

DECLARATION

OF

**COVENANTS, CONDITIONS
& RESTRICTIONS**

WILLOW POINTE NORTH
HOMEOWNERS' ASSOCIATION

**DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS OF WILLOW POINTE NORTH
HOMEOWNERS' ASSOCIATION**

THIS DECLARATION is made on the date hereinafter set forth by Bristol Homes, Ltd., a Washington corporation and its successor in interest Willow Pointe Development, LLC, ("Declarant"), who is the owner of certain lands situated in the City of Richland, County of Benton, State of Washington, commonly known as the plat of Willow Pointe North, being a subdivision of the following described property, to wit:

LOTS 1 THROUGH 51 OF THE PLAT OF WILLOW POINTE I, ACCORDING TO THE PLAT
THEREOF RECORDED AT PAGE 15 OF PLATS, PAGE 314, UNDER BENTON COUNTY
RECORDING NO. 2006-034433, SITUATED IN THE COUNTY OF BENTON, STATE OF
WASHINGTON.

In order to ensure preservation of the high quality residential environment at Willow Pointe North, Declarant agrees and covenants that all land and improvements now existing or hereafter constructed thereon will be held, sold, conveyed subject to, and burdened by the following covenants, conditions, restrictions, reservations, limitations, liens and easements, all of which are for the purposes of enhancing and protecting the value, desirability and attractiveness of such lands for the benefit of all of such lands and the Owners thereof and their heirs, successors, grantees and assigns. All provisions of this Declaration shall be binding upon all parties having or acquiring any right, title or interest in such lands or any portion thereof and shall inure to the benefit of each owner thereof and to the benefit of Willow Pointe North Homeowners' Association and shall otherwise in all respects be regarded as covenants running with the land.

ARTICLE I. DEFINITIONS

For purposes of the Declaration and the Articles of Incorporation and the Bylaws of Willow Pointe North Homeowners' Association, certain words and phrases shall have particular meanings as follows:

"Architectural Control Committee" shall mean and refer to the duly appointed or elected committee of the Board of Directors as outlined in this Declaration, hereinafter referred to as the "Committee."

"Association" shall mean and refer to the Willow Pointe North Homeowners' Association, its successors and assigns.

"Building" shall mean and refer to the structure which encompasses two or more Lots and consists of a single building envelope within which there are two or more Residences joined by one or more Party Walls.

"Board" shall mean and refer to the Board of Directors of the Association, as provided for herein. For purposes of exercising the powers and duties assigned in this Declaration to the Board during the Development Period, this term shall also mean the "Temporary Board" or "Declarant" as provided herein, unless the language or context clearly indicates otherwise.

"Common Areas" shall mean and refer to any and all of the real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the members of the Association, and such area, if any, owned as undivided interest by all Owners of the Properties. At the time of recording of this Declaration, the Common Areas are as set forth on the plat of Willow Pointe North, as recorded in records of Benton County. A Party Wall is not a common area.

"Common Maintenance Areas" shall mean those portions of all real property or city right-of-way, including the improvements thereto, maintained by the Association for the benefit of the members of the Association. Common Maintenance Areas to be maintained by the Association at the time of recording this Declaration are described as follows:

- a. All Common Areas as set forth on the Plat or described herein.
- b. Any plat identification signs and appurtenances.
- c. Any mitigation plantings or maintenance areas identified on the Plat or otherwise.

"Community Recreation Area" shall mean and refer to that area of real property (including the improvements thereto) within the Willow Pointe Project that will be set aside for a community pool, picnic, and recreation area.

"Declarant" shall mean and refer to Bristol Homes, Ltd., a Washington corporation and/ or its successor in interest in the project Willow Pointe Development, LLC.

"Development Period" shall mean and refer to that period as defined in this Declaration.

"Front Property Line" shall mean and refer to the edge of the public road right-of-way or private roadway easement across the front of any Lot(s).

"Lot" shall mean and refer to any lot shown upon any recorded subdivision map of the Properties. Common Areas and Common Maintenance Areas shall not be regarded as lots. As undeveloped property within the Association is platted in the future, each subsequently recorded building lot shall represent an independent "Lot." Tracts of undeveloped land, if any, within the Properties approved for future subdivision, shall be considered as one lot each until further subdivision takes place.

"Owner" shall mean and refer to the record owner, whether one or more persons or entities, of (1) a fee simple title to any Lot that is a part of the Properties (but excluding those persons or entities, such as real estate contract sellers, having record title merely as security for the performance of an obligation), or (2) the Purchaser under a real estate contract prior to issuance of the fulfillment deed for the contract.

"Party Wall" shall mean and refer to each wall which is built as part of the original construction on any lot which is placed on the dividing line between the Lots, and in addition to the provisions set forth herein, these shall be governed by the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions.

"Plat" shall mean and refer to the plat of Willow Pointe North, recorded in Benton County, Washington.

"Project Maintenance Areas" shall mean those portions of all real property or city right-of-way, including the improvements thereto, maintained by the respective associations and the members thereof for the benefit of the Willow Pointe Project. Project Maintenance Areas within the Willow Pointe Project include:

- a. Any Project identification signs and appurtenances.
- b. Any mitigation plantings or maintenance areas identified on within the Project but not identified as Common Areas or Common Maintenance Areas connected to a particular association or plat.

"Project" shall mean and refer to the entirety of the Willow Pointe development consisting of twenty-three acres more or less of mixed use and of which this Plat and the Properties are a part.

"Properties" shall mean and refer to Lots 1 through 51, inclusive, of the plat of Willow Pointe North (also known as Willow Pointe Phase I) recorded in records of Benton County, Washington.

"Residence" shall mean and refer to buildings occupying any Lot.

"Sensitive Area Tracts" shall mean and refer to those areas, if any, identified on the face of the final plat map for Willow Pointe North that identify wetlands or other sensitive areas and their associated buffers on the individual Lot(s). These easements are subject to governmental regulation and oversight, and generally denote areas that are to be preserved in their natural state.

ARTICLE II. PRE-EXISTING RESTRICTIONS

If the Properties covered by this Declaration are already affected by previous covenants, restrictions, conditions, and encumbrances (collectively "prior restrictions"), the Properties will continue to be subject to such prior restrictions to the extent the prior restrictions are valid and legally enforceable.

ARTICLE III. MANAGEMENT RIGHTS OF DECLARANT

A. Management by Declarant

The Declarant shall retain the right to manage the Association during the Development Period which shall mean that period of time from the date of recording the Declaration until (1) the date seven {7} years from the date of recording this Declaration or (2) the thirtieth [30th] day after Declarant has transferred title to the Purchasers of Lot(s) representing one hundred percent [100%] of the total voting power of all Lot Owners as then constituted (so that Declarant no longer is entitled to vote either as a Class "A" or Class "B" member of the Association pursuant to the terms hereof, or (3) the date on which Declarant elects permanently to relinquish all of Declarant's authority under this Declaration by written notice to all Owners, or (4) the date when seventy-five percent [75%] of the Lot(s) are sold to Purchasers of homes on said Lot(s), excluding any sales to builders for the purpose of constructing homes for resale, whichever date first occurs. Notwithstanding anything in this Declaration to the contrary, until termination of the Development period, either upon the sale of the required number of Lots, the expiration of seven [7] years, or at the election of the Declarant, the Property shall be managed and the Association organized at the sole discretion of the Declarant.

B. Notice to Owners

Not less than ten [10] nor more than thirty [30] days prior to the termination of the Development Period, the Declarant shall give written notice of the termination of the Development Period to the Owner of each Lot and to the Association (the "Notice"). Said notice shall specify the date when the Development Period will terminate and shall further notify the Owners of the date, place and time when a meeting of the Association will be held. The Notice shall specify that the purpose of the Association meeting is to elect new Officers and Directors of the Association. Notwithstanding any provisions of the Articles or Bylaws of the Association to the contrary, for the purpose of this meeting, the presence, either in person or by proxy, of the Owners of Ten [10] Lots shall constitute a quorum. The Board of Directors and Officers of the Association may be elected by a majority vote in said quorum. If a quorum shall not be present, the Development Period shall nevertheless terminate on that date specified in said notice and it shall thereafter be the responsibility of the Lot Owners to provide for the operation of the Association.

C. Temporary Board

Declarant may, in Declarant's sole discretion, and at such times and on such terms as the Declarant deems appropriate (including in the Articles of Incorporation of the Association, if the Declarant is the Incorporator

of the Association), appoint three or more persons, who may be Lot Owners, or are representatives of corporate entities or other entities that are Lot Owners, as a Temporary Board. This Temporary Board shall be for all purposes the Board of Directors of the Association, and shall have full authority (including the authority to adopt or amend the initial or subsequent Bylaws of the Association) and all rights, responsibilities, privileges and duties to manage the Properties under this Declaration and shall be subject to all provisions of this Declaration, the Articles and the Bylaws. Provided that, after selecting a Temporary Board, the Declarant, in the exercise of the Declarant's sole discretion, may at any time terminate the Temporary Board and reassume the Declarant's management authority under Article 3 or select a new Temporary Board under this Article 3, Section 3. When the Declarant has appointed a Temporary Board, the Temporary Board, during the Development Period, shall have, and may fully exercise, any power or authority granted to the Permanent Board after the Development Period.

D. Managing Agent

So long as no Temporary Board is managing the Properties or until such time as the first permanent Board is elected, should Declarant elect not to appoint a Temporary Board, Declarant or a Managing Agent selected/appointed by Declarant shall have the power and authority to exercise all the rights, duties and functions of the Board and generally exercise all powers necessary to carry out the provisions of this Declaration, including, but not limited to, enacting reasonable administrative rules, contracting for required services, obtaining property and liability insurance, collecting and expending all assessments and Association funds, and enforcing this Declaration (including foreclosing any liens provided for by this Declaration). Any such Managing Agent and / or the Declarant, shall have the exclusive right to contract for all goods and services, payment for which is to be made from any monies collected from assessments. In the event that Association expenses exceed assessments, any monies provided by Declarant for Association expenses that would otherwise be paid for out of Association assessments shall be considered a loan to be repaid to Declarant through regular or special assessments from the Association, together with interest at 12 percent [12%] per annum.

E. Acceptance by Owners

These requirements and covenants are made to ensure that the Properties will be adequately administered in the initial stages of development and to ensure an orderly transition to Association operations. Acceptance of an interest in a Lot evidences acceptance of this management authority in Declarant and forms an express agreement by the Owner to be bound by the terms hereof.

F. Declarant Authority

Declarant shall have the management authority granted by this Article notwithstanding anything in this Declaration to the contrary. Declarant, as the Incorporator of the Association, may cause the Association to be incorporated, the Temporary Board to be appointed either in the Articles of Incorporation of the Association or by separate written instrument, to terminate the Temporary Board and reassume the Declarant's management authority under this Article at any time and with or without cause, reappoint successor Temporary Boards, or take any other action permitted by this Article, all without affecting the authority given the Declarant by this Article to manage the Property and organize the Association in Declarant's sole discretion.

ARTICLE IV. DEED AND DEDICATION OF COMMON AREAS

Upon recording of this Declaration, Declarant, as the Owner in fee title to all tracts, inclusive, of the Properties, does hereby transfer, convey and grant its interest in title in and of the Common Areas as defined herein, if any, to the Association for the common use and enjoyment of the Association and the Owners in accordance with the terms and conditions of this Declaration reserving, however, to the Declarant for the

benefit of Declarant, their successors and assigns, those certain rights of use, ingress, egress, occupation and control indicated elsewhere in this Declaration for the duration of the Development Period, at which time this reservation shall cease and then be of no further force and effect.

ARTICLE V. DEED AND DEDICATION OF EASEMENTS

A. General Purpose Easements

Declarant hereby transfers and conveys to the Association for the common use and enjoyment of the Association and the Owners, all easements created in this Declaration and the Plat, as well as through other recorded instruments, for the stated purpose, reserving, however, to Declarant for the benefit of Declarant, its successors and assigns, an equal right to utilize all easements. The Declarant's and Association's right to use such easements are subject to the right of the public to use rights-of-way which have been dedicated as public roads and are open to public access, including emergency vehicle access.

B. Easements for Drainage and Utility Purposes

Easements for installation and maintenance of utilities and drainage facilities are hereby reserved as set forth on the face of the Plat.

If drainage pipes or appurtenances are now, or will be, installed within any such easement, then a temporary construction access easement shall also be established with a sufficient width to allow the installation, maintenance or repair of such pipes and appurtenances, provided however, that such temporary easement shall be kept to the minimum necessary, and all improvements disturbed during construction shall be replaced at no cost to the affected Lot Owner.

Within these easements, no structure, planting, or other materials shall be placed or permitted to remain which may damage or interfere with the installation or maintenance of utilities, or which may change the direction of flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements. The easement area of each Lot and all improvements in and/or on it shall be maintained continuously by the Owner of the Lot, except for those improvements for which a public authority or utilities company, or the Association, is responsible.

C. Reservation of Temporary Easements for Declarant

Declarant hereby reserves unto itself for the duration of the Development Period, the unrestricted right of access to and over all easements established for any purpose whatsoever within the Plat of Willow Pointe North, including on any of the Lot(s) therein for the purpose of constructing, reconstructing, maintaining, or otherwise performing any work deemed necessary by Declarant on utilities, drainage ways, access roads, or other improvements of any kind within said easement areas. These temporary easement rights shall be in addition to all other rights reserved for or granted to the Declarant through this Declaration.

D. Easement for Government Personnel

An easement for access by police, fire, rescue, and other government personnel is reserved across any private road and all Common Areas as necessary or appropriate for the performance of their public duties.

ARTICLE VI. PARTY WALLS AND SHARED BUILDING ELEMENTS

A. General Rules of Law to Apply

Each wall which is built as a part of the original construction of the homes upon the Lots within the Plat and placed on the dividing line between the Lots shall constitute a Party Wall. To the extent not inconsistent with the provisions of this Article, the general rules of law regarding Party Walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

B. Sharing of Repair and Maintenance

The cost of reasonable repair and maintenance of a Party Wall shall be shared equally by the Owners who make use of the wall.

C. Destruction by Fire or Other Casualty

If a Party Wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it and if the other Owners thereafter make use of the Party Wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions. If any Owner or Tenant of one parcel causes damage to the other parcel and property due to negligent or willful acts or omissions, then the Owner of that parcel shall be liable for all costs of repair or replacement.

D. Insurance

The Owners of both parcels sharing a Party Wall, shall maintain at all times Casualty Insurance under which the buildings and all other insurable improvements upon the land shall be insured in an amount equal to the maximum insurable replacement value thereof as determined annually by the insurance company affording such coverage. Such coverage shall include protection against:

- 1) Loss or damage by fire and other hazards covered by the standard extended coverage endorsement;
- 2) And such other risks as from time to time customarily shall be covered with respect to buildings similar in construction, location, and use as the residences within the Plat.

E. Weatherproofing

Notwithstanding any other provision of this Article or this Declaration, an Owner who by his negligent or willful act caused the Party Wall to be exposed to the elements shall bear the whole costs of furnishing the necessary protection against such elements.

F. Roof

The roof shall be cared for and maintained by the Owners of the Party Wall for the Building. In the event that the roof needs repair, re-roof or maintenance. Materials used must be approved in advance by the Architectural Control Committee provided that the use of identical materials as those with which the roof was constructed shall be presumptively acceptable. Owners shall be solely responsible for the general maintenance and repair of the roof portion above their Lot. Total roof replacement costs shall be borne equally by all Owners.

G. Exterior

Each Residence shall be painted on or before each and every ten [10] year anniversary, commencing on the date of the recording of this Declaration. The purpose of repainting the building is to maintain appearance,

structural integrity, and value. The color shall remain approximately its original color unless otherwise mutually agreed upon by the Owners and approved by the Architectural Control Committee. If agreement and approval of the Committee is not obtained thirty (30) days prior to each anniversary date, the original colors (or approximate) shall be used. Painting shall be performed only by a licensed general contractor or a licensed specialty painting contractor. Each Owner may supply cost estimates and/or contractor recommendations to the others no less than sixty [60] days prior to each anniversary date. The cost of painting shall be shared equally by the Owners of the building. This provision does not include negligent or willful acts or omissions which result in premature painting of the building. This paragraph is intended to deal with normal wear and tear associated with aging.

H. Right to Contribution Runs with Land

The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

I. Compliance with Article

Each Owner shall strictly comply with the provisions of this Article. In addition to any other remedy set forth herein, failure to comply with this Article shall be grounds for an action to recover sums due for damages, or injunctive relief, or both, maintainable by an aggrieved Owner on his own against the party {including an Owner} failing to comply. In any such action, the prevailing party, in addition to taxable costs permitted by law, shall be entitled to an award for reasonable attorney's fees and all costs and expenses reasonably incurred in preparation for or prosecution of said action.

ARTICLE VII. ADMINISTRATION, AND USE OF COMMON AREAS

A. Owners' Easements of Enjoyment of Common Areas

Each Owner shall have a right of easement and enjoyment in and to any Common Areas which shall be appurtenant to and shall pass with title (or, if applicable, with the equitable title held by a real estate contract Purchaser), to every Lot, subject to the following provisions:

1. The right of the Declarant or the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Areas, and to establish use and operation standards for all Common Areas to be binding on all Association Members along with enforcement standards;
2. The right of the Declarant (during the Development Period) or the Association (after the Development Period) to suspend an Owner's right to vote and to use any recreational facilities for any period during which assessments against his or her Lot remain unpaid and for a period, not to exceed sixty [60] days, for any, and each separate, infraction of its published rules and regulations;
3. The right of the Declarant (during the Development Period) or the Association (after the Development Period) to dedicate or transfer all or any part of the Common Areas to any public agency, authority or utility for such purposes and subject to such conditions as the Declarant or Members, as applicable, may deem appropriate. During the Development Period, any such dedication or transfer of all or any part of the Common Areas pursuant to this Section 1 may be made by the Declarant in the Declarant's sole discretion, but must be approved by FHA/ VA prior to dedication, so long as FHA/VA is providing financing in the Plat. After the Development Period, no such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer, signed by the Owners of two-thirds [2/3] of the Lots, has been recorded; and
4. Subject to all applicable governmental regulations impacting the same.

B. Insurance

Nothing shall be allowed, altered, conducted, constructed, erected, permitted, placed, removed from, stored, or otherwise done or kept in any Common Areas which will increase the rate of insurance of any Common Area or other Lots or Improvements without the prior written consent of the Board. Nothing shall be allowed, altered, conducted, constructed, erected, permitted, placed, removed from, stored, or otherwise done or kept in any Common Areas which will result in the suspension or cancellation of insurance on any part of any Common Area or which may be in violation of any laws or ordinances.

C. Alteration of Common Areas

Nothing shall be allowed, altered, conducted, constructed, erected, permitted, placed, removed from, stored, or otherwise done or kept in any Common Area except upon the prior written consent of the Association. There shall be no construction of any kind within the Common Areas except that community improvements may be constructed if two-thirds (2/3) of the members of the Association authorize (1) the construction of such improvements and (2) assessments for such improvements. Also, any such improvements would be subject to the acquisition of all required permits from governmental agencies. Provided, however, that nothing in section shall limit, prohibit, restrain, or otherwise restrict Declarant, in Declarant's sole discretion, during the Development Period, from constructing or altering any such improvements to any Common Areas. Further, nothing in this section shall limit, prohibit, restrain, or otherwise restrict the Declarant, during the Development Period, from making use of the Common Areas to facilitate construction of the undeveloped phases of Willow Pointe North, as further depicted on the approved master plan and/or Plat for Willow Pointe North. These actions by the Declarant could include, but may not be limited to, clearing, grading, filling, or otherwise carrying out construction-related activities in the Common Areas.

D. Dumping in Common Areas and Common Maintenance Areas

No trash, construction debris or waste, plant or grass clippings, or other debris of any kind, nor hazardous waste (as defined in any federal, state, or local law or regulation) shall be dumped, deposited, placed, or stored on any Common Area. Provided however, that, with the exception of hazardous waste (as defined in any federal, state, or local law or regulation), the Declarant, during the Development Period, and the Association, following expiration of the Development Period, shall be exempt from this prohibition.

E. Landscaping and Fencing

No permanent structures or landscaping of any kind, including fences, walls, or shrubs, may be built or placed within any right-of-way or easements, as delineated on the Plat, or on recorded instruments of title, except as deemed appropriate by the Association. This prohibition shall not apply to the landscape and fence/monument sign improvements in the Common Areas installed by Declarant, nor shall this provision prohibit the Association from installing additional improvements or landscaping within any Common Area, nor shall this provision prohibit the installation of fences by Lot Owners on property lines as may be otherwise allowed in this Declaration, nor shall this provision prohibit the installation of landscaping on private lot areas encumbered by utility easements not otherwise restricted in this Declaration as to landscaping. Finally, this prohibition shall not apply to landscaping of front or side yard areas of Lots extending up to the edge of the sidewalks and/or curbs as set forth on the Plat.

ARTICLE VIII. MAINTENANCE OF THE COMMON AREAS

A. Maintenance of Common Areas

Maintenance of any Common Area and all improvements thereon shall be the sole responsibility of the Association. All maintenance of Lots and Residences located on Properties shall be the sole obligation of the

Owner, provided, however, the Association, or the Declarant during the Development Period, may, from time to time, provide certain common maintenance of Lots and Residences as may be determined to be in the best interests of all Owners. The Association shall maintain and regulate the use of any Common Area for the benefit of each Lot within the Plat, and shall do all things necessary to preserve and maintain the Common Areas for the purpose intended and in accordance with the laws, ordinances, regulations, and/or statutes of any applicable governmental authority. The Declarant, during the Development Period, and the Board following the Development Period, shall have the exclusive right to establish use and operation standards for any Common Area to preserve the value and desirability of said Common Area for the enjoyment of the Members of the Association.

B. Repair of Common Areas

Any damage to any Common Area or improvements thereon, including landscaping plantings, fences, berms, etc., by the Owners or their children shall be repaired within one (1) week by the Owners who (or whose children) caused or facilitated the damage. If the damage cannot reasonably be repaired within one week, the time for the Owner to repair the Common Area shall be extended to the time reasonably required to repair the Common Area, provided that the Owner promptly begins, and diligently pursues, the repair of the damage. If such repairs are not made timely, the Association shall execute the repair and the Owner will be obligated to immediately pay the Association or its designee for the repair. If the Owner fails to promptly make payment for such repairs, the Owner will be charged interest at the rate of twelve percent [12%] per annum on the payment due, the payment due shall be a personal liability of the Owner, and the amount of the payment due shall be a lien on the Owner's Lot.

C. Management

Each Owner expressly covenants that the Board and the Declarant, during the Development Period, and the Board, after the Development Period, may delegate all or any portion of their management authority to a Managing Agent, Manager or Officer of the Association, and may enter into such management contracts or other service contracts to provide for maintenance of any Common Area or any portion thereof. Any management agreement or employment agreement for the maintenance or management of such Common Areas shall be terminable by the Association without cause upon ninety [90] days' written notice thereof and the term of any such agreement shall not exceed three [3] years, renewable by agreement of the parties for successive periods of up to three [3] years each. Each Owner is bound to observe the terms and conditions of any such management agreement or employment contract, all of which shall be made available for inspection by any Owner on request. Any fees or salaries applicable to any such management, employment or service agreement shall be assessed to each Owner by the Association.

D. Native Growth Protection Easements or Tracts

The Association shall not permit nor suffer any structures, filling, grading or obstruction to be placed beyond the building setback lines or within any Native Growth Protection Easements or Tracts unless the Association obtains the approval of applicable governmental authorities. No decks, patios, out buildings, or overhangs shall be permitted beyond the building setback line or within any Native Growth Protection Easements or Tracts. Unless the Association obtains the prior approval of applicable governmental authorities, neither the construction of fencing nor the clearing or removal of trees or vegetation shall be permitted within any areas of Native Growth Protection Easements or Tracts. Dead trees or vegetation growing within any Native Growth Protection Easements or Tracts which may present a threat to life and property due to decay or other natural causes may be removed upon obtaining the approval of the Association. In the event of any conflict between this provision and other provisions of this Declaration, the terms of this provision shall control. Any Native Growth Protection Easements, Tracts and/ or buffer areas shown on the face of the Plat for Willow Pointe North are subject to restrictions as set forth on said Plat. In general, no alteration of such areas

by any Lot Owner shall be allowed without prior written approval of the Association and applicable governmental authorities.

ARTICLE IX. ASSESSMENTS

A. Obligation for Assessments

Each Owner of any Lot, by acceptance of a Deed therefore or by acquiring equitable interest thereto (in the case of a Real Estate Contract for Deed), whether it shall be so expressed in each deed, is deemed to covenant, consent, and agree to pay to the Association (1) annual assessments or charges, (2) special assessments for capital improvements, and (3) any assessments made by Declarant pursuant to this Declaration. If the Owner fails to timely pay any assessments within thirty [30] days of the date specified by the Association or Declarant (during the Development Period), the annual and special assessments, together with any and all interest, costs and any reasonable attorney fees incurred to collect such assessments, shall be a lien on the land comprising the Lot, and shall be a continuing lien upon the Lot against which such assessment is made. Each such assessment, together with any interest, costs and reasonable attorney fees incurred in attempting to collect the assessment, shall also be the personal obligation of the person who is the Owner of such Property at the time when the assessment fell due. The personal obligation for delinquent assessments shall continue even if the Owner subsequently transfers legal or equitable title to the Lot; however, the personal obligation for delinquent assessments shall not pass to the delinquent Owner's successors in ownership of the Lot unless expressly assumed by the successor(s) or if such transfer of legal or equitable title is made to a family member or is otherwise determined by the Board not to be an "arm's length" transaction. The Association shall record such liens in the Office of the Benton County Auditor.

B. Purpose of Assessments

Assessments levied by the Association shall be used exclusively to (1) promote the recreation, health, safety and welfare of the residents of the Properties, and (2) for the improvements and maintenance of any Common Areas as provided in this Declaration.

C. Annual Assessment

Upon the recording for the Plat of Willow Pointe North, or upon recording of this Declaration, whichever is later, the initial annual assessment for Willow Pointe North shall be set by the Declarant at Five Hundred and no/100 Dollars [\$500.00]. During the first twelve (12) months, Forty percent [40%] of such Assessment shall be allocated and paid to the Declarant for Plat management services provided by the Declarant (or by a professional management firm hired by Declarant) to the Association. During the second twelve [12] months following recording of the Declaration, Thirty-three percent [33%] of such Assessment shall be allocated and paid to the Declarant for Plat management services provided by the Declarant (or by a professional management firm hired by Declarant) to the Association. Beginning with the twenty-fifth [25th] month until the termination of the Development Period, Twenty-Five percent [25%] of such Assessment shall be allocated and paid to the Declarant for Plat management services provided by the Declarant (or by a professional management firm hired by Declarant) to the Association. All such allocation of funds to the Declarant shall cease when the Development Period expires, and the Association assumes collection costs, bookkeeping, and other management responsibilities which are described with particularity in the Bylaws of the Association. The balance of the annual assessment shall be used by Declarant during the Development Period, and by the Association, to the extent the Declarant has delegated responsibilities to it, and after the Development Period, for maintenance, repair, and other purposes permitted by this Declaration.

The annual assessment may be increased during the Development Period to reflect increased (1) maintenance costs, (2) repair costs, or (3) Plat management costs. All increases during the Development Period must

directly reflect increases in the above-recited costs. During the Development Period, the Declarant shall have the authority to reduce the annual assessments if economic data supports such a reduction because of reduced maintenance costs or other anticipated Association expenses.

1. After the Development Period expires, the maximum annual assessment may be increased up to ten percent [10%] above the maximum assessment for the previous year by a vote of the Board as provided for in this Declaration.
2. After the Development Period expires, the maximum annual assessment may be increased by more than ten percent [10%] (over the previous years' maximum annual assessment) only if two-thirds [2/3] of the members of the Association, who are voting in person or by proxy at a meeting duly called for this purpose, consent to such an increase.
3. After the Development Period expires, the Board of Directors shall fix the annual assessment in accord with the above-recited standards.

D. Special Assessment for Capital Improvements

In addition to the annual assessments authorized above, the Association (or during the Development Period, the Declarant) may levy, in any assessment year, a common 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 upon any Common Area not otherwise prohibited by this Declaration, including fixtures and personal property related thereto, provided that any such assessment for those capital improvements or repairs exceeding Ten Thousand and No/100 Dollars [\$10,000.00], except as required to insure a constant supply of water to each Lot Owner, shall require the assent of two-thirds [2/3] of the members of the Association then existing who are voting in person or by proxy at a meeting duly called for this purpose.

E. Notice of Possible Assessment

Local governmental authorities customarily reserved the right to construct a traffic signal, or take other traffic mitigation measures, at or near the entrance to Willow Pointe North at some time in the future. When, and if, such government authority determines that traffic volumes have increased to a point that certain criteria are met, traffic signals and/or traffic mitigation measure will then be installed in the best interest of the traveling public. At such time, a portion of the costs to design, construct and improve the area for this traffic signal may be assessed to the plat of Willow Pointe North. This future possible assessment is a covenant and will run with the land. Further information regarding this possible future assessment will be provided to the Association by the Declarant or the applicable governmental authority.

F. Notice and Quorum for any Action Authorized Under Sections 3 and 4

Written notice of the place, day, hour and purpose of any meeting called for the purpose of taking any action authorized under this Article shall be sent to all Owners not less than thirty [30] days nor more than fifty [50] days in advance of the meeting. At the first meeting called, the presence of two-thirds [2/3] of the members of the Association or of proxies entitled to cast two-thirds percent [2/3] percent of the votes of the Association shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement; the required quorum at the subsequent meeting shall be one-half [1/2] of the required quorum at the preceding meeting. In the event that a quorum is still not achieved at the second meeting, then the Declarant, during the Development Period, shall have the sole and exclusive authority to initiate a special assessment and carry out capital improvements more fully described in this Article without first obtaining the approval of the required number of members of the Association.

G. Uniform Rate of Assessment

Both annual and special assessments arising under this Article must be fixed at a uniform rate for all Lots, provided, however, that, as stated in this Article hereafter, any unimproved Lot owned by the Declarant shall not be subject to any assessments or charges described in this Declaration and all or any other assessments that may be levied in the future for any purpose whatsoever. Assessments shall be collected on a monthly, bi-monthly, quarterly, or annual basis as determined by the Declarant during the Development Period, or by the Association for periods after the Development Period.

H. Date of Commencement of Annual Assessment; Due Dates

The annual assessments described in this Article shall commence upon recording of the plat of Willow Pointe North, subject to the exemptions set forth in this Article. Written notice of any change to the annual assessment shall be sent to every Owner subject to such assessments. The due date shall be established by the Board. The Association shall, upon demand and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessment on a specified Lot has 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.

I. Effect of Non-Payment 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 and incur a late charge of five [5%] of the assessment amount then due. Each Owner hereby expressly vests in the Declarant during the Development Period, or the Association after the Development Period, or their agents the rights and powers to bring all actions against such Owner personally for the collection of such assessments as debts and to enforce lien rights of the Association by all methods available for the enforcement of such liens, including foreclosure by an action brought in the name of the Association in like manner as a mortgage of real property. Such Owner hereby expressly grants to the Declarant or to the Association, as applicable, the power of sale in connection with such liens. The liens provided for in this Article shall be in favor of the Association and shall be for the benefit of the Association. The Association shall have the power to bid in an interest at foreclosure sale and to acquire, hold, lease, mortgage and convey the same. The Owner is responsible for payment of all attorney fees incurred in collecting past due assessments or enforcing the terms of assessment liens (see Article 16, Section 5). No Owner may waive or otherwise escape liability for the assessments provided herein by non-use of any Common Area or by abandonment of his Lot.

The Association shall have the right to suspend the voting rights and enjoyment of any Common Area of an Owner for any period during which any assessment against the Lot remains unpaid and for a period not to exceed sixty (60) days per infraction for any infraction of the terms of either this Declaration, the Articles or the Bylaws of the Association.

J. Subordination of the Lien to Mortgage

The lien for assessments, provided for in this Article, shall be subordinate to the lien of any first mortgage or first deed of trust ("first mortgage"). Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to a judicial or non-judicial foreclosure, or any proceeding in lieu thereof, or the first mortgage holders acceptance of a deed in lieu of foreclosure, shall extinguish the lien created pursuant to this Article as to payments which become due prior to such sale or transfer. No sale or transfer, however, shall (1) relieve such Lot Owner or Lot from liability for any assessments thereafter becoming due nor from the lien thereof, nor (2) shall relieve the delinquent Owner from personal liability for the amount of the payments which become due prior to such sale or transfer, and for costs and attorney fees.

K. Exempt Property

All property dedicated to and accepted by local governmental and / or public authority(ies) shall be exempt from the assessments provided for in this Article, along with any and all Common Areas. Lots within Willow Pointe North owned by Declarant, shall be exempt from any and all assessments provided for in this Declaration , as well as from any and all assessments of any kind that may be levied in the future for any purpose whatsoever, until such time said Lots are sold (conveyed) by Declarant. This provision within this Article shall apply notwithstanding any other provision to the contrary in this Declaration.

L. Management by Declarant During the Development Period

Declarant, at its option, shall have and may exercise during the Development Period, all the rights and powers herein given to the Association. Such rights and powers are reserved by the Declarant, its successors and assigns as provided for in this Declaration. Declarant shall have the right and option to assess Owners for actual costs of maintaining any Common Areas and rights-of-way, and to assess a Plat management fee during the Development Period as set forth elsewhere in this Declaration.

M. Mortgagee Protection

1. General - The following provisions are for the benefit of holders, insurers, and guarantors of first Mortgages or Deeds of Trust on Lots in Willow Pointe North. This Article applies to both this Declaration and the Bylaws, notwithstanding any other provisions contained therein.
2. Notices of Action - An Institutional holder, insurer, or guarantor of a first Mortgage or Deed of Trust who provides written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the street address of the Lot to which its Mortgage or Deed of Trust relates, thereby becoming an "Eligible Holder"), will be entitled to timely written notice of:
 - a. any condemnation or casualty loss which affects a material portion of the Lot or which affects any Lot on which there is a first Mortgage or Deed of Trust held, insured, or guaranteed by such Eligible Holder;
 - b. any delinquency in the payment of assessments or charges by the Owner of any Lot subject to the Mortgage or Deed of Trust of such Eligible Holder, where such delinquency has continued for a period of sixty [60] days. Notwithstanding this provision, upon request, any holder of a first Mortgage or Deed of Trust is entitled to written notice from the Association of any default in the performance by an Owner of a Lot of any obligation under the Declaration or Bylaws which is not cured within sixty [60] days;
 - c. any lapse, cancellation, or material modification of any insurance policy maintained by the Association; or
 - d. any proposed action requiring the consent of a specified percentage of Eligible Holders.
- e. Special Freddie Mac Provision - If and to the extent required by the Federal Home Loan Mortgage Corporation ("Freddie Mac"), the following provisions apply in addition to and
 - i. not in lieu of the foregoing: Unless agreed to by at least sixty-seven percent [67%] of the Eligible Holders at least sixty-seven percent [67%] of the Owners, excluding Declarant, the Association shall not:
 - (1) by act or omission seek to abandon, partition, subdivide, encumber , sell, or transfer all or any portion of the real property comprising any of the Common Area which the Association may own, directly or indirectly (the granting of easements for public utilities or other similar purposes consistent with the intended use of any such Common Area shall not be deemed a transfer within the meaning of this subsection);

- (2) change the method of determining the obligations, assessments, dues, or other charges which may be levied against an Owner of a Lot;
- (3) by act or omission change, waive, or abandon any scheme of regulations or enforcement pertaining to architectural design, exterior appearance or maintenance of Lots or any Common Area (The issuance and amendment of architectural standards, procedures, rules and regulations, or use restrictions shall not constitute a change, waiver, or abandonment within the meaning of this provision.);
- (4) fail to maintain insurance, as required by this Declaration; or
- (5) use hazard insurance proceeds for any Common Area losses for other than the repair, replacement, or reconstruction of such property.

Should the Federal National Mortgage Association ("Fannie Mae") or Freddie Mac subsequently delete any of its respective requirements which necessitate the provisions of this Article or make any such requirements less stringent, the Board, without approval of the Owners, may record an amendment to this Article to reflect such changes.

3. Other Provisions for First Lien Holders- To the extent permissible under Washington Law:
 - a) Any restoration or repair of any Lot or Common Area after a partial condemnation or damage due to an insurable hazard shall be performed substantially in accordance with this Declaration and the original plans and specifications unless the approval is obtained of the Eligible Holders to which at least fifty-one percent [51%] of the votes of Lots subject to Mortgages or Deeds of Trust held by such Eligible Holders are allocated.
 - b) Any election to terminate the Association after substantial destruction or a substantial taking in condemnation shall require the approval of the Eligible Holders on Lots to which at least fifty-one percent [51%] of the votes of Lots subject to Mortgages or Deeds of Trust held by such Eligible Holders are allocated.
 - c) Eligible Holders may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any Common Area and may pay overdue premiums on casualty insurance policies or secure new casualty insurance coverage upon the lapse of an Association policy, and Eligible Holders making such payments shall be entitled to immediate reimbursement from the Association.
4. No Priority - No provision of this Declaration or the Bylaws grants or shall be construed as to grant any Owner or other party priority over any rights of the first Mortgagee or Deed of Trust holder of any Lot in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of any Common Area.
5. Notice to Association - Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage or Deed of Trust encumbering such Owner's Lot.
6. Failure of Mortgagee to Respond - Any Eligible Holder that receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written objection from such Eligible Holder within thirty [30] days of the date of the Association's request, provided such request is delivered to the Eligible Holder by certified or registered mail, return receipt requested, or by such other method providing confirmation of deliver to the Eligible Holder .

ARTICLE X. MAINTENANCE OF LOTS AND COMPLIANCE

A. Exterior Maintenance by Owner

Each Lot and Residence shall be maintained by the Owner in a neat, clean and tidy condition at all times and shall be kept free of accumulations of litter, junk, containers, equipment, toys, household goods, tools, building materials, and other debris. All landscaping areas shall be regularly maintained and trimmed to present a clean, neat, and well-maintained appearance. All refuse shall be kept in sanitary containers sealed from the view of any Lot; the containers shall regularly be emptied, and the contents disposed of off the Properties. No grass cuttings, leaves, limbs, branches, and other debris from vegetation shall be dumped or allowed to accumulate on any part of any Lot, except that a regularly tended compost device shall not be prohibited.

No storage of automobiles in disrepair, (automobiles that cannot be driven, or are parked for the purpose of repair or storage), snowmobiles, motorcycles, boats, trailers, campers, recreational vehicles, or other similar over-sized or recreational vehicles, shall be permitted in open view from the ground level of any Lot or right-of-way. (Automobiles in disrepair, boats, trailers, over-sized trucks, campers, and recreational vehicles shall be referred to as "Vehicles.") This provision shall exclude temporary parking (less than forty-eight [48] hours in any one hundred twenty [120] days) of Vehicles on the designated driveway areas adjacent to garages on the Lots.

This section is not meant to disallow permanent (more than forty-eight [48] hours) parking or storage of Vehicles on the Lots, but if so parked or stored, such Vehicles shall be reasonably screened from view from the adjacent roadway and Lots. Screening of such Vehicles must have the approval of the Association and / or the Board.

"Screening" of boat, trailers, recreational vehicles, or similar vehicles in good condition shall not be construed as a requirement for complete enclosure of such vehicles, but rather that such vehicles, if parked in the rear or side yard areas, shall be reasonably screened from ground level by natural or supplemental vegetation, and / or a six-foot [6-foot], solid, cedar fence-type enclosure or permanent structure. The Association and / or the Board shall have the authority to decide what constitutes reasonable screening.

It is not the intent of this section to require screening of all such vehicles so that they are completely hidden from view by neighboring lot owners. However, Vehicles in disrepair, as defined in this section, shall be screened so that they are completely hidden, except for reasonable temporary repair requirements, as approved by the Association and/or the Board. A Vehicle shall be deemed to be in a state of disrepair when its presence and/ or appearance offends the reasonable sensibilities of the occupants of the neighborhood and/ or has had engines, doors, trunk lids, hoods, fenders, tires, wheels, windows , grills or any of them removed, or is otherwise inoperable. No repair or dismantling of any vehicle or equipment shall be permitted on any Lot except within an enclosed garage.

Upon forty-eight [48] hours' notice to the Owner of an improperly parked Vehicle, the Board has the authority to have towed, at the Owner's expense, any Vehicles still visible from the right-of-way or adjacent Residences that have been parked on any Lot or within the right-of-way for more than forty- eight [48] hours .

Notwithstanding the foregoing, Owners who have visiting guests intending to stay in a camper or recreational vehicle may secure written permission from the Board for such guests to park the Vehicle upon the Lot owned by the Owner for a maximum period of six [6] consecutive days or up to twelve [12] days in any one hundred twenty [120] day period. Such a privilege shall only exist, however, after written permission has been obtained from the Board and such privilege may be revoked or limited in the Board's reasonable discretion.

B. Easements for Enforcement Purposes

All Owners hereby grant to the Association and their representatives, an express easement for the purposes of going upon the Lots of Owners to remove Vehicles or other similar objects which are parked or stored in violation of the terms of this Declaration, or to perform any other maintenance or repair deemed necessary by the Board pursuant to this Article, or any other section in the Declaration.

C. Lot Maintenance by the Association

In the event that an Owner shall fail to maintain the exterior of his premises and the improvements situated thereon in a manner consistent with maintenance standards of the Board and/ or the Association established through this Declaration, the Board, upon receipt of written complaint of any Owner and the subsequent investigation which verifies that complaint, or upon other reasonable determination of the Board, shall have the right through its agents and/or designees to enter upon the offending Owner's Lot and repair, maintain and restore the Lot and exterior of the improvements on that Lot if the Owner shall fail to respond in a manner satisfactory to the Board within forty-five [45] days after mailing of adequate notice by certified mail to the last known address of the Owner. This requirement for notification shall not be required in emergency situations. "Emergency" situations are defined as those situations where an immediate response to a violation of this Declaration is required in order to preserve the health, safety, or welfare of the Owners of Lots within the Plat. The cost of such repair, maintenance or restoration shall be assessed against the Lot, and the Board shall have the right to cause to be recorded a notice of lien for labor and materials furnished, which lien may be enforced in the manner provided by law for enforcement of labor liens and materialman's liens. In the event that the estimated cost of such repair should exceed one-half of one percent [0.50%] of the County Tax Assessor assessed value of the Lot and improvements on the Lot, the Board shall be required to have the assent of two-thirds [2/3] of the Association before undertaking such repairs.

Declarant, the Association, or the duly appointed agent of either may enter upon any Lot, which entry shall not be deemed a trespass, and take whatever steps are necessary to correct a violation of the provisions of this Declaration; provided, this provision shall not be construed as permission to breach the peace.

Should a Lot Owner object to the complaints of the Declarant, the Association, the Board, or any committee or sub-committee created by the Board and/ or the Association in writing within a period of fifteen [15] days after the complaint is made and, further, should the parties not agree on property maintenance or other matters complained of, the matter shall be submitted to arbitration. The arbitration shall be binding upon the parties. If the parties cannot agree upon an arbitrator, each party shall choose one arbitrator and they, in turn, shall choose a third. The arbitration shall be conducted in accordance with the rules of arbitration under the Laws of the State of Washington in existence at the time of any such arbitration.

D. Enforcement During the Development Period

During the Development Period, the Declarant may elect to exercise and perform the functions of the Board. If the Declarant elects not to perform this function, the Declarant may delegate the Enforcement functions or appoint the Temporary Board to function as provided herein.

E. Enforcement for Noncompliance with This Declaration

In the event that an Owner shall fail to comply with any section or provision of the Declaration, and any Amendments thereto, the Board may undertake to enforce compliance through applicable provisions of this Declaration, or any other authority granted to the Board through this Declaration. If such noncompliance occurs prior to occupancy of any structure on said Owner's lot, the Board shall also have the right to place a

"stop work" order on said construction, which may also be enforced by the local building officials at the request of the Board. Any Owner subject to such noncompliance does hereby agree not to oppose such stop work order, with the understanding that construction may not commence until compliance with the provisions of this Declaration is assured.

ARTICLE XI. HOMEOWNERS' ASSOCIATION

A. Non-Profit Corporation

The Association shall be a non-profit corporation under the laws of the State of Washington which shall be formed as such no later than thirty [30] days following the end of the Development Period.

B. Membership

Every person or entity (including Declarant) who is an Owner of any Lot shall become a member of the Association. Membership shall be appurtenant to the Lot and may not be separated from ownership of any Lot and shall not be assigned or conveyed in any way except upon the transfer of title to, or a real estate contract vendee's interest in, said Lot and then only to the transferee of either the title to the Lot or the vendee's interest in the Lot. All Owners shall have the rights and duties specified in this Declaration, the Articles and the Bylaws of the Association.

C. Voting Rights

The Association shall have two [2] classes of voting membership:

1. **Class "A"** - Class "A" members shall be all Owners, with the exceptions of (1) the Declarant while the Declarant is a Class "B" member, and (2) the Owners of Lots described as exempt in the Declaration. Class "A" members shall be entitled to one [1] vote for each Lot owned. When more than one [1] person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they by majority determine, but in no event shall more than one [1] vote be cast with respect to any Lot, nor shall any vote be divided. When more than one person holds an interest in any Lot, all such persons shall unanimously designate (in writing delivered to the secretary of the Association) one of the persons (owning an interest in the Lot) to vote (in person or by proxy) the vote for such Lot.
2. **Class "B"** - Class "B" member(s) shall be the Declarant (as defined in this Declaration) and shall be entitled to three [3] votes for each Lot owned. The Class "B" membership shall cease and be converted to Class "A" membership upon expiration of the Development Period, as described herein, at which time the Declarant shall become a Class "A" member as to any Lots owned by the Declarant.

The voting rights of any Owner may be suspended as provided for either in this Declaration, or in the Articles, or in the Bylaws of the Association. The Declarant, during the Development Period, or the Association, after the Development period, shall have the right to suspend the voting rights of a member for (1) any period during which any assessment, or any other charge (as defined in this Declaration), against the Lot remains unpaid, and (2) for a period of not to exceed sixty [60] days each for any (and for each separate) infraction of the terms of this Declaration, the Articles or the Bylaws of the Association.

D. Meetings

A meeting of the Association must be held at least once each year. Special meetings of the Association may be called by the President, a majority of the Board of Directors, or by Owners having ten percent [10%] of the votes in the Association. Not less than fourteen [14], nor more than sixty [60] days in advance of any

meeting, the secretary, or other officers specified in the Bylaws shall cause notice to be hand-delivered or sent prepaid by First Class United States Mail to the mailing address of each Owner, or to any other mailing address designated in writing by the Owner. The notice of any meeting shall state the time and place of the meeting and the business to be placed on the agenda by the Board of Directors for a vote by the Owners, including the general nature of any proposed amendment to the Articles of Incorporation, Bylaws, any budget or changes in the previously approved budget that result in a change in assessment obligation, and any proposal to remove a director.

Except as provided in this section, all meetings of the Board of Directors shall be open for observation by all Owners of record and their authorized agents. The Board of Directors shall keep minutes of all actions taken by the Board, which shall be available to all Owners. Upon the affirmative vote in open meeting to assemble in closed session, the Board of Directors may convene in closed executive session to consider personnel matters; consult with legal counsel, or consider communications with legal counsel; and discuss likely or pending litigation, matters involving possible violations of the governing documents of the Association, and matters involving the possible liability of an Owner to the Association. The motion shall state specifically the purpose for the closed session. Reference to the motion and the stated purpose for the closed session shall be included in the minutes. The Board of Directors shall restrict the consideration of matters during the closed portions of meetings only to those purposes specifically exempted and stated in the motion. No motion, or other action adopted, passed, or agreed to in closed session may become effective unless the Board of Directors, following the closed session, reconvenes in open meeting and votes in the open meeting on such motion, or other action which is reasonably identified. The requirements of this section shall not require the disclosure of information in violation of law or which is otherwise exempt from disclosure.

ARTICLE XII.MANAGEMENT BY BOARD

A. Expiration of the Development Period

Upon expiration of the Declarant's management authority, all administrative power and authority shall vest in a Board of three [3] directors who need not be members of the Association. The Association, by amendment of the Bylaws, may increase the number of directors. All Board positions shall be open for election at the first annual meeting after termination of the Development Period.

B. Terms

The terms which the Board Members will serve shall be defined in the Bylaws.

C. Powers of the Board/Association

All powers of the Association, as administered by the Board, must be exercised in accordance with the specifications which are set forth in the Bylaws. The Board, for the benefit of all the Properties and the Lot Owners, shall enforce the provisions of this Declaration and the Bylaws. In addition to the duties and powers imposed by the Bylaws and any resolution of the Association that may be hereafter adopted, the Board shall have the power and be responsible for the following, in way of explanation but not limitation:

1. Insurance - Obtain policies of insurance for any and all Common Areas. The Willow Pointe North Homeowners' Association shall maintain in full force and effect, a general "all risk" liability policy in sufficient amount approved by the Association and the Declarant, naming the Association, and the Declarant, and all Lot Owners as additional insured. The requirement to name Declarant shall cease at such time as Declarant is no longer a voting member of the Association;
2. Legal and Accounting Services - Obtain legal and accounting services if necessary, to the

administration of Association affairs, administration of the Common Areas and Common Maintenance Areas, or the enforcement of this Declaration. Institute, defend, or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more Owners on matters affecting the Homeowners' Association, but not on behalf of Owner(s) involved in disputes that are not the responsibility of the Association;

3. Maintenance - Pay from Association funds, all costs of maintaining the Common Areas and Common Maintenance Areas;
4. Maintenance of Lots - Subject to the requirements of this Declaration, maintain any Lot if such maintenance is reasonably necessary in the judgment of the Board to (1) protect Common Maintenance Areas, or (2) to preserve the appearance and value of the Properties or Lot. The Board may authorize such maintenance activities if the Owner or Owners of the Lot have failed or refused to perform maintenance within a reasonable time after written notice of the necessity of such maintenance has been delivered by the Board to the Owner or Owners of such Lot, provided that the Board shall levy a special assessment against the Owner or Owners of such Lot and the Lot for the cost of such maintenance;
5. Discharge of Liens - The Board may also pay any amount necessary to discharge any lien or encumbrance levied against the entire Properties or any part thereof which is claimed or may, in the opinion of the Board, constitute a lien against the Properties rather than merely against the interest therein of particular Owners. Where one or more Owners are responsible for the existence of such liens, they shall be jointly and severally liable for the entire cost of discharging the lien(s) and all of any costs or expenses, including reasonable attorney fees and costs of title search incurred by the Board by reason of such lien or liens. Such fees and costs shall be assessed against the Owner or Owners and the Lots responsible to the extent of their responsibility;
6. Utilities - Pay all utility charges attributable to Common Areas;
7. Security - Pay all costs deemed appropriate by the Board to ensure adequate security for the Lots and any Common Areas constituting the residential community created on the Properties;
8. Right to Contract - Have the exclusive right to contract for goods, services, maintenance, and capital improvements provided, however, that such right of contract shall be subject to the provisions of this Declaration;
9. Improvement of Common Areas - Improve any Common Areas with capital improvements to such Common Areas; provided that for those capital improvements exceeding Ten Thousand and No/100 Dollars [\$10,000.00], the addition of such capital improvements to the Common Areas must be approved by two-thirds [2/3] of the members of the Association who are voting in person or by proxy at a meeting duly called for this purpose (subject to notice and quorum requirements as set forth in this Declaration);
10. Right of Entry - Enter any Lot or Residence, when reasonably necessary, in the event of emergencies or in connection with any maintenance, landscaping or construction for which the Board is responsible. Except in cases of emergencies, the Board, its agents or employees shall attempt to give notice to the Owner or occupant of any Lot or Residence twenty-four [24] hours prior to such entry. Such entry must be made with as little inconvenience to the Owners as practicable, and any damage caused thereby shall be repaired by the Board, at the Association's expense, if the entry was due to an emergency (unless the emergency was caused by the Owner of the Lot entered, in which case the cost shall be specially assessed to the Lot and against the Owner of the Lot). If the repairs or maintenance activities were necessitated by the Owner's neglect of the Lot, the cost of such repair or maintenance activity shall be

specially assessed to that Lot and against the Owner of that Lot. If the emergency or the need for maintenance or repair was caused by another Owner of another Lot, the cost thereof shall be specially assessed against the Owner of the other Lot and against the other Lot;

11. Promulgation of Rules - Adopt and publish any rules and regulations governing the members and their guests and establish penalties for any infraction thereof,
12. Declaration of Vacancies - Declare the office of a member of the Board to be vacant in the event that a member of the Board is absent from three [3] consecutive regular meetings of the Board, or from a single annual meeting in the event the Board meets annually;
13. Employment of Manager - Employ a manager, as independent contractor, or such other employees as the Board deems necessary and describe the duties of such employees;
14. Payment for Goods and Services - Pay for all goods and services required for the proper functioning of any Common Areas;
15. Adopt and amend budgets for revenues, expenditures, and reserves, and impose and collect assessments for common expenses from Owner(s);
16. Bank Account/Financial Records - Open a bank account on behalf of the Association and designate the signatories required, and perform accounting functions as set forth below:
 - a) The Association or its managing agent shall keep financial and other records sufficiently detailed to enable the Association to fully declare to each Owner the true statement of its financial status. All financial and other records of the Association, including, but not limited to checks, bank records, and invoices, in whatever form they are kept, are the property of the Association. Each Association managing agent shall turn over all original books and records to the Association immediately upon termination of the management relationship with the Association, or upon such other demand as is made by the Board of Directors. An Association managing agent is entitled to keep copies of Association records. All records which the managing agent has turned over to the Association shall be made reasonably available for the examination and copying by the managing agent.
 - b) All records of the Association, including the names and addresses of Owners and other occupants of the Lots, shall be available for examination by all Owners, holders of mortgages on the Lots, and their respective authorized agents on reasonable advance notice during normal working hours at the offices of the Association or its managing agent. The Association shall not release the unlisted telephone number of any Owner. The Association may impose and collect a reasonable charge for copies and any reasonable costs incurred by the Association in providing access to records.
 - c) At least annually, the Association shall prepare or cause to be prepared, a financial statement of the Association. The financial statements of Associations with annual assessments of Fifty Thousand and No/ 100 Dollars [\$50,000.00], or more, shall be audited at least annually, by an independent certified public accountant, but the audit may be waived if sixty-seven percent [67%] of the votes cast by Owners, in person or by proxy, at a meeting of the Association at which a quorum is present, vote each year to waive the audit.
 - d) The funds of the Association shall be kept in accounts in the name of the Association and shall not be commingled with the funds of any other association, nor with the funds of any manager of the Association, or any other persons responsible for the custody of such funds;
17. Dedication of Real Property or Easements - Dedicate Common Areas owned by the Association, pursuant to the limitations of this Declaration. Also, grant easements or rights of use over, under or upon any Common Areas owned by the Association to public or private agencies, or to individual

members of the Association for purposes deemed reasonable or appropriate in the sole discretion of the Board, so long as such easements or rights of use do not adversely affect the use and enjoyment of the Common Areas by the Association's members, as provided for in this Declaration;

18. Exercise of Powers, Duties and Authority - Exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by other provisions by the Bylaws, Articles of Incorporation, or this Declaration. The Board shall have all powers and authority permitted to it under this Declaration and the Bylaws. However, nothing herein contained shall be construed to give the Board authority to conduct a business for profit on behalf of all the Owners or any of them;
19. Adopt and amend the Bylaws, rules and regulations of the Association;
20. Exercise any other powers conferred by the Bylaws;
21. Exercise all other powers that may be exercised in this State by the same type of corporation as the Association; and/or
22. Exercise any other powers necessary and proper for the governance and operation of the Association.

D. Limited Authority

This Article is subject to the provisions of this Declaration addressing Management Rights of the Declarant.

ARTICLE XIII. LAND USE RESTRICTIONS

A. Residential Character of Property / Business and Commercial "Home" Use of Property

No structure or building of any kind shall be erected, altered, placed, or permitted to remain on any Lot other than as a single-family residential dwelling and appurtenant structures. No trade, craft, business or manufacturing enterprise, or business or commercial activity of any kind shall be conducted or carried out in any house, garage, or with the Property itself, unless the following conditions are met: (1) the building associated with the business or commercial use must serve as the primary residence for that building's Owner; (2) no vehicle associated with the business or commercial use shall be parked outside of an enclosed garage for more than three [3] days; (3) the existence of operation of the business is not apparent or detectable by sight, sound, or smell, from outside the building; (4) the business activity does not involve regular visitation of the Lot by clients, customers, suppliers, or other business invitees or door-to-door solicitation of Lot Owners; and, (5) no goods, equipment, vehicles, and/or materials and supplies used in connection with any trade, service, or business shall be kept, parked, or stored outside of a building, or garage, for more than three days without being removed. Notwithstanding the foregoing, homecare for children shall be allowed as a permitted use, so long as authorized by the State of Washington; provided, however, that in no event shall a daycare be allowed.

B. Reasonable Use Restriction

No Lot shall be used in a fashion which unreasonably interferes with any other Owner's right to use and enjoy the other Owner's Lots. The Board, the Committee designated by it, or the Declarant during the Development Period, shall determine whether any given use of a Site unreasonably interferes with those rights; such determinations shall be conclusive.

C. Prohibited Activities

No noxious or offensive activity shall be conducted on any Lot, nor shall anything be installed, permitted, suffered or maintained on the Properties which may become an activity or condition which unreasonably interferes with the rights this Declaration gives other Owners to use and enjoy any part of the Properties. No activity or condition shall be conducted or maintained on any part of the Properties which detracts from the value of the Properties as a residential community. No untidy or unsightly condition shall be maintained on any Property. Untidy conditions shall include, but are not limited to, publicly visible (unscreened) storage of boats, trailers, motor homes, recreational vehicles, disabled vehicles of any kind whatsoever, and landscaping which is not properly maintained (subject to the provisions of this Declaration).

Notwithstanding anything in this Declaration to the contrary, during the Development Period the Declarant may permit trailers ("temporary trailers") to be placed upon Owner's Lots to facilitate the sale of the Lots and the construction of residences (and residence-associated improvements) upon the Lots. All such temporary trailers shall be placed only upon either (1) a Lot being sold by the Lot's Owner, or (2) the Lot upon which a residence is being constructed by the Lot's Owner. No such temporary trailers shall be placed, without Declarant's permission, on any other Lot within the Plat or the adjacent rights-of-way. The Declarant specifically, in the Declarant's sole discretion, may (i) completely deny an Owner permission to place a temporary trailer on the Owner's Lot, (ii) require any temporary trailer placed upon the Lot to be placed in such a location as to minimize view from public rights-of-way or from residences on other Lots, or (iii) impose landscaping requirements which the Declarant, in the Declarant's sole discretion, may require, to improve the appearance of the temporary trailer on the Lot.

D. Prohibited Vehicles/Structures

Except for the Declarant during the Development Period, no mobile or "manufactured" homes, trailers, structures of a temporary character, recreational vehicle, basement, tent, shack, garage, barn, or other outbuildings shall be used on any Lot at any time as a Residence, either temporarily or permanently. No vehicles parked in public rights-of-way may be used temporarily or permanently for residential purposes.

E. Mining

No oil drilling, oil development operations, oil refining, quarrying, or mining operation of any kind shall be permitted on or in any Lot, nor shall oil wells, tanks, tunnels, mineral excavation or shafts shall be permitted on or in any Lot, nor shall oil wells, tanks, tunnels, mineral excavation or shafts be permitted on or in any Lot. No derrick or other structures designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot. Oil storage for residential heating purposes is permissible if the storage tank is buried, any necessary permits are obtained, and the storage complies with all applicable environmental laws, rules, and regulations.

F. Animals

No animals (pets), except dogs, cats, caged birds, fish and tanks, and other household pets, will be permitted on Lots. No animals (pets) shall be allowed to run at large or to create a disturbance for other Owners in the Plat. Leashed animals are permitted within rights-of-way and private road easements when accompanied by their Owners. Efforts shall be made by the person accompanying the animal to exercise "scooping" of animal waste. All pens and enclosures must be approved by the Committee prior to construction and shall be kept clean and odor free at all times.

No animal that is or becomes an annoyance or nuisance to the neighborhood or Lot(s) Owner shall thereafter be kept on any Lot(s).

No dog shall be kept on any Lot at any time that has ever inflicted bites on a human or domestic animal either on public or private property, or chases or approaches a person upon the streets, sidewalks or on public or private grounds in a menacing fashion or apparent attitude of attack, or any dog with a known propensity, tendency, or disposition to attack unprovoked, to cause injury, or otherwise threaten the safety of humans or domestic animals. Any dog that shows or has shown such tendencies on any occasion shall be removed from the Lot in an immediate fashion. No pets shall be allowed to roam at any time outside the Lot boundaries.

Dog kennels and or dog runs shall not be established in front yards but shall be located in the back or side yard screened from ground view of other Lots and the roadways.

If the investigation of the Board indicates that animals are kept in violation of this section, the Board will give the Owner ten [10] days' written notice of the violation. Such violation must be remedied by the Owner within ten [10] days. Failure to comply with the written notice will result in a fine of Twenty-Five and No/100 Dollars [\$25.00] per day. Any fine imposed by this section shall be the personal obligation of the fined Owner and a lien on the Lot of the fined Owner. The Association shall be entitled to attorney fees and costs for any action taken to collect such fines in accordance with the provisions of this Declaration.

G. Signs

Except for the Declarant during the Development Period, no signs, billboards, or other advertising structures or device shall be displayed to the public view on any Lot except one [1] sign not to exceed three [3] square feet in area may be placed on a Lot to offer the Property for sale or rent. Political yard signs, not more than two [2] square feet in area, of a temporary nature, will be allowed during campaign periods on Lots. Within five [5] days after the date of the election to which the sign refers, such signs must be removed from Lots.

The Declarant may, but is not required, to establish, for the duration of the Development Period, signage guidelines and standards for Lot identification signs, realtor identification signs, "for sale" signs, and other signage that may be placed by Owners or parties other than the Declarant on any part of the Lots within Willow Pointe North, the Common Areas, or public rights-of-way. The Declarant may, but is not required, to also develop an overall theme for signage within the project, including specific requirements for physical sign installations and size requirements, which theme will then become part of the established guidelines and standards for signage in Willow Pointe North during the Development Period. In the event such guidelines are established, the Declarant shall make the signage guidelines and standards available upon request to Lot Owners and their representatives, including both builders and real estate agents of Lot Owners.

During the Development Period, the Declarant shall have the sole and exclusive right to approve, in the Declarant's sole discretion, any and all signage installations within any part of the real property encompassed within the Plat of Willow Pointe North, including the adjacent rights-of-way. Every Owner of a Lot in Willow Pointe North, and any builder or real estate agent on behalf of an Owner, shall submit any proposed signs to the Declarant for approval prior to installation of the signs.

Any signs not specifically approved by the Declarant found anywhere on Lots in Willow Pointe North, any Common Area, or on adjacent rights-of-way, may be promptly removed and disposed of by the Declarant. The absolute right of the Declarant to remove unauthorized signs from the Premises specifically includes, but is not limited to, the Declarant's right to remove any and all signs placed by real estate agencies or their representatives, including temporary reader board signs and other signage installations.

No person, including, but not limited to, the person or persons owning any interest in the signs removed, shall be entitled to compensation of any kind for sign(s) removed by Declarant pursuant to this Section.

The Board may cause any sign placed on Properties in violation of this Article to be removed and destroyed without compensation of any kind to anyone including, but not limited to, any persons having an ownership interest in the sign. This section shall not apply to signage placed by Declarant.

Additional signage may be installed by Declarant during the "Development Period" to promote the sale of Lots or houses, and to promote Declarant's project and company. Notwithstanding anything in this Section to the contrary, signs placed by the Declarant shall not be subject to any sign restrictions, and specifically shall not be subject to the limitation set forth in this Article on the number of signs and the size of signs. The Declarant shall not be subject to any guidelines or standards established by Declarant for other parties pursuant to this Article. The Declarant has the authority to approve larger signs by builders/contractors for the purpose of general advertising not specifically related to an individual Lot or residence. This approval shall extend to the content, size, colors, and location of such signs. In all cases, approval of such special signage shall be at the sole and exclusive discretion of the Declarant.

H. Delegation of Use and Responsibilities

Any Owner may delegate, to members of his family or his tenants, in accordance with the Bylaws of Willow Pointe North Homeowners' Association, the Owner's right of enjoyment of any Common Areas. In the event an Owner rents or leases his Property, a copy of this Declaration, as well as any rules and regulations that may be adopted by the Association, shall be made available by the Owner to the prospective renter at the time of commitment to the rental agreement. Each Owner shall also be responsible for informing guests and service personnel of the contents of this Declaration, as well as any rules and regulations that may be adopted by the Association as they may relate to appropriate community behavior. Each Owner personally, and the Owner's Lot, shall be responsible for any damages to any Common Areas (or any other area maintained by the Association) or to any other Association property, whether real or personal, caused by an Owner's family, guest, tenant, agent, workman, contractor or other licensee or invitee. The Association shall have a lien upon the Owner's Lot for the amount of damages.

I. Garbage and Trash

No Lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage and other waste shall not be kept, except in sanitary containers properly screened and shielded from adjacent properties. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition. No trash, refuse pile, vehicles, underbrush, compost pile, or other unsightly growth or objects shall be allowed to group, accumulate or remain on any Lot so as to be unsightly, a detriment to the neighborhood, or become a fire hazard.

J. Clothing Lines

No clothing line shall be located on a Lot so as to be visible from the street, common areas, or dwellings, on other Lots.

K. Fuel Tanks

Except for any installed by the Declarant during the Development Period, no fuel tank shall be located above ground on any Lot unless screened from view in a manner satisfactory to the Architectural Control Committee.

L. Lighting

No Lot Owner shall erect or maintain outdoor lighting for sports court facilities, or for other purposes that causes unreasonable glare on to adjoining lots or streets. Outdoor lighting shall be defined as any high intensity lighting used to illuminate large areas for the purpose of outdoor activities. Any such lights shall be properly shielded to avoid direct glare onto adjoining residences or streets and shall also be turned off after 10:00 p.m. until 7:00 a.m., unless otherwise approved by the Committee.

This restriction on outdoor lighting shall not in any way be construed to limit the right of any Lot Owner to install exterior lighting on structures and within yard areas for security purposes, or to install specialty lighting, such as, but not limited to lighting associated with holidays, such as Christmas. The limitation on the hours of operation of high intensity lighting shall not apply to other lighting, as set forth herein.

ARTICLE XIV. BUILDING RESTRICTIONS/REQUIREMENTS

THIS ARTICLE, INCLUDING ALL OF THE SUBSECTIONS CONTAINED HEREIN, APPLIES TO THOSE RESIDENCES OR OTHER STRUCTURES OTHER THAN THOSE CONSTRUCTED BY THE DECLARANT DURING THE DEVELOPMENT PERIOD. THE STANDARDS SET FORTH BELOW ARE USED BY THE DECLARANT AS GUIDELINES FOR DEVELOPMENT AND CONSTRUCTION IN ORDER TO PRESERVE THE UNIFORMITY OF APPEARANCE OF THE DEVELOPMENT AND TO ENSURE COMPLIANCE WITH APPLICABLE CODES AND REGULATIONS.

A. Size/Height Restrictions

No Residence shall be constructed which exceeds the allowable height set forth in the applicable Building and/or Zoning Code for this zone. Except as may be constructed by Declarant during the Development Period, no single structure shall be altered to provide residence for more than one [1] family. Rambler-type residences (residences consisting of a basement and one story, or residences consisting of a single story) shall contain at least 1,200 square feet. Multi-story residences (residence consisting of a basement and two stories, or residences consisting of two stories) shall contain at least 1,600 square feet. In computing the total square footage of a residence, the basement shall not be included, nor shall garages or enclosed decks be included.

The size of a home constructed on any Lot shall be subject to review and approval by the Committee, in the Committee's sole discretion. It is the express intent of this Article to enable the Committee to evaluate all aspects of a proposal for a home on a Lot, including size, elevation, architectural style, landscaping, location within the Plat, and other factors to determine its acceptability, pursuant to this Declaration.

B. Building Materials

All homes constructed on each Lot shall be built of new materials, with the exception of "decor" items such as used brick, weathered planking, and similar items. The Committee will determine whether a used material is a "decor" item. In making this determination, the Committee will consider whether the material harmonizes with the aesthetic character of Willow Pointe North and whether the material would add to the attractive development of the subdivision. All roofs are to be composition roofing (30- year minimum) of a color approved by the Committee, or similar material, unless otherwise approved by the Committee.

All siding and trim are to be resawn wood, stucco, drivit, "LP"-type siding, Hardie-Plank concrete, vinyl or similar material, all of a color approved by the Committee. All visible masonry shall be new or decorative brick or tile, or similar decorative masonry units, such as river rock or stone. Horizontal lap- type "cedar-look" vinyl siding will be allowed upon approval of the quality by the Committee.

The exterior of all construction on any Lot shall be designed, built, and maintained in such a manner as to blend in with the natural surroundings and landscaping within Willow Pointe North. Exterior colors must be approved by the Committee. Exterior trim, fences, doors, railings, decks, eaves, gutters, and the exterior finish of garages and other accessory buildings shall be designed, built, and maintained to be compatible with the exterior of the structure they adjoin. Generally, colors shall be soft earth tones, beige, or pastels, and similar shades.

C. Building Setbacks

All structures must comply with the setback requirements recorded on the face of the Plat. No structure shall be located within said setback areas or nearer to the front or side street lot line than minimum dwelling setback lines required by relevant public zoning ordinance. For the purpose of this Covenant, eaves, steps, chimneys, and open porches shall not be considered as part of the dwelling; provided, however, that this shall not be considered to permit any portion of a dwelling on a Lot to encroach upon any required setbacks by local codes, or to encroach upon another Lot or upon any easements indicated on the face of the Plat or as otherwise recorded, or upon any Common Areas. In no event shall any structures violate any provisions of any applicable building or zoning ordinance, or any specific setbacks as set forth on the recorded Plat map, or any setbacks imposed through the establishment of easements for utilities or access.

D. Driveways

All driveways shall be paved with exposed aggregate concrete, unless otherwise approved by the Committee.

E. Contractor

No home may be constructed on any Lot other than by a contractor licensed as a general contractor under the statutes of the state of Washington.

F. Fireplace Chimneys

No metal flues or metal chimneys shall be allowed on any residences or other buildings constructed on any Lot, unless enclosed within appropriate wood or masonry materials.

G. Drainage Control Over Slopes

In no event shall construction or grading on any Lot in the Properties be allowed to cause surface water drainage to flow over the top of any slopes which are greater than four [4] feet in height. All roof down spouts and yard drainage shall be directed away from the top of such slopes towards the street, or to an approved storm drainage outlet provided for such purposes. In addition, any footing drains shall be directed to the street drainage system, or to a discharge at the street, or to an approved storm drainage outlet provided for such purposes. In no event shall such footing drains be allowed to discharge over the top or onto the face of any slopes greater than four [4] feet in height.

H. Garages

Each Residence shall incorporate a minimum two [2] car garage designed and constructed as an integral part of said Residence.

I. Fence and Walls

Except for those installed by the Declarant during the development period, fences, walls or hedge rows are only permitted on side property lines and shall be allowed only upon approval of the Committee. However, no such fences, walls or hedge rows shall be allowed on any side property line closer to the front property line than the adjacent residential structure, unless specifically approved by the Committee. For corner Lots, this applies to both street frontage measurements. Fences, walls and hedge rows are not permitted on front easement lines, or on side street property lines for corner Lots or on the rear property lines of the waterfront units, except as may be otherwise approved by the Declarant as part of the subdivision improvements, unless otherwise approved by the Committee. All fences installed on any Lot shall be six [6] foot solid cedar fencing, wrought iron, or masonry of a type and quality approved by the Committee but fencing other than solid cedar will only be permitted in exceptional circumstances. No barbed wire, chain-link, or corrugated fiberglass fences shall be erected on any Lot, except that chain-link fencing for sports facility enclosures may be considered for approval by the Committee upon individual request. All fences must be approved by the Committee prior to installation. The Committee may make available a standard detail for fence construction, which must then be used by all Lot Owners, unless a specific variance from this standard is approved by the Committee in writing. The Committee shall also approve the colors for fence installations. Any fencing installed in the Plat on any Lot which does not meet the standards set forth by the Committee, shall be removed at the Owner's expense upon demand by the Committee.

J. Landscaping Standards

The entire yard, including up to the edge of the curb in the adjacent right-of-way fronting any Lot within Willow Pointe North shall be landscaped in accordance with the provisions of this Article. At least fifty percent [50%] of this yard area shall be grass lawn. The landscaping shall be installed within forty-five [45] days of the receipt of a Certificate of Occupancy, or within eight [8] months from the date that construction is initiated, whichever date is earlier. If inclement weather conditions prevent the timely installation of said landscaping improvements, the Lot Owner must make application to the Committee for an extension of time until weather conditions sufficiently improve.

K. Plan Checks/Construction Cleanup Fee

Each Lot Owner shall be required to clean up the Lot within ten [10] days of receiving a Certificate of Occupancy. Such Lot Owners shall, upon application to the Committee for approval of house plans, be required to pay a Three Hundred Fifty and No/100 Dollars [\$350.00] fee to the Committee to be used as follows:

1. Fifty and No/100 Dollars [\$50.00] for house plan check as provided in Article 15, Section 9; and
2. Three Hundred and No/100 Dollars [\$300.00] as a damage deposit to be held without interest until house construction is complete. The damage deposit will be used in the event the Owner does not comply with all construction standards, clean-up standards, and landscape installation and maintenance standards contained in Declaration (the "Completion Standards"). If the Owner does not comply with the Completion Standards, the Committee may handle the clean-up, landscape installation or maintenance, or any other actions required to bring the construction and Lot completion into compliance with this Declaration. The cost of any actions taken by the Committee pursuant to this section shall be deducted from the Three Hundred and No/100 Dollars [\$300.00] deposit. If the cost of the actions taken by the Committee, pursuant to this section, exceeds the deposit, the additional expense shall be the personal obligation of the Owner of the Lot, a lien upon the Lot, an "other charge" for purposes of this Declaration, and shall be paid to the Association upon demand.

Notwithstanding anything in this section or the Declaration to the contrary, neither the Declarant nor the Committee shall be obligated to take any action required to clean up a Lot, nor to bring a residence, landscaping, or other improvements on a Lot into compliance with the Completion

Standards, nor with other requirements of this Declaration. The Declarant or the Committee may take such action as the Declarant wishes; however, any action taken by the Declarant or the Committee shall not impose any requirement on the Declarant or the Committee to initiate or complete any other actions necessary or advisable to clean up the Lot or otherwise bring the construction and landscaping into compliance with the Completed Standards and this Declaration. Once all of the construction on a specific Lot has been completed by the Owner, including all required landscaping improvements on site and within the adjoining rights-of-way as set forth in this Declaration, the Owner may request a refund of the Three Hundred and No/100 Dollars [\$300.00] damage deposit.

Within thirty [30] days from receiving said notice, the Committee, or designated representative, shall conduct a site inspection to verify that the Owner appears to have met all Completion Standards, as defined in this section. If all Completion Standards appear to have been met, then the damage deposit shall be returned to the Owner within ninety [90] days of the original date of the Committee's receipt of the request for the refund.

Return of all or any portion of the damage deposit shall not under any circumstances constitute a representation or warranty by the Declarant or by the Committee to the Owner, other Lot Owners, the Association, or anyone else, either (1) that the Completion Standards have been met, or (2) that any other requirements of this Declaration has been complied with.

If any part of the deposit may be required to fulfill Completion Standard requirements, then (1) the damage deposit may be applied to the cost of clean-up as set forth in this section, and (2) the Committee shall give the Owner written notice specifying the reasons for the denial of the refund. This section shall also apply if the clean-up costs exceed Three Hundred and No/ 100 Dollars [\$300.00].

3. During the Development Period, Declarant shall have the right to waive these fees at Declarant's sole discretion.

L. Permits

No construction or exterior addition or change or alteration of any structure may be started on any portion of the Properties without the Owner first obtaining a building permit and other necessary permits from the proper local governmental authority, and written approval of such permits from the Board, Committee, or the Declarant, as well as plan check approval as set forth in this Declaration.

M. Codes

All construction shall conform to the requirements of the State of Washington Rules and Regulations for Installing Electric Wires and Equipment, and Uniform Code (building, mechanical, plumbing), in force at the commencement of the construction, including the latest revisions thereof.

N. The Time of Completion

Except for those residences being constructed by the Declarant during the Development Period, the exterior of any structures, including painting or other suitable finish and front yard landscaping, shall be completed within eight [8] months of the beginning of construction so as to present a finished appearance when viewed from any angle. The construction area shall be kept reasonably clean during the construction period.

O. Entry for Inspection

Any agent, officer or member of the Board, Committee, or Declarant may, at any reasonable predetermined hour upon twenty-four [24] hour notice during construction or exterior remodeling, enter and inspect the structure to determine if there has been compliance with the provisions of this Declaration. The above-recited individuals shall not be deemed guilty of trespass for such entry or inspection. There is created an easement over, upon and across the residential Lots for the purpose of making and carrying out such inspections.

ARTICLE XV. UTILITIES

A. Wiring

The wiring (other than interior wiring) for buildings of any kind shall be underground.

B. Antennae

No radio or television antennae, or transmitters shall be permitted unless approved by the Committee. Any such installations shall be reasonably screened from public view as a minimum requirement for approval, but such screening shall not guarantee approval by the Committee. Any such installations shall not be approved if, in the sole discretion of the Committee, the installation(s) will detract from the appearance of the Lot or Properties.

Satellite dishes less than thirty-six [36] inches in diameter are permitted without screening, except in the front yard or where visible from the street. Satellite dishes or parabolic reflectors exceeding thirty-six [36] inches in diameter may be allowed but must be reasonably screened from public view. Any Lot Owner wishing to install such a reflector shall submit a plan for location and screening to the Committee for approval.

The Committee shall have the authority to require additional screening if it is determined that the installation does not meet reasonable screening requirements.

ARTICLE XVI. ARCHITECTURAL CONTROL

A. Architectural Control Committee ("Committee")

So long as the Declarant is either a Class "A" or Class "B" member (voting member) of the Association, the Declarant shall act as the Architectural Control Committee ("act as the Committee") created by this Article (even if the Development Period has ended) unless the Declarant elects not to act as the Committee. If the Declarant is acting as the Committee, the Declarant shall have all authority and perform all functions given to the Committee by these Declarations and applicable law; all references to "Committee" in this Article 15 shall apply to the Declarant while acting as the Committee.

If the Declarant is still a voting member of the Association but elects not to act as the Committee, then (1) if the Development Period has not ended, Declarant shall appoint a Committee to function as the Committee and (2) after the Development Period, the Board shall appoint the Committee. At such time as the Declarant is no longer a voting member of the Association, the Board shall have the authority to appoint the Committee provided for by this Article. The Committee, when appointed, shall consist of not less than three [3] and not more than five [5] Members. It is not a requirement that Members of the Committee be (1) Owners or (2) Members of the Association.

If the Declarant is still a voting member of the Association, but has elected to relinquish its management authority to the Board, then Declarant shall still act as the Committee, pursuant to this Section 1, until such

time as Declarant elects not to act as the Committee, or until such time as the Declarant is no longer a voting member of the Association.

B. Jurisdiction and Purpose

The Committee or the Declarant as set forth herein, shall review proposed plans and specifications for Residences, accessory structures, fences, walls, appurtenant recreational facilities (e.g., hot tubs, basketball courts, tennis courts, swimming pools, and bath houses), or other exterior structures to be placed upon the Properties. No exterior addition, structural alteration, or exterior structures of any kind may be made until plans and specifications showing the nature, kind, shape, height, materials and location of the proposed structure or alteration have been submitted to and approved, in writing, by the Committee. The Committee shall also review proposals to change the exterior color of homes in the Plat. The Committee shall determine whether the exterior design and location of the proposed structure, alteration, or color change harmonizes with the (1) surrounding structures, (2) surrounding natural and built environment, and (3) aesthetic character of other homes in the Plat.

C. Membership

Except as provided in this Article relating to the Declarant, the Committee shall be appointed by the Board. An election to fill either a newly created position on the Committee or a vacancy on the Committee requires the vote of the majority of the entire Board. However, the Board is not obliged to fill a vacancy on the Committee unless the membership of the Committee numbers less than three [3] persons.

D. Designation of a Representative

The Committee may unanimously designate one or more of its members or a third party to act on behalf of the Committee with respect to both ministerial matters and discretionary judgments. The decisions of such individuals are subject to review by the entire Committee at the request of any member of the Committee.

E. Donation of Time

No member of the Committee shall be entitled to any compensation for services performed on behalf of the Committee. Committee members shall have no financial liability resulting from Committee actions.

F. Address of the Committee

The address of the Committee shall be at the registered office address of the Association.

G. Voting

Committee decisions shall be determined by a majority vote of the members of the Committee.

H. Submission of Plans

All plans and specifications required to be submitted to the Committee shall be submitted by mail to the address of the Committee in duplicate. The written submission shall contain the name and address of the Owner submitting the plans and specifications, identify the Lot involved, and, unless otherwise indicated by the Board, contain the following information about the proposed structures or any proposed changes to the existing structures:

1. The location of the structure upon the Lot;
2. The elevation of the structure with reference to the existing and finished Lot grades;

3. The general design;
4. The interior layout;
5. The exterior finish materials and color, including roof materials;
6. Other information which may be required in order to determine whether the structure conforms to the standards articulated in this Declaration and the standards employed by the Committee in evaluating development proposals.
7. A plot plan at a scale of one-inch equals twenty feet [1" = 20'] shall be required, which shall include topography information if the Lot has a grade difference from one side to another of more than ten [10] feet. The plan shall also include specific details of front and side yard landscaping improvements extending up to the edge of the street paving on the lot frontage.
8. The submittal to the Committee for construction of a residence on a Lot by anyone other than the Declarant during the Development Period must be accompanied by the information summary sheet attached as Exhibit "A" to this Declaration. All information requested must be included on the summary sheet for the Committee to be able to consider the submittal complete. The time period allowed for review by the Committee as set forth in Section 12 herein shall commence once the submittal is considered complete.

I. Plan Check Fee

With the exception of the Declarant during the Development Period, all individuals submitting plans to the Committee shall be obliged to pay a reasonable plan check fee to cover the administrative costs of reviewing such development proposals. It will be necessary to pay the plan check fee upon submitting plans and specifications to the Committee. A plan check fee of Fifty and No/100 Dollars [\$50.00] will be charged to review plans and specifications for Residences. A fee of Twenty-five and No/ 100 Dollars [\$25.00] will be charged for the review of other structures. After the Development Period, the review fees may be changed by vote of a majority of the Board, to cover reasonable review costs.

J. Evaluating Development Proposals

With the exception of the Declarant during the Development Period, the Committee shall have the authority to establish aesthetic standards for evaluating development proposals. In addition to such standards, in evaluating development proposals, the Committee shall determine whether the exterior, design, color, building materials, appearance, height, configuration, location on the Lot, and landscaping of the proposed Lot (the "design elements") harmonize with (1) the various features of the natural and built environment, (2) the aesthetic character of the other homes in Willow Pointe North, and (3) any other factors which affect the desirability or suitability of a proposed structure or alteration (collectively the "approval factors"). The Committee shall decline to approve any design in which (1) the design elements fail to harmonize with the approval factors described in the previous sentence or which fail to meet any aesthetic standards promulgated by the Committee, (2) impacts adversely on nearby Properties and any Common Areas, or (3) is of a temporary or non-permanent nature. Committee determinations may be amended by a majority vote of Committee members.

K. Exclusions

During the Development Period and for so long as the Declarant is either a Class "A" or Class "B" voting member of the Association, the Declarant shall have the right to waive the plans and specifications review for builders in Willow Pointe North. Any such waiver shall not exempt said builder from any of the standards or restrictions articulated in this Declaration, and all structures and improvements shall meet all standards and restrictions contained in these Declarations, subject to any variations approved by the Committee.

L. Approval Procedures

Within fourteen [14] days after the receipt of a complete application, including all required information, and plans and specifications, the Committee shall approve or disapprove the proposed structure. The Committee may decline to approve plans and specifications which, in its opinion, do not conform to restrictions articulated in this Declaration and criteria (including those in this Article) or to its aesthetic standards. The Committee shall indicate its approval or disapproval on one of the copies of the plans and specifications provided by the applicant and shall return the plans and specifications to the address shown on the plans and specifications. In the event that no disapproval of such plans and specifications is given within fourteen [14] days of submission, then the plans shall be deemed to be approved. In any event, the Association shall hold the Committee members (and the Declarant, if acting as the Committee) harmless from any actions taken (or actions not taken) relative to the approval, disapproval, or non-action on any plans submitted for review. "Non-action" on the part of the Committee shall not exempt the applicant from any of the provisions of this Declaration or the restrictions articulated herein. By purchasing a Lot in Willow Pointe North, the Owners agree that, to the extent permitted by law, the Declarant shall have no liability to the Owners or the Association for any actions taken, or actions not taken, while acting as the Committee.

M. Compliance with Codes/Environmental Laws

In all cases, ultimate responsibility for satisfying all local building codes and requirements rests with the Owner and contractor employed by the Owner. The Committee has no responsibility for ensuring that plans and specifications which it reviews comply with local building codes and requirements. The Owner shall hold the Committee members (and Declarant) harmless in the event that a structure which the Committee (or Declarant) authorizes fails to comply with relevant building and zoning requirements or these covenants and restrictions contained herein. No person on the Committee or acting on behalf of the Committee, nor the Declarant acting as the Committee, or anyone acting on behalf of the Declarant, shall be held responsible for any defect in any plans or specifications which are approved by the Committee or Declarant nor shall any member of the Committee or any person acting on behalf of the Committee or Declarant be held responsible for any defect in a structure which was built pursuant to plans and specifications approved by the Committee, or by the Declarant.

Neither the Declarant, the Committee, nor any member of the Committee, nor the Association, nor anyone acting on behalf of the Committee or the Association, shall have any responsibility for compliance by Owner (or any agent, representative, guest, or invitee of Owner) with any environmental laws, regulations, or rules, including, but not limited to, those relating to hazardous waste and placement of underground oil storage tanks.

N. Variations/Final Authority of the Committee

The Committee shall have the authority to approve plans and specifications which do not conform to these restrictions in order to (1) overcome practical difficulties or (2) prevent undue hardship from being imposed on an Owner as a result of applying these restrictions, or (3) to accommodate particular aspects of an application for approval, which when taken in context with the overall proposal by a Lot Owner, does not, in the Committee's sole discretion, have a significant detrimental effect on the Plat or nearby Lots.

For purposes of approval of architectural design requirements, structure placement and all other aspects of review authority granted to the Committee and the Declarant through this Declaration, the decision of the Committee and the Declarant shall be final. The Committee shall have the sole and exclusive authority to deny approval for any construction in the Plat of Willow Pointe North, so long as it is the decision of the Committee that such construction will be detrimental to the community of Willow Pointe North and/or the lots immediately adjacent thereto. This shall include the right to deny proposed construction which meets the basic minimum requirements of the Declaration, but is substantially out of character or design with the theme of

Willow Pointe North and/or the majority of construction already approved within the development, or the construction already approved on adjacent or nearby lots.

O. Enforcement

The Association (including the Declarant on behalf of the Association), Board, or any Owner shall have the right to bring suit for judicial enforcement of a determination of the Committee, or, after the Development Period, to seek an order requiring the Committee to exercise its authority, and perform its functions, under this Article. In any judicial action to enforce a determination of the Committee, the losing party shall pay the prevailing party attorney fees, expert witness fees, and other costs incurred in connection with such a legal action or appeal as provided hereafter.

Enforcement by the Association may also include placement of a "stop work" order on any construction that does not comply with the provisions of this Declaration, including, but not limited to, construction that is started by any Owner without first complying with the provisions of this Article for architectural review. This action may be taken by the Association as deemed necessary in accordance with the provisions of this Declaration.

The authority to take action under the provisions of this section shall further extend to failure of any Owner to pay the required review fees and submit the necessary plans and specifications required by the provisions of this section to the Association, prior to commencing with any work on said Owner's Lot.

P. Committee/Declarant Liability

The Association, and all Owners, shall hold the Committee members and the Declarant, if acting as the Committee, harmless from any actions taken (or actions not taken) under any section of this Declaration. By purchasing a Lot in Willow Pointe North the Owners agree that, to the extent permitted by the law, neither the Declarant (nor any officer, director, or representative of Declarant), nor the Committee (nor any member of the Committee) shall have any liability to the Owners or to the Association for any actions taken, or actions not taken, while acting as the Declarant or the Committee under this Declaration. "Non-action" on the part of the Committee or the Declarant shall not exempt the applicant from any of the provisions of this Declaration or restrictions contained in this Declaration.

ARTICLE XVII. GENERAL PROVISIONS

A. Covenants Running with the Land

The Covenants, Conditions and Restrictions articulated in this Declaration shall run with the land and bind the land for a term of thirty [30] years from the date that this Declaration is recorded. After thirty {30} years have expired, the Covenants, Conditions and Restrictions shall be automatically extended for successive periods of ten [10] years, unless amended pursuant to this Article.

B. Amendment

So long as the Declarant is either a Class "A" or Class "B" member of the Association, this Declaration may be amended only if (1) the Declarant gives the Declarant's express written approval of the Amendment in writing, and (2) the Owners of at least fifty-one percent [51%] of the lots, as expressed through the voting power granted to said Owners pursuant to this Declaration, including those owned by Declarant, sign an instrument (which may be executed in counterparts) approving the Amendment. In the event financing for any Lot(s) in the Properties is provided by FHA/VA, approval by FHA/VA shall be required until such time as Declarant is no longer a Class "B" Voting Member of the Association.

At such time as the Declarant is no longer a Class "A" or Class "B" voting member of the Association, this Declaration may only be amended if the Owners of at least seventy-five percent [75%] of the lots, pursuant to the voting power granted to said Owners pursuant to the terms of this Declaration, vote to amend particular provisions of this Declaration as then in effect (including any prior amendments). In no event shall any provisions expressly referring to the Declarant be amended at any time without the express written approval of the Declarant, or any successor in interest (unless the Declarant and any their successor in interest, no longer exist). All Amendments must be filed with the office of the Benton County Auditor.

C. Insurance on Lots

The Association shall have no obligation to obtain any insurance on the Lots or the structures located on the Lots except as expressly provided herein.

D. Enforcement

The Association (including the Declarant on behalf of the Association), the Board, or any Owner shall have the right to enforce, by any legal proceeding, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration.

E. Attorney Fees

In the event that it is necessary to seek the services of an attorney in order to enforce any (1) provisions of this Declaration, or (2) lien created pursuant to the authority of this Declaration, the individual against whom enforcement is sought shall be personally obligated to pay any attorney fees incurred. If the Owner fails to pay such fees within sixty [60] days, such fees shall become a lien against the Owner's Lot.

In any legal action commenced in order to enforce the provisions of this Declaration, the prevailing party shall be entitled to recover all reasonable attorney fees and expert witness fees incurred in order to enforce the provisions of this Declaration. The prevailing party shall also be entitled to recover all costs.

F. Liens for Other Charges

This section shall apply to all fees, charges, penalties, interest, costs, attorney fees and other amounts assessed against an Owner or the Owner's Lot (the "other charges") and which are not described in this Declaration (the "regular assessments"). Unless otherwise provided in this Declaration, the other charges shall be a personal obligation of the Owner, and also a lien against the Owner's Lots identical to the lien of the regular assessments. The liens upon Lots for other charges may be recorded, collected and foreclosed in the same manner as liens for regular assessments, with the costs (including reasonable attorney fees) of collection or foreclosure, or both, to be additional "other charges" for which the Owner shall be personally liable and which shall be a lien on the Owner's Lot enforceable as provided in this section.

G. Interest

All assessments, penalties, liens, fines, and other charges (as defined in this Declaration) shall bear interest, if not paid when due, at the rate of twelve percent [12%] per annum until paid in full. The interest shall accrue from the due date.

H. Successors and Assigns

The covenants, restrictions and conditions articulated in this Declaration shall run with the land and shall accordingly be binding on all successors and assigns.

The invalidity of any one or more phases, clauses, sentences, paragraphs or sections herein shall not affect the remaining portions of this Declaration or any part thereof. In the event that one or more of the phrases, clauses, sentences, paragraphs or sections contained herein should be invalid, this Declaration shall be construed as if the invalid phrase, clause, sentence paragraph or section had not been inserted.

In the event that any provision or provisions of this Declaration violate the Rule Against Perpetuities or the Washington State replacement for the same, such provision or provisions shall be construed as being void and of no effect upon the earlier of one hundred fifty years from the date of execution hereof or as of twenty-one [21] years after the death of the last surviving member of the Temporary Board appointed by the Declarant in the Articles of Incorporation for the Association ("First Temporary Board") of the Association or twenty-one [21] years after the death of the last survivor of all of any of the First Temporary Board member's children and grandchildren who shall be living at the time this instrument is executed, whichever is later. All such provisions shall be given full effect until the particular provisions become void under this section.

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

Given under my hand and official seal this this _____ day of _____ 20____.

Covenants, Conditions, & Restrictions of Willow Pointe North