

AFTER RECORDING
RETURN TO:

Association Management Services NW
7710 NE Vancouver Mall Drive
Vancouver, WA 98662

Title	The Third Restated Declaration of Covenants, Conditions, Restrictions, Reservations and Easements for the Villas at Salmon Creek Commons
Grantor	The Villas at Salmon Creek Commons Homeowners Association
Grantee	The Villas at Salmon Creek Commons Homeowners Association
Abbreviated Legal Desc.	Salmon Creek Commons Ph C, Book 11 of Plats, Page 288 per that certain Declaration recorded at Clark County recorder's no.: 5253919
Assessor's Tax Parcel Nos.	186854-002; -004; -006; -008; -010; -012; -014; -016; -018; -020; -022; -024; -026; -028; -030; -032; -034; -036; -038; -040; -042; -044; -046; -048; -050; -052; -054; -056; -058; -060; -062; -064; -066; -068; -070; -072; -074; -076; -078; -080; -082; -084; -086; -088; -090; -092; -094.
Other Reference Nos.	4023790; 4264429; 4616751 Book 311, Page 288; 4498541; 4110077; 4243226; 5036008; 5253919; 5487042

**THIRD RESTATED DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS, RESERVATIONS AND EASEMENTS FOR THE VILLAS AT
SALMON CREEK COMMONS**

**An Individually Owned, Attached Home Subdivision
for Persons 55 Years of Age and Older**

This Third Restated Declaration is made on October ____, 2018, by the Villas at Salmon Creek Homeowners Association.

RECITALS:

A. The Declarant of this Third Restated Declaration of Covenants, Conditions, Restrictions, Reservations, and Easements for the Villas at Salmon Creek Commons is The Villas at Salmon Creek Commons Homeowners Association. Declarant owns the Common Areas within this subdivision, while members of the Association individually own the 46 Lots and Units. Ownership of the Common Areas and control of the Association were acquired by the Declarant during a turnover meeting of the Association on May 31, 2012. This Third Restated and Amended Declaration completely supersedes and replaces in their entirety the Initial and Successor Declarations and Amendments described in Recitals B, C and G, except that this Third Restated Declaration does not affect the recorded documents described in Recitals E and F.

B. The Initial Developer/Declarant, Salmon Creek Commons, LLC, previously executed and recorded a Second Restated Declaration of Covenants, Conditions, Restrictions, Reservations, and Easements for the Villas at Salmon Creek Commons, which was recorded on July 26, 2005, under Clark County Auditor's file number 4023790 as well as an Amendment to Declaration of Covenants, Conditions, Restrictions, Reservations, and Easements for the Villas at Salmon Creek Commons PUD, Phase C, on December 22, 2006, under Clark County Auditor's File number 4264429, and a Second Amendment to Declaration of Covenants, Conditions, Restrictions, Reservations, and Easements for the Villas at Salmon Creek Commons PUD, Phase C, on October 2, 2008, under Clark County Auditor's file number 4498541. The Clark County Superior Court ruled that the Second Amendment was void in a judgment entered on August 17, 2009, in Salmon Creek Commons Homeowners' Association v. Aichele, Clark County Case No. 08-2-05156-1. The Initial Declarant also recorded unsigned Bylaws of the Villas at Salmon Creek Commons Homeowners' Association with the Declaration under Clark County Auditor's file number 4023790.

C. A Successor Declarant, Columbia Credit Union ("Successor Declarant"), owned 28 of the 46 lots, platted as Salmon Creek Commons at Book 311, page 288, which it acquired in a trustee's sale from the Initial Declarant. After acquiring a majority of the Lots, the Successor Declarant filed the first Restated Declaration of Covenants, Condition, Restrictions, Reservations, and Easements for the Villas at Salmon Creek Commons on November 5, 2009,

under Clark County Auditor's file number 4616751 that superseded and replaced the Initial Declaration and all amendments thereto.

D. Concurrent with the adoption of the first Restated Declaration, the Successor Declarant formed a nonprofit corporation under Washington law, named The Villas at Salmon Creek Commons Homeowners Association, to serve as the Association of the Owners under Article 6 of the first Restated Declaration, with new Bylaws that superseded and replaced the initial bylaws recorded under Clark County Auditor's file number 4023790. These new Bylaws were kept with the corporate records of the Association and were not recorded, as they are not required to be.

E. The Villas at Salmon Creek Commons are also governed by several covenants made by the Initial Declarant to Clark County, which continue to apply, including a covenant imposing age restrictions, recorded under Clark County Auditor's file number 4023790 (which amended a covenant previously recorded under Clark County Auditor's file 3993541); a private storm water facility and maintenance covenant filed under Clark County Auditor's file number 4023790; a covenant addressing certain shared footings, foundation walls, and roofs, recorded under Clark County Auditor's file number 4110077; and an easement and maintenance covenant submitting the Units to a common and maintenance plan, recorded under Clark County Auditor's file number 4243226.

F. The Successor Declarant entered a joint agreement with the owner of Hampton's Memory Care Facility, Hampton Salmon Creek, LLC, for easements allowing access to portions of each property that had been encroached upon during construction of both properties. This easement is recorded under Clark County Auditor's file number 5036008.

G. A Second Restated Declaration was adopted on January 26, 2016 with Clark County Auditor's File No. 5253919, which was amended in part on February 13, 2018 under Clark County Auditor's File No. 5487042.

H. The Declarant Association now wishes to restate the Declaration of Covenants, Conditions, Restrictions, Reservations and Easements pursuant to its authority under the Declaration, the Bylaws, and Washington State Law.

NOW, THEREFORE, the Association hereby declares that the property described in this Third Restated Declaration known as the Villas at Salmon Creek Commons shall be held, sold, and conveyed subject to the following easements, covenants, restrictions, and charges, which shall run with such property and shall be binding upon all parties having or acquiring any right, title, or interest in such property or any part thereof and shall inure for the benefit of each Owner thereof.

PURPOSE OF THE HOMEOWNERS' ASSOCIATION

The purpose of The Villas at Salmon Creek Commons Homeowners Association is as follows:

- (a) To act on behalf of the Owners as specified in this Third Restated Declaration, the Bylaws, Articles of Incorporation, any duly adopted policies and procedures, rules and regulations, and applicable laws.
- (b) To maintain the appearance and value of the Property, as described in Section 2.1 below.
- (c) To insure, maintain, and replace, as needed, elements comprising the Common Areas, and to maintain and replace any other areas, facilities, improvements, or structures agreed to by the Association.
- (d) To engender cooperation and goodwill within the community.

ARTICLE 1 DEFINITIONS

As used in this Declaration, the terms set forth below shall have the following meanings:

1.1 "Assessments" mean all assessments and other charges, fines, and fees imposed by the Association on an Owner in accordance with this Declaration, the Bylaws of the Association, duly adopted rules and regulations or the provisions of any governing laws and include but are not limited to common expenses to be shared by all Owners.

1.2 "Assign" or "Assignments" means the legal transfer of documents.

1.3 "Association" means The Villas at Salmon Creek Commons Homeowners Association, a nonprofit corporation formed by the Successor Declarant to serve as the Homeowners' Association under Chapter 64.38 RCW for the Villas at Salmon Creek Commons, an attached home subdivision of persons 55 years of age and older whose Units and Lots are individually owned.

1.4 "Board of Directors," "Board" or "directors" means the members elected by the Owners of the Association in the manner provided in the Bylaws.

1.5 "Common Areas" means those lots, tracts, or easements designated as such on the Plat of the Property or identified in Section 3.1 of this Third Restated Declaration, including any improvements thereon. Specific improvements include, but may not be limited to, private streets and signs, sidewalks, stormwater facilities, community park, entry gate, guest parking area, perimeter fencing and signage area located outside of the entry gate.

1.6 "Declarant" means The Villas at Salmon Creek Commons Homeowners Association, whose President is authorized by the requisite number of members to file this Third Restated Declaration, and who along with the Secretary is authorized to execute and file any approved subsequent revisions or amendments pursuant to Section 14.1.

(a) "Initial Declarant" means Salmon Creek Commons, LLC, the original Declarant that executed and recorded a Declaration of Covenants, Conditions, Restrictions, Reservations and Easements for the Villas at Salmon Creek Commons.

(b) "Successor Declarant" means Columbia Credit Union, the Declarant that executed and recorded the first Restatement of the Declaration of Covenants, Conditions, Restrictions, Reservations and Easements for the Villas at Salmon Creek Commons.

1.7 "Governing Documents" means this Third Restated Declaration, together with the Articles of Incorporation, Bylaws, duly adopted rules and regulations, any policies and procedures of the Association, and those documents defined in RCW 64.38.010(10), as any may be amended from time to time.

1.8 "Lot" means a numerically designated and platted lot within the Property, including any improvements thereon, such as Units, yards, driveways, and side fences. A Lot does not include any tract marked on the Plat as being dedicated to a public body or Common Area.

1.9 "Member" means an Owner having the right to participate in the Association.

1.10 "Mortgage" means a contract between a borrower and a lender, and includes a deed of trust.

(a) "Mortgagee," beneficiary or lender means an organization that lends money to a borrower.

(b) "Mortgagor," borrower or grantor means Owners who borrow money under a mortgage.

1.11 "Owner" or "Homeowner" means the person or persons owning any Lot within the Property, but does not include a lessee, or any other person holding only a security interest in the Lot. The rights, obligations, and other status of being an Owner commence upon acquisition of the ownership of a Lot and terminate upon disposition of such ownership, but termination of ownership shall not discharge an Owner from obligations incurred prior to termination.

1.12 "Policies and Procedures" mean guidance adopted by the Board pursuant to the authority granted in this Declaration, and the Associations' Bylaws, as the same may be amended.

1.13 "Property" means the Property described in Section 2.1 below.

1.14 "Rules and Regulations" mean requirements adopted by the Board pursuant to the authority granted in this Declaration and the Bylaws, as the same may be amended from time to

time. Rules and Regulations do not include the provisions of this Third Restated Declaration, the Articles of Incorporation, or the Bylaws.

1.15 "Third Restated Declaration" means this Declaration, as the same may be amended or supplemented from time to time in accordance with the provisions herein.

1.16 "Unit" means half of a privately-owned duplex located upon a separate Lot within the Property and designated for separate occupancy together with any attached garage, deck, patio, or other approved improvements.

ARTICLE 2 PROPERTY SUBJECT TO THESE COVENANTS

2.1 Property. Declarant hereby declares that all the real property described below is owned and shall be owned, conveyed, or pledged by law for a specific purpose and encumbered, used, occupied, and improved subject to this Third Restated Declaration:

All that real property located in Clark County, Washington, contained in that plat entitled Salmon Creek Commons Phase C filed in the records of Clark County, Washington, under Auditor's file number 4023790 and at Book 311, page 288.

The Plat is also described in Exhibit A ("Plat").

ARTICLE 3 PROPERTY RIGHTS IN COMMON AREAS

3.1 Designation of Common Areas.

3.1.1 Private Streets with Plat. Areas shown on the Plat as private streets are Common Areas for the purposes of this Declaration.

3.1.2 N.E. 24th Ave. N.E. 24th Avenue is a public street, but the Association is voluntarily maintaining the landscaped area that separates the two traffic lanes within the street.

3.1.3 Tract B. The area shown as Tract B on the final plat, to serve as a signage and landscape tract, is a Common Area for purposes of this Declaration.

3.1.4 Stormwater Facility. The area shown on the Plat as Phase C, to serve as a private stormwater facility, is a Common Area for the purposes of this Declaration. Management of the stormwater facility is also governed by the private stormwater facility and maintenance covenant to Clark County, recorded under Clark County Auditor's file number 4023790.

3.1.5 Other. Any other areas, improvements, facilities within the Property and not within a Lot or Unit that the Association owns or maintains. Common Areas also include the perimeter fencing of the Property which is owned by the Association.

3.2 Owner's Easements of Enjoyment

3.2.1 Private Streets. Subject to the provisions of this Third Restated Declaration, every Owner, lessee, and Owner's guests have a right and easement of enjoyment in and to the Common Areas in the private streets, which easement shall belong to and shall pass with the title to every Lot.

3.2.2 Visual Enjoyment of the Stormwater Facility. Subject to the provisions of this Third Restated Declaration, every Owner, lessee, and Owner's guests shall have an easement interest in, and the visual right of enjoyment of the private stormwater facility, but shall not have the physical right of entry into the private stormwater facility.

3.3 Title to the Common Areas. Title to the Common Areas, specifically a fee interest in Tract B and the private streets, sidewalks, and an easement interest in the stormwater facility, was conveyed to the Association by the Initial Declarant, consistent with the Initial Declarant's covenant to Clark County recorded under Clark County Auditor's file 4023790.

3.4 Extent of Owners' Rights. The rights and easements of enjoyment in the Common Areas created hereby shall be subject to the following easements over, under, and upon the Common Areas:

3.4.1 Easements. Declarant grants to the Association for the benefit of the Association and all Owners of Lots within the Property the following easements over, under, and upon the Common Areas:

(a) An easement on all Common Areas for underground installation and maintenance of power, gas, electric, water, and other utility and communication lines and services previously installed, such easements as shown on any plat of the Property, and any additional lines and services approved by the Board of Directors of the Association.

(b) An easement over the private streets for vehicular access within the Property.

(c) An easement for construction, maintenance, repair, replacement, and use of Common Areas, including common facilities thereon.

(d) An easement for the purpose of landscape installation, maintenance, and Board inspection, including the drainage swale.

3.4.2 The Common Areas shall be subject to public and private utility easements for the installation and maintenance of sanitary sewers, waterlines, surface water management, storm drainage management, and access over their entirety. In addition, the Association may (and to the extent required by law), shall grant or allocate access on all Common Areas to governmental bodies or other utilities performing utility services and to communications companies as well as free access over the Common Areas to police, fire, and other public officials serving the Property.

3.4.3 Use of the Common Areas. The Common Areas shall not be divided into parcels for residential use. Except as otherwise provided in this Third Restated Declaration, the Common Areas shall be reserved for the use and enjoyment of all Owners subject to the Association's rules, regulations and policies and procedures, and no private use to the exclusion of other owners may be made of the Common Areas. Wetlands, conservation areas, swales, and water quality ponds shall be protected from detrimental use of fertilizers, herbicides, and insecticides. The Common Areas and facilities thereon shall be used for the purposes for which the same are reasonably intended, and their use, operation, and maintenance shall not be obstructed, damaged, or unreasonably interfered with by any Owner, lessee, or guest. Nothing herein shall prevent placing a sign or signs upon the Common Areas identifying the Villas At Salmon Creek Commons or items of interest, including directional signs, provided such signs comply with any applicable sign ordinances. The Board shall have the authority to abate any trespass, encroachment, or damage upon the Common Areas at any time, by any reasonable means, and with or without having to bring legal proceedings.

3.4.4 Alienation of the Common Areas. The Association shall not by act or omission seek to abandon, partition, subdivide, encumber, sell, alter the boundaries, or transfer the Common Areas owned directly or indirectly by the Association for the benefit of the Lots unless Owners, representing at least 90 percent of the total voting power of the Association, have given their prior written approval. This provision shall not apply to the easements described in Section 3.4.1, or to any Common Area with required stormwater facilities, which easements and Common Areas cannot be transferred.

3.5 Delegation of Use. Any Owner may delegate the Owner's right of enjoyment to the Common Areas to the members of Owner's family, lessees, or contract purchasers who reside on the Property and whose use of the Common Areas shall be subject to this Declaration.

ARTICLE 4 PROPERTY RIGHTS IN LOTS

4.1 Use and Occupancy. The Owner of a Lot in the Property shall be entitled to the exclusive use and benefit of such Lot and Unit, except as otherwise expressly provided in this Declaration, although the Lot and Unit shall be bound by, and each Owner and the Declarant shall comply with, the restrictions contained in Article 5 and all other provisions of this Declaration for the benefit of all Owners.

4.2 Easements Reserved. In addition to any easements shown on the recorded plat and described in Article 3, Declarant hereby reserves the following easements for the benefit of the Association and the Owners, as applicable:

4.2.1 Right of Entry. Workers performing scheduled landscape maintenance, authorized by the Association and specified in Sections 7.1, 7.2, and 7.6 may enter a Lot without further notification. With prior notification, a Board member or person authorized by the Association may also, from time to time, enter a Lot on the same day that maintenance occurred to determine whether the maintenance performed is in compliance with this Declaration. A Lot may also be entered by workers providing authorized maintenance that is not scheduled on a

specified day, as long as prior notification is given to the Owner. For the purposes of this section, prior notification may be done by mail, email, telephone, fax or in person. No such informed entries shall be deemed to constitute a trespass or otherwise create any right of action in the Owner of such Lot.

(a) Entry of a Lot by a Board member or person authorized by the Association for any other reason requires prior notification, defined above, except as provided in (b) below.

(b) The Association shall enter a Unit or Lot for the purpose of effecting emergency repairs or taking action to prevent imminent damage or injury to other Units, Owners, their guests, lessees, or the Common Areas. In such instance of emergency, notice shall be given in person or by telephone if reasonably possible before entry. The Association shall be responsible for repairing any damage caused by the Association if a forced entry becomes necessary.

(c) Unless entry is otherwise allowed in this Third Restated Declaration, no non-Owner has the right to enter the side or backyard of a Lot.

4.2.2 Encroachments. Each Lot and all Common Areas shall have an easement over the adjoining Lots and Common Areas to accommodate any present or future encroachments as a result of engineering errors, construction or reconstruction, repairs, settlement, shifting or movement of any portion of the Property, or any similar cause, and any encroachment due to building overhang or projection. There shall be valid easements for the maintenance of the encroaching Units and Common Areas so long as the encroachments shall exist, and rights and obligations of Owners shall not be altered in any way by the encroachment. The encroachments described in this section shall not be construed to be encumbrances affecting marketability of title to any Lot. Nothing in this section shall relieve an Owner of liability in case of an Owner's willful misconduct.

4.2.3 Utilities. Each Lot shall be subject to an easement under and across the portion of the Lot not occupied by the Unit for installation, maintenance and use of power, gas, electric, water, and other utility and communication lines; and for services and meters measuring such services.

4.3 Party Walls. Each wall that is built as a part of the original construction of the duplexes within the Property and placed adjacent to the property line between two adjoining Lots shall constitute a "party" wall. No structural alterations to a party wall may be made without approval from the affected Owners, the Board and Clark County, if required, by a recorded covenant. Approved structural alterations must be made by licensed, insured, and bonded contractors.

4.3.1 General Rules of Law Apply. The general rules of law of the State of Washington regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply to all such party walls.

ARTICLE 5
RESTRICTIONS ON USE, OCCUPANCY, AND ALIENATION

5.1 Purposes. Each Unit is to be used only in the following manner:

5.1.1 For residential purposes, including sleeping, eating, food preparation and onsite consumption by occupants and guests of occupants; entertaining by occupants of personal guests; and other reasonable, ancillary purposes commonly associated with residential dwellings and otherwise in compliance with this Declaration and any amendments, the Bylaws, and applicable law.

5.1.2 No traffic-causing trade, craft, business, professional, commercial, or manufacturing enterprises of any kind, including but not limited to day schools, nurseries, adult care, assisted living facilities, or church schools, shall be conducted upon any Lot or Unit; provided, however, that adult family homes licensed under Chapter 70.128 RCW are only permitted as described in RCW 64.38.060. Nor shall any Owner's commercial equipment, vehicles, boats, buses, campers, trucks, and trailers of any description used in connection with any trade, service, or business, be kept, parked, stored, dismantled, or repaired on a Lot or on any of the joint access easements and driveways within the Property. No commercial goods, materials, or supplies may be stored in a garage. Notwithstanding the foregoing, an Owner or occupant residing in a Unit may conduct business activities within the Unit so long as:

(a) The existence or operation of the business activity is not illegal, nor detectable by sight, sound, or odor from outside of the Unit.

(b) The business activity conforms to all zoning requirements of the property.

(c) The business does not involve persons coming onto the Property who do not reside in the Property or door-to-door solicitation of residents of the Property.

(d) The business activity is consistent with the residential character of the Property, does not threaten the security or safety of other residents of the Property, as may be determined at the discretion of the Board.

5.2 Use of Common Areas. The Common Areas and facilities shall be used for the purposes for which the same are reasonably intended, for the benefit and enjoyment of all Owners, and no private use that excludes other Owners or lessees may be made of the Common Areas. The use, operation, and maintenance of the Common Areas shall not be obstructed, damaged, or unreasonably interfered with by any Unit Owner, lessee, or guest.

5.3 Animals. No animal of any sort shall be raised, kept, or permitted within the Property or any part thereof, except dogs, cats, or other domestic, household pets, not to exceed a total of two per Unit. No such animals shall be permitted to run at large nor shall be kept, bred, or raised for commercial purposes. Any inconvenience, damage, or unpleasantness caused by such pets shall be the responsibility of the respective Owners thereof, and Owners shall be responsible for removal of all pet debris, including food and fecal matter. No pets shall be allowed to urinate or defecate on neighboring lawns or create unreasonable disturbances. In

addition to any applicable regulations that may apply, such as Clark County Code Section 9.14.010 and other applicable provisions, ten minutes of continuous barking or other loud animal noises, or 30 minutes of said noises occurring intermittently is prohibited. After giving adequate notice to comply, the Board may require the removal of any animal which the Board, in the exercise of reasonable discretion, finds disturbing other Unit Owners unreasonably, and may exercise this authority for specific animals even though other animals in compliance with these rules are permitted to remain.

5.4 Owners' Rights to Enjoyment of the Property. No activities shall be conducted on the Property and no objects shall be placed therein or thereupon, that unreasonably interfere with other Owners' use or enjoyment of their Unit, Lot, or the Common Areas.

5.5 Alterations to the Exterior of a Unit or Lot.

5.5.1 Structural changes to the exterior of a Unit require Board approval. The Board shall respond to a request within 30 days of its receipt. The Board may adopt rules and regulations and policies and procedures governing its review and approval of structural changes.

5.5.2 Antennas and satellite dishes shall be prohibited within the Property, except those that are one meter or less in diameter and are designed to receive (a) direct broadcast satellite service, (b) video programming by way of multipoint distribution, or (c) television broadcast signals. These permitted devices shall be mounted by a professional installer in the least conspicuous location on a Unit's exterior where an acceptable quality signal can be obtained. Permitted devices may not be installed on the fencing. The Board may adopt policies establishing a preferred hierarchy of locations and may require screening of the permitted device, so long as such policies do not unreasonably increase the cost of installation, maintenance, or use of the permitted device. Permission must be sought from the Board before installing these devices.

5.6 Utilitarian Signs.

5.6.1 No signs shall be displayed on any Unit, Lot, or the Common areas except:

(a) Two "for sale" signs per Unit as long as they do not interfere with landscape maintenance. One sign may be placed on the Common Area outside the gate, and another one may be located on the Lot for sale. One "for lease" sign per Unit may be placed on the Common Area outside the gate.

(b) A small sign announcing the installation of a security system.

(c) A temporary political sign may be placed on a Lot no earlier than three weeks before an election date. The sign shall not exceed three (3) square feet in size. No more than one (1) political sign shall be displayed on any Lot at the same time, and it shall not interfere with landscape maintenance. Political signs shall be removed from Lots within 48 hours after election day.

5.6.2 All staked signs must be placed in a planting bed, located in front of the foundation, and not in the lawn.

5.6.3 The Board has authority to install street or traffic signs, or signs identifying policies for use of the Common Areas.

5.6.4 No signs may be placed in Unit windows.

5.7 Flags. Pursuant to RCW 64.38.033, the Association may not prohibit the outdoor display of the flag of the United States by an Owner or resident on the Owner's or resident's property if the flag is displayed in a manner consistent with federal flag display law, 4 U.S.C. Sec. 1 et seq. The Association may adopt reasonable Rules and Regulations, consistent with 4 U.S.C. Sec. 1 et seq., regarding the placement and manner of display of the flag of the United States. The Association may not prohibit the installation of a flagpole for the display of the flag of the United States. The Association may adopt Rules and Regulations regarding the location and the size of the flagpole. For purposes of this section, "flag of the United States" means the flag of the United States as defined in federal flag display law, 4 U.S.C. Sec. 1 et seq., that is made of fabric, cloth, or paper and that is displayed from a staff or flagpole or in a window. For purposes of this section, "flag of the United States" does not mean a flag depiction or emblem made of lights, paint, roofing, siding, paving materials, flora, or balloons, or of any similar building, landscaping, or decorative component.

5.8 Common Area Alterations. Except upon written consent of the Board and compliance with all applicable provisions set forth in the Governing Documents and applicable law, nothing in or on the Common Areas shall be added, altered, or removed except an Owner's personal property which may not be located in the Common Areas without Board approval.

5.9 Fences/Hedges. No fences or hedges shall be installed without prior written approval of the Board.

5.9.1 Any side yard fencing installed between Units, either by the Owners or former Declarants, shall:

(a) Be maintained by the Owners of the affected Lots in a condition acceptable to the Board; and

(b) Side fencing may not extend beyond the front façade of the Unit.

5.9.2 All fencing materials, designs, and colors shall match the Common Area perimeter fencing as closely as possible. No chain link fencing is allowed. Fences along the perimeter boundaries of the Plat shall be maintained by the Association. Nothing may be attached either to a perimeter fence or private fencing that separates two duplexes or two halves of a duplex in such a manner as to damage the fencing or be unsightly.

5.10 Gates. Gates shall be installed in any internal fencing located between two separate Lots to provide access to the backyards for landscape maintenance provided by the Association. Missed backyard landscape maintenance due to a locked gate will not be rescheduled.

5.11 Grades/Slopes/Drainage. No interference with the established drainage systems shall be permitted unless adequate, alternative provisions are made for proper drainage and are approved by the Board and Clark County, if applicable. The term "established drainage systems" shall mean any drainage swale, conduits, inlets, outlets or other facilities designed and constructed on the Property.

5.12 Policies and Procedures and Rules and Regulations. The Board may, from time to time, adopt, amend, or revoke policies and procedures and rules and regulations regarding the conduct of Unit Owners, lessees, guests, or contract workers providing services to the Property to insure compliance with the general guidelines of this Article and assure the peaceful and orderly use and enjoyment of the Property; provided, however, rules, regulations, policies and procedures are intended to provide guidance and not change any provision of the Articles, Bylaws or this Third Restated Declaration. A copy of said policies and procedures and rules and regulations shall be promptly delivered by the Secretary of the Association to each Unit Owner and shall be binding on all Unit Owners, lessees, and guests from the date of delivery. Association members may amend or revoke said policies and procedures and rules and regulations at an Association meeting by a majority of the total voting power of the Association. The notice for the meeting shall state that modification of policies and procedures or rules and regulations will be under consideration.

5.13 Maintenance as a Community of Older Persons. The Villas at Salmon Creek Commons shall be maintained as a community of older persons, with all Units owned and occupied by persons over the age of 18 years old, and at least 50 percent of the occupants of each Unit shall be at least 55 years of age. If permitted by Clark County under its covenant, an exception may be made by the Board in the event that (a) an Owner is related to and responsible for the care of a person under the age of 18, and (b) failure to permit the person to reside in the Unit would result in undue hardship, such as the occupation of a caregiver to assist an Owner with recuperation from a serious health problem. A visitor under 18 years of age shall not be considered to occupy a Unit provided that the visit lasts no more than two weeks, and the visitor does not stay for more than a total of 30 nights in any calendar year.

5.13.1 If any person under the age of 55 receives a Unit as an heir then such person shall have up to 12 months to sell the Unit or take other action as necessary to be in compliance with this section.

5.13.2 If requested by the Board, a Unit Owner must supply information concerning the age of persons occupying a Unit.

5.14 Parking Restrictions Pertaining to Driveways, Private Streets and Guest Parking Lot.

5.14.1 No vehicles shall be parked on the private streets, except for (a) loading and unloading moving vans or RVs, (b) trucks servicing a Lot, Unit, or the Common Areas, and (c) a disabled vehicle. Any of the preceding vehicles that need to be parked on the private streets for longer than 12 hours require Board approval. Guests may park in the guest parking lot for up to 72 hours. Longer periods of parking in the guest lot require Board approval. No boats, motorcycles, campers, trailers or similar vehicles may be parked or stored in a driveway except

for loading and unloading. No vehicle shall be used as a residence either temporarily or permanently on or in any portion of the property.

5.14.2 Driveways assigned to a Unit may be used for parking automobiles, SUVs, and small trucks or vans belonging to the Owner or the Owner's guests or lessees, as long as these vehicles do not block any part of the sidewalk adjoining the driveway. Commercial vehicles belonging to an Owner or lessee, and used for business purposes, may not be parked in a driveway on a daily basis.

5.14.3 The Board may require removal, at the risk and expense of the Owner thereof, of any vehicle or any other items improperly parked or stored under this Declaration if the vehicle or items are not removed upon request.

5.15 Garages and Garage Doors. Garages shall be used primarily for parking the Owners' or their lessee's vehicles, and only secondarily for storage or working on projects. No garage may be modified to create additional living space. In addition to being open for ingress and egress, garage doors may be left open (a) up to 12 inches when ventilation is necessary, (b) when loading and unloading RVs and moving vans, (c) if a garage door malfunctions, and (d) while service-related personnel are accessing a Unit through the garage. A garage door may also be left open for short periods of time for social and other activities associated with occupying, maintaining, and enjoying a residence.

5.16 Waste Management. No part of any Lot, Unit, or Common Area shall be used or maintained as a dumping ground for rubbish, trash, garbage, compost, recycling materials, or any other waste. Such materials shall be kept only in individual, sanitary containers or receptacles. Containers may be placed on the curb the afternoon of the day prior to pick up and returned to an out-of-sight storage area by the afternoon of the pickup day.

5.17 Noise. State and Clark County noise restrictions shall be in effect within the Property. Frequent, repetitive, or raucous sounds from horns, sirens, bells, amplified devices, musical instruments, and other noise making devices originating from a Unit or Lot that are unreasonably disturbing or interfering with the peace, comfort, or repose of other Owners or Lessees are prohibited. Operation of lawn mowers and blowers, power tools, and equipment used for building or grounds maintenance, repair, and improvements by workers hired by the Association is allowed between 8:00 a.m. and 5:00 p.m. Similar equipment, including pressure washers, operated by Owners is subject to the same rules, and shall be operated with consideration for one's neighbors.

5.18 Appearance of Yards.

5.18.1 Front Yards. To preserve the attractive appearance of the Property, the Association shall regulate the types of items that may be displayed on a Lot's front yard as well as a Unit's windows, porches, front doors, and the exterior walls that are visible from the Common Areas or neighboring Units. Garments, rugs, laundry, and similar items may not be hung from windows, porches, fences, or railings. Items that may be displayed in the front planting bed, on the front porch, or a walkway leading to the front door may include any three of the following five decorative options.

- (a) Up to three hanging or potted plants;
- (b) One wreath or swag hung on the front door;
- (c) One piece of garden art may be placed in the front planting bed. All garden art must blend in with the landscape, fit with the scale of the display space, and be located at least 12 inches away from the lawn to allow for maintenance;
- (d) One set of solar, LED lights consisting of no more than six lights;
- (e) One bench, or a small bistro set, or a pair of lawn chairs placed on the front porch or pathway leading to the front door.

5.18.2 Back and Side Yards. Backyards may be decorated as the Owners desire, as long as no damage occurs to any part of the Unit, Lot, or the Common Area elements, and the decorative items do not unreasonably interfere with other Owners' right of visual enjoyment of the Property. A clothes line or small, Rubbermaid-type storage shed may be added as long as such items are not visible from any street. Installation of fountains and hot tubs requiring water or electrical connections require Board approval. No side yard adornment other than landscape materials shall be allowed. Caution must be taken regarding installation of wildlife feeding stations that might attract unwanted pests.

5.19 Exterior Lighting. No additional exterior, electrical lighting shall be installed upon a Unit or Lot without permission of the Board, except for low-to-the ground solar, LED garden lights and winter holiday lights that may be installed after Thanksgiving, which must be removed no later than January 15th of the new year. Approved lighting additions shall be compatible with existing exterior lights and installed by a professional electrician.

ARTICLE 6 ASSOCIATION

6.1 Formation. The Villas at Salmon Creek Homeowners Association is a nonprofit corporation under Washington State law to serve as the Association of all the Owners within the Property and has the powers and obligations set forth in the Governing Documents for the benefit of the Property and all Owners thereof.

6.2 Organization. The Articles of Incorporation for the Salmon Creek Homeowners Association provide for its perpetual existence, but in the event that the Association is at any time dissolved, whether inadvertently or deliberately, it shall automatically be succeeded by an unincorporated association of the same name. In that event, the assets of the dissolved Association shall be dedicated to the successor, unincorporated nonprofit Association. Such vesting shall thereafter be confirmed and evidenced by appropriate conveyances and assignments to the newly formed Association. To the greatest extent possible, any successor, unincorporated association shall be governed by the Articles of Incorporation, and the Bylaws of the former Association, as if they had been made to constitute the Governing Documents of the new,

unincorporated association. In all cases, this Third Restated Declaration, as may be amended, shall continue to apply.

6.3 Membership. Every Owner of a Lot within the Property shall be a member of the Association during the entire period of such member's ownership of a Lot and Unit within the Property. Membership shall commence, exist, and continue because of such ownership, shall expire automatically upon termination of such ownership, and need not be confirmed or evidenced by any certificate of acceptance of membership.

6.4 Voting Rights. Each membership per Lot will be entitled to one vote on all matters submitted to a vote of the members of the Association.

6.5 Powers and Obligations. The Association shall have, exercise, and perform all the powers, duties, and obligations contained in the Governing Documents. The powers, duties, and obligations of the Association may from time to time be amended, repealed, enlarged, or restricted by changes in the Governing Documents, according to the provisions of such instruments and with the nonprofit and homeowner association laws ("Acts") of the State of Washington.

6.6 Committees. Committees are governed by the provisions in the Bylaws.

ARTICLE 7 MAINTENANCE OF THE PROPERTY

7.1 Maintenance of the Common Areas. The Association shall maintain, repair, improve, and replace elements within the Common Areas. The Association's maintenance of the private streets and sidewalks may include snow removal if approved by a majority of the total voting power of the Association.

7.2 Maintenance of Other Areas. The Association is responsible for maintaining, repairing, and replacing as set forth herein. Members shall direct maintenance requests to the Association's managing agent and notify the Board if no response occurs within five business days. By policy resolution, the Board of Directors of the Association may clarify the Association's maintenance obligations or identify other elements to be maintained by the Association.

7.2.1 The Association is responsible for the following:

- (a) Landscape maintenance on the Lots,
- (b) Exterior painting of the Units,
- (c) Maintenance, repair, and replacement of the Units' building surfaces such as siding, roofs, roof overhangs, eaves, gutters, gutter cleaning, and downspouts. The cost of such maintenance shall be a common expense paid out of Assessments described in Article 8. In the event the need for such maintenance, repair, or replacement is caused by the

willful or negligent act or omission of an Owner, the Owner's family, lessees or guests and to the extent such maintenance or repair is not covered by the negligent party's insurance, the costs of such maintenance, repair, or replacement shall be charged to the relevant Owner.

7.2.2 Certain shared elements of the Units will not be altered and will be maintained by the Units Owners sharing such elements, which are found in covenants recorded under Clark County Auditor's file numbers 4110077 and 4243226.

7.3 Maintenance of Utilities, Shared Elements, and Stormwater Facility. The Association shall perform or contract to perform maintenance of private utilities, such as sanitary sewer service lines, domestic water service lines, and storm drainage easements, piping, structures, bio swales, and water quality ponds located in public easements within the Property or in the Common Areas or Lots. The Association's obligations to maintain certain shared elements and the stormwater facility have been referenced in subsection "E" of the Recitals.

7.4 Maintenance of Other Utilities. The Association may provide or contract for such utilities and services as the Board may reasonably deem to be of benefit to the Property, including without limitations cable, telecommunications, garbage and recycling removal, and security services.

7.5 Security. The Association shall support, but shall not be obligated to maintain, certain activities or services within the Property designed to make the Property safer than it might otherwise be. Neither the Association nor its managing agent shall in any way be considered insurers or guarantors of security within the Property, nor shall they be liable for any (a) loss or damage by reason of failure to provide adequate security, (b) ineffectiveness of security measures undertaken, (c) protective system that was compromised or circumvented, or (d) loss due to malfunction or failure of the system to provide the detection or protection for which the device was designed or intended.

7.5.1 The Association shall allow Unit Owners the right to take reasonable actions to increase the security of their Unit or Lot, including installation of:

- (a) A lock on the Owner's gated, side fencing that separates two Lots;
- (b) An interior security system;
- (c) An approved storm door on an exterior door;
- (d) An approved security light, as long as the light does not have a noisemaking device as an integral part of the system and is not located across from a window located in a neighboring Unit. Previously approved and installed security lights, with or without a noisemaking feature, are excepted from this restriction.

7.6 Landscape Maintenance of the Lots. The Association shall maintain and replace front, side, and backyard landscaping installed by previous Declarants or any additional plantings installed in the ground that have been approved by the Board. Owners whose back or side yards do not include installed lawn or other plantings may decline Association maintenance of these areas.

7.6.1 Owners shall seek Board approval to upgrade their original landscaping. Owners who receive such approval may select the installer.

7.6.2 Owners who enjoy gardening may tend plantings that the Association's maintenance workers do not maintain or do not maintain to the Owners' satisfaction. Owners may also plant flowering annuals in their front planting beds without seeking Board permission and shall maintain these plants during the growing season and remove them when they are spent. Owners are required to care for any hanging or potted plants that they added.

7.7 Owner Maintenance. Each Owner or lessee shall be responsible for maintaining the Owner's Unit and Lot, including those items listed in Section 8.10, to the extent that such maintenance is not the responsibility of the Association, in a clean, and attractive condition, in good repair and in such fashion as not to create a hazard or nuisance.

ARTICLE 8 ASSESSMENTS AND FINANCES

8.1 Purpose of Assessments. Assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the Owners and occupants of the Property and for the improvement, operation, and maintenance of the Common Areas and any other areas that the Association may elect to maintain.

8.2 Apportionment of Assessments. All Lots are subject to Assessments, and all Owners shall pay an equal pro rata share of the Annual Assessments commencing upon the date as set forth in Section 8.3 below. Limited Assessments shall be allocated to Owners in accordance with 8.2.2. All assessments shall be due upon receipt of notice from the Board.

8.2.1 Offsets. The Board shall adjust the current year or future year Assessments if the Association fails to perform a budgeted service within the applicable budget year.

8.2.2 Limited Assessments. In addition to the Annual Assessments described in Section 8.3 and the Special Assessments described in Section 8.4, the Board may levy a Limited Assessment to satisfy common expenses of a particular project or efforts undertaken by the Association that benefit (or primarily benefit) one or more, but less than all, of the Lots. The Limited Assessment shall be levied against the Owners of the benefitted Lots in such amounts and at such times as are determined by the Board. Except in the case of an emergency, the Board shall provide at least 30 days' notice to Owners regarding anticipated Limited Assessments.

8.3 Annual Assessments and Maintenance Schedule. The Board, in cooperation with its managing agent, shall annually prepare an operating budget for the Association. The proposed budget shall take into account the current costs of maintenance, specific maintenance services to be provided, how frequently they will be provided, future needs of the Association, any previous over or under assessment, and the minimum amount to be collected each year for maintenance.

8.3.1 All Lots shall be subject to Assessments as of the first day of the fiscal year for which the budget is prepared. The Assessments may be paid in a lump sum or in twelve,

equal monthly installments without penalties charged if paid by the specified due date. The budget shall provide for such reserve or contingency funds the Board deems necessary or as may be required by law. Annual Assessments for such operating expenses and reserves shall be apportioned among the Lots as provided in Section 8.2 above. The Bylaws include additional provisions on the budget.

8.4 Special Assessments. In addition to the Annual Assessments authorized above, the Board may levy during any fiscal year a Special Assessment applicable to that year only to defer all or any part of the cost of unanticipated insurance deductibles; repair or replacement of a damaged Common Area; or for any other one-time expenditure not to be paid for out of the Annual Assessment. Special Assessments for acquisition or construction of new capital improvements shall be apportioned as provided in Section 8.2 above and require approval by a majority vote of the total voting power of the Association. Special Assessments assessed against an individual Owner(s), rather than all Owners, for costs incurred by the Association to ensure compliance with this Declaration, including but not limited to addressing violations of the Governing Documents, do not require Owner approval but may be assessed by the Board.

8.5 Reserve Fund. Provisions regarding reserves are addressed in the Bylaws.

8.6 Creation of Lien and Personal Obligation of Assessments. Unpaid Assessments and charges against a Lot, together with any charges and attorney fees imposed pursuant to this Declaration, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such Assessment or charge is made. Such Assessments, charges, and other costs shall also be the personal obligation of the person who was the Owner of such Lot at the time when the Assessment or charge fell due. Such liens and personal obligations shall be enforced in the manner set forth in Article 9.

8.7 Capital Improvements. Any proposed capital improvement exceeding \$2500 that is not part of the annual, ratified budget shall require approval of 51% of the total voting power of the Association.

8.8 Condemnation. If any portion of the Common Areas is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, notice of the proceeding or proposed acquisition shall promptly be given to each Owner and to each Mortgagee, which has requested such notices. The Association shall represent the Owners in any condemnation proceeding or in negotiations, settlements and agreements with the condemning authority for acquisition of any portion of the Common Areas and each Owner appoints the Association to act as the Owner's other attorney in fact for such purposes. All compensation, damages or other proceeds of the taking of Common Areas shall be payable to the Association. Proceeds shall first be applied to restore or repair any remaining Common Area, including a structure on the Common Area, that may be required to permit the continued enjoyment of such Common Area. Thereafter, the Association shall deposit such sums in its operations fund or apply these sums to such capital improvements as shall be approved by the membership.

8.9 Damage or Destruction by Owner. If, due to act or neglect of an Owner or a member of the Owner's family, Owner's household pet, or of a guest or other occupant or visitor

of such Owner, damage shall be caused to the Common Areas or maintenance, repairs or replacements shall be required which would otherwise be a common expense, then such Owner shall pay for such damage and such maintenance, repairs or replacements as may be determined by the Association, to the extent not covered by the Association's insurance.

8.10 Interior Maintenance. Each Owner and lessee shall be responsible for maintaining the Owner's Unit and Lot, to the extent such maintenance is not the responsibility of the Association in a clean and attractive condition, in good repair and in such fashion as not to create a hazard. Such maintenance responsibility shall include, but not be limited to, the following:

(a) Repair, replace, restore and clean the interior of the Unit, including, but not limited to the party wall, and interior and exterior glass;

(b) Maintain exterior window casements, sashes and frames, window screens, storm windows and exterior doors, but not including painting or staining of the exterior of the same;

(c) Keep all mechanical and electrical systems and hardware in the Unit and on the exterior of the Unit in good repair and working order, including, without limitation, maintaining, repairing and replacing as necessary electrical wiring, fixtures, plumbing, appliances, heating, air conditioning, sewage disposal and fire protection systems;

(d) Maintain in good condition, repair, and replace as necessary bulbs for exterior lighting, walkways, driveways, patios and decks, keeping them free of snow, ice, debris and obstruction.

ARTICLE 9 ENFORCEMENT

9.1 Reporting Alleged Violations of the Declaration. With the exception of a violation causing potential damage to the stormwater facility, which shall be directed to Clark County, all reports submitted to the Board regarding an alleged violation of any provision of the Declaration shall comply with the following requirements:

9.1.1 All reports shall be submitted in writing, or by email.

9.1.2 All reports shall be signed by the individual filing the complaint. The Board shall not respond to anonymous reports.

9.1.3 All signed reports shall include a description of the alleged violation, including the specific provision of the Governing Document allegedly violated.

9.1.4 Enforcement of the Declaration is the responsibility of the Board or its managing agent. No Homeowner shall attempt to enforce the Declaration by making verbal threats or issuing their own written warnings against any other Owner. Owners who violate this rule may be fined according to a duly adopted fine schedule.

9.2 Validation of a Violation of Protective Covenants.

9.2.1 In the event that a violation of the Declaration has been validated with documentation or observation, the Board or the Association's managing agent shall:

- (a) Notify the Owner in writing, in a courteous, non-provocative manner, of any such violation(s);
- (b) Cite the specific number and letter of the Governing Document violated, including a general description of the alleged violation;
- (c) Request compliance within a reasonable, specified time frame after receiving the notice; and
- (d) Inform the Owner of his or her right for a hearing before the Board.

9.3 Lack of Compliance. If an Owner in violation of the Declaration is unwilling to comply with the Association's specific directives for remedy or abatement, or the Owner and the Association cannot agree to a mutually acceptable solution within the framework and intent of this Declaration, then the Association, acting through the Board, shall, have the right to take any or all the following actions:

9.3.1 Assess reasonable fines against such Owner in the manner and amount the Board deems appropriate to the violation according to a duly adopted fine schedule. In no instance shall the Owner pay a fine in lieu of compliance.

9.3.2 Enter the offending Lot with proper notification and remove the cause of such violation, or alter, repair, or change the item which is in violation of this Declaration in such a manner as to make it conform hereto, in which case the Association may assess such Owner for the entire cost of the work done, provided that no items of construction shall be altered or demolished in the absence of judicial proceedings.

9.3.3 A vehicle that has received a previous written warning from the Board and continues to park in unauthorized spaces, may be towed without further notice. Vehicles will be towed and impounded at the Owner's expense.

9.3.4 Bring suit or action against the Owner on behalf of the Association to enforce this Declaration. However, the Board shall not initiate legal proceedings requiring the Association to pay for legal representation in excess of the amount allocated for these services in the annual budget without first obtaining approval from 67% of the total voting power of the Association, unless the amount owed qualifies for adjudication in Small Claims Court, in which case no Owner approval is required.

9.4 Default in Payment of Assessments; Enforcement of a Lien. If an Assessment or other charge levied under this Declaration is not paid within 30 days of its due date, such Assessment or fee shall become delinquent and shall incur charges set forth in Section 9.6. In such event, the Association may exercise any or all the following remedies against an Owner:

9.4.1 Suspend such Owner's voting rights until such amounts, plus other charges under this Declaration are paid in full, and declare all remaining periodic installations of any Assessment immediately due and payable. In no event, however, shall the Association deprive any Owner, lessee, or guest access to and from Owner's Lot or Unit.

9.4.2 Foreclose a lien against the Lot for any unpaid Assessments levied against the Lot, including any fines or other charges imposed under this Declaration against the Owner of a Lot.

9.4.3 Bring an action to recover a money judgment for unpaid Assessments, fines, and charges under this Declaration without foreclosing or waiving the Association's lien.

9.4.4 The Association shall have any other remedy available to it by law or in equity.

9.5 Subordination of Lien to Mortgages. A lien of assessment or charges provided for within this Declaration shall be subordinate to the lien of any Mortgage or deed of trust on such Lot which was made in good faith and for value and which was recorded prior to the Board's notice of assessment. Sale or transfer of any Lot shall not affect the Assessment lien, but the sale or transfer of any Lot that has been mortgaged and foreclosed upon shall extinguish any Assessment Lien which was declared after the recording of the Mortgage or deed of trust. As a result of such foreclosure or sale, the unpaid Assessments shall become a common expense of all Owners, including the purchaser, and such sale or transfer shall not release the Lot from liability for any Assessments, other charges or liens of Assessment coming due thereafter.

9.6 Interest, Late Charges and Expenses. Any amount not paid to the Association when due in accordance with this Third Restated Declaration shall bear interest from the due date until paid at a rate of 12% per annum, but not to exceed the lawful rate of interest under the laws of the State of Washington. A late charge may be charged for each delinquent Assessment in an amount established from time to time by resolution of the Board of Directors of the Association not to exceed 30% of such Assessment, as long as the late charge plus interest do not exceed the maximum allowed by law. The Board has the discretion to round off amounts owed under the Governing Documents to the nearest dollar. In the event the Association shall file a notice of lien, the lien amount shall also include the recording fees associated with filing the notice and a fee for preparing the notice of lien established from time to time by resolution of the Board of Directors.

9.7 Failure to Enforce. Failure by the Association to enforce any portion of the Governing Documents shall not be deemed a waiver of the right to do so thereafter.

9.8 Costs and Attorneys' Fees. In the event that the Association shall bring any suit or action to enforce any Governing Document, or collect any money due thereunder or to foreclose a lien, the prevailing party is entitled to an award of all costs and expenses incurred by it in connection with such suit or action, including a litigation guaranty report issued by a title company doing business in Clark County, Washington and attorney fees at trial and upon any appeal or petition for review thereof.

**ARTICLE 10
DISPUTE RESOLUTION**

10.1 Dispute Resolution. Any violation of the provisions of the Governing Documents entitles an aggrieved party to any remedy or remedies provided by law or in equity. Thus, the Association, as well as one or more members, could be the aggrieved party and may bring an action to recover any damages or to enjoin, abate, or remedy any violation of the Declaration or any other Governing Document by appropriate legal proceedings. The court, in appropriate cases, may award reasonable attorney fees to the prevailing party.

10.2 Alternative Dispute Resolutions. In an effort to maintain goodwill within the community, the Association and its members are encouraged to consider at least one of the following alternative methods for resolving a dispute before filing a lawsuit. Alternative dispute methods include:

10.2.1 Informal Discussion. When congenial relationships have been established, minor disputes between neighbors can often be resolved informally through courteous discussion and mutual problem solving.

10.2.2 Mediation. The involved parties agree to sit down together with a neutral, mutually agreed upon third party to arrive at a mutually satisfactory resolution. At any time, the parties may opt to forego mediation and pursue other alternatives. The fees of the mediator and the costs of mediation are divided and paid equally by the involved parties.

10.2.3 Arbitration. Parties considering arbitration should thoroughly understand its processes because the decisions and award of the arbitrator are final, binding, and non-appealable. The following matters shall not be subject to arbitration:

(a) Actions relating to the collection of fees, assessments, fines, or other charges levied by the Association.

(b) Actions to enforce any order, decision, or award rendered by arbitration pursuant to this Article.

10.2.4 Any voluntary arbitration agreement set forth in this Article 10 shall survive the transfer by any party of its interest or involvement in the Property and any Lot therein and the termination of this Declaration.

10.2.5 Small Claims Court. Claims involving lower sums of money may qualify for settlement in Small Claims Court. The Association's participation in this option does not require a 67 percent vote of approval by the Association.

**ARTICLE 11
INSURANCE**

11.1 Required Insurance Policies.

11.1.1 Association Insurance. The Association shall ensure that the Common Areas and the Board of Directors are adequately and properly insured, including:

(a) Liability Insurance. General liability insurance that provides coverage for bodily injury and property damage resulting from the operation, maintenance, or use of the Common Areas in the amount of at least five million dollars for any single occurrence and contains a specific endorsement to preclude the insurer's denial of claim because of the negligent act of the Association or Lot Owners. The insurance shall state that the Association is the named insured for the Common Areas, and that each Lot Owner is an insured under the policy with respect to liability arising out of the Lot Owners interest in the Common Areas or membership in the Association.

(b) Association Casualty Insurance. Casualty insurance on the Common Area improvements, and fixtures, building service equipment, and common personal property and supplies owned by the Association, insuring against all risks of direct physical loss normally insured against under a standard fire and extended coverage endorsement, and all other perils customarily covered for similar types of projects, including those covered by a standard "all risk" endorsement. The total amount of insurance after application of any deductibles shall not be less than one hundred percent (100%) of the current replacement cost of the insured property at the time the insurance is purchased and at each renewal date, exclusive of land, excavations, foundations, and other items normally excluded from casualty policies and subject to deductibles.

(c) Director's and Officer's liability insurance. The Association shall purchase director's and officer's liability insurance.

11.1.2 Unit Owner Insurance. Unit/Lot Owners, including those who lease their Units, shall provide Homeowners insurance (HO-3 Special Form or equivalent casualty insurance) covering the interior and exteriors of his or her Unit and Lot, insuring against all risks of direct physical loss normally insured against under a standard fire and extended coverage endorsement, and all other perils customarily covered for similar types of projects, insuring against all risks of direct physical loss normally insured against under a standard fire and extended coverage endorsement, and all other perils customarily covered for similar types of projects, including those covered by standard "all risk" endorsements. The total amount of insurance after application of any deductibles shall not be less than 100% of the current replacement cost of the insured property at the time the insurance is purchased and at each renewal date, exclusive of land, excavations, foundations, and other items normally excluded from casualty policies and subject to deductibles. The policy shall contain a construction code endorsement to the extent applicable building codes require changes to undamaged portions of the Unit(s) when only a part of the Unit(s) is destroyed by an insured hazard. In the event of a partial loss or damage resulting in less than the total destruction of structures comprising to a Lot, the Lot Owner agrees to repair or to reconstruct the damaged structure promptly. All Units are to be restored as closely as possible to their original exterior design, including color and footprint. Interior changes, which are not visible outside the Unit are, the Owner's choice.

11.1.3 Other Insurance. A Unit Owner's insurance must also include coverage for personal liability and medical payments to others. Earthquake insurance is encouraged, but

not required. Owners who do not purchase earthquake insurance shall be personally responsible for restoring their property to its original condition should an earthquake damage their property.

11.2 Certificate of Insurance. An insurer that has issued an insurance policy under this article shall issue certificates or memoranda of insurance to the Association and the Lot Owners, and upon written request, to Mortgagees which have requested certificates or memoranda. A copy of the current certificate must be presented annually to the managing agent or Board, either by the insurer or the Unit/Lot Owner, to document that the required insurance has been obtained. If an Owner cancels his or her policy or makes changes that no longer comply with Article 11, he or she is responsible for informing the managing agent and providing an updated certificate of insurance.

11.3 Damage to a Party Wall. If damage occurs to a party wall, the Owners of the attached structure shall contact their respective insurance companies and their claims adjustors shall settle the claim on behalf of the Owners.

11.4 Deductibles. In the event of casualty, the following parties are responsible for paying insurance deductibles:

11.4.1 Each Lot Owner is responsible for the deductible when his or her Lot, portion of the party wall, and interior or exterior elements of the Unit or Lot are damaged or other matters covered by any Unit Owner policy.

11.4.2 The Association is responsible for the deductible when a claim is filed related to the Common Areas or other matters covered by any Association policy.

11.5 Coverage Not Available. If the casualty insurance provided by the Association and described in this Article is not reasonably available, or is modified, canceled, or not renewed, the Association shall promptly cause notice of that fact to be hand delivered, mailed by first class United States mail, or e-mailed to all Lot Owners and to each Mortgagee to whom a certificate or memorandum of insurance has been issued, at their respective last known address.

11.6 Required Insurance Provisions. To the extent reasonably available, insurance policies carried pursuant to this article shall:

11.6.1 Contain standard mortgage clauses that name Mortgagees and their successor and assigns.

11.6.2 Provide at least ten (10) day's prior written notice to the insured before the policy may be cancelled or substantially modified.

11.6.3 Contain no provisions other than insurance conditions that will prevent Mortgagees from collecting insurance proceeds,

11.6.4 Contain, if available, an agreed amount and inflation guard endorsement.

11.6.5 Provide that the insured waives its right to subrogation under the policy as to any claims against the Association, the Owner of any Lot and/or their respective agents,

employees, lessees, and members of their household, and of any defenses based upon coinsurance or upon invalidity arising from the acts of the insured. Waiver of subrogation means that if an insurance policy provides coverage for an occurrence, the insurance company must satisfy that obligation under the policy and not seek reimbursement from the parties responsible for that occurrence.

11.6.6 Provide that no act or omission by a Lot Owner, nor any failure of the Association to comply with any warranty or condition regarding any portion of the premises over which the Association has no direct control, will void the policy or be a condition to recovery under this policy.

11.7 Claims Adjustment. Subject to the provisions of this Article, insurance proceeds must be distributed first for repair or restoration of the affected property.

11.7.1 The Association shall have no role in the claims adjustment process for Lots and Units other than to ensure that replacement meets requirements specified in this Third Restated Declaration.

11.7.2 Any loss pertaining to the Common Areas shall be adjusted with the Association, and each Lot Owner appoints the Association as the Lot Owner's attorney-in-fact for such purposes. The insurance proceeds are payable to any trustee designated for that purpose or otherwise to the Association and not to any Lot Owners or lien holders as their interests appear unless there is a surplus of proceeds after the property has been completely repaired.

11.8 Duty to Rebuild. If any portion of the Common Area is damaged or destroyed by fire or other casualty, it shall be the duty of the Association to rebuild, repair, or reconstruct the Common Area. Construction shall be commenced within three months after damage occurs and shall be completed within six months thereafter unless prevented by causes beyond the Board's control. Except as provided by statute, property insurance proceeds received by the Board shall be used exclusively for repair, replacement, or reconstruction unless the Board and at least 75% of the total voting power of the Association vote have given their permission for another use.

ARTICLE 12 MORTGAGEE PROTECTION

12.1 Information Provided to Mortgagees. The Association will provide notices and other information to Mortgagees financing any Lot(s) located within this Property as follows:

12.1.1 Notices. To be eligible to receive notices and other information identified in this section, a Mortgagee must send a written request to the Association stating its name and address, as well as the name and address of the Unit Owner who is their Mortgagor. It is not the responsibility of the Association to solicit such requests from Mortgagees. Information that Mortgagees are entitled to receive include:

- (a) Copies of Association notices and minutes.

(b) A statement that a Mortgagor is more than 60 days overdue in paying Assessments and other charges levied by the Association or that legal action is being considered because a Mortgagor has refused to comply with the Governing Documents.

(c) Lapse, material modification, or cancellation of the Association's insurance policies or fidelity bonds. The Association has no responsibility to inform an Eligible Mortgagee of a Mortgagor's private insurance policy. That responsibility belongs to the Mortgagor.

(d) Any condemnation or casualty loss affecting the Common Property. It is the Mortgagor's responsibility to inform his or her Mortgagee of such loss affecting his or her Unit or Lot.

12.2 Inspection of Books. Mortgagees and their respective authorized agents may, upon reasonable advance notice during normal working hours, examine all Association records at the office of the Association or its managing agent except documents protected from disclosure by law. The Association shall not release the unlisted telephone numbers of any Owner or Lessee. The Association may impose and collect a reasonable charge for copies and any other reasonable costs incurred by the Association or its managing agent in providing access to records.

ARTICLE 13 LEASING AND SELLING LOTS AND UNITS

13.1 "Leasing" represents exclusive occupancy of a Unit by a person or persons other than the Unit Owner for which the Unit Owner receives any consideration or benefit, including, but not limited to a fee, service, gratuity or payment for work. Subject to Board approval, up to five (5) units may be leased at any one time. If more than five (5) Owners desire to lease their Units, the Board shall develop a waiting list. Owners leasing their Units shall abide by the following rules. This Article shall not affect any current leases existing on the recording date of this Third Restated Declaration.

13.1.1 No Owner may lease a Unit for less than an entire Unit nor less than 12 months.

13.1.2 No Unit may be subjected to or included in any timeshare program, whether in the nature of a "right to use" club or the sale of fractional fee interests, nor may Units be leased for occasional, non-continuous in time tenancies.

13.1.3 All lease agreements shall be in writing and be subject to this Declaration, the Bylaws, and policies and procedures adopted by the Board.

13.1.4 An Owner who wants to lease his or her Unit shall inform the Board to determine whether the lease quota has been filled, then deliver a copy of the signed lease agreement to the Board, including the address and telephone number(s) where the Owner can be reached throughout the duration of the lease. The name and telephone number of the lessee shall also be delivered to the Board.

13.1.5 While a Unit is leased, the Owner shall continue to pay all Assessments and charges due the Association. The Board or the Association's managing agent shall not be responsible for collecting such fees from lessees.

13.1.6 An Owner who leases a Unit shall provide his or her lessee with a copy of this Declaration along with any policies and procedures in effect and inform said lessee that these Governing Documents apply not only to Owners, but also lessees and their guests. The Owner shall be responsible for obtaining such compliance and shall be liable for any failure of compliance by such persons in the same manner and to the same extent as if the lack of compliance had been committed by the Owner.

13.2 Assumption of Risks. Each Owner shall inform its lessees that each person occupying or using any portion of the Property assumes all risks for loss or damage to persons, property, and contents resulting from acts of third parties and releases the Association, its Board, Committees, and managing agent from any liability thereof.

13.3 Sale of a Lot and Unit. Within five business days of receiving an offer, the Owner/Seller shall provide the prospective buyer with copies of the Third Restated Declaration, current Assessments, a copy of the current year's budget, and any known pending Special Assessments. Prompt delivery is required so that a prospective buyer has an opportunity to withdraw an offer if he or she finds the Governing Documents unacceptable.

13.3.1 Assessments paid into the Reserve Fund are the property of the Association and are not refundable to sellers or Lot owners. However, sellers of a Lot may treat their prepaid share of the Annual Assessment as a separate and negotiable item in any sale agreement.

13.3.2 All sellers of a Lot are responsible for transferring mail box, pedestrian gate, and Unit keys to the new Owners, as well as garage door opener(s) and the seller's current gate and garage door codes so that the buyer is able to enter their Lot and Unit once the sale has been closed. New Owners must contact the managing agent or the designated gate keeper to obtain their own personal gate and garage door codes. Previous Owners' codes shall be deleted after the code changes are made.

ARTICLE 14 MISCELLANEOUS PROVISIONS

14.1 Amendment and Repeal. This Third Restated Declaration, or any provision thereof, as from time to time in effect with respect to all or any part of the Property, may be amended or repealed by the vote or written agreement of Owners representing not less than 67% of the voting power of the Association. Any such amendment or repeal shall become effective only upon recordation in the deed records of Clark County, Washington, of a certificate of the President of the Association, or the Secretary of the Association if not recorded by the President within 14 days of membership approval, setting forth in full the amendments or repeal so approved and certifying that said amendments or repeal have been approved in the manner required by this Third Restated Declaration. Meeting minutes that include the vote count shall be considered acceptable documentation.

Other business brought before the Association may have different levels of approval as set forth in the Acts, this Declaration and the Bylaws.

14.2 Joint Owners. Each Lot has one vote, regardless of the number of persons owning the Lot. Should the Owners of a Lot be unable to agree upon how to cast their one vote on any issue before the Association, any one of the Owners shall deliver written notice to the Board of such disagreement, and the vote for that Lot shall not be counted with respect to such matters.

14.3 Construction of the Declaration. This Declaration shall be liberally constructed as an entire document to accomplish the purposes stated therein. Each provision of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity of any provision shall not affect the validity or enforceability of the remaining part of that or any other provision. As used herein, the singular shall include the plural and the plural the singular, and the masculine and neuter shall include the masculine, feminine and neuter, as the context requires. All captions used in this Declaration are intended solely for convenience of reference and shall not limit any provision contained herein.

14.4 Notices and Other Documents. Any notice or other document permitted or required by this Third Restated Declaration or any other Governing Document may be delivered either personally, by e-mail as allowed by the Bylaws, or by mail. Delivery by mail shall be deemed made 24 hours after having been deposited in the United States mail, with postage prepaid, addressed as follows: If to an Owner, at the address given by the Owner at the time of the Owner's purchase of a Lot or at the Unit; if to the Association, to the mailing address of the President of the Association as filed with the Washington Secretary of State. The address of a party may be changed by the party at any time by notice in writing delivered to the Association as provided herein.

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