incurred in connection with the collection of delinquent assessments, whether or not such collection activities result in suit being commenced or prosecuted to judgment. In addition, the Association shall be entitled to recover costs and reasonable attorneys' fees if it prevails on appeal and in the enforcement of a judgment.

Section 10.9 Security Deposit. Should an Owner be chronically delinquent in paying any Assessments, the Board of Directors may, in its discretion, require such Owner from time to time to make a security deposit not in excess of twelve (12) months estimated monthly Assessments, which may be collected in the same manner as other Assessments. Such deposit shall be held in a separate fund, credited to such Owner, and resort may be made thereto at any time when the Owner is ten (10) days or more delinquent in paying his monthly or other Assessments.

Section 10.10 Acceleration of Assessments. If an Owner is delinquent in the payment of any Assessment for more than sixty (60) days, and the Owner fails to cure the delinquency, then the Association may accelerate and demand immediate payment of all Assessments coming due during the twelve (12) month period following the Association's notice. The Association may reasonably estimate any Specially Allocated Expense or special Assessments in calculating the accelerated balance.

Section 10.11 Collections from Tenants. The Association may collect directly from any tenant of a Lot the Owner of which is delinquent and the payment of Assessments all or any portion of the rent due for such Lot until such Owner's delinquency has been satisfied including any applicable late charges, interest, and security deposit requirements. The Association shall not exercise this right unless the Owner fails to pay any delinquency within thirty (30) days after notice of the delinquency has been given to the Owner. The tenant of any such Lot shall receive full credit against his or her rental obligations to the Owner for all amounts paid to the Association in response to the Association's demand. Provided, however, the payment of rents by any such tenant shall not act as a waiver of any requirements stated in this Declaration with regard to the lease and approval of the same by the Association, and shall not discharge any liability of the Owner hereunder except that such delinquency shall be reduced by the amounts actually received, and shall not release the Association's lien against the Lot for any remaining delinquency.

Section 10.12 Remedies Cumulative. The remedies provided herein are cumulative and the Board may pursue them, and any other remedies which may be available under law although not expressed herein, either concurrently or in any order.

ARTICLE 11.

LAND USE RESTRICTIONS

Section 11.1 Residential Use Only. All Lots shall be used solely and exclusively for single-family residential purposes.

Section 11.2 Business and Commercial Uses. Except as set forth herein, no trade, craft, business, professional, commercial or similar activity of any kind shall be conducted on any Lot, nor shall

any goods, equipment, vehicles, materials or supplies used in connection with any trade, service, or business, wherever the same may be conducted, be kept or stored outside any building on any Lot except upon receipt of a written exception from the ACC. Upon written application to the Board, a Lot Owner may request permission to operate a home-based business. The Board shall be authorized, but not obligated, to grant such approval and such approval may only be granted, in the sole discretion of the Board, if: (a) all applicable governmental zoning and land use classifications lawfully permit such usage, and (b) the business owner(s) are licensed by all applicable governmental authorities to operate such a business; AND (c) the owner(s) of said Lot(s) agree to indemnify and hold the Association fully harmless from any and all liability and causes of action arising by virtue of said business; AND (d) such operation does not interfere or otherwise violate any other provisions of this Declaration, including but not limited to vehicle parking and signage restrictions. Should the Board give written authorization for such usage, such authorization may be revoked by at least five (5) days prior written notice delivered to the owner(s) should the owner(s) operating the business fail to strictly adhere to the provisions contained herein as well as any additional Rules and Regulations imposed, from time to time, by the Board. Revocation may be appealed by the Lot Owner consistent with the Association's Rules and Regulations. Notwithstanding the foregoing, the Association may not prohibit, unreasonably restrict or limit, directly or indirectly, the use of a Lot for the following:

11.2.1 A licensed family home childcare within a Lot operated by a family day care provider or operated as a licensed child day care center, except to the extent permitted by RCW 64.90.570;

11.2.2 An adult family home, as defined by RCW 70.128.010, operated by a licensed operator, except to the extent permitted by RCW 64.90.585.

Section 11.3 Maintenance of Structures and Landscaping. All structures upon a Lot shall, at all times, be maintained by the Lot Owner in good condition and repair and be properly painted, stained or otherwise finished. All trees, hedges, shrubs, flowers and lawns shall be watered, maintained and cultivated so that the Lot is not detrimental to the neighborhood as a whole. Slope banks upon any Lot shall be properly watered and maintained by the owner thereof. Lot Owners shall be responsible for maintaining any "landscaping theme" set forth by the Association with respect to cul-de-sacs and/or streets. All Lots shall be kept free from litter and debris and no goods used for private purposes shall be kept or stored outside any building on any Lot except upon receipt of written consent of the ACC.

The Association shall be responsible for maintaining the perimeter landscaping, fencing and sidewalks. Maintenance shall include keeping the perimeter landscaping, fencing and sidewalks in good repair and free of debris and immediately replacing any unhealthy landscape plants. Replacement shall be completed within two (2) weeks of notification. No provision with respect to maintenance of perimeter landscaping, fencing and sidewalks may be amended as said provisions are for the benefit of surrounding communities.

Section 11.4 Vehicle Parking and Storage. No vehicle may be parked on any sidewalk areas or building Lots, except on designated and approved driveways or parking areas which shall be hard-surfaced. At no time shall a vehicle be parked in such a manner as to obstruct the sidewalk. For not only the aesthetic appeal of the community, but for the safety of residents and guests, garages and driveways located entirely on the Lot are to be utilized first for the parking of all vehicles. Only in the event of overflow should vehicles be parked on the street. All on-street parking shall be parallel to the sidewalk. The Board may adopt Rules and Regulations that establish conditions and procedures for temporary parking by Owners in the street.

No recreation vehicles and/or commercial vehicles, including but not limited to boats, campers,

motor homes, trucks in excess of $\frac{3}{4}$ ton, trailers and construction/maintenance equipment, whether operable or not, of any kind shall be parked or stored visible from the street. Class B Adventure Vans are acceptable. No unsightly vehicles shall be permitted upon the property nor shall any abandoned or disabled vehicles be stored upon the property for more than 48 hours. THERE SHALL BE NO PARKING ALLOWED OF ANY VEHICLE OF ANY KIND WHATSOEVER AT ANY TIME ON THE ROLLED CURB AND SIDEWALK LOCATED WITHIN THE PLAT COMMUNITY.

Section 11.5 Pets. No animals or fowl shall be raised, kept or permitted on any Lot except domestic dogs, cats, and caged birds kept within the Residence, provided such pets are not permitted to run at large and are not permitted to be kept, bred or raised for commercial purposes or in unreasonable numbers. No household pet that is or becomes an annoyance or nuisance to the neighborhood shall thereafter be kept on any Lot. No caged birds shall be allowed outside the Residence.

Section 11.6 Garbage and Trash. No Lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage and other waste shall be kept only in sanitary containers properly screened and shielded from adjacent properties. All equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition. No trash, refuse piles, vehicles, underbrush, compost piles or other unsightly growth shall be allowed to accumulate or remain on any Lot so as to be a detriment to the neighborhood or become a fire hazard. No building material of any kind shall be placed or stored upon the property until the Owner is ready to commence construction, and then such material shall be placed within the boundary lines of the Lot.

Section 11.7 Noxious or Offensive Activity. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything or any activity be done or maintained thereon which may be or become an annoyance or nuisance to the neighborhood or detract from its value. Noxious or offensive activities may include, but are not limited to, excessive or unnecessary noise generated by vehicles, persons, appliances or pets. If the Board of Directors determines an activity is noxious or undesirable, such determination shall be conclusive.

Section 11.8 Water and Sewage Systems. No individual water supply system shall be permitted on any Lot. No individual sewage disposal system shall be permitted on any Lot, unless the system is designed, located and constructed in accordance with requirements, standards and recommendations of all governmental agencies having jurisdiction of such systems.

Section 11.9 Temporary Residence. No mobile home, trailer, tent, shack, garage or structure of a temporary nature, or any other outbuilding shall be used on any Lot at any time as a residence.

Section 11.10 Outside Storage Building. An outside storage building that has the same or similar siding, matching roofing materials and matching colors to the house that they will serve and are of ACC approved design are allowed in the rear yard. Any and all buildings must be approved as to location, colors, design, size and materials prior to commencing construction.

Section 11.11 Drilling, Mining, Etc. Exploration for any recovery of minerals, oil and gas, sand and gravel or other materials, by any means or method is prohibited.

Section 11.12 Signs. All signs for the sale, lease or rental of a property for display to public view are prohibited except one (1) sign not to exceed 500 square inches which advertises the property whereon posted. The ACC shall have sole jurisdiction on all additional signs within the boundaries of the Plat

Community, including any and all Common Areas. "A" Boards that advertise an "Open House" will be allowed if taken down daily.

The outdoor display of political yard signs by an Owner or Resident on the Owner or Resident's property before any primary or general election is permitted consistent with applicable law. All such signs must be removed from the Lot within three (3) calendar days following the date of the primary or general election to which the sign refers. The Association may impose limitations in the Rules and Regulations regarding the placement and manner of display of all such signs.

Section 11.13 Antennas. Radio or television antennas, satellite dishes or other appliances one meter or less in diameter may be installed on an Owner's Lot or Residence pursuant to 47 C.F.R. §1.4000. Prior notice must be provided to the ACC before installation occurs and installation must comply with all applicable Rules and Regulations. Installation of all other devices or at any location which the Owner does not have exclusive use or control over requires prior written approval of the ACC. Lot Owner shall bear all costs of installation, operation, maintenance, repair, and replacement of any permitted device and Owner shall be responsible for any damage inflicted on the Common Areas, another Lot, or any injury which may result therefrom.

Section 11.14 Holiday Decorations / Lights. Lot Owners may place outside decorations and decorative holiday lighting on their Lot and/or Residence no more than thirty (30) days prior to any generally recognized holiday. All decorations must be removed within fifteen (15) days after the holiday. All other area exterior lighting shall be designed and positioned to ensure the light source is not visible from any other Residences or, if visible, is angled downward so as to adequately mitigate the effect of any light spill over onto adjacent Lots (whether or not visible light is adequately mitigated shall be determined by the ACC in its sole discretion for the protection of Owners within and for the overall harmony of the Plat Community). The Board may adopt Rules and Regulations that reasonably regulate the placement and the manner of installation and/or display.

Section 11.15 Display of the Flag of the United States. All flags of the United States displayed on a Lot within the Plat Community must be done so in a manner consistent with 4 U.S.C. Sec. 1, et seq. The Board may adopt Rules and Regulations that reasonably regulate the placement and the manner of display. All flagpoles used for the display of the flag of the United States on any Lot within the Plat Community must comply with all Rules and Regulations adopted by the Board regarding the location and size of the flagpole. Written ACC approval is required prior to the installation of any flagpole within the Plat Community.

Section 11.16 Unlicensed Motorized Vehicles. Except as provided for in the Rules and Regulations, the operation of an unlicensed motorized vehicle is strictly prohibited on any Lot, street or Common Area within the Plat Community. A vehicle is unlicensed if it does not have tabs depicting current registration as required by Washington State law or if the vehicle is not street approved. A motorized vehicle may include, but is not limited to, electric motorcycles, dune buggies, scooters, mini-bikes, go-carts, snowmobiles or any other vehicle powered by a motor of any kind.

Section 11.17 Outdoor Play/Sports Equipment. Lot Owners planning to place outdoor play/sports equipment, including but not limited to swing sets, jungle gyms, sports courts and basketball hoops/backboards that are to be secured in the ground, with or without concrete, must obtain written approval as to the location from the ACC prior to their installation.

Section 11.18 Firearms. The shooting of any type of weapon or firearms is prohibited within the Plat Community, including but not limited to: BB guns and pistols, pellet guns and sling shots.

Section 11.19 Heat Pumps. A Lot Owner may install a heat pump for their personal use within the boundaries of their respective Lot in a manner pursuant to the requirements of RCW 64.90.580 and subject to reasonable Rules and Regulations established from time to time by the Board of Directors, which may include a requirement for prior approval by the Association. This Section shall not be construed to permit installation by a Lot Owner of heat pump equipment on or in Common Area without obtaining prior written approval of the Board which shall not be unreasonably withheld.

Section 11.20 Electric Vehicle Charging Stations. A Lot Owner may install an electric vehicle charging station for personal, noncommercial use pursuant to the requirements of RCW 64.90.513 and subject to reasonable Rules and Regulations established from time to time by the Board of Directors.

Section 11.21 Solar Energy Panels. Solar energy panels may be installed upon a Lot so long as the solar energy panel: (a) meets applicable health and safety standards and requirements imposed by State and local permitting authorities; (b) if used to heat water, is certified by the solar rating certification corporation or another nationally recognized certification agency. Certification must be for the solar energy panel and for installation; and (c) if used to produce electricity, meets all safety and performance standards established by the national electric code, the institute of electrical and electronics engineers, accredited testing laboratories, such as underwriters laboratories, and, where applicable, rules of the utilities and transportation commission regarding safety and reliability. A solar energy panel frame, a support bracket, or any visible piping or wiring shall be painted to coordinate with the roofing material. Solar energy panels may be attached to the slope of a roof facing the street only if the panel conforms to the slope of the roof and the top edge of the panel is parallel to the roof ridge. Ground mounted solar energy panels must be shielded if shielding the panel does not prohibit economic installation of the solar energy panel or degrade the operational performance quality of the solar energy panel by more than ten percent (10%). All Owners shall be required to execute a Covenant and Hold Harmless Agreement which indemnifies the Association for loss or damage caused by the installation, maintenance or use of the solar energy panel. The ACC may establish other reasonable Rules and Regulations regarding the manner and placement of a solar energy panel.

ARTICLE 12.

ARCHITECTURAL CONTROL

Section 12.1 Architectural Control Committee. The Architectural Control Committee ("ACC") shall consist of not more than three (3) members of the Association who shall all be appointed by the Board of Directors. No less than two (2) directors shall serve on the ACC and shall have exclusive voting power for the committee. The ACC shall meet as necessary to properly perform its duties and shall keep and maintain a record of all actions taken at the meetings or otherwise. No member of the ACC shall be entitled to compensation. The purpose of the ACC is to ensure the maintenance of the aesthetic integrity and structural quality, and to ensure that all future replacements or improvements are compatible.

Section 12.2 Construction Approval. No building or other structure shall be commenced, erected or altered upon any Lot, nor shall any exterior addition be made until the construction plans and specifications and a plot plan showing the nature, kind, shape, height, materials, colors and location of same shall be submitted to and approved in writing by the ACC. The ACC requires a separate set of plans for each Lot to be approved. If the ACC fails to approve or disapprove such design and location within thirty (30) days after submittal to the committee, this Article will be deemed to have been fully complied with.

Section 12.3 Construction Time. Any Residence or structure erected or placed on any Lot shall be completed as to external appearance, including finish painting and front yard landscaping, within nine (9) months from the issuance of the building permit except for reasons beyond control of the Lot Owner, in which case landscaping must be completed within the nine (9) month time period.

Section 12.4 Size of Improvements. The total floor area of any Residence on a Lot, exclusive of open porches and garages, shall not be less than 2,000 square feet. In the case of a split level, two-story Residence, the building footprint, exclusive of open porches and garages, shall contain not less than 1,000 square feet.

Section 12.5 Roofs. All roofs shall have a minimum slope of 4 in 12 and shall be constructed of cedar shake, cedar shingle, ACC approved tile, or ACC approved premium, architectural-grade composition shingle. Any exception to these materials must be approved in writing by the ACC prior to construction or replacement.

Section 12.6 Driveways. All driveways shall be concrete, unless approval for use of other material is granted in writing by the ACC.

Section 12.7 Fences. No fence, wall or hedge shall be erected or placed on any Lot nearer to any street than the minimum building setback lines, or the actual building set back lines, whichever is further from the street, except that nothing shall prevent the erection of a necessary retaining wall, the top of which does not extend more than two (2) feet above the finished grade at the back of said wall. Fences shall be constructed only of wood. Fences shall not exceed six (6) feet in height. Any hedge or shrub "fencing" shall be subject to the same restrictions. Any type of chain link or metal fence is specifically prohibited.

Fences bordering the green belt areas shall be erected with the finished side facing the green belt areas. No fencing shall be permitted in the front yard. On corner Lots, fencing shall only be allowed from the rear corner of the house to the rear lot line along the exterior side lot line. The shape, design and materials for all fencing must be approved in writing by the ACC prior to construction.

Section 12.8 Garages. Garages shall be a minimum of a two (2) car garage and no more than a four (4) car garage.

Section 12.9 "Stick-Built" Construction. All Residences shall be of a "stick-built" variety. Mobile homes, manufactured housing and modular homes are specifically not permitted.

Section 12.10 Exterior Finishes. All exterior finishes shall be of cedar siding, cement-based or OSB lap siding, brick, stone masonry and veneer. Any exception to these materials must be approved in writing by the ACC prior to installation. In no case will OSB panel siding (T-111), laminated wood, vinyl, aluminum or equivalent siding materials be allowed on any house within the Plat Community. The entire house must be painted or stained in colors acceptable to the ACC. All metal fireplace chimneys shall be either wood or stone wrapped. All colors must have ACC written approval to be used.

Section 12.11 Yard Light. Every Lot is required to have a yard light in the front yard, which is typically to be located five (5) feet from the inside of the front property line and five (5) feet from the side of the driveway in which the front door is located, unless the characteristics of a specific Lot require alternate placement. The yard light and structural base must be submitted and approved by the ACC prior

to installation or modification.

Section 12.12 Setbacks. No buildings, sheds or outbuildings of any kind shall be located on any Lot nearer to the lot lines than required by the codes and ordinances governed by the Municipality of University Place and the County of Pierce.

Section 12.13 Sight Distance. No fence, wall, tree, hedge or other mass planting which obstructs sight lines at elevations between two (2) and six (6) feet above the roadways shall be placed or permitted to remain on any corner Lot, within the triangular area formed by the street property lines and the line connecting them at a point twenty-five (25) feet from the intersection of the street lines, or in the case of a rounded corner, from the intersection of the street property lines extended. The same sight line limitations shall apply on any Lot within the ten (10) feet from the intersection of a street property line with the edge of a driveway. In any event, no fence will be permitted beyond the front of the said house.

ARTICLE 13.

OWNER MAINTENANCE OBLIGATIONS

Each Lot Owner shall be obligated to promptly and continuously maintain their Lot and the Residence thereon in full compliance with all applicable governmental laws and in accordance with the Governing Documents as they may be amended from time to time. Lots shall be kept in a clean, attractive condition and in such a manner as a reasonably prudent homeowner would maintain his own Lot so the Property reflects a high pride of ownership. If, in the discretion of the Board, an Owner fails to maintain or repair any area for which the Owner is responsible or to correct a violation of the Governing Documents after Notice and an Opportunity to be Heard, and within thirty (30) days thereafter, the Association shall have the right, through its agents and employees, to enter said Lot and clean, repair, maintain and restore the Lot and the exterior of the buildings and other improvements and to generally correct the violation and charge the expense thereof and any court costs and/or attorney's fees incurred in enforcing this provision to the Owner as a Specially Allocated Expense against such Lot.

ARTICLE 14.

INSURANCE

Section 14.1 Association Insurance Coverage. The Association shall maintain in its own name, to the extent reasonably available and subject to reasonable deductibles:

14.1.1 Property insurance on the Common Areas, insuring against all risks of direct physical loss. The total amount of insurance after application of any deductibles shall not be less than eighty percent (80%) of the actual cash value of the insured property at the time the insurance is purchased and at each renewal date, exclusive of land, excavations, foundations, and other items normally excluded from property policies;

14.1.2 Commercial general liability insurance, including medical payments insurance, in an amount to be determined by the Board but not less than One Million Dollars (\$1,000,000) covering all occurrences commonly insured against for bodily injury and property damage arising out of or in connection with the use, ownership, or maintenance of the Common Areas or other areas under control and supervision of the Association;

14.1.3 Fidelity or crime insurance covering all Persons responsible for handling Association funds, including Directors, officers, employees, and any managing agent and employees of any

managing agent. The amount of coverage shall be determined by the Board in its business judgment, provided that the Board shall consider as a floor the total of three (3) months of regular assessments on all Lots plus the total amount held in reserve funds at the time the policy is obtained or renewed, and shall document its coverage determination in Board minutes. The policy shall include a provision requiring not less than ten (10) days' prior written notice to the Association before the policy may be cancelled or substantially modified;

14.1.4 Worker's compensation insurance to the extent required by applicable laws;

14.1.5 Insurance against loss of personal property of the Association by fire, theft and other losses with deductible provisions as the Board deems advisable;

14.1.6 Insurance coverage, in such amounts as the Board may in its discretion determine, to indemnify Directors, officers and agents of the Association pursuant to Section 16.2;

14.1.7 Such other insurance as the Board deems advisable; provided, that notwithstanding any other provisions herein, the Association shall continuously maintain in effect such casualty, flood and liability insurance and a fidelity bond meeting the insurance and fidelity bond requirements for similar projects established by Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Housing Authority, Veterans Administration, or other governmental or quasi-governmental agencies involved in the secondary mortgage market, so long as any such agency is a Mortgagee or Owner of a Lot within the project, except to the extent such coverage is not available or has been waived in writing by such agency.

Section 14.2 Insurance Not Available. If the insurance specified in Section 14.1 is not reasonably available, the Association must promptly cause notice of that fact to be delivered in a record to all Lot Owners within thirty (30) days of the Association's determination that such insurance is not reasonably available, describing the coverage that is unavailable and the reason therefor. The Association may carry any other insurance it considers appropriate to protect the Association or the Lot Owners.

Section 14.3 Special Policy Requirements. Insurance policies carried pursuant to Section 14.1 shall provide that: (a) each Lot Owner is an insured person under the policy with respect to liability arising out of the Lot Owner's interest in the Common Areas or membership in the Association; (b) the insurer waives its right to subrogation under the policy against any Lot Owner, and any member of the Lot Owner's household; (c) any act or omission by any Lot Owner, unless acting within the scope of the Lot Owner's authority on behalf of the Association, does not void the policy and is not a condition to recovery under the policy; (d) if, at the time of a loss under the policy, there is other insurance in the name of a Lot Owner covering the same risk covered by the policy, the Association's policy provides primary insurance.

Section 14.4 Insurance Proceeds. Any loss covered by the property insurance policy under Section 14.1 herein must be adjusted with the Association, but the insurance proceeds for that loss are payable to any insurance trustee designated for that purpose, or otherwise to the Association, and not to any holder of a security interest. The Association must hold any insurance proceeds in trust for the Association, Owners, and lienholders as their interests may appear. Subject to Section 14.7.1 herein, the proceeds must be disbursed first for the repair or replacement of the damaged property, and the Association, Owners, and lienholders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the property has been completely repaired or replaced, or the Association is terminated.

Section 14.5 Lot Owner's Insurance. Every Lot Owner, at the Owner's sole expense, shall:

insure the Owner's Lot and Residence against loss or damage by fire or other casualty in an amount equal to the full replacement value thereof. Every Lot Owner shall secure liability insurance covering the Owner's Lot. However, no Lot Owner shall be entitled to maintain insurance coverage in any manner that would decrease the amount the Board, or any Director, on behalf of all of the Lot Owners, would otherwise realize under any insurance policy that the Board may have in force at any particular time. The Board may adopt rules that establish other requirements for Lot Owner's coverage. The Association shall have no liability for an Owner's failure to obtain insurance coverage. At the request of the Board, Lot Owners shall provide the Board with a copy of such individual policy or policies, and the Board may review its effect with the Association's insurance consultants.

Section 14.6 Proof of Insurance. An insurer that has issued an insurance policy under this section must issue certificates or memoranda of insurance to the Association and, upon a request made in a record, to any Owner or holder of a security interest. The insurer issuing the policy may not modify the amount or the extent of the coverage of the policy or cancel or refuse to renew the policy unless the insurer has complied with all applicable provisions of chapter 48.18 RCW pertaining to the cancellation or nonrenewal of contracts of insurance. The insurer may not modify the amount or the extent of the coverage of the policy or cancel or refuse to renew the policy without complying with this section.

Section 14.7 Damage and Destruction – Insured by Association. Immediately after damage or destruction by fire or other casualty to all or any portion of any Property covered by insurance written in the name of the Association, the Board or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in this Section, means repairing or restoring the property to substantially the same condition and location that existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in applicable building codes. The Board shall have the enforcement powers specified in this Declaration necessary to enforce this provision.

14.7.1 Any damage or destruction to property covered by insurance written in the name of the Association must be repaired or replaced promptly by the Association unless: (i) The Association is terminated, in which case RCW 64.90.290 applies; (ii) Repair or replacement would be illegal under any health or safety statute, ordinance, or governmental regulation; or (iii) Eighty percent (80%) of the Owners, including every Owner of a Lot that will not be rebuilt, vote not to rebuild. If for any reason either the amount of the insurance proceeds to be paid as the result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within sixty (60) days after the casualty, then the period for obtaining such vote shall be extended until such information shall be made available; provided, however, such extension shall not exceed sixty (60) days.

14.7.2 The cost of repair or replacement not paid from insurance proceeds is a Common Expense. If such insurance proceeds are not sufficient to defray the cost of repair or reconstruction, the Board shall levy a special Assessment against all Owners in proportion to the number of Lots owned by such Owners in accordance with the following: (i) If the Board declares an emergency pursuant to RCW 64.90.445, the Board may levy the special Assessment by a two-thirds (2/3) vote of the Board with prompt notice to all Owners; (ii) If no emergency is declared, the Board shall propose the special Assessment and follow the ratification procedures set forth in Article 9; (iii) Additional Assessments may be made in like manner at any time during or following the completion of any repair or reconstruction.

14.7.3 If the Owners vote not to rebuild any Lot, that Lot's Allocated Interests are automatically reallocated upon the vote as if the Lot had been condemned under RCW 64.90.030, and the

Association promptly must prepare, execute, and record an amendment to the Declaration reflecting the reallocations.

14.7.4 If all of the damaged or destroyed portions of the property are not repaired or replaced: (i) The insurance proceeds attributable to the damaged Common Areas shall be used to restore the damaged area to a condition compatible with the remainder of the Community; (ii) The insurance proceeds attributable to Lots that are not repaired or replaced shall be distributed to the Owners of those Lots, or to lienholders, as their interests may appear; and (iii) The remainder of the proceeds shall be distributed to all Owners or lienholders, as their interests may appear, in proportion to the Common Expense Liabilities of all the Lots.

14.7.5 In the event that it is determined that the damage or destruction shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event the property shall be restored to its natural state and maintained as an undeveloped portion of the Community by the Association in a neat and attractive condition.

Section 14.8 Damage and Destruction – Insured by Owners. The damage or destruction by fire or other casualty to all or any portion of any improvement on a Lot shall be repaired by the Owner thereof within one-hundred and eighty (180) days after such damage or destruction or, where repairs cannot be completed within one-hundred and eighty (180) days, they shall be commenced within such period and shall be completed within a reasonable time thereafter. Alternatively, the Owner may elect to demolish all improvements on the Lot and remove all debris therefrom within one-hundred and eighty (180) days after such damage or destruction. The foregoing periods shall be extended by any delay caused by the Owner's insurer in adjusting the loss, any permit or governmental approval process, or any other circumstance beyond the Owner's reasonable control, provided the Owner is diligently pursuing repair, reconstruction, or demolition. In the event of noncompliance with this provision, the Board shall have all enforcement powers specified herein.

14.8.1 In the event of damage or destruction, the deductible for any casualty insurance policy carried by the Association shall be allocated as follows: (i) if the loss is attributable to the act, omission, or negligence of a Lot Owner, a member of the Owner's household, or the Owner's tenant, guest, or invitee, the deductible shall be assessed against that Owner as an individual Assessment collectible in the same manner as any other Assessment; (ii) if the loss is not attributable to any particular Owner or Lot, the deductible shall be a Common Expense allocated among all Owners in proportion to their Common Expense Liabilities; (iii) if the loss is attributable to multiple Owners, the Board shall allocate the deductible among them in proportion to their respective fault as reasonably determined by the Board. The Board's determination of allocation shall be final absent manifest error.

ARTICLE 15.

ENFORCEMENT

Section 15.1 Strict Compliance. Each Owner, Tenant, and other Occupant of a Residence upon a Lot, the Board and the Association shall comply strictly with the Governing Documents, as they may be lawfully amended from time to time, and the decisions of the Board ("Board Decisions"). Failure to comply with any of the foregoing shall be grounds for an action to recover sums due, damages, and for injunctive relief, or any or all of them maintainable by the Board on behalf of the Association or in a proper case, by an aggrieved Lot Owner against the Association or other Lot Owners. No right or remedy provided or reserved by this Declaration is exclusive of any other right or remedy and in addition to the foregoing, the Association shall

have such rights and remedies as may be provided in the Governing Documents the Act or otherwise existing at law, in equity or by statute.

Section 15.2 Failure of Board to Insist on Strict Performance No Waiver. The failure of the Board in any instance to insist upon the strict compliance with this Declaration or the Bylaws or rules and regulations of the Association, 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 any term, covenant, condition, or restriction, but the same shall continue and remain in full force and effect. The receipt by the Board of payment of an Assessment from an Owner, with knowledge of a breach by the Owner, shall not be a waiver of the breach. No waiver by the Board of any requirement shall be effective unless expressed in writing and signed for the Board.

Section 15.3 Board Discretion in Enforcement. The decision to pursue enforcement of the Governing Documents in any particular case shall be left to the Board's discretion, except that the Board shall not be arbitrary or capricious in taking enforcement action. Without limiting the generality of the foregoing, the Board may determine that, under the circumstances of a particular case: (i) the Association's position is not strong enough to justify taking any (or further) action; (ii) the covenant, restriction or rule being enforced is, or is likely to be construed as, inconsistent with applicable law; (iii) although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or (iv) it is not in the Association's best interests, based upon hardship, expense, or other reasonable criteria, to pursue enforcement action. The Board may also require that disputes between the Association and an Owner(s) or between two or more Owners regarding the Property be submitted to mediation as a prerequisite to commencement of a judicial proceeding. A decision not to enforce a particular provision in one particular instance shall not prevent the Association from enforcing the same provision at a later time or prevent the enforcement of any other covenant, restriction or rule.

Section 15.4 Recovery of Attorney's Fees and Costs. The Association shall be entitled to recover any costs and reasonable attorney's fees incurred in connection with the enforcement of any provision in the Governing Documents or any Board decision, whether or not the enforcement activities result in suit being commenced or prosecuted to judgment or a hearing being held as set forth herein. In addition, the prevailing party in any legal action shall be entitled to recover all actual costs and reasonable attorney's fees, whether in the State of Washington or a sister state, incurred in defending or enforcing the provisions of the Governing Documents, or the rights of the parties thereunder. All such costs and attorney's fees shall constitute an Assessment. For the purposes of this Section, a "legal action" shall include arbitration, lawsuit, trial, appeals, recovery of a judgment, and any action, negotiations, demands, counseling, or otherwise where the prevailing party has hired an attorney.

ARTICLE 16.

LIMITATION OF LIABILITY; INDEMNIFICATION

Section 16.1 No Personal Liability. No person who serves as a member of the Board of Directors or as an officer of the Association or on a committee of the Association shall be personally liable to the Association or any Lot Owner or any other party for conduct in such capacity and shall be protected to the fullest extent permitted by law. If State law is amended after this Declaration takes effect, the liability of each such individual shall be limited to the full extent permitted by law, as so amended. No repeal or modification of this Section shall adversely affect any right or protection of a Director, officer or committee member existing at the time of such repeal or modification.

Section 16.2 Indemnification. Each Board member, officer or Association committee 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 such person may be a party, or in which such person may become involved, by reason of holding or having held such position, or any settlement thereof, whether or not such person holds such position at the time such expenses or liabilities are incurred, except to the extent such expenses and liabilities are covered by any type of insurance and except in such cases wherein such person is adjudged guilty of intentional misconduct, or gross negligence or a knowing violation of the law in the performance of their duties and except in such cases where such person has participated in a transaction from which said person will personally receive a benefit in money, property or services to which said person is not legally entitled. Provided, that in the event of a settlement, the indemnification shall apply only when the Board approves such settlement and reimbursement as being for the best interests of the Association.

ARTICLE 17. EASEMENTS

Easements are reserved as shown on the Plat. Others may also be recorded if required by governmental agencies or other bodies. Within such easements no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with installation and maintenance of utilities, or which may change, obstruct or retard the flow of water through drainage channels. Such easement areas and all improvements located therein shall be maintained by the Owner of the Lot, except as to utilities, services and improvements located therein which are the responsibility of the utility entity owning such improvements. Fencing and landscape planting are permitted on side and rear property lines as approved by the ACC.

ARTICLE 18. GENERAL PROVISIONS

Section 18.1 Binding Effect. All present and future Owners or occupants of Lots shall be subject to and shall comply with the Governing Documents of the Association, as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into occupancy of any Lot shall constitute an agreement that the provisions of the Governing Documents, as they may be amended from time to time, are accepted and ratified by such Owner or occupant, and all such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Lot, as though such provisions were recited and stipulated at length in each and every deed and conveyance or lease.

Section 18.2 Delivery of Notices and Documents. Unless provided otherwise in this Declaration, all notices given under the provisions of this Declaration or the Bylaws or rules or regulations of the Association shall be in writing and may be delivered by (a) personal delivery, (b) public or private mail or delivery service, (c) or by electronic transmission as provided in the Act. If delivery is made by personal delivery, the notice shall be deemed to have been delivered as of the date of delivery. Notice provided by deposit with a carrier shall be deemed to have been delivered upon being deposited with the carrier, postage paid, addressed to the person entitled to such notice at the most recent address known to the Board. Notice via electronic transmission is effective as of the date it is electronically transmitted to an address, location or system designated by the recipient for that purpose or has been posted on an electronic network and separate notice of the posting has been sent to the recipient containing instructions regarding how to obtain access to the posting on the electronic network. Notice to the Owner of any Unit shall be sufficient if mailed to the Unit if no other mailing address has been given to the Board. Mailing addresses may be changed by notice in writing to the Board. Notices to the Board shall be given to the president or secretary of the Association.

Section 18.4 Interpretation. The singular may also include the plural and the masculine may include the feminine, or vice versa, where the context so admits or requires. The Declaration shall be liberally construed to effectuate the purpose of protecting and enhancing the value, marketability, and desirability of the Property by providing a common plan for the development of the Plat. The Board shall have the right to determine all questions arising in connection with the Declaration and to construe and interpret the provisions of the Declaration and its good faith determination, construction or interpretation shall be final and binding.

Section 18.5 Severability. The provisions of this Declaration shall be independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion hereof shall not affect the validity or enforceability of any other provision, if the remaining provision or provisions comply with the Act.

Section 18.6 Headings. The captions in this Declaration are for convenience only and do not in any manner affect, limit or amplify the provisions hereof.

Section 18.7 Inflationary Increases in Dollar Limits. The dollar limits specified in this Declaration may, in the discretion of the Board, be increased proportionately by the increase in the consumer price index for the city of Seattle, Washington for All Urban Consumers ("Index"), prepared by the United States Department of Labor over the base index of January 1 of the calendar year following the year in which the Declaration is recorded, to adjust for any deflation in the value of the dollar. In the event the Index is discontinued, the Board shall select such other index as the Board deems reasonable.

ARTICLE 19.

AMENDMENT OF DECLARATION

Section 19.1 Procedures. Except in cases of amendments that may be executed by the Association under RCW 64.90.030; RCW 64.90.230(5); RCW 64.90.260; RCW 64.90.265; RCW 64.90.511; or RCW 64.90.285(10); or certain Lot Owners under RCW 64.90.240(2) or (3); RCW 64.90.265(2); or RCW 64.90.290(2), and except as limited by RCW 64.90.285(4), (6), (7) and (11), or as otherwise expressly provided in this Declaration, the Declaration may be amended only by vote or agreement of Owners of Lots to which at least sixty-seven percent (67%) of the votes in the Association are allocated.

Section 19.2 Execution; Recording. Amendments to the Declaration required to be executed by the Association shall be prepared, executed, recorded and certified on behalf of the Association by any officer of the Association designated for that purpose or, in the absence of designation, by the president of the Association and without any other signature. Every amendment to the Declaration must be recorded in every county in which any portion of the Plat is located and is effective only upon recording. The amendment shall be indexed in the name of the Association and shall contain a cross-reference by recording number to the Declaration and each previously recorded amendment thereto.

Section 19.3 Exceptions. Except to the extent expressly permitted or required by the Act and as set forth in this Declaration, no amendment may create or increase Special Declarant Rights, increase the number of Lots, change the boundaries of any Lot or change the Allocated Interests of a Lot without the consent of Lot Owners to which at least ninety percent (90%) of the votes in the Association are allocated, including the consent of any Owner of a Lot, the boundaries of which or Allocated Interest of which is changed by the amendment. Further, per the language of the Initial Declarations, no provision with respect to maintenance of

perimeter landscaping, fencing and sidewalks may be amended as said provisions are for the benefit of the surrounding communities.

Section 19.4 Material Amendments. In addition to approval of the Lot Owners as set forth herein, any amendment to a provision of this Declaration establishing, providing for, governing or regulating the following ("Material Amendments") shall require the consent of no less than fifty-one percent (51%) of the Eligible Mortgagees: voting rights; Assessments; Assessment liens or the priority of Assessment liens; reserves for maintenance, repair, and replacement of Common Areas; responsibility for maintenance and repairs; reallocation of interests in the Common or Limited Common Areas or rights to their use; redefinition of any Lot boundaries; convertibility of Lots into Common Areas or vice versa; expansion or contraction of the Plat Community or the addition, annexation, or withdrawal of property to or from the Plat Community; insurance or fidelity bond; imposition of any restrictions on a Lot Owner's right to sell or transfer his or her Lot; a decision by the Association to establish self-management when professional management has been required previously the Plat Community's documents or by an Eligible Mortgage holder; restoration or repair of the Plat (after a hazard damage or partial condemnation) in a manner other than that specified in the Declaration; any action to terminate the legal status of the Plat Community after substantial destruction or condemnation occurs; or any provisions that expressly benefit Mortgage holders, insurers or guarantors. An Eligible Mortgagee who fails to respond within sixty (60) days of a written request to approve an amendment shall be deemed to have approved the request if such request was delivered by certified or registered mail with a return receipt requested at an address for notice provided by the Eligible Mortgagee or, if no address is provided, to the address in the security interest of record.

Section 19.5 Corrective Amendments. Upon thirty (30) day advance notice to Lot Owners, the Association may, upon a unanimous vote of the Board, without a vote of the Lot Owners, adopt, execute, and record an amendment to the Declaration for the following purposes:

19.5.1 To correct or supplement the Governing Documents to correct a mathematical mistake, an inconsistency, or a scrivener's error, or clarify an ambiguity in the Governing Documents with respect to an objectively verifiable fact including, without limitation, recalculating the undivided interest in the Common Areas, the liability for Common Expenses, or the number of votes in the Association appertaining to a Lot, within five (5) years after recording or adoption of the Governing Document containing or creating the mistake, inconsistency, error, or ambiguity. Any such amendment or supplement may not materially reduce what the obligations of the Association would have been if the mistake, inconsistency, error, or ambiguity had not occurred.

19.5.2 To remove language and otherwise amend as necessary to effect the removal of language that purports to impose limitations on the power of the Association beyond the limit authorized in RCW 64.90.405(3) to deal with the Declarant that are more restrictive than the limitations imposed on the power of the Association to deal with other persons; and

19.5.3 To remove any other language and otherwise amend as necessary to effect the removal of language purporting to limit the rights of the Association or its Lot Owners in direct conflict with the Act.

Section 19.6 Unlawful Restrictions. The Board may, without a vote of the Lot Owners, amend the Governing Documents to remove an unlawful restriction in a manner that conforms with the requirements of the Act. "Unlawful Restriction" means a prohibition, restriction, covenant, or condition in a Governing Document that purports to interfere with or restrict the transfer, use, or occupancy of a Lot: (i) on the basis of race, color, religion, national origin, sex, familial status, disability, or other personal characteristics; and (ii) in

violation of other federal or state law. If a Lot Owner requests in a record that the Board exercise its authority under this Section, the Board shall determine reasonably and in good faith, within ninety (90) days, whether the Governing Document includes the unlawful restriction. If the Board determines it does, within ninety (90) days after the determination the Board shall amend the Governing Document to remove the unlawful restriction. Any amendment under this Section must identify the Association, the real property affected, the Governing Document containing the unlawful restriction and include the conspicuous language set forth in RCW 64.90.285.

Section 19.7 Plat Amendments. Except as otherwise provided herein, the Plat may be amended by revised versions or revised portions thereof referred to and described as to effect in an amendment to this Declaration adopted as provided for herein. Copies of any such proposed amendment to the Plat shall be made available for the examination of every Lot Owner. Such amendment to the Plat shall also be effective, once properly adopted, upon recording in the appropriate county office(s) in conjunction with the Declaration amendment.

Section 19.8 Challenge to Validity. In the absence of fraud, any action to challenge the validity of an amendment adopted by the Association may not be brought more than one year after the amendment is recorded.

ARTICLE 20. TERMINATION

The Plat Community may be terminated only by agreement of Owners of Lots to which at least eighty percent (80%) of the votes in the Association are allocated and in accordance with the Act. The provisions of the Act relating to termination of a Plat Community set forth in RCW 64.90.290, as it may be amended, shall govern the termination of the Plat Community, including, but not limited to, the disposition of the Property in the Plat Community and the distribution of proceeds from the sale of the Property.

ARTICLE 21. EFFECTIVE DATE

This Amended and Restated Declaration shall take effect upon recording.

Dated this 26th day of May, 2026

By: [Signature]
President, Westbrooke II Homeowners Association

ATTEST: The above Amended and Restated Declaration was properly adopted.

By: [Signature]
Secretary, Westbrooke II Homeowners Association

STATE OF WASHINGTON)

) SS

COUNTY OF PIERCE)

I certify that I know or have satisfactory evidence that Marene McEachern is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledge it as the **President of WESTBROOKE II HOMEOWNERS ASSOCIATION** to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 5/26/26

Carrie A Roundy
(Signature)

Carrie A Roundy
(Print name)

Notary Public residing at Pierce Co.My appointment expires: 8/19/28

STATE OF WASHINGTON)

) SS

COUNTY OF PIERCE)

I certify that I know or have satisfactory evidence that Lawrence Norlin is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledge it as the **Secretary of WESTBROOKE II HOMEOWNERS ASSOCIATION** to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 5/26/26

Carrie A Roundy
(Signature)

Carrie A Roundy
(Print name)

Notary Public residing at Pierce CoMy appointment expires: 8/19/28

For reference only, not for re-sale.

EXHIBIT A
LEGAL DESCRIPTION

THE PLAT OF WESTBROOKE DIVISION II – PHASE I, RECORDED UNDER AUDITOR'S FILE NO. 9404290791, RECORDS OF PIERCE COUNTY, WASHINGTON; AND

THE PLAT OF WESTBROOKE DIVISION II – PHASE II, RECORDED UNDER AUDITOR'S FILE NO. 9512130433, RECORDS OF PIERCE COUNTY, WASHINGTON.

For reference only, not for re-sale.