

RECITALS AND GENERAL PLAN OF DEVELOPMENT

Declarant is the Owner of approximately 44.48 acres of real property located in La Center, Washington, described on the plat of Riverside Estates being recorded in the plat records of Clark County, Washington, simultaneously with the recordation of this Declaration, referred to generally as “Riverside Estates” (the “Property”). The Property will be developed into 211 single-family residential dwelling units and 183 attached apartments, depicted on the plat.

Declarant desires to impose these mutually beneficial covenants, conditions, restrictions, easements, assessments, and liens on the Property, under a comprehensive general plan of improvement and development for the benefit of all Lots and Common Area in Riverside Estates.

Declarant has deemed it desirable for the efficient preservation of the values and amenities in Riverside Estates to create a nonprofit corporation, to which will be delegated and assigned the powers and authority to own, maintain, and administer the Common Area and facilities; to maintain, repair, and replace certain portions of the Lots and exterior of the Homes; to administer and enforce the covenants, conditions, and restrictions of this Declaration; and to collect and disburse the assessments and charges hereinafter created.

The Declarant will convey all Tracts to the Riverside Estates Homeowners’ Association (“Association”). Upon conveyance of the Tracts to the Association, the Association will assume the maintenance obligation of Tracts for the benefit of the Owners and assess the Owners of Lots equally for the expenses.

NOW THEREFORE, Declarant declares that the Property will be held, transferred, sold, conveyed, and occupied subject to the Washington State Statute as may be amended from time to time and subject to the following covenants, conditions, restrictions, easements, charges, and

liens, which will run with the land, which will be binding on all parties having or acquiring any right, title, or interest in the Property or any part thereof, and which will inure to the benefit of the Association and of each Owner.

Article 1

DEFINITIONS

- 1.1** “**Architectural Review Committee**” or “**ARC**” refers to the committee constituted and acting under Article 7 of this Declaration.
- 1.2** “**Articles**” means the Articles of Incorporation for the non-profit corporation Riverside Estates Homeowners’ Association, as filed with the Clark County, Washington.
- 1.3** “**Assessments**” means all assessments and other charges, fines and fees imposed by an Association to an Owner in accordance with this Declaration including, without limitation, Annual Assessments, Special Assessments, Emergency Assessments, and Individual Assessments as described in Article 12 below.
- 1.4** “**Association**” means and refers to the Riverside Estates Homeowners’ Association, a Washington nonprofit corporation, and its successors and assigns.
- 1.5** “**Board**” means the Board of Directors of the Association.
- 1.6** “**Bylaws**” means and refers to the Bylaws of the Association, which will be recorded in the Clark County, Washington, deed records.
- 1.7** “**Common Area**” means and refers to Tracts A and B shown on the recorded Plat of the Property, including any improvements located thereon, which areas and improvements are intended to be devoted to the common use and enjoyment of the members and which land has been conveyed to the Association. Tract A consists of private streets owned and

maintained by the Association, with the cost of such maintenance assessed equally to Lots 1-187 and the Owners of such Lots. Tract B consists of the Infiltration Pond area.

- 1.8 “Declaration”** means the covenants, conditions, restrictions, and all other provisions set forth in this Master Declaration of Covenants, Conditions and Restrictions for Riverside Estates, as amended or supplemented from time to time in accordance with the provisions hereof.
- 1.9 “Declarant”** means and refers to La Center Riverside Estates, LLC, an Washington limited liability company, and its successors or assigns, or any successor or assign to all or the remainder of its interest in the Property.
- 1.10 “Riverside Estates”** means the Property, together with such Additional Property as may be subsequently annexed and subjected to this Declaration.
- 1.11 “General Plan of Development”** means Declarant’s general plan of development of the Property, as approved by appropriate governmental agencies, as may be amended from time to time.
- 1.12 “Home”** means and refers to any portion of a structure situated on a Lot and designed and intended for use and occupancy as a residence by a single family or household.
- 1.13 “Improvement”** means every structure or improvement of any kind, including but not limited to, buildings, fences, walls, driveways, parking lots, landscaping, swimming pools, storage shelters or other produces of construction efforts on or in respect to the Property.
- 1.14 “Laws”** include all governmental statutes, ordinances, laws, codes, rules, regulations, equitable principles and all judicial and land use decisions, including orders, approvals, denials, and conditions thereof.

- 1.15** “**Lot**” means and refers to each and any of Lots 1-211; provided, however, that *Lot* does not include Tracts for common area.
- 1.16** “**Members**” means and refers to the Owners of Lots in Riverside Estates.
- 1.17** “**Occupant**” means and refers to the occupant of a Home, whether such person is an Owner, a lessee, or any other person authorized by the Owner to occupy the Home.
- 1.18** “**Owner**” means and refers to the record owner, whether one or more persons or entities, of the fee simple title to any Lot, or a purchaser in possession of a Lot under a land sale contract. The foregoing does not include persons or entities who hold an interest in any Lot merely as security for the performance of an obligation.
- 1.19** “**Project Roads**” means any roads located within the boundaries of the Riverside Estates plat being recorded simultaneously with this transaction.
- 1.20** “**Property**” means and refers to all real property and all Improvements located on the real property identified on the Riverside Estates plat being recorded contemporaneously with this Declaration as Lots 1-211 and Tracts.
- 1.21** “**Public Areas**” means areas dedicated to the public or established for public use in any plat of the Property, or so designated in this Declaration or a Supplemental Declaration.
- 1.22** “**Reserve Account(s)**” means and refers to an account set up by the Board to hold funds for construction, improvements, or maintenance of the Common Area and the Commonly Maintained Property.
- 1.23** “**Rules and Regulations**” means and refers to the documents containing rules, regulations, and policies adopted by the Board or the Architectural Review Committee, as may be amended from time to time.

1.24 “Subassociation” means any association established for a specific development project within Riverside Estates.

1.25 “Tracts” means and refers to Tracts A and B, as shown on the Plat.

Article 2

PROPERTY SUBJECT TO THIS DECLARATION

2.1 Riverside Estates Development. The Property, which will be held, transferred, sold, conveyed, and occupied subject to this Declaration, is located in Clark County, Washington, and is described as Lots 1-211 and Tracts A and B on the plat.

2.2 Development of Additional Lots. As undeveloped areas within Riverside Estates are developed, additional lots may be created within the Property by recording additional plats. Such additional lots (including condominium units) shall be considered Lots for purposes of this Declaration.

2.3 Consolidation or Partition of Lots. The Owner of two or more adjoining Lots, with the approval of the ARC, as applicable, may consolidate such Lots into one Lot. After complying with all applicable legal requirements, the consolidated Lots shall constitute one Lot for all purposes of this Declaration, including voting rights and assessments. Once so consolidated, the consolidated Lot may not thereafter be partitioned nor may the consolidation be revoked without the prior approval of the ARC, as applicable. The Owner of a Lot, with the approval of the ARC, as applicable, may partition such Lot into two or more Lots. After complying with all applicable legal requirements, the partitioned Lots shall each constitute a separate Lot for all purposes of this Declaration, including voting rights and assessments. Once so partitioned, the partitioned Lots may not thereafter be consolidated nor may the partition be revoked without the prior approval of the ARC. This section shall not require the consent of the Association in order

to subject any portion of the Property to the condominium form of ownership, although the Improvements will remain subject to the architectural review as hereinafter provided.

Article 3

OWNERSHIP AND EASEMENTS

3.1 Non-Severability. Any conveyance of any Lot shall automatically transfer the right to use the Common Area, without the necessity of express reference in the instrument of conveyance. Owners' rights to use the Common Area and Lots are subject to the easements granted and reserved in this Declaration. Each of the easements granted or reserved herein shall be deemed to be established upon the recordation of this Declaration and shall thenceforth be deemed to be covenants running with the land for the use and benefit of the Owners and their Lots and shall be superior to all other encumbrances applied against or in favor of any portion of Riverside Estates.

3.2 Owners' Easements of Enjoyment. Subject to the provisions of this Article, every Owner and his invitees shall have a right and easement of enjoyment in and to the Common Areas, which easements shall be appurtenant to and shall pass with the title to every Lot.

3.3 Title to Common Areas. Title to any Common Area will be conveyed to Association, as applicable, by Declarant, free and clear of monetary liens.

3.4 Extent of Owner's Rights. The Owners' easements of enjoyment in the Common Areas created hereby shall be subject to the following and all other provisions of this Declaration:

3.4.1 Easements Reserved by Declarant.

(a) Declarant hereby reserves to itself, its successors, and assigns an easement over, across, upon, under and through all Common Areas for the installation, maintenance,

repair, and replacement of power, gas, electric, water, telecommunications, and other utility lines and services to serve any portion of the Property or any adjacent property owned or controlled by Declarant, its affiliates of successors or assigns.

(b) Declarant or the Association may (and to the extent required by law, shall) grant or assign easements to municipalities or other utilities performing utility services and to communication companies, and the Association may grant free access thereon to police, fire and other public officials and to employees of utility companies and communications companies serving the Property.

(c) So long as Declarant owns any portion of the Property, Declarant reserves an easement over, under and across the Common Areas in order to carry out sales and rental activities necessary or convenient for the sale or rental of Lots. In addition, Declarant hereby reserves to itself, its successors and assigns a perpetual easement and right-of-way for access over, upon and across the Common Areas for construction, utilities, communication lines, drainage, and ingress and egress for the benefit of other property owned by Declarant.

Declarant, for itself and its successors and assigns, hereby retains a right and easement of ingress and egress over, in, upon, under and across the Common Areas and the right to store materials thereon and to make such other use thereof as may be reasonably necessary or incident to the construction of the Improvements on the Property or other real property owned by Declarant; provided, however, that no such rights shall be exercised by Declarant in such a way as to unreasonably interfere with the occupancy, use, enjoyment or access to an Owner's Lot by that Owner or his family, tenants, employees, guests or invitees.

3.4.2 No Division. Except as provided in Section 3.7 below, the Common Areas shall not be partitioned or otherwise divided into parcels for residential or commercial use, and no

private structure of any type shall be constructed on the Common Areas. Except as otherwise provided in this Declaration, the Common Areas shall be reserved for the use and enjoyment of the Owners and no private use may be made of the Common Areas. Nothing herein shall prevent the placing of a sign or signs upon the Common Areas identifying the Property of identifying pathways or items of interest, provided such signs are approved by the ARC, as applicable, and comply with any applicable sign ordinance. The Association shall have the authority to abate any trespass or encroachment upon the Common Area at any time, by any reasonable means and with or without having to bring legal proceedings.

3.4.3 Transfer of Common Area. Except as provided in Section 3.6, and except as otherwise permitted by the Washington Planned Community Act, the Association may not sell, dedicate, transfer, grant a security interest in or grant an easement with respect to any portion of the Common Area, as applicable, in which it holds an interest unless the holders of at least 80 percent of the voting rights in the Association, as applicable, have given their prior written approval. This provision shall not apply to the easements described in Section 3.4.1(a), (b) or (c) above.

3.4.4 Use of Common Area. Use of the Common Area by the Owners shall be subject to the provisions of this Declaration and to the following:

(a) The right of the Association to suspend such use rights of an Owner to the extent provided in this Declaration.

(b) The right of the Association to adopt, amend and repeal rules and regulations in accordance with this Declaration.

Article 4

EASEMENTS

4.1 Easement over Tract A

4.1.1 Grant of Easement A. Grantor Grants to Grantee, for the benefit of the Grantee Tract, a private, perpetual, nonexclusive easement (“Easement A”) over and across the portion of the Grantor Tract identified in Exhibit A as “Tract A,” and further described in Exhibit C (hereafter “Tract A Easement Area”). Easement A will be used for the purposes of providing vehicular and pedestrian access to and from the Grantee Tract (the “Road”); the Easement may be used for such ingress and egress purposes only by Grantee, its successors in ownership of the Grantee Tract, and the tenants, invitees, agents, and employees of Grantee and such successors (collectively, the “Users”), such use to be in common with use of the Tract A Easement Area by the owner of the Grantor Tract and its tenants, invitees, agents, employees, successors, and assigns. Easement A will further provide Grantee joint use of the storm sewer system, joint use of the private water system, joint use of the barbeque area, trash enclosure, and pedestrian path, and joint use of the recreation area to be built in Tract A. Grantor reserves the right to install utilities, cables, landscaping, signage, concrete and asphalt surfaces, and other improvements in the Tract A Easement Area from time to time, together with the right to grant to third parties any of such reserved rights, as long as such use does not unreasonably interfere with Grantee’s permitted uses of Easement A. The grant of Easement A is made subject to all exceptions to title on file or of record in the Official Records of Clark County, Washington.

4.1.2 Nature of the Easement A. Easement A granted herein will be appurtenant to, and for the benefit of, the Grantee Tract. Any conveyance of fee title to the Grantee Tract [or any portion that is a legal lot within the Grantee Tract] will include a conveyance of Easement A, regardless of whether Easement A is specifically identified in the instrument of conveyance.

4.1.3 Maintenance of Easement A. The owner of the Grantee Tract (the “Owner”) will, at its sole cost and expense, repair any damage to the Tract A Easement Area caused by any Users. Should the Owner fail to correct any deficiency in its compliance with such repair obligation (an “Uncured Deficiency”) prior to the expiration of 30 days after the effective date of notice of such Uncured Deficiency from Grantor, then Grantor, at its option (without any obligation to do so), may correct the Uncured Deficiency for the account of Owner, who will reimburse Grantor for all expenses incurred by Grantor in curing such defect, together with interest thereon at the rate of 12 percent per annum from the date expended until the date reimbursed to Grantor. Grantor and Grantee shall share responsibility for regular maintenance and repair of the Tract A Easement Area. Owner and any parties claiming by, through, or under Owner will be deemed to have elected to use Easement A at their sole risk.

4.1.4 No Dedication. Nothing contained herein will be deemed to be a gift or dedication of any portion of the Tract A Easement Area to the general public, for the general public, or for any public use or purpose whatsoever.

4.1.5 Indemnity; Attorney Fees. Owner will indemnify and hold Grantor harmless from and against all claims, damages, losses, causes of action, costs, and expenses (including, without limitation, attorney fees), which may be asserted against or incurred by Grantor as a result of any act or omission of Owner or its agents, contractors, employees, tenants, or invitees related to the use of the Tract A Easement Area by any Users. In the event of any litigation or other proceedings brought to enforce or interpret this Easement, the prevailing party in such proceedings will be entitled to recover from the other party the reasonable attorney fees and other costs incurred by the prevailing party in the proceedings or any appeal therefrom.

4.1.6 Successors. This Easement will be binding on, and inure to the benefit of, the owners of the Grantor Tract and the Grantee Tract and their respective heirs, successors, and assigns.

4.1.7 Relocation of Tract A Easement Area. The owner of the Grantor Tract will have the right, at its option, to relocate any portion of the Tract A Easement Area to another course and across the Grantor Tract from time to time, provided that: (i) the party electing to relocate the Tract A Easement Area provides the owner of the Grantee Tract with 30 days' advance notice of its intent to exercise its relocation option; (ii) the party electing to undertake the relocation pays all expenses associated with the documentation and recording of the amendment to effect such relocation; (iii) the relocated Tract A Easement Area provides access to all roads consistent with the access previously provided, and connects to the Grantee Tract at the same point of the initial Tract A Easement Area; and (iv) the party electing to undertake such relocation improves the relocated Tract A Easement Area to the condition of the Tract A Easement Area existing prior to the relocation, including the relocation of any utility lines installed in the Tract A Easement Area.

4.1.8 Amendment. This Agreement may only be amended by written instrument executed by the then current owners of the Grantor and Grantee Tracts.

4.1.9 No Partnership. None of the terms or provisions of this Easement will be deemed to create a partnership between or among the parties, nor will it cause them to be considered joint ventures or members of any joint enterprise. This Agreement is not intended nor will it be construed to create any third-party beneficiary rights in any person who is not an owner of the Grantee or Grantor Tract.

4.1.10 Consents. Whenever the consent or approval of a party is required to be given hereunder, such consent or approval will not be unreasonably withheld, delayed, or conditioned unless the provision in question expressly stipulates another standard of approval.

4.1.11 Notices. Any notice required or permitted by this Easement must be in writing and given by delivering the same in person to the recipient or by sending the same by registered or certified mail, return receipt requested, with postage prepaid, to the address of the Grantor or Grantee Tract, as applicable, as shown on the current records of the tax assessor for Clark County, Washington, with respect to the Tract in Question.

4.2 Easement over Tract B

4.2.1 Grant of Easement B. Grantor Grants to Grantee, for the benefit of the Grantee Tract, a private, perpetual, nonexclusive easement (“Easement B”) over and across the portion of the Grantor Tract identified in Exhibit A as “Tract B,” and further described in Exhibit C (hereafter “Tract B Easement Area”). Included in Easement B is an easement for use of the private storm sewer located between Lots 12 and 13 of Riverside Estates (as shown on Exhibit A). Easement B will be used to manage stormwater runoff, prevent flooding and downstream erosion, and improve the water quality of the adjacent creek and natural resource area. Grantor reserves the right to install utilities, cables, landscaping, signage, concrete and asphalt surfaces, and other improvements in the Tract B Easement Area from time to time, together with the right to grant to third parties any of such reserved rights, as long as such use does not unreasonably interfere with Grantee’s permitted uses of Easement B. The grant of Easement B is made subject to all exceptions to title on file or of record in the Official Records of Clark County, Washington.

4.2.2 Nature of the Easement B. Easement B granted herein will be appurtenant to, and for the benefit of, the Grantee Tract. Any conveyance of fee title to the Grantee Tract [or

any portion that is a legal lot within the Grantee Tract] will include a conveyance of Easement B, regardless of whether Easement B is specifically identified in the instrument of conveyance.

4.2.3 Maintenance of Easement B. The owner of the Grantee Tract (the “Owner”) will, at its sole cost and expense, repair any damage to the Tract B Easement Area caused by any Users. Should the Owner fail to correct any deficiency in its compliance with such repair obligation (an “Uncured Deficiency”) prior to the expiration of 30 days after the effective date of notice of such Uncured Deficiency from Grantor, then Grantor, at its option (without any obligation to do so), may correct the Uncured Deficiency for the account of Owner, who will reimburse Grantor for all expenses incurred by Grantor in curing such defect, together with interest thereon at the rate of 12 percent per annum from the date expended until the date reimbursed to Grantor. Grantor and Grantee shall share responsibility for regular maintenance and repair of the Tract B Easement Area. Owner and any parties claiming by, through, or under Owner will be deemed to have elected to use Easement B at their sole risk.

4.2.4 No Dedication. Nothing contained herein will be deemed to be a gift or dedication of any portion of the Tract B Easement Area to the general public, for the general public, or for any public use or purpose whatsoever.

4.2.5 Indemnity; Attorney Fees. Owner will indemnify and hold Grantor harmless from and against all claims, damages, losses, causes of action, costs, and expenses (including, without limitation, attorney fees), which may be asserted against or incurred by Grantor as a result of any act or omission of Owner or its agents, contractors, employees, tenants, or invitees related to the use of the Tract B Easement Area by any Users. In the event of any litigation or other proceedings brought to enforce or interpret this Easement, the prevailing party in such

proceedings will be entitled to recover from the other party the reasonable attorney fees and other costs incurred by the prevailing party in the proceedings or any appeal therefrom.

4.2.6 Successors. This Easement will be binding on, and inure to the benefit of, the owners of the Grantor Tract and the Grantee Tract and their respective heirs, successors, and assigns.

4.2.7 Amendment. This Agreement may only be amended by written instrument executed by the then current owners of the Grantor and Grantee Tracts.

4.2.8 No Partnership. None of the terms or provisions of this Easement will be deemed to create a partnership between or among the parties, nor will it cause them to be considered joint ventures or members of any joint enterprise. This Agreement is not intended nor will it be construed to create any third-party beneficiary rights in any person who is not an owner of the Grantee or Grantor Tract.

4.2.9 Consents. Whenever the consent or approval of a party is required to be given hereunder, such consent or approval will not be unreasonably withheld, delayed, or conditioned unless the provision in question expressly stipulates another standard of approval.

4.2.10 Notices. Any notice required or permitted by this Easement must be in writing and given by delivering the same in person to the recipient or by sending the same by registered or certified mail, return receipt requested, with postage prepaid, to the address of the Grantor or Grantee Tract, as applicable, as shown on the current records of the tax assessor for Clark County, Washington, with respect to the Tract in Question.

Article 5

PROPERTY RIGHTS IN LOTS; RESTRICTIONS

5.1 Ownership of Lots. The owner of a Lot in Riverside Estates shall be the fee titleholder or the purchaser in possession under a land sale contract. If more than one person and/or entity owns an undivided interest in the same Lot, such persons and/or entities shall constitute one Owner.

5.2 Use and Occupancy. The Owner of a Lot shall be entitled to the exclusive use and benefit of such Lot, except as otherwise expressly provided in this Declaration, but the Lot shall be bound by and the Owner shall comply with any use restrictions contained in this Declaration, all other provisions of this Declaration, and the Association Bylaws and any rules or regulations, and the provisions of any Supplemental Declaration affecting such Lot.

5.3 Easements Reserved. In addition to any utility and drainage easements shown on a recorded plat or reserved on a deed to any Lot, Declarant hereby reserves the following easements with respect to Lots for the benefit of Declarant and the Association, as applicable:

5.3.1 Right of Entry. Following reasonable notice, Declarant, the ARC, and any authorized representative of the ARC may enter upon any Lot for the purpose of determining whether or not the use and/or Improvements of such Lot are then in compliance with this Declaration. No such entry shall be deemed to constitute a trespass or otherwise create any right of action in the Owner of such Lot.

5.3.2 Utility Easements. Easements for installation and maintenance of utilities and drainage facilities may be reserved over portions of certain Lots as shown on any recorded plat. Within the easements, no structure, planting or other material 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 or flow of drainage channels in the easements, or which may obstruct or retard the flow of water through the drainage channels in the easements. The easement area of

each Lot and all Improvements in it shall be maintained continuously by the Owner of the Lot, except for those Improvements for which a public authority or utility company is responsible.

Article 6

RESTRICTIONS CONCERNING RESIDENTIAL LOTS AND LIVING UNITS

6.1 Residential Use. Lots may be used only for residential purposes. Except with the Board's consent, no trade, craft, business, profession, commercial activity, or similar activity of any kind may be conducted on any Lot, and no goods, equipment, vehicles, materials, or supplies used in connection with any trade, service, or business may be kept or stored on any Lot. Nothing in this Section will be deemed to prohibit (a) activities relating to the sale of residences, (b) the right of Declarant or any contractor or homebuilder to construct residences on any Lot, to store construction materials and equipment on such Lots in the normal course of construction, and to use any residence as a sales office or model home for purposes of sales in Riverside Estates, or (c) the right of the Owner of a Lot to maintain the Owner's personal business or professional library, keep the Owner's personal business or professional records or accounts, handle the Owner's personal business or professional telephone calls, or confer with business or professional associates, clients, or customers in the Owner's residence. The Board will not shall not approve commercial activities otherwise prohibited by this Section unless only normal residential activities would be observable outside of the residence, including, without limitation, only normal levels of traffic and on-street parking by guests. The Declarant of any Subassociation may place a sales or construction trailer on a Lot provided that the particular trailer and the duration of its placement on the Lot have previously been approved by the ARC, whose approval shall not be unreasonably withheld.

6.2 Construction of Improvements. No construction of any Improvement shall occur on any Lot unless the approval of the ARC is first obtained pursuant to Article 7. Considerations such as topography, siting, shape, size, color, design, height, solar access, harmony of appearance, apparent quality, and material may be taken into account by the ARC in determining whether to consent to any proposed work.

6.3 Completion of Construction. The construction of any single-family building on any Lot, including painting and all exterior finish, shall be completed within twelve (12) months from the beginning of the construction so as to present a finished appearance when viewed from any angle. In the event of undue hardship due to weather conditions, this provision may be extended for a reasonable length of time upon written approval from the ARC. The Lot and building area shall be kept reasonably clean and in workmanlike order, free of litter, during the construction period with a garbage disposal facility located on site during such construction period.

6.4 Landscaping. Landscaping within each single-family Lot and in the parking strip between the sidewalk and the street, if any, shall commence within thirty (30) days after final building inspection by the local government jurisdiction, and shall be completed within six (6) months after the final building inspection.

6.5 Maintenance of Lots and Homes. Each Owner must maintain the Owner's Lot and all improvements thereon in a clean and attractive condition, in good repair, and in such fashion as not to create a fire hazard. To the extent not the responsibility of the Association for Commonly Maintained Property, such maintenance includes, without limitation, painting, repair, replacement and care for roofs, windows, garage doors, gutters, downspouts, exterior building surfaces, walks, and other exterior improvements and glass surfaces. All repainting or restaining

and exterior remodeling will be subject to prior review and approval by the ARC. In addition, each Owner shall keep all shrubs, trees, grass and plantings of every kind on his Lot or within the street right-of-way adjacent thereto neatly trimmed, properly cultivated and free of trash, weeds and other unsightly material. Damage caused by fire, flood, storm, earthquake, riot, vandalism, or other causes shall likewise be the responsibility of each Owner and shall be restored within a reasonable period of time.

6.6 Rental of Residences. An Owner shall be entitled to rent or lease his residence, if:

6.6.1 Written Rental Agreements Required. There is a written rental or lease agreement specifying that: (a) the tenant shall be subject to all provisions of this Declaration and the Bylaws and Rules and Regulations of the Association, and (b) a failure to comply with any provision of this Declaration and the Bylaws and Rules and Regulations of the Association shall constitute a default under the rental agreement;

6.6.2 Minimum Rental Period. The period of the rental or lease is not less than thirty (30) days; and

6.6.3 Tenant Must Be Given Documents. The Owner gives each tenant a copy of this Declaration, any Supplemental Declaration, the Bylaws, and Rules and Regulations of the Residential Association.

6.7 Animals. No animals, livestock, or poultry of any kind, shall be raised, kept, bred, or permitted within any Lot other than a reasonable number of household pets which are not kept, bred or raised for commercial purposes and which are reasonably controlled so as not to be a nuisance. Any inconvenience, damage or unpleasantness caused by such pets shall be the responsibility of the respective Owners thereof. No pets shall be permitted to roam the Property unattended, and all pets shall be kept on a leash while outside a Lot. An Owner may be required

to remove a pet upon the receipt of the third notice in writing from the Board of violation of any rule, regulation or restriction governing pets within the Property.

6.8 Nuisance. No noxious, harmful, or offensive activities may be carried out on any Lot or Common Area, nor shall anything be done or placed on any Lot or Common Area that interferes with or jeopardizes the enjoyment of, or that is a source of annoyance to, the Owner or other Occupants.

6.9 Parking. Parking of boats, trailers, commercial vehicles, mobile homes, motor homes, campers, other recreational vehicles or equipment, regardless of weight, shall not be allowed on any part of the Lot or on public streets adjacent thereto for more than six hours or such other period as may be permitted by the Association's Rules and Regulations. Provided, however, boats, trailers, campers and other recreational vehicles may be stored in the garage out of the visibility of other Owners.

6.10 Vehicles in Disrepair. No Owner shall permit any vehicle that is in an extreme state of disrepair or that is not currently licensed to be abandoned or to remain parked upon any Lot or on the Common Area or on any street for a period in excess of 48 hours. A vehicle will be deemed in an "extreme state of disrepair" when the Board reasonably determines that its presence offends the occupants of the neighborhood. Should any Owner fail to remove such a vehicle within five (5) days following the date on which the Association mails or delivers to the Owner a notice directing the removal, the Association may have the vehicle removed from the Property and charge the expense of the removal to the Owner.

6.11 Signs. No signs shall be erected or maintained on any Lot except that not more than one "For Sale" or "For Rent" sign placed by the Owner, Declarant or by a licensed real estate agent, not exceeding twenty-four (24) inches high and thirty-six (36) inches long, may be temporarily

displayed on any Lot. The restrictions contained in this paragraph shall not prohibit the temporary placement of “political” signs on any Lot by the Owner or Occupant.

6.12 Rubbish and Trash. No Lot or any part of the Common Area shall be used as a dumping ground for trash or rubbish of any kind. All garbage and other waste shall be kept in appropriate containers for proper disposal and out of public view. Yard rakings, dirt and other material resulting from landscaping work shall not be dumped onto streets, the Common Area, or any other Lot. Should any Owner fail to remove any trash, rubbish, garbage, yard rakings or any such materials from any Lot, any streets or Common Area where deposited by him within ten (10) days following the date on which notice is mailed to him by the Board, the Association may have such materials removed and charge the expense of such removal to the Owner.

6.13 Fences and Hedges. No fences or boundary hedges shall be installed without prior written approval of the ARC. Owners must locate surveyor’s pins marking boundary corners before construction of fences. All fences installed within the Property shall be substantially similar in style and materials to fences installed by Declarant in the Common Area.

6.14 Service Facilities. Service facilities (garbage containers, fuel tanks, clotheslines, etc.) shall be screened such that the elements screened are not visible at any time from the street or a neighboring property. All telephone, electrical, cable television, and other utility installations shall be placed underground in conformance with applicable law and subject to approval by the ARC.

6.15 Antennas and Satellite Dishes. Except as otherwise provided by law, no exterior antennas, satellite dishes, microwave, aerial, tower, or other devices for the transmission or reception of television, radio, or other forms of sound or electromagnetic radiation shall be erected, constructed, or placed on any Lot. Provided, however, exterior satellite dishes or

antennas with a surface diameter of one meter or less and antennas designed to receive television broadcast signals only may be placed on any Lot if they are not visible from the street and are screened from neighboring Lots. If applicable quality signals can be received by placing antennas inside a dwelling unit without unreasonable delay or unreasonable cost increase, then outdoor installation may be prohibited. The Board or ARC may adopt reasonable rules and regulations governing the installation, safety, placement, and screening of such antennas, satellite dishes, and other transmission devices, as long as such do not unreasonably delay or increase the cost of installation, maintenance, or use or preclude reception of a signal of acceptable quality.

6.16 Exterior Lighting or Noisemaking Devices. Except with the consent of the ARC, no exterior lighting or noise-making devices, other than security and fire alarms, may be installed or maintained on any Lot.

6.17 Grades, Slopes and Drainage. There shall be no interference with the established drainage patterns or systems over or through any Lot within Riverside Estates so as to affect any other Lot or Common Area or any real property outside the Property unless adequate alternative provision is made for proper drainage and is approved by the ARC before any such work. The term *established drainage* means the drainage swales, conduits, inlets, and outlets designed and constructed for Declarant.

6.18 Damage or Destruction to Living Unit and/or Lot. If all or any portion of a Lot or dwelling unit is damaged by fire or other casualty, the Owner shall either (a) restore the damaged improvements or (b) remove all damaged improvements, including foundations, and leave the Lot in a clean and safe condition. Any restoration proceeding under (a) in this Section must be performed so that the improvements are in substantially the same condition that they were in before the damage, unless the Owner complies with the provisions of Article 6. The Owner must

commence such work within sixty (60) days after the damage occurs and must complete the work within six (6) months thereafter.

6.19 Right of Maintenance and Entry by Association. If an Owner fails to perform maintenance, repair, or both that the Owner is obligated to perform under this Declaration, and if the Board determines, after notice, that the maintenance, repair, or both is necessary to preserve the attractiveness, quality, nature, value, or any combination thereof of the Property, the Board may cause the maintenance, repair, or both to be performed and may enter any Lot whenever entry is necessary in connection with the performance thereof. Entry shall be made with as little inconvenience to an Owner as practicable and only after advance written notice of not less than forty-eight (48) hours, except in emergency situations. The costs of such maintenance, repair, or both shall be chargeable to the Owner of the Lot as a Reimbursement Assessment, which may be collected and enforced as any other assessments authorized hereunder.

6.20 Basketball Hoops. No basketball hoops, backboards or stands, whether fixed, attached, freestanding, permanent or portable, shall be installed on any Lot or Common Area, except in the backyard of a Lot.

6.21 Association Rules and Regulations. The Board from time to time may adopt, modify, or revoke such Rules and Regulations governing the conduct of persons and the operation and use of Lots and the Common Area as it may deem necessary or appropriate to ensure the peaceful and orderly use and enjoyment of the Property. A copy of the Rules and Regulations, upon adoption, and a copy of each amendment, modification, or revocation thereof, shall be delivered by the Board to each Owner and shall be binding on all Owners and occupants of all Lots on the date of delivery or actual notice thereof. The method of adoption of the Rules and Regulations will be provided in the Bylaws of the Association.

6.22 Mailbox Fee. At the Declarant's sole option, the initial Owner of each Lot shall pay the Declarant a fee of Fifty and No/100 Dollars (\$50.00) in exchange for which the Declarant shall install a mailbox for such Lot.

6.23 Street Trees. All street trees to be planted on the Property in accordance with applicable governmental requirements shall be the responsibility of the builder of the dwelling unit on such Lot. The Declarant shall have no responsibility for purchase, planning or maintenance of street trees or other landscaping on Lots.

Article 7

COMMON AREA

7.1 Use of Common Area. Use of the Common Area is subject to the provisions of the Declaration, Bylaws, Articles, and the Rules and Regulations adopted by the Board. There shall be no use of the Common Area except by Lot Owners and their invitees or except as otherwise provided by this Declaration. There shall be no obstruction of any part of the Common Area. Nothing may be stored or kept in the Common Area without the prior written consent of the Board. No alterations or additions to the Common Area will be permitted without the prior written consent of the Board. Nothing shall be stored or kept in the Common Area which will increase the rate of insurance on the Common Area without prior written consent of the Board.

7.2 Maintenance of Common Area. The Association shall be responsible for maintenance, repair, replacement, and upkeep of the Common Area, including, but not by way of limitation, all fences, drainage systems, pathways and parks. Except as provided in the foregoing sentence, the Association shall keep the Common Area and Improvements thereon in good condition and repair, provide for all necessary services and cause all acts to be done which may be necessary or proper to assure the maintenance of the Common Area in first class condition.

7.3 Alterations to Common Area. Except for the construction, reconstruction or alteration of any Project Amenities, only the Association shall construct, reconstruct, or alter any Improvement located on the Common Area. A proposal for any construction, alteration, maintenance, or repair of any such Improvement may be made at any Board meeting. The Board may adopt a proposal, subject to the limitations contained in the Bylaws, and following full compliance with all applicable governmental regulations.

7.4 Landscaping. All landscaping on any portion of the Common Area shall be maintained and cared for in a manner that is consistent with the standards of design and quality as originally established by Declarant or the ARC. The Association shall be responsible for all landscaping located in Common Areas, including regular maintenance, irrigation, fertilization and weed abatement. Any weeds or diseased or dead lawn, tree, ground cover or shrubs shall be removed and replaced. All lawn areas shall be neatly mowed and trees and shrubs shall be neatly trimmed.

7.5 Condemnation of Common Area. If all or any portion of the Common Area is taken for any public or quasi-public use under any statute, by right of eminent domain or by purchase in lieu of eminent domain, the Board will receive and expend the entire award in a manner that, in the Board's discretion, is in the best interest of the Association and the Owners. The Association shall represent the interest of all Owners in any negotiations, suit, action, or settlement in connection with such matters.

7.6 Damage or Destruction of Common Area. If all or any portion of the Common Area is damaged or destroyed by an Owner or any of the Owner's guests, Occupants, tenants, licensees, agents, or members of the Owner's family in a manner that would subject the Owner to liability for the damage under Washington law, the Owner hereby authorizes the Association to repair the

damage. The Association shall repair the damage and restore the area in workmanlike manner as originally constituted or as may be modified or altered subsequently by the Association in the discretion of the Board. Reasonable costs necessary for such repairs shall become a special assessment on the Lot and against the Owner who caused or is responsible for the damage.

7.7 Maintenance of Utilities. Without limiting the generality of the Association's obligation to maintain Common Areas, the Association shall perform maintenance of all private utilities within the Common Areas, including, without limitation, sanitary sewer service lines, domestic water service and storm drainage lines, except to the extent such maintenance is performed by the utilities furnishing such services. The Owner of each Lot shall be responsible for maintaining utility lines within such Owner's Lot other than those serving Common Areas.

Article 8

CONSTRUCTION OF IMPROVEMENTS

8.1 Architectural Review. No improvement may be commenced, erected, placed, or altered on any Lot until the construction plans and specifications showing the nature, shape, heights, materials, colors, and proposed location of the improvement have been submitted to and approved in writing by the ARC. It is the intent and purpose of this Declaration to ensure quality of workmanship and materials and harmony between exterior design and the existing Improvements and landscaping and as to location and topography and finished-grade elevations, and to avoid plan repetition. The ARC is not responsible for determining compliance with structural and building codes, solar ordinances, zoning codes, or other governmental regulations, all of which are the applicant's responsibility. The procedure and specific requirements for review and approval of construction must be set forth in design guidelines and standards adopted

from time to time by the ARC. The provisions of this Article 7 apply in all instances in which this Declaration requires the ARC's consent.

8.2 Appointment and Removal of ARC. The ARC shall consist of no fewer than two (2) members and no more than five (5) members, as the Declarant may appoint from time to time. Declarant reserves the right to appoint all members of the ARC and all replacements thereto until the Property is completely built out. After the Property is built out (or at any earlier time the Declarant may choose), Declarant shall delegate the right to appoint and remove members of the ARC to the Board of Directors. The terms of office for each member of the ARC shall be for one (1) year unless lengthened or shortened by the Board at the time of appointment. The Board may appoint any or all of its members for the ARC and there shall be no requirement for non-Board members on the ARC. The Board may appoint one or more members to the ARC who are not Owners, but who have special expertise regarding the matters which come before the ARC. In the sole discretion of the Board, such non-Owner members of the ARC may be paid.

8.3 Majority Action. Except as otherwise provided in this Declaration, a majority of the members of the ARC shall have the power to act on behalf of the ARC, without the necessity of a meeting and without the necessity of consulting the remaining member or members of the ARC. The ARC may render its decision only by written instrument setting forth the action taken by the members consenting thereto.

8.4 Duties. The ARC shall consider and act on the proposals, plans, or proposals and plans submitted under this Section. The ARC, from time to time and in its sole discretion, may adopt architectural rules, regulations, and guidelines ("Architectural Standards"). The Architectural Standards will interpret and implement the provisions of this Declaration for architectural review and guidelines for architectural design, placement of buildings, color schemes, exterior finishes

and materials, and similar features that may be used in Riverside Estates; provided, however, the Architectural Standards shall not be in derogation of the minimum standards established by this Declaration.

8.5 Decision. The ARC shall render its approval or denial decision with respect to the construction proposal within ten (10) business days after it has received all material required by it with respect to the application. All decisions shall be in writing. If the ARC fails to render its written decision within thirty (30) days of its receipt of all required materials or request an extension, the application will be deemed approved.

8.6 Discretion. The ARC may, in its sole discretion, withhold consent to any proposed work if the ARC finds that the proposed work would be inappropriate for the particular Lot or incompatible with the design standards that the ARC intends for the Property. The ARC may consider siting, shape, size, color, design, height, solar access, harmony of appearance, apparent quality and material or other effects on the enjoyment of other Lots or the Common Area, and any other factors that it reasonably believes to be relevant in determining whether to consent to any proposed work.

8.7 Nonwaiver. Consent by the ARC to any matter proposed to it or within its jurisdiction shall not be deemed to constitute precedent or waiver impairing its right to withhold approval as to any similar matter thereafter proposed or submitted to it for consent.

8.8 Appeal. At any time after Declarant has delegated appointment of the members of the ARC to the Board of Directors pursuant to Section 8.2, any Owner adversely impacted by ARC action may appeal the action to the Board. Appeals shall be made in writing within ten (10) days of the ARC's action and shall contain specific objections or mitigating circumstance justifying

the appeal. The Board shall issue a final, conclusive decision within twenty (20) days after receipt of the notice. The determination of the Board shall be final and binding.

8.9 Effective Period of Consent. The ARC's consent to any proposed work shall automatically be revoked three (3) months after issuance unless construction of the work has been commenced or the Owner has applied for and received an extension of time from the ARC.

8.10 Determination of Compliance. The ARC may inspect, from time to time, all work performed and determine whether it is in substantial compliance with the approval granted. If the ARC finds that the work was not performed in substantial compliance with the approval granted, or if the ARC finds that the approval required was not obtained, the ARC must notify the Owner in writing of the noncompliance. The notice must specify the particulars of noncompliance and must require the Owner to remedy the noncompliance.

8.11 Noncompliance. If the ARC determines that an Owner has not constructed an improvement consistent with the specifications of an ARC approval, and if the owner fails to diligently commence to remedy such noncompliance in accordance with the provisions of the notice of noncompliance, then at the expiration of the third (3rd) day from the date of such notification, the ARC shall provide notice of an opportunity for hearing to consider the Owner's continuing noncompliance. The hearing shall be set not more than thirty (30) days from the date of the notice of noncompliance. At the hearing, if the ARC finds that there is no valid reason for the continuing noncompliance, the ARC must determine the estimated costs of correcting it. The ARC also shall then require the Owner to remedy the noncompliance within a period of not more than ten (10) days after the date of the ARC's determination. If the Owner does not comply with the ARC's ruling within such period or within any extension of such period as the ARC, at its

discretion, may grant, the ARC may either remove the noncomplying Improvement, remedy the noncompliance. The costs of such action will be assessed against the Owner as a special assessment either before or after any remedial action is taken.

8.12 Liability. Neither the ARC nor any member thereof shall be liable to any Owner, Occupant, or builder for any damage, loss or prejudice suffered or claimed on account of any action or failure to act of the ARC or a member thereof, provided only that the member has, in accordance with the actual knowledge possessed by him, acted in good faith.

8.13 Estoppel Certificate. Within fifteen (15) business days after written request is delivered to the ARC by an Owner, and upon payment to the ARC of a reasonable fee fixed by the ARC to cover costs, the ARC shall provide the Owner with a certificate executed by the Chairperson or other authorized member of the ARC certifying with respect to any Lot owned by the Owner that, as of the date thereof either (a) all Improvements made or done on the Lot comply with this Declaration, or (b) the Improvements do not so comply, in which event, the certificate shall also identify the noncomplying improvements and set forth with particularity the nature of the noncompliance. The Owner and the Owner's heirs, devisees, successors, and assigns will be entitled to rely on the certificate with respect to the matters set forth therein. The certificate will be conclusive as among Declarant, the ARC, the Association, all Owners, and all Owners, and such persons deriving any interest through any of them.

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Article 9

MEMBERSHIP IN THE ASSOCIATION

9.1 Residential Association. A residential Association shall be organized as a nonprofit corporation by the Declarant. The articles of incorporation for the Association (“Articles”) shall provide for its perpetual existence, but in the event the Association is at any time dissolved, whether inadvertently or deliberately, it shall automatically be succeeded by an unincorporated association of the same name. Each Lot Owner shall be a mandatory member of the Association. Membership in the Association shall be appurtenant to, and may not be separated from, ownership of any Lot. Transfer of ownership of a Lot automatically transfers membership in the Association. Without any other act or acknowledgement, Occupants and Residential Lot Owners shall be governed and controlled by this Declaration, the Articles, the Bylaws, and the Rules and Regulations of the Association and any amendments thereof. The Association shall not be dissolved without a public hearing before the hearings officer and approval of Clark County, as provided by Clark County Zoning and Development Ordinary 1013.06A9g.

9.2 Proxy. Each Owner may cast his vote by absentee ballot or pursuant to a proxy executed by the Owner. An Owner may not revoke a proxy given under this Section, except by actual notice of revocation to the person presiding over a meeting of the Association. A proxy shall not be valid if it is undated or purports to be revocable without notice. A proxy shall terminate one (1) year after its date, unless the proxy specifies a shorter term.

9.3 Voting Rights. Voting rights within the Association shall be allocated as follows:

9.3.1 Class A. Class A members include all Owners of Lots other than Declarant, and each Class A member is entitled to one vote for each Lot owned with respect to all matters on which Owners are entitled to vote.

9.3.2 Class B. The Class B member is the Declarant, its successors, and its assigns. The Class B member has three votes for each Lot owned. The Class B membership will cease

and be converted to Class A membership upon the earlier of the following dates (the “Termination Date”):

- (a) The date on which 75 percent of the total number of Lots in Riverside Estates have been sold and conveyed to Owners other than Declarant; or
- (b) The date on which Declarant elects in writing to terminate Class B membership.

After the Termination Date, each Owner, including Declarant, will have one vote for each Lot owned with respect to all matters on which Owners are entitled to vote, and the total number of votes will be equal to the total number of Lots subject to this Declaration.

When more than one person or entity owns a Lot, the vote for the Lot may be case as they determine, but in no event will fractional voting be allowed. Fractional or split votes will be disregarded, except for purposes of determining a quorum.

9.4 General Powers and Obligations. The Association shall have, exercise, and perform all of the following powers, duties, and obligations:

9.4.1 The powers, duties, and obligations granted to the Association by this Declaration;

9.4.2 The powers and obligations of a nonprofit corporation pursuant to the general nonprofit corporation laws of the State of Washington;

9.4.3 The power, duties, and obligations of a homeowners association pursuant to the Washington Planned Community Act, whether or not such Act is applicable to this Declaration; and

9.4.4 Any additional or different powers, duties, and obligations necessary or desirable for the purpose of carrying out the functions of the Association pursuant to this Declaration or otherwise promoting the general benefit of the Lot Owners

9.5 **Specific Powers and Duties.** The powers and duties of the Association shall include, without limitation, the following:

9.5.1 Providing maintenance and services for the Common Areas as provided in this Declaration;

9.5.2 Obtaining and maintaining in force policies of insurance as provided in this Declaration or the Bylaws of the Association;

9.5.3 Making, establishing, promulgating, amending and repealing Rules and Regulations of the Residential Association as provided in this Declaration;

9.5.4 Adopting budgets and imposing and collecting assessments as provided in this Declaration;

9.5.5 Performing such acts, whether or not expressly authorized by this Declaration, as may be reasonably necessary to enforce the provisions of this Declaration and the Rules and Regulations of the Association including, without limitation, enforcement of the decisions of the ARC;

9.5.6 Employing the services of any person or corporation as managers, hiring employees to manage, conduct and perform the business, obligations and duties of the Association, employing professional counsel and obtain advice from such persons or firms or corporations such as, but not limited to, landscape architects, architects, planners, lawyers and accountants, and contracting for or otherwise providing for all services necessary or convenient for the management, maintenance and operation of Riverside Estates;

9.5.7 Subject to the approval of the members of the Association, borrowing and repaying moneys for the purpose of maintaining and improving the Common Areas and encumbering the Common Areas as security for the repayment of such borrowed money. The Association may acquire, hold title to, and convey, with or without consideration, real and personal property and interests therein, including but not limited to, easements across all or any portion of the Common Area, and shall accept any real or personal property, leasehold or other property interests within Riverside Estates conveyed to the Association by the Declarant;

9.5.8 Subject to the approval of the members of the Association, selling, transferring or encumbering all or any portion of the Common Area to a person, firm, or entity, whether public or private, and dedicating or transferring all or any portion of the Common Area to any public agency, authority, or utility for public purposes; and

9.5.9 Exercising any other right or privilege reasonably to be implied from the existence of any right or privilege expressly given to the Association under this Declaration or reasonably necessary to effectuate any such right or privilege.

Article 10

SUBASSOCIATIONS

10.1 Creation of Subassociations. Nothing in this Declaration shall be construed as prohibiting the formation of subassociations within Riverside Estates, including, without limitation, condominium associations, Planned Community Act associations, and associations of commercial owners.

10.2 Voting by Subassociations. Notwithstanding any other provisions in this Declaration or the Bylaws of the Association to the contrary, all votes attributable to any Lots or Living Units

that are members of a Subassociation shall vest in and be cast by such Subassociation through its board of directors, who shall represent those Owners in the affairs of the Association.

Article 11

DECLARANT CONTROL

11.1 Interim Board and Officers. The Declarant hereby reserves administrative control of the Association. The Declarant, in its sole discretion, shall have the right to appoint and remove members of the interim Board of Directors, which shall manage the affair of the Association and which shall be invested with all powers and rights of the Board of Directors. The interim Board shall consist of from one to three members. Notwithstanding the provisions of this Section, at the Turnover Meeting (as hereinafter defined) at least one (1) Director shall be elected by Lot Owners and other than the Declarant, even if the Declarant otherwise has voting power to elect all five (5) Directors.

11.2 Turnover Meeting. The Declarant shall call a meeting for the purpose of turning over administrative control to the Association from the Declarant to the members of the Association within one hundred twenty (120) days of the earlier of:

11.2.1 Mandatory Turnover. The date that the Lots representing eighty percent (80%) of the maximum number of Lots that may be located in Riverside Estates have been conveyed to persons other than the Declarant; or

11.2.2 Optional Turnover. At such earlier time as Declarant elected in writing to turnover administrative control of the Association.

The Declarant shall give notice of the meeting to each Lot Owner as provided in the Bylaws. If the Declarant does not call the meeting required under this Section, any Lot Owner may do so.

11.3 Transitional Advisory Committee. The Declarant shall form a Transitional Advisory Committee to provide for the transition from administrative responsibility by the Declarant to administrative responsibility by the Association. The Declarant shall call a meeting of Owners for the purpose of selecting a Transitional Advisory Committee not later than the sixtieth (60th) day after the Declarant has conveyed fifty percent (50%) or more of the Lots to Owners other than the declarant of a Subassociation. The Transitional Advisory Committee shall consist of three (3) or more members who shall be selected from among the Lot Owners other than the Declarant, who may select one (1) member. The Committee shall have reasonable access to all information and documents that the Declarant is required to turn over to the Association under the Washington Planned Community Act.

Article 12

DECLARANT'S SPECIAL RIGHTS

12.1 General. Declarant is undertaking the work of developing Lots and other improvements within Riverside Estates. The completion of the development work and the marketing and sale of the Lots is essential to the establishment and welfare of the Property as a residential community. Until the Homes on all Lots on the Property have been constructed, fully completed, and sold, with respect to the Common Area and each Lot on the Property, Declarant has the special rights set forth in this Article 9.

12.2 Marketing Rights. Declarant has the right to maintain a sales office and model on one or more of the Lots that Declarant owns. Declarant and prospective purchasers and their agents have the right to use and occupy the sales office and models during reasonable hours any day of the week. Declarant may maintain a reasonable number of "For Sale" signs at reasonable locations on the Property, including, without limitation, on the Common Area.

12.3 Declarant Easements. The Declarant has reserved easements over the Property as more fully described in Article 3 hereof.

12.4 Size and Appearance of Riverside Estates. Declarant shall not be prevented from increasing or decreasing the number of lots in Riverside Estates or from changing the exterior appearance of the Common Area, including the landscaping or any other matter directly or indirectly connected with Riverside Estates in any manner deemed desirable by Declarant, provided that Declarant obtains governmental consents required by law. No change shall decrease the quality of the appearance of the Common Area.

Article 13

FUNDS AND ASSESSMENTS

13.1 Purpose of Assessments. The 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 Project Amenities.

13.2 Types of Assessments. The Association may levy Annual Assessments, Special Assessments, Emergency Assessments, and Individual Assessments, and more particularly described below.

13.3 Apportionment of Assessments. Lots owned by Declarant shall not be subject to Assessments until such time as the Lot is occupied for a residential use, subject to accrual of reserves as described in Section 13.9 below. All other Lots shall pay a pro rata share of the Annual Assessments, Special Assessments, and Emergency Assessments commencing upon the date such Lots are made subject to this Declaration. The pro rata share shall be based upon the

total amount of each such Assessment divided by the total number of Assessment Units of Lots subject to assessment, times the number of Assessment Units assigned to such Lots as follows:

13.3.1 Each Lot shall be assigned one Assessment Unit for each Living Unit located on the Lot;

13.3.2 A single family Lot shall be assigned one Assessment Unit, regardless of whether a Living unit has been constructed on the Lot; and

13.4 Annual Assessments. The Board shall from time to time and at least annually prepare an operating budget for the Association, taking into account the current costs of maintenance and services and future needs of the Association, any previous overassessment and any common profits of the Association. The budget shall provide for such reserve or contingency funds as the Board deems necessary or as may be required by law, but not less than the reserves required by Section 13.9 below. Annual Assessments for such operating expenses and reserves (“Annual Assessments”) shall then be apportioned among the Lots as provided in Section 13.3 above. The method of adopting of the budget and the manner of billing and collection of Annual Assessments shall be as provided in the Bylaws for the Association. The Association may bill Annual Assessments annually.

13.5 Special Assessments. In addition to the Annual Assessment authorized above, the Board of Directors may levy during any fiscal year a special Assessment, applicable to that year only (“Special Assessment”), for the purpose of deferring all or any part of the cost of any construction, reconstruction, unexpected repair, or acquisition or replacement of a described capital improvement, or for any other one-time expenditure not to be paid for out of Annual Assessments. Special Assessments, which in the aggregate in any fiscal year exceed an amount equal to fifteen percent (15%) of the budgeted gross expenses of the Association for the fiscal

year may be levied only if approved by a majority of the voting rights voting on such matter.

Special Assessments shall be apportioned as provided in Section 13.3 above and may be payable in lump sum or in installments, with or without interest or discount, as determined by the Board.

13.6 Emergency Assessments. If the Annual Assessments levied at any time are, or will become, inadequate to meet all expenses incurred under this Declaration for any reason, including nonpayment of any Owners' Assessments on a current basis, the Board shall immediately determine the approximate amount of such inadequacy and issue a supplemental budget, noting the reason therefore, and levy an emergency Assessment for the amount required to meet all such expenses on a current basis ("Emergency Assessment"). Any Emergency Assessment which in the aggregate in any fiscal year would exceed an amount equal to fifteen percent (15%) of the budgeted gross expenses of the Association for the fiscal year may be levied only if approved by not less than a majority of the voting rights voting on such matter. Emergency Assessments shall be apportioned as set forth in Section 13.3 above and payable as determined by the Board.

13.7 Individual Assessments. Any common expense or any part of a common expense benefitting fewer than all of the Lots may be assessed exclusively against the Lots benefitted thereby or responsible therefore ("Individual Assessment"). Individual Assessments shall include, without limitation, default assessments levied against any Lot to reimburse the Association for costs incurred in bringing such Lot or its owner into compliance with the provisions of this Declaration or the Rules and Regulations of the Association. Unless otherwise provided by the Board, Individual Assessments shall be due thirty (30) days after the Board has given written notice thereof to the Owners subject to the Individual Assessments.

13.8 Operating Funds. The Association shall keep all funds received by it as Assessments, other than reserves described in Section 13.9 below, separate and apart from its other funds, in an account to be known as the “Operations Fund.” The Association shall use the Operations Fund exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents within the Property and in particular, for the improvement and maintenance of properties, services, and facilities devoted to this purpose and related to the use and enjoyment of the Common Areas, the Project Amenities, and the Lots situated upon the Property, including but not limited to:

13.8.1 Payment of the cost of maintenance, repair, utilities, and services relating to Common Areas and Improvements thereon;

13.8.2 Payment of the cost of insurance as described in the Bylaws of the Association;

13.8.3 Payment of taxes assessed against the Common Areas or any Improvements thereon;

13.8.4 Payment of the cost of other services which the Association deems to be of general benefit to the Owners, including but not limited to accounting, legal, and administrative services;

13.8.5 Reimbursement of the Association’s share of maintenance, repair, and replacement of the Amenities; and

13.8.6 Amounts to pay for the access rights described in Section 13.12 below.

13.9 Reserve Fund. The Declarant shall establish a reserve fund for replacement of those items to be maintained by the Association at its expense (or for which maintenance expense the Association is responsible), all or part of which will normally require replacement, in whole or in part, in more than three (3) years and less than thirty (30) years (“Reserve Fund”). Such Reserve

Fund shall be funded by Assessments against the individual Lots assessed for maintenance of the items for which the Reserve Fund is being established. The Assessments under this Section begin accruing against each Lot from the date the first Lot in the Property is conveyed. The Declarant may defer payment of the accrued Assessments for a Lot until the Lot is conveyed. The amount assessed shall take into account the estimated remaining life of the items for which the reserve is created and the current replacement cost of such items. The Reserve Fund shall be established in the name of the Association and shall be adjusted at regular intervals to recognize changes in current replacement costs over time. The Reserve Fund shall be used only for replacement of Common Area property as determined by the Board and shall be kept separate from the Operations Fund. No funds collected for the Reserve Fund shall be used for ordinary current maintenance and operation purposes. Assessments paid into the Reserve Fund are the property of the Association and are not refundable to sellers or Owners of Lots.

13.10 Covenants to Pay. Declarant and each Lot Owner covenants and agrees to pay the Association the Assessments and any additional charges levied pursuant to this Section.

13.10.1 Funds Held in Trust. The Assessments collected by the Association shall be held by the Association and shall be used solely for the operation, care, and maintenance of the Common Areas and Project Amenities as provided in this Declaration. No Owner shall have any individual claim on or interest in such funds.

13.10.2 Offsets. No offsets against any Assessment shall be permitted for any reason, including, without limitation, any claim that the Association is not properly discharging its duties.

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13.11 Default in Payment of Assessments; Enforcement of Liens.

13.11.1 Personal Obligation. All Assessments properly imposed under this Declaration or the Bylaws shall be the joint and several personal obligation of all Owners of the Lot to which such assessment pertains. In a voluntary conveyance (that is, one other than through foreclosure or a deed in lieu of foreclosure) the grantees shall be jointly and severally liable with the grantor(s) for all Association Assessments imposed through the recording date of the instrument affecting the conveyance. A suit for a money judgment may be initiated by the Association to recover such Assessments without either waiving or foreclosing the Association's lien.

13.11.2 Association Lien. The Association shall have a lien against each Lot to secure unpaid Assessments, which lien shall arise, be filed and foreclosed in the manner provided in the Planned Community Act.

13.11.3 Interest; Fines; Late Fees; Penalties. The Board in its reasonable discretion may from time to time adopt resolutions to set the rate of interest, and to impose late fees, fines and penalties on delinquent Assessments or for violations of the provisions of this Declaration, the Bylaws, and the Rules and Regulations adopted by the Board or the ARC. The adoption of such impositions shall be communicated to all Lot Owners in writing not less than thirty (30) days before the effective date by a notice mailed to the assessment billing address of such Lot Owners. Such impositions shall be considered assessments which are lienable and collectible in the same manner as any other assessments. Provided, however, fines or penalties for violation of this Declaration, the Bylaws, or any Rule and Regulation, other than late fees, fines or interest arising from a Lot Owner's failure to pay regular, special, or reimbursement

assessments, may not be imposed against a Lot Owner or his Lot until such Owner is given an opportunity for a hearing as elsewhere provided herein.

13.11.4 Acceleration of Assessments. In the event a Lot Owner is delinquent in payment of any assessment or installment on any assessment, the Association, upon not less than ten (10 days' written notice to the Lot Owner, may accelerate the due date of the full annual assessment for the fiscal year and all future installments of any special assessments.

13.11.5 Association's Right to Rents/Receiver. In any foreclosure suit by the Association with respect to such lien, the Association shall be entitled to collect reasonable rent from the defaulting Owner for the use of his Lot or shall be entitled to the appointment of a receiver. Any default by the Lot Owner in any provisions of the Declaration or Bylaws shall be deemed to be a default by the Lot Owner of any mortgage to which the Lot Owner is a party or to which the Lot is subject.

13.12 Payment Through Subassociations. Except with respect to Individual Assessments levied under Section 13.7, all assessments levied by the Association against Lots that are part of a Subassociation may be collected in a single billing from such Subassociation, which, in turn, may collect such assessments directly from the Owners of Lots in such Subassociation as a party of such Subassociation's budget. The Association shall collect Individual Assessments directly from the affected Owner of the Lot against which such assessment was levied. Notwithstanding the Association's ability to collect assessments from a Subassociation, the Association shall retain the right to collect unpaid assessments directly from the Owner of any Lot for which assessments remain unpaid.

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Article 14

GENERAL PROVISIONS

14.1 Successor Declarant(s). The Declarant may assign and delegate one or more of the Declarant's rights and obligations hereunder to one or more successor Declarants. Each such assignment shall be in writing, be recorded in the Clark County real property records, specify the rights and obligations being assigned and delegated to the successor Declarant, and identify the portion of the Property to which the assignment pertains. The successor Declarant will not acquire any rights as the successor Declarant to any portion of the Property other than that portion of the Property identified in the written assignment.

14.2 Records. The Board must preserve and maintain minutes of the meetings of the Association, the Board, and any committees. The Board must also keep detailed and accurate financial records, including individual assessment accounts of Owners, the balance sheet, and income and expense statements. Individual assessment accounts must designate the name and address of the Owner or Owners of the Lot, the amount of each assessment as it becomes due, the amounts paid on the account, and the balance due on the assessments. The minutes of the Association, the Board, and Board committees, and the Association's financial records must be reasonably available for review and copying by the Owners. A reasonable charge may be imposed by the Association for providing copies.

14.3 Indemnification of Directors, Officers, Employees and Agents. The Association must indemnify any Director, officer, employee, or agent who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by the Association) by reason of the fact that the person is or was a Director, officer, employee, or agent of the Association or is

or was serving at the request of the Association as a Director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorney fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by the person in connection with the suit, action, or proceeding if the person acted in good faith and in a manner that the person reasonably believed to be in, or not opposed to, the best interest of the Association, and, with respect to any criminal action or proceedings, had no reasonable cause to believe that the person's conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or plea of nolo contendere or its equivalent, will not of itself create a presumption that a person did not act in good faith and in a manner that the person reasonably believed to be in, or not opposed to, the best interest of the Association, and, with respect to any criminal action or proceedings, had reasonable cause to believe that the person's conduct was unlawful. Payment under this clause may be made during the pendency of the claim, action, suit, or proceeding as and when incurred, subject only to the right of the Association to reimbursement of the payment from the person, should it be proven at a later time that the person had no right to the payments. All persons who are ultimately held liable for their actions on behalf of the Association as a Director, officer, employee, or agent will have a right of contribution over and against all other Directors, officers, employees, or agents and members of the Association who participated with or benefited from the acts that created the liability.

14.4 Enforcement/Attorneys' Fees. The Association, the Owners, and any mortgagee holding an interest on a Lot have the right to enforce all of the covenants, conditions, restrictions, reservations, easements, liens, and charges now or hereinafter imposed by any of the provisions of this Declaration as may appertain specifically to such parties or Owners by any proceeding at

law or in equity. Failure by either the Association or by any Owner or mortgagee to enforce any covenant, condition, or restriction herein contained will in no event be deemed a waiver of their right to do so thereafter. If suit or action is commenced to enforce the terms and provisions of this Declaration, the prevailing party will be entitled to its actual administrative costs incurred because of a matter or event that is the subject of the suit or action, attorney fees and costs in the suit or action to be fixed by the trial court, and in the event of an appeal, the cost of the appeal, together with reasonable attorney fees, to be set by the appellate court. In addition thereto, the Association will be entitled to its reasonable attorney fees and costs incurred in any enforcement activity or to collect delinquent assessments, together with the Association's actual administrative costs, whether or not suit or action is filed.

14.5 Severability. Invalidation of any one of these covenants, conditions, or restrictions by judgment or court order shall not affect the other provisions hereof and the same shall remain in full force and effect.

14.6 Duration. The covenants, conditions, and restrictions of this Declaration run with and bind the land for a term of thirty-five (35) years from the date of this Declaration being recorded, after which time they will be automatically extended for successive periods of ten (10) years, unless rescinded by a vote of at least ninety percent (90%) of the Owners and ninety percent (90%) of the first mortgagees; however, amendments that do not constitute rescission of the planned community may be adopted as provided in Section 14.7. Additionally, any such rescission which affects the Common Area shall require the prior written consent of Clark County. Provided, however, that if any of the provisions of this Declaration would violate the rule against perpetuities or any other limitation on the duration of the provisions herein contained imposed by law, then such provision shall be deemed to remain in effect only for the maximum

period permitted by law or, in the event the rule against perpetuities applies, until twenty-one (21) years after the death of the last survivor of the now living descendants of President George W. Bush.

14.7 Amendment. Except as otherwise provided in Section 14.6 and the restrictions set forth elsewhere herein, this Declaration may be amended at any time by an instrument approved by not less than seventy-five percent (75%) of the total votes allocated to the Lots, without regard to the enhanced voting rights of the Class B Member. Any amendment must be executed, recorded, and certified as provided by law; however, no amendment of this Declaration will effect an amendment of the Bylaws or Articles without compliance with the provisions of those documents and the Washington Nonprofit Corporation Act. Notwithstanding the foregoing, no amendment affecting any of the following may be adopted without the consent of the Declarant so long as Declarant owns any Property within Riverside Estates, and without the consent of every Owner affected by such change:

14.7.1 The method of allocating assessments among Owners of Lots within the Association;

14.7.2 Any provision requiring the maintenance of the Common Area to a certain level of quality;

14.7.3 Section 7.2

14.7.4 This Section 14.7.

No amendment affecting any right of the Declarant herein contained may be effected without the express written consent of the Declarant or its successors and assigns. No amendment may amend this sentence or any other provision of this Declaration for the benefit of Clark County without the written consent of Clark County.

14.8 Release of Right of Control. The Declarant may give up its right of control in writing at any time by notice to the Association.

14.9 Unilateral Amendment by Declarant. In addition to all other special rights of Declarant provided in this Declaration, Declarant may amend this Declaration in order to comply with the requirements of the Federal Housing Administration of the United States, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, any department, bureau, board, commission, or agency of the United States or the State of Washington, or any other state in which the Lots are marketed and sold, or any corporation wholly owned, directly or indirectly, by the United States or the State of Washington, or such other state, the approval of which entity is required in order for it to insure, guarantee, or provide financing in connection with development of the Property and sale of Lots.

14.10 Resolution of Document Conflicts. In the event of a conflict among any of the provisions of the documents governing Riverside Estates, such conflict shall be resolved by looking to the following documents in the order shown below:

1. Declaration;
2. Articles;
3. Bylaws;
4. Rules and Regulations

IN WITNESS THEREOF, the undersigned being Declarant herein, has executed this instrument this ____ day of _____, 2016.

La Center Riverside Estates, LLC
An Washington limited liability company

By: _____
[Manager]

