DECLARATION OF:

COVENANTS, CONDITIONS AND RESTRICTIONS

OF

HIGH POINTE II

THIS DECLARTION, made on the date hereof set forth by CHAFFEY CORPORATION, hereinafter referred to as "Declarant",

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in Kitsap County, State of Washington, which is more particularly described as follows:

Plat of High Pointe II, as recorded in Volume 77 of Plats, Pages 50 700 54, Records of Kitsap County, Washington.

NOW, THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICUE I.

Definitions

- Section 1. "Association" shall mean and refer to High Pointe II Homeowners Association, a Washington non-profit corporation, its successors and assigns.
- Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.
- Section 3. "Properties" shall mean and refer to that certain real property hereinafter described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.
- Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision of the properties.
- Section 5. "Declarant" shall mean and refer to Chaffey Corporation, a Washington corporation, its successors and assigns, if such successors or assigns should acquire more than one undeveloped lot from the Declarant for the purpose of development.
- Section 6. "Open space tracts" shall mean all real property including improvement owned and maintained by the Association for the common use and enjoyment of the owners, as shown on the face of the plat, and consisting of 2.88 acres.

ARTICLE II.

Property Rights

- have a right and easement of enjoyment in and to the lot owned by said owner; subject to the following provisions:
 - (a) the right of the Association to charge reasonable installation and maintenance monthly fees for storm water drainage, entry way sign, and drainage detention systems, which improvements are located within the open space areas.
 - (b) Initially said monthly charge per lot shall be Eight dollars (\$8.00).
 - (c) Said monthly fee may be altered by two-third (2/3) vote of the owners acting through their membership in the Association.

ARTICLE III. REEL 6534 FR 2504

Membership and Voting Rights

- Section 1. Every owner of a lot which is subject to assessments shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment.
- Section 2. The Association shall have (2) classes of voting membership:
 - Class A: Class A members shall be all owners, with the exception of the Declarant, and shall be entitled to one (1) vote for each lot owned. When more than one person holds an interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they determine, but in no event shall more than one (1) vote be cast with respect to any lot.
 - Class B: Class B member(s) shall be the Declarant who shall be entitled to three (3) votes for each lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:
 - (a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or
 - (b) on January 1, 1997.

ARTICLE IV.

Covenants for Maintenance Assessments

Section 1. Creation of the Lien and Personal Obligation of Assessments: The Declarant, for each lot owned within the properties, hereby covenants, and each owner of any lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association:

- (a) monthly assessments or charges for maintenance or storm system or open spaces or as hereinafter described, and
- (b) special assessements for capital improvements, such assessments to be established and collected as hereinafter provided.

The monthly and special assessments, together with interest, costs and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

- Section 2. Purpose of Assessments: The assessments levied by the Association shall be used exclusively for the purposes set forth in Section 1(a) of Article II herein.
- Section 3. Maximum Annual Assessment: Commencing September 1, 1993, the annual assessment shall be Ninety Six dollars (\$96.00) per lot.
 - (a) From and after September 1, 1993, the maximum monthly assessment may be increased not more than five percent (5%) above the maximum assessment for the previous month without a vote of the membership.
 - (b) From and after September 1, 1994, the maximum assessment may be increased five percent (5%) by a vote of two-thirds (2/3) of the voting power voting in person or by proxy, at a meeting duly called for this purpose.
 - (c) The Board of Directors shall fix the monthly assessment at an amount not in excess of the maximum.
- Section 4. Special Assessments for Capital Improvements: In addition to the monthly assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement, as set forth in Section 1 of Article II, provided that any such assessment shall have the assent of two-thirds (2/3) of the voting power of members who are voting in person or by proxy at a meeting duly called for this purpose.
- Section 5. Notice and Quorum for any Action Authorized under Sections 3 and 4: Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty (60%) of all the votes of each class of membership shall constitute a guorum. If the required guorum is not present, another meeting may be called subject to the same notice requirement, and the required guorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60%) days following the preceding meeting.

- Section 6. Uniform Rate of Assessment: Both annual and special assessments must be fixed at a uniform rate for all lots and may be collected on a monthly basis.
- Section 7. Date of Commencement of Monthly Assessements; Due Dates: The assessments provided for herein shall commence as to all lots on the first day of the month. The Board of Directors shall fix the amount of the monthly assessment against each lot at least thirty (30) days in advance of each assessment period. Written notice of the assessment shall be sent to every owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association, setting forth whether the assessments on a specified lot have been paid. A properly executed certificate of the Association as to the status of assessments on a lot is binding upon the Association as of the date of its issuance.
- Section 8. Effect of Nonpayment of Assessments; Remedies of the Association: Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of twelve percent (12%) per annum. The Association may bring an action at law against the owner personally obligated to pay the same, or foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments provided herein by abandonment of his lot.
- Section 9. Subordination of the Lien to Mortgages: The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any lot shall not affect the assessment lien. However, the sale or transfer of any lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE V. A. F. #: 9203090047 REEL 0633 FR 2506

General Restrictive Covenants

- Section 1. Land Use and Building Type: No lot shall be used except for residential purposes. No building shall be erected, altered, placed or permitted to remain on any lot other than one single-family dwelling not to exceed two (2) stories in height and a private garage for not more than three (3) cars. Driveways and parking areas shall comply with FHA minimum standards.
- Section 2. Architectural Control: No building shall be erected, placed or altered on any lot until the construction plans and specifications and a plan showing the location of the structures has been approved by the Architectural Control Committee as to quality of workmanship and materials, harmony of external design with existing structures, and as to location with respect to the topography and finish elevation.

No fence, wall or hedge shall be erected, placed or altered on any lot nearer to any street than the building set-back line, except that nothing shall prevent the erection of a necessary retaining wall, the top of which shall not extend more than two (2) feet above the finished grade at the back of said wall.

No exterior alteration or addition, however slight, except those made by the Declarant of these covenants and restrictions, may be made to any home or accessory structure without prior written approval of the Architectural Control Committee. This paragraph does not apply to or prohibit repairs, maintenance, or replacement reasonably necessary, utilizing materials of a similar quality, quantity, color, and texture of previously used materials.

No home or accessory structure, building, fence, wall, hedge, or other structure or device shall be erected, placed or altered on any lot in this plat until the plans, specifications, and plot plans showing the location, elevation, and grade lines of the same have been approved in writing by the Architectural Control Committee. Two sets of such plans and specifications shall be submitted to the Committee.

Such plans and specifications shall include specific description and designation of the proposed erection, placement or alteration, including but not necessarily limited to, the following:

- (a) exterior coloring appearance, texture and materials;
- (b) floor plans;
- (c) manner and means of installation;
- (d) size and square footage;
- (e) specific location on lot, including reference to lot line set-backs;
- (f) materials and texture to be employed;
- (q) foundations, tie-down and other supports;
- (h) color, material and texture:
- (i) location, configuration, and composition of driveway and parking areas on the lot;
- (j) manner, means and location of utility installation;
- (k) height and location of all fences and hedges;
- (1) type, size and location of landscaping improvements.

The Architectural Control Committee may require as a condition of or prior to approval, such modifications or alterations as they may in their absolute and sole discretion impose, as to the structural features involved, the type of building, materials or vegetation used, or other features or characteristics not otherwise expressly and specifically established by any of the provisions of this Declaration, including location with respect to topography and finished ground elevation. The Committee may also require that the exterior finish, color, texture, and architectural style of character be such as in the sole and absolute discretion of the Committee shall be deemed to be suitable in view of the general character and architectural style utilized in this plat.

Section 3. Dwelling Size: The ground floor area of the main structure, exclusive of porches and open garages, shall be not less than 1000 square feet.

The work of construction of placements of all buildings and structures shall be prosecuted diligently and continuously from commencement of construction until such buildings or structures are fully completed and painted. All structures shall be complete as to external appearance, including finished painting, within one hundred twenty (120) days from date of commencement of construction.

Section 4. Building Location: A.F. #: 9203090047 REEL 0633 FR 2508

- (a) No residential structure shall be located on any lot nearer to the front line or nearer to the side street line than the minimum building setback shown on the recorded plat: in any event no building shall be located on any lot nearer than 15 feet to the front lot line, or 10 feet in a cul de sac, or nearer than 15 feet to any side street line.
- (b) No dwelling shall be located nearer than 5 feet to an interior lot line, but in no case, less than a combined total of 15 feet between adjacent houses. No dwelling shall be located on any interior lot nearer than 15 feet to the rear lot line.
- (c) For the purpose of this covenant, eaves, steps and open porches shall not be considered as a part of the building, provided however, that this shall not be construed to permit any portion of a building on a lot to encroach upon another lot.
- Section 5. Easements: A blanket ten (10) foot wide easement on each side of all interior roads are reserved as shown on the plat map of High Pointe II. Also, an easement is established for storm ponds and surface drainage ditches within the open space as shown on the plat map of High Pointe II.
- Section 6. Nuisances: No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

No car parts, appliances, immobilized or immobile veicles shall be placed or stored upon any lot, or any public ways, within this plat. All recreational vehicles and boats shall be stored only on the rear half of each lot. No commercial vehicles of any kind other than a passenger automobile, stationwagon, or pick-up truck the size of a 3/4 ton or less shall be parked or stored within this plat, except such of the same as may be reasonably incident to services being performed and deliveries being made within the plat.

Section 7. Temporary Structure: No structure of a temporary character, trailer, basement, tent, shack, garage, barn, or other out-building shall be used on any lot at any time as a residence, either temporarily or permanently.

Section 8. Signs: No signs of any kind shall be displayed to the public view on any lot, except one professional sign of not more than 1 square foot, one sign of not more than 6 square feet advertising the property for sale, or rent, or signs used by a builder to advertise the property during the construction and sales period.

- section 9. Oil and Mining Operations: No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any lot, nor shall oil wells, tanks, tunnels, mineral excavations, or shafts be permitted upon or in any lot. Nor derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any lot.
- Section 10. Livestock and Poultry: No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any lot, except that dogs, cats, or other household pets may be kept provided that they are not kept, bred, or maintained for any commercial purposes.
- Section II. Garbage and Refuse Disposal: No lot shall be used or maintained as a dumping ground for rubbish; trash, garbage, or other waste shall not be kept except in sanitary containers. All incinerators or other equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition.
- Section 12. Access Through Open Space to Neighboring Properties: Property owners of High Pointe II shall have no interest, access to, or through, or use of the adjoining land or trees for any purpose under any circumstances.
- Section 13. Water Supply: No individual water supply system shall be permitted on any lot.
- Section 14. Sewer Disposal: Individual on-site sewage disposal systems shall be built in only those areas on each lot as approved by the Kitsap County Health Department, and each system shall be installed according to Kitsap County Health Department reguirements.
- Section 15. Sight Distance at Intersections: No fence, wall, hedge, or shrubbery planting which obstructs sight lines at elevations between 2 and 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 a line connecting them at points 25 feet from the intersection of the property line edge 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 10 feet from the intersection of a street property line with the edge of a driveway or alley pavement. No tree shall be permitted to remain within such distance of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.
- Section 16. Landscaping Each lot owner shall landscape his or her lot in accordance with landscaping plans submitted to and approved by the Architectural Control Committee. Front yard landscaping shall be completed within one hundred twenty (120) days of first occupancy. It is the obligation of each owner of each lot to keep and maintain the same in a clean and orderly manner, and all lawns and landscaping must be kept clean, weed-free, watered, trimmed and mowed. All structures located on each lot shall be at all times kept and maintained in good condition. All driveways and sidewalks with respect to each lot, shall be kept and maintained in a safe, clean, and orderly manner and condition at the expense of the owner of the

lot. After the siting of each residential structure on a lot is complete and approved by the Architectural Control Committee, any further tree cutting or removal is prohibited unless previously approved in writing by the Architectural Control Committee.

(a) All runoff from roof and yard drains must be directed in such a manner so as to not adversely effect adjacent properties.

Section 17. Architectural Control Committee:

(a) Membership: The Architectural Control Committee shall be appointed by the Trustees of the Homeowners Association.

A majority of the committee may designate a representative to act for it. Neither the members of the Committee, nor its designated representative shall be entitled to any compensation for services performed pursuant to this covenant.

(b) Procedure: The Committee's approval or disapproval as required in these covenants shall be in writing. In the event the Committee, or its designated representative fails to approve or disapprove within thirty (30) days after plans and specifications have been submitted to it, or in any event, if no suit to enjoin the construction has been commenced prior to the completion thereof, approval will not be required and the related covenants shall be deemed to have been fully complied with.

ARTICLE VIA F #5 7203090047

General Provisions

Section 1. Enforcement: The Association, or any owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability: Invalidation of any one of these covenants or restrictions by judgement or Court order shall in no ways affect any other provisions which shall remain in full force and effect.

Section 3. Amendment: The covenants and restrictions of this Declaration shall run with and bind the land for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument, signed by not less than ninety percent (90%) of the lot owners, and thereafter by an instrument signed by not less than seventy-five (75%) of the lot owners. Any amendment must be recorded.

Section 4. Annexation: Additional residential property and common area may be annexed to the properties with the consent of two thirds (2/3) of each class of membership.

Section 5. FHA/VA Approval: As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties, dedication of common area, and amendment of this Declaration of Covenants, Conditions and Restrictions.

Section 6. Kitsap County Storm Maintenance: Upon completion of storm drainage facilities, the declarant will be required by Kitsap County, Washington, to post a two-year maintenance bond for the facility. The declarant will be responsible for providing an adequate maintenance during this two-year period as well as supportive maintenance records. At the end of this time, Kitsap County will inspect the system, and when the facility is acceptable, and 80% of the residences in that phase have been completed, Kitsap County will take over the maintenance and operation of the system. Homeowners will then be required to pay a monthly fee (currently \$3.00 per month, per lot) for this service.

CHAFFEY CORPORATION, a Washington corporation

By Habet & Helm wiegres

A.F.#1 9203090047 REEL 0633 FR 2511

STATE OF WASHINGTON)

SS.
COUNTY OF KITSAP)

This is to certify that on this 5 day of MARCH.

1992, before me, the undersigned, a Notary Public in and for the State of Washington, personally appeared: Robert E. Helm, to me known to be the Vice President of CHAFFEY CORPORATION, A Washington corporation, and who acknowledged to me that he is authorized on behalf of said corporation and did execute the above and foregoing Declaration of Covenants, Conditions and Restrictions for High Pointe II, for the uses and purposes therein set forth.

GIVEN under my hand and official seal the day and year first above written.

Notary Public in and for the State of Washington, Residing at Bromouton

My commission expires: 4-20-93