

After Recording, Please Mail To:

Sun Willows Homeowners Association
Attn: Association President
205 Sun Willows Blvd.
Pasco, WA 99301

Reference No(s): 504948 and 1595173

Grantor(s): Sun Willows Homeowners Association, a Washington nonprofit corporation

Grantee(s): The Public and all property owners within the Village at Sun Willows Division 1
through Division 7

Abbreviated Legal Description(s): All lots and tracts, the Village at Sun Willows Division 1, according to the
plat thereof recorded in Volume D of Plats, Pages 131 and 132, records of Franklin County, Washington. See
attached Exhibit A for additional legal description.

**RESTATED AND AMENDED DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS, AND RESERVATIONS FOR SUN WILLOWS**

**THIS RESTATED AND AMENDED DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS, AND RESERVATIONS FOR SUN WILLOWS** (hereinafter "Declaration") is duly made and entered into on the date set forth below by the Sun Willows Homeowners Association, a Washington nonprofit corporation formed and operated as a residential homeowners association (hereinafter "Association"), for purposes of subjecting all of the platted residential lots and all related appurtenant common areas legally described in attached and incorporated by reference "Exhibit A" and "Exhibit B" hereto to its various terms, covenants, conditions, and restrictions.

**THIS RESTATED DECLARATION IS BEING MADE AND EXECUTED WITH
REFERENCE TO, AND BASED UPON, THE FOLLOWING UNDERLYING FACTS
AND CIRCUMSTANCES:**

- A. The platted residential lots and related appurtenant common areas described in Exhibit A hereto are all presently subject to and benefitted by a Declaration of Covenants, Conditions, Restrictions, and Reservations for Sun Willows recorded with the Franklin County Auditor on December 22, 1993, under Franklin County Auditor File No. 504948, which instrument was subsequently duly-amended by instrument recorded with the Franklin County Auditor on September 12, 2001, under Franklin County Auditor File No. 1595173 (hereinafter collectively the "Existing Declaration").

- B. Without limitation to other intents and purposes stated therein, the Existing Declaration was created and exists to ensure a common-plan, uniform and high-quality of development with regard to structures and other improvements upon the above-described Sun Willows lots in order to enhance, protect and preserve the health, safety, welfare, security and value of monetary investment, as well as to promote, enhance and ensure cooperative harmony and compatibility among and between Sun Willows homeowners, residents, and neighbors.
- C. Section 14.1 of the Existing Declaration provides that the terms and provisions of the Existing Declaration may be amended by approval of more than sixty-seven percent (67%) of the members of the Association.
- D. To update and to address certain deficiencies and unnecessary provisions in the Existing Declaration, the Association's Board of Directors duly proposed this Declaration to the Association's members for their consideration and special vote at a duly-called meeting of the Association on _____, 2011, pursuant to Section 14.1 of the Existing Declaration, and more than sixty-seven percent (67%) of the Association's current members have affirmatively approved and duly authorized the formal adoption and implementation of this Declaration for the intended purpose of fully replacing the Existing Declaration and benefitting and subjecting all of the platted residential lots and related appurtenant common areas described in Exhibits A and B hereto to this Declaration's terms, covenants, conditions, and restrictions.

NOW, THEREFORE, having been duly adopted and authorized in the manner described in the foregoing paragraph D, this Declaration is hereby formally adopted and implemented by the Association by and through its authorized undersigned representatives for purposes of being immediately recorded with the Franklin County Auditor to fully supersede and replace the Existing Declaration, and to hereafter benefit and subject all of the platted residential lots and related appurtenant common areas described in attached Exhibits A and B hereto to the following terms, covenants, conditions, and restrictions:

ARTICLE 1: DEFINITIONS

Section 1.1 -- Definitions: For the purpose of this Declaration and any amendments hereto, the following definitions shall apply.

1.1.1 “Architectural Review Committee (ARC)” shall mean the Board, as defined below or a committee by that name designated by the Board.

1.1.2 “Articles” shall mean the Articles of Incorporation of the Association, as defined below.

1.1.3 “Association” shall mean the Sun Willows Homeowners

Association, a Washington non-profit corporation, as described more fully in Article 3, and its successors and assigns.

1.1.4 “Board” shall mean and refer to the Board of Directors of the Association, as provided for in Article 4.

1.1.5 “Bylaws” shall mean the bylaws of the Association as they may from time to time be amended.

1.1.6 “Common Area” shall mean that real property and improvements described in Exhibit B attached hereto, plus any additional real property and improvements that may be added to such definition from time to time in accordance with Article 2.

1.1.7 “Declaration” shall mean this Restated and Amended Declaration of Covenants, Conditions, Restrictions, and Reservations for Sun Willows and any amendments thereto.

1.1.8 “Fence” shall mean any type of barrier fencing constructed, erected, replaced, repaired or altered on any Lot, regardless of its building materials composition (e.g., wood, masonry, rock, vinyl, wrought iron, stucco, etc.). Plants, trees, hedges, and similar types of vegetation shall be considered as being a fence when planted and located in such a manner on a Lot as to effectively constitute a concentrated mass planting. Gates, moveable access panels, garbage can or HVAC system screening, and patio/deck screening shall also be considered as being a Fence.

1.1.9 “Home” shall mean a structure located on a Lot that is designed and intended for use and occupancy as a residence by a single family or which is intended for use in connection with such residence. A Home may be detached or may be an attached Patio Home or a Townhome.

1.1.10 Landscaping” shall mean or refer to any type of improvement or adorning of a Lot by contouring or by planting sod, grass seed, flowers, plants, shrubs or trees; or by placement of decorative bark, decorative rocks, or other such similar decorative or adorning materials on a Lot.

1.1.11 “Lot” shall mean and refer to any parcel of land shown upon any recorded subdivision Plat Map of the Property, with the exception of the Common Area and any land now or hereafter owned by the Association and any land dedicated to the public or to a governmental entity. Ownership of a Lot shall include ownership of the Home and improvements now or hereafter constructed thereon.

1.1.12 “Member” shall mean a Person entitled to membership in the Association pursuant to Article 4 of the Articles.

1.1.13 “Mortgage” shall mean a recorded mortgage or deed of trust that creates a lien against a Lot and shall also mean a real estate contract for the sale of a Lot.

1.1.14 “Mortgagee” shall mean the beneficial owner, or the designee of the beneficial owner, of a Mortgage lien on a Lot.

1.1.15 “Owner” shall mean the Person(s) owning and holding in the public record the fee simple title to any Lot on the Property and, except as may be otherwise expressly provided herein, shall include the Person(s) holding a vendee’s interest in a Lot under a recorded real estate contract (to the exclusion of the contract vendor). A Person holding any such interest in a Lot exclusively for collateral or security purposes is not an Owner.

1.1.16 “Patio Home” shall mean any home constructed on the Property, which shares a party wall or is otherwise connected with only one other separate Home.

1.1.17 “Person” shall mean and include natural persons, partnerships, corporations, limited liability companies, trusts, associations, trustees, personal representatives and other legal entities.

1.1.18 “Plat Map” shall mean the recorded plat maps identified in Exhibit A hereto that created and depict the layout of the Lots and Common Area of the Property recorded under Franklin County Auditor’s File Nos. 472401, 475041, 501277, 501278, 512199, 535155, 1564804, and 1622325, respectively, together with any subsequently-recorded amendments, corrections or addenda thereto.

1.1.19 “Property” shall mean the platted residential Lots and related appurtenant Common Areas described in Exhibits A and B hereto.

1.1.20 “Structure” shall mean any type of dwelling, building, improvement, wall, pool, driveway, walkway, patio, garage, carport, gazebo, mailbox, rockery, fish pond, tennis court, recreational equipment (such as putting greens, batting cages, trampolines, swing sets and jungle gyms), landscaping/yard ornament, or the like.

1.1.21 “Townhome” shall mean any Home constructed on the Property that shares a party wall with one or more other Homes.

1.1.22 “Townhome Owners Association” shall mean the sub-association which may be formed to manage the Townhomes. If so formed, the Town home Owners Association shall be subordinate to the Association and will report to the Association.

ARTICLE 2: COMMON AREAS:

Section 2.1 -- Description of Common Area: The Common Area is described in

Exhibit B attached hereto, and includes such additional real property and improvements that may from time to time be conveyed to the Association for the benefit of the Members. The Common Area does not exist for use by the general public.

Section 2.2 -- Use of Common Area: Each Owner shall have the right to use the Common Areas in common with all other Owners, subject to this Declaration, the Bylaws and any rules and regulations and specifically subject to the following potential limitations or exclusions on Owner usage.

2.2.1 The Association may totally bar or restrict use of portions of the Common Area where ordinary use could be dangerous, unreasonably increase Association costs, or be detrimental to the environment.

2.2.2 The Association shall have the right to suspend the voting rights and right to use of any recreational facilities on the Common Area (other than roadways and walkways) by any Owner for any period during which any assessment against such Owner's Lot remains unpaid and for a period not to exceed 60 days for any and each separate infraction of the Association's published rules and regulations.

2.2.3 The Association shall have the right to dedicate or transfer all or any portions of the Common Area, including easements thereon, to any public agency, authority, or utility for such purpose and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless two-thirds of the Members consent to such dedication or transfer, as evidenced by an instrument signed in recordable form by at least two-thirds of the Members.

Section 2.3 -- Native Growth Protection Areas and Other Areas: Certain portions of the Common Area may have special designations on the Plat Map, including but not limited to Native Growth Protection Areas or Easements, bio-filtration areas, and storm-water retention or detention areas. Those areas are subject to any special use restrictions set forth on the Plat Map and any supplemental regulations established by the Association consistent with the Plat Map restrictions.

Section 2.4 -- Delegation of Use: Any Member may delegate, in accordance with such rules and regulations, as the Association shall promulgate, his or her right of use and enjoyment of the Common Area to family members, guests, and tenants of such Member. Each Owner shall be responsible for informing such Owner's family members, guests, tenants, and service personnel of the contents of this Declaration as well as any rules and regulations that may be adopted by the Association as they may relate to appropriate community behavior. Each Owner shall be personally liable for any damage to any Common Areas or any other area maintained by the Association or to any other property of the Association, whether real or personal, caused by an Owner's family member, guest, tenant, agent, workman, contractor or other licensee or invitee. The Association may have a lien placed upon the Owner's Lot for the amount of damages.

Section 2.5 -- Maintenance: The Association shall have full responsibility for the maintenance, repair, and improvement of the Common Area and the common utility systems and facilities (including without limitation storm drainage facilities) which are for the common use and benefit of the Property and which a governmental entity having jurisdiction may now or hereafter require to be maintained by the Owners. All of the Common Areas and all such common utility systems and facilities shall be reasonably maintained for their intended use, subject to applicable governmental restrictions.

ARTICLE 3: HOMEOWNERS ASSOCIATION

Section 3.1 -- Establishment: The Sun Willows Homeowners Association was duly established by filing its Articles of Incorporation with the Washington Secretary of State on December 22, 1993.

Section 3.2 -- Form of the Association: The Association is a nonprofit corporation formed and operated under the laws of the State of Washington.

Section 3.3 -- Articles and Bylaws: In the event of any irreconcilable conflict between this Declaration and the Association's Articles or Bylaws, the provisions of this Declaration shall supersede and control.

Section 3.4 -- Board of Directors: The Association is managed by and through a Board of Directors, whose members must be members of the Association. The Board of Directors is elected as set forth in the Association's Articles and Bylaws.

Section 3.5 -- Membership and Voting Rights: The Association shall have a single class of voting membership, with each Association Member having one (1) vote. Provided that, however, in the event of joint ownership of a Lot between multiple Persons, no more than one (1) aggregated vote may be cast with respect to any such Lot.

Section 3.6 -- Transfer of Membership: The Association membership of each Owner shall be appurtenant to the Lot giving rise to such membership, and shall not be transferred in any way except upon the transfer of title to the Lot and then only to the transferee of title to the Lot. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Lot shall operate automatically to transfer the membership in the Association to the new Owner.

Section 3.7 -- Books and Records: The Board shall cause to be kept complete, detailed, and accurate books and records of the receipts and expenditures of the Association, in a form that complies with generally accepted accounting principles.

Section 3.8 -- Inspection of Association Documents, Books, and Records: The Association shall make available to Owners, Mortgagees, prospective purchasers and their prospective mortgagees, and the agents or attorneys of any of them the Articles, Bylaws, and

other rules, books, records, and financial statements of the Association, and the most recent annual audited financial statement, if one is prepared. "Available" shall mean available for inspection upon request, during normal business hours or under other reasonable circumstances. The Association may require the requesting party to pay a reasonable charge to cover the cost of making copies.

Section 3.9 -- Townhome Owners Association:

3.9.1 A sub-association called the "Townhome Owners Association," may be created in accordance with this Declaration, and whose membership shall be comprised only of Owners of Townhome Lots. If formed, such association shall be subordinate to the Association.

3.9.2 The Townhome Owners Association, if formed, shall be a nonprofit corporation formed and operated under the laws of the State of Washington.

3.9.3 The Townhome Owners Association, if formed, will adopt articles of incorporation and bylaws to provide for its administration, administration of the Townhome Lots, and for other purposes not inconsistent with this Declaration. In the event of any irreconcilable conflict between this Declaration and said articles of incorporation or said bylaws, the provisions of this Declaration shall supersede and control.

3.9.4 The Townhome Owners Association, if formed, will be managed by a Board of Directors whose members must be members of the Townhome Owners Association and be elected as set forth in the Townhome Owners Association articles of incorporation and bylaws.

3.9.5 The Townhome Owners Association, if formed, shall have a single class of voting membership, with each association member having one (1) vote for each Townhome Lot owned. Provided that, however, in the event of joint ownership of a Townhome Lot between multiple Persons, no more than one (1) aggregated vote may be cast with respect to any such Townhome Lot.

3.9.6 The Townhome Owners Association membership of each Owner of a Townhome Lot shall be appurtenant to the Townhome Lot giving rise to such membership, and shall not be transferred in any way except upon the transfer of title to the Townhome Lot and then only to the transferee of title to the Townhome Lot. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Townhome Lot shall operate automatically to transfer the membership in the Townhome Owners Association to the new Owner.

3.9.7 The Board of Directors of the Townhome Owners Association shall cause to be kept complete, detailed, and accurate books and records of the receipts and expenditures of the Townhome Owners Association, in a form that complies with generally

accepted accounting principles.

3.9.8 The Townhome Owners Association shall make available to Townhome Owners, Mortgagees, prospective purchasers and their prospective mortgagees, and the agents or attorneys of any of them, current copies of this Declaration, the Townhome Owner Association's articles of incorporation and bylaws, and other rules, books, records, and financial statements of the Townhome Owners Association, and the most recent annual audited financial statement, if one is prepared. "Available" shall mean available for inspection upon request, during normal business hours or under other reasonable circumstances. The Townhome Owners Association may require the requesting party to pay a reasonable charge to cover the cost of making copies.

ARTICLE 4: MANAGEMENT OF THE ASSOCIATION

Section 4.1 -- Administration of the Property: All Members and all Owners acknowledge, covenant and agree that the administration of the Property shall be in accordance with the provisions of this Declaration and the Bylaws and other rules and regulations of the Association. The Board is vested with full administrative power and authority.

Section 4.2 -- Authority and Duties of the Board: On behalf of and acting for the Association and for the benefit of the Property and Members, the Board shall have all powers and authority granted to the Board under this Declaration including, but not limited to, the following powers and authority.

4.2.1 Levy, collect and enforce the collection of assessments, as more particularly set forth in Article 8 hereof, to defray expenses attributable to carrying out the duties and functions of the Association hereunder.

4.2.2 Require any officer or employee of the Association handling or responsible for Association funds to furnish adequate fidelity bonds, the premiums on such bonds to be paid by the Association.

4.2.3 Operate, maintain, and repair the irrigation water distribution system, which serves the Common Area. Water service to the Property shall be provided by the City of Pasco, unless another source for water service is developed in the future. With respect to irrigation water distribution on individual Lots, the Board shall only be responsible for energizing the system in the spring of each year and blowing out or otherwise draining the system in the fall of each year. Each Lot Owner shall be responsible for any maintenance or costs to repair the irrigation water distribution system on such Owner's Lot. Any maintenance required on such system shall be completed in a timely manner.

4.2.4 Enter into agreements with one or more qualified persons to provide for the maintenance and repair of Common Area, the collection of assessments, the sending of

required notice to Members, the operation of Association meetings, and other regular activities of the Association. Provided that, however, the Board may not delegate to said persons any non-delegable duties that the Board may be required by law to directly perform.

4.2.5 Contract and pay for any materials, supplies, labor or services which the Board should determine are necessary or proper for carrying out its powers and duties under this Declaration, including legal, accounting, management, security patrol or other service. However, if for any reason any materials, supplies, labor or services are provided for particular Lots or their Owners, including maintenance of the Townhomes, the cost thereof shall be specially charged to the Owner of such Lots.

4.2.6 Through the Townhome Owners Association, if formed, maintain the building exterior, yards, party walls, and obtain casualty insurance on the Townhomes in accordance with the provisions of Article 7 below.

4.2.7 Sign checks, drafts, and other orders for the payment of money, notes, or other evidences of indebtedness in the Association's name by and through such Association officer(s)/agent(s) and in such manner as may be determined and designated by the Board from time to time.

Section 4.3 -- Adoption of Rules and Regulations: The Board shall have full power and authority to adopt reasonable rules and regulations governing the maintenance and use of Common Area and the Property and to address other matters of general concern to the Members, provided that such rules and regulation must be consistent with the Declaration and the Bylaws, and must treat all Members fairly and on a non-discriminatory basis.

Section 4.4 -- Additional Powers of the Association: In addition to the duties and powers of the Association specified in this Declaration, the Association, acting by and through its Board, shall have power and authority to do all other things deemed reasonably necessary or appropriate to carry out the Association's duties and to effectuate the purpose and achieve the goals of this Declaration.

ARTICLE 5: ARCHITECTURAL CONTROL

Section 5.1 -- Construction and Exterior Alterations or Repairs: No Structure, Landscaping, or Fence of any type or nature shall be constructed, erected, placed, installed, exteriorly altered/repaired, or otherwise allowed to remain on any Lot unless and until the proposed Structure's, Landscaping's or Fence's detailed plans and specifications, exterior color plan, and site plot plan (including proposed location with respect to setbacks, topography, and finished ground elevation) showing and detailing the specific type, design, shape, height, location, color, and building materials composition of the proposed Structure, Landscaping, or Fence have been duly submitted to be reviewed and pre-approved in writing by the Board, or by an Architectural Review Committee ("ARC") composed of three or more representatives

appointed by the Board, as being in full and strict compliance with all applicable provisions of this Declaration and any applicable architectural rules or guidelines, and as being in full and complete conformity and harmony as to external design and location relative to existing Structures, Landscaping , and Fences on other Lots within the Property. Any reference to the ARC in this Article 5 or elsewhere in this Declaration shall be deemed to include the ARC or the Board, as the particular circumstances may render applicable.

Section 5.2 -- Conformance: Without limitation as to the ARC's general and broad power and authority under the Declaration to influence and control the design and location of Structures, Landscaping, and Fences upon Lots, the ARC's purpose shall be to ensure that all plans, specifications, setbacks and designs are in conformance to this Declaration and the covenants, conditions and restrictions contained herein; and that all Structures, Landscaping, and Fences located on Lots within the Property are designed, located, constructed, and altered/repaired in such a manner so as to conform in height and general appearance with other existing Structures, Landscaping, and Fences on Lots within the Property.

Section 5.3 -- Plans and Specifications Submittal: Complete and detailed plans and specifications and other documentation/ information specified and required under the preceding section, together with any other data or information requested by the ARC (hereinafter collectively the "Plans and Specifications") must be submitted in duplicate to the ARC at least 30 days prior to any work or activity encompassed by this Article 5 commencing, and no such work or activity can begin until written approval thereof is obtained from the ARC. Plans and Specifications should be submitted to the ARC at the following address (and/or to such other address(es) as may hereafter be designated in writing by the ARC):

Sun Willows Homeowners Association (SWHOA)
205 Sun Willows Blvd. Pasco, WA 99301

Section 5.4 -- Plans and Specifications Review: If the ARC fails to approve or disapprove any Plans and Specifications submitted to it for review within 30 days after the date of submission, the submitted Plans and Specifications shall be deemed approved by the ARC and the provisions of this Article 5 shall be deemed to have been complied with provided that the design, location, and other physical and aesthetic characteristics of the proposed Structure, Landscaping, or Fence must be in reasonable harmony with the other existing Structures, Landscaping, and Fences on the other Lots within the Property and shall be governed by and be subject to all other applicable covenants, conditions and restrictions set forth in this Declaration; and provided further that the maximum height of any building shall in no event be greater than 9 meters (29.5275 feet).

Section 5.5 -- Professionally Drawn Plans and Specifications: The ARC may require that the Plans and Specifications be prepared by an architect or competent house designer approved by the ARC. The ARC shall permanently retain one complete set of Plans and Specifications. Any and all work or activity encompassed by this Article 5 must be performed by a licensed Washington contractor or other Person approved by the ARC.

Section 5.6 -- Approval: The ARC's approval of duly submitted Plans and Specifications shall not be unreasonably or arbitrarily withheld. However, the ARC shall have all right to reject any proposed Plans and Specification that the ARC deems, in its sole and absolute discretion, not to be architecturally and/or aesthetically suitable or desirable for the Sun Willows residential development; provided that the ARC's rejection of any proposed Plans and Specifications must be based on objective factors and criteria and on reasonable judgment as to the effect that the proposed Structure, Landscaping, or Fence would or may have on other Lots and/or on the Sun Willow development as a whole. Neither the ARC or the Association or their members and representatives shall have any personal liability whatsoever for successful challenges to the ARC's decisions regarding submitted Plans and Specifications, and the sole and exclusive remedy available to any party successfully challenging any ARC decision shall be exclusively limited to an order/decree reversing the ARC's decision, and such party shall have no right, claim, remedy, or entitlement whatsoever for damages or reimbursement of any amount or nature, including, without limitation, incurred attorney fees, costs and expenses. The ARC's approval of any proposed Plans and Specifications or other matter submitted to it shall not in any way be deemed to constitute a waiver, abandonment, or binding precedent that would limit or preclude the ARC's right and ability to subsequently withhold its approval of similar proposed matters submitted to it.

Section 5.7 -- Nonconformance: Without limitation to the foregoing provisions of this Article 5, the ARC shall have the discretionary right to reject the design or installation of a swimming pool or any other recreational structure/equipment deemed undesirable by the ARC-based on aesthetic factors or any other considerations such as potential adverse visual or noise impacts on other Lots or on Common Areas.

Section 5.8 -- Guidelines, Rules, and Regulations: The ARC shall have the discretion, power, and authority to enact, promulgate, implement, and enforce architectural guidelines, rules, and regulations that the ARC may deem reasonable and necessary or appropriate from time-to-time to effectively and efficiently fulfill its purpose and duties under this Declaration and the provisions of Article 5.

Section 5.9 -- Exterior Colors: Without limitation to the foregoing provisions of this Article 5, with specific regard to exterior colors for any Structure, all exterior colors shall be subject to the ARC's review and pre-approval. All exterior colors must harmonize with the surrounding Homes and Landscaping, and earth tone colors are preferred and strongly encouraged. Any reflective metal such as chimneystacks, flashing, exhaust vents and piping must be painted to match or blend aesthetically with surrounding material colors, and such paint color must be pre-approved by the ARC.

Section 5.10 -- Responsibility and Liability: The ARC's approval of proposed Plans and Specifications shall not in any way be interpreted or deemed as being any type of endorsement or certification as to the proposed Structure's (or other proposed work's or improvement's) safety, structural integrity, or compliance with applicable laws, regulations, or building codes. The party submitting Plans and Specifications to the ARC shall bear all

responsibility to ensure such safety, structure integrity, and compliance, and neither the ARC nor the Association or their members and representatives shall have any liability whatsoever for any defect, failure or lack of safety, structural integrity, or compliance.

Section 5.11 -- Pre-Existing Structure, Landscaping, or Fence: Notwithstanding anything contained in this Article 5 or elsewhere in this Declaration to the contrary, any and all Structures, Landscaping, and Fences existing on any Lot as of the date of recording this Declaration shall be deemed "grandfathered in" as of such date for purposes of the specific Lot upon which the particular Structure, Landscaping, or Fence exists and, therefore, not subject to the ARC review and approval requirements contained in this Article 5; provided that, any and all such existing Structures, Landscaping, and Fences must otherwise comply with and conform to all applicable laws, regulations and building codes; and provided further that the future repair, replacement, remodel, or alteration/modification of or to any such existing Structures, Landscaping, or Fence shall be undertaken and made in compliance with the ARC approval requirements contained in this Article 5 and any other applicable provisions in this Declaration. The existence of any pre-existing ("grandfathered in") Structure, Landscaping, or Fence shall not in any way be deemed to effect or constitute a waiver/abandonment of any provision of this Declaration, nor shall it effect or constitute a binding precedent that would limit or preclude the ARC's discretionary right and ability to withhold its approval of identical or similar proposed future Structures, Landscaping, or Fences upon any Lot.

ARTICLE 6: USE AND MAINTENANCE OBLIGATIONS OF OWNERS

Section 6.1 -- Exterior Maintenance: Except for such maintenance and repairs which are to be performed by the Association pursuant to the provisions of this Declaration, each Owner, at said Owner's cost and expense, shall promptly and continuously maintain, repair and restore said Owner's Lot and the Home and other improvements located thereon in a good, clean, attractive, safe and sanitary condition and in full compliance with all applicable laws, the provisions of this Declaration, and any rules and regulations of the Association.

Section 6.2 -- Restrictions on Storage: No Owner shall store or allow any guest, occupant or tenant to store any trailers, boats, motor homes, recreational vehicles, motorcycles, or trucks larger than 1-ton flare side or style side pickup nor any disabled/inoperable motor vehicle on the Property unless any such otherwise disallowed vehicle or property item is completely hidden from view within a garage. Trailers, boats, motor home, recreational vehicles, and/or trucks may be stored only in the rented storage area designated for such purpose on the Plan Map. Any violations of this section shall subject any such vehicles or property items to public impound, at the expense and risk of the owner thereof.

Section 6.3 -- Roadway/Common Drives: No on-street vehicle parking by Owners, residents, occupants or tenants shall be allowed on any roadway or street within the Property. Guests may park their vehicles on the street provided that it is done along and within the street-side boundaries of the Home that the guest is visiting and provided that unobstructed access for emergency vehicles and neighboring Lots is maintained. Guests may also use off-street areas

designated by the Association for guest parking for up to a maximum of 72 hours. Common drives, walks/paths (if any) shall be used exclusively for normal ingress-egress access purposes, and no obstruction shall be placed thereon or therein except by express written pre-approval of the Board. Without limitation to the provisions of Section 6.2 above, an Owner may park a recreational vehicle within the Owner's Lot boundary lines for up to a maximum of 72 hours. The sole purpose of the extended parking is to prepare or clean up for a trip.

Section 6.4 -- Residential Use: All Lots and improvements located thereon shall be used, improved and devoted exclusively for residential purposes only, including sleeping, eating, food preparation for on-site consumption by occupants and guests, entertaining by occupants of personal guests, and similar activities commonly conducted within a residential dwelling (without regard to whether the Owner or occupant uses the Home as a primary or secondary personal residence, on an ownership, rental, lease or invitee basis) or such other reasonable ancillary purposes commonly associated with residential dwellings and otherwise in compliance with this Declaration and applicable laws in residential dwellings; for the common social, recreational or other reasonable uses normally incident to such purposes; and for purposes of operating the Association and managing the Property. No Structures or buildings of any kind shall be erected, altered, placed or permitted to remain on any Lot unless such Structures or buildings comply with applicable City of Pasco Building Codes.

Section 6.5 -- No Nuisances: No noxious or offensive conditions shall be permitted upon any Lot or improvement thereon, nor shall anything be done thereon which is or may become an annoyance or nuisance to other residents on the Property. Each Owner will be solely responsible for the cost of cleaning and repairs due to leakage or spillage of oil or other petroleum and toxic substances from vehicles and other property owned by the Owner.

Section 6.6 -- Restriction on Further Subdivision: No Lot may be further divided or partitioned in any manner or for any reason; provided that, the foregoing does not prohibit deeds of correction, deeds to resolve boundary disputes, or other similar corrective instruments.

Section 6.7 -- Garbage and Trash Removal: No Lot shall be used as a dumping ground for rubbish, trash, garbage, litter, junk and other debris. All garbage, trash and yard waste shall be placed in appropriate sanitary containers for regular disposal or recycling. Each Lot Owner shall be responsible for the prompt and regular disposal of all garbage, trash, junk and yard waste.

Section 6.8 -- Animal Restrictions: No insects, reptiles, poultry or animals of any kind shall be raised, bred or kept in or on any Home or Lot or on any Common Area, except that dogs and cats or other usual household pets not exceeding in aggregate two in number per Home may be kept, provided that any such pets must be inside type pets which are normally confined to the interiors of the dwelling units. No dog house, kennels, dog runs or the like may be kept or maintained on any Lot or the outside of any Home and all pets when outside a Home shall be maintained on an adequate leash or other means of physically controlling said animal, by a person capable of controlling the pet at all times or by a suitable invisible electronic confinement

system not dangerous to humans. Pets shall not be allowed to leave remains on any other Lot or on any portion of the Common Area or Golf Course. Any Owner whose animal violates these provisions or who causes any unreasonable noise or damage to persons or property shall be liable to all such harmed Owners and their families, guests and invitees. All animals must normally be kept inside the house.

Section 6.9 -- Signs: No signs shall be displayed to public view on any Lot except one professionally created sign of not more than one square foot displaying the resident's last name, one sign of not more than five square feet advertising the Lot for sale or rent, or signs authorized by law. Political signs as per legislation will be allowed during elections while honoring the one square foot display size.

Section 6.10 -- Renting and Leasing:

6.10.1 With respect to the leasing, renting, or creation of any kind of tenancy of a Home, the Home Owner (except for a lender in possession following a default in a first-position Mortgage, a foreclosure proceeding, or a deed of trust sale or other arrangement in lieu of foreclosure) shall be prohibited from leasing/renting less than the entire Home for a term of less than 30 days; and all lease/rental agreements shall be in writing and shall be subject to this Declaration and the Articles and Bylaws, with any default by the lessee/tenant in complying with this Declaration and /or Articles and/or Bylaws constituting an event of default under such lease/rental agreement. Further, without limitation to the foregoing, the Home Owner shall be fully responsible to make and include proper and adequate provision in the lease/rental agreement to ensure that the lessee/tenant fully complies with all applicable conditions of this Declaration pertaining to Home and Lot care and maintenance, and the Home Owner shall be responsible to strictly enforce such lease/rental agreement provisions.

6.10.2 If a Home is leased/rented by its Owner to a lessee/tenant, the Board by providing written notice to the lessee/tenant, may collect so much of the rent directly from the lessee/tenant to pay any amounts due from the Home Owner to the Association under this Declaration or otherwise if payment from the Home Owner of such amounts is over 30 days delinquent. The lessee/tenant shall have no right to object to or otherwise contest this irrevocable assignment of rents, and such payment from the lessee/tenant to the Association will discharge and satisfy the lessee's/tenant's rental payment obligation to the Home Owner to the extent of the amount of rent paid by the lessee/tenant to the Association, but such payment from the lessee/tenant to the Association will not discharge the liability of the Home Owner or the Lot under this Declaration for assessments and charges nor operate as the Association's approval of the lease/rental agreement. Without limitation to the foregoing, the Board may not exercise its right under this section in situations where a receiver or bankruptcy trustee has been appointed with respect to the Home or the Home Owner, or in derogation of any collection rights that a first-position Mortgagee of such Home may have with respect to such rents.

Section 6.11 -- Zoning Regulations: Zoning regulations, building regulations, environmental regulations and other similar governmental regulations applicable to the Property

subject to this Declaration shall be observed. In the event of any conflict between any provision of such governmental regulations and restrictions of this Declaration, the more restrictive provisions shall apply.

Section 6.12 -- Business Use: No trade, craft, business, profession, commercial or manufacturing enterprise nor any commercial or business activity of any kind or nature shall be conducted upon any Lot. Provided that, this restriction shall not prevent a small-scale, "home-office" type of business activity utilizing computer and/or telecommunication technology carried on within the confines of a Home provided that such activity is conducted in a manner that complies with all applicable governmental laws and requirements and does not negatively detract from the residential nature of the Home; is conducted in a manner that does not generate any customer or clientele traffic; and is conducted in a manner that does not expand to or involve any other area of the Lot.

Section 6.13 -- Temporary Residence: No outbuilding, basement, tent, shack, garage, trailer, shed or temporary building of any kind shall be used as a residence either temporarily or permanently.

Section 6.14 -- Satellite Dishes: Satellite dish antennas one meter (39.37") or less in diameter, broadband radio service antennas one meter (39.37") or less in diameter or diagonal measurement, and antennas designed and intended to receive local television broadcast signals may be installed on a Home; provided that the Owner is requested and encouraged to install any such antenna in a location and manner that promotes the Home's aesthetical appearance to the greatest extent possible while still allowing for an acceptable signal quality. Except for the foregoing, no other type of satellite dish or antenna shall be allowed on any Lot including, without limitation, antennas used for AM/FM radio, amateur ("ham") radio, Citizens Band radio, Digital Audio Radio Services, or any other similar type of communication.

Section 6.15 -- Building Setback Requirements: All Structures, buildings and other Lot improvements shall comply with all applicable governmental requirements, including without limitation minimum setback requirements.

Section 6.16 -- Oil and Mining Operations: No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot, nor shall oil wells, tanks, tunnels, mineral excavation or shafts be permitted upon or in any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot.

Section 6.17 -- Sewage Disposal: No permanent private water well or septic tank system shall be permitted on any Lot. The cleaning of private catch basins, if any, on individual Lots shall be carried out at least once prior to September 15th of each calendar year.

Section 6.18 -- Lot Size: No residential Structure shall be erected or placed on any Lot

that has a lot area of less than that required by the government entity having appropriate jurisdiction over the Property.

Section 6.19 -- Completion of Projects: Any improvements constructed on any Lot on the Property shall be completed as to external appearance, including finish painting, within six months from the commencement of construction except for reasons beyond the control of the builder, in which case the ARC may permit a longer period.

Section 6.20 -- Mailboxes: All mailboxes and related structures shall be placed in locations approved by the United States Postal Service, and no mailbox or related structure shall be damaged or interfered with in any manner or for any reason.

Section 6.21 -- Exterior Add-ons: Except as may be otherwise specifically provided and allowed under this Declaration, no awnings, heating or air conditioning units, or other types of vertical or horizontal projections shall be placed on or hung from the exterior surface of any Home or other Structure unless they have been approved by the ARC.

Section 6.22 -- Outdoor Fires: Outdoor barbecues, fireplaces, or fire pits may be used for cooking on the Lots when permitted by law. Reasonable and adequate precautions against fires must be taken. Excessive smoke or soot accumulation from fires shall not be allowed. No other outdoor fires shall be permitted on the Property. No incineration shall be allowed on any of the Lots.

Section 6.23 -- Screened Service Areas: Unsightly items must be kept in the home or its garage or within a fenced/screened area where the item is not visible from any street or roadway. Without limitation, unsightly items shall include garbage and trash, garbage containers, clotheslines, bicycles, recreational gear, outdoor maintenance equipment, automotive parts, firewood, and ladders. Any and all such fencing/screening must be approved by the ARC, and must be aesthetically consistent with the general appearance of the Home.

Section 6.24 -- Yard Maintenance: All Lots shall be appropriately and attractively landscaped. All landscaping and personal gardens shall be continuously maintained in a neat and attractive manner which, without limitation, shall include regular grass mowing, regular watering, and regular tree, plant and shrub trimming and pruning. Landscaping areas shall not be allowed to become overgrown or unkempt so as to create any type of visual nuisance, and the Board may require an Owner, at the Owner's expense, to trim, top or potentially remove any Landscaping that the Board reasonably determines blocks or interferes with the aesthetical view from another Lot or Common Area. All leaves, clippings, dead plants and other yard waste shall be placed in a compost pile or appropriate containers for disposal.

Section 6.25 -- Quiet Time: 10:00 p.m. to 7:00 a.m. are "quiet hours" in the Sun Willows community. Mowing, trimming, pounding and other noise producing disruptive activities are not permitted during quiet hours.

Section 6.26 -- Defining Boundary Lines: No continuous Fence shall be constructed or placed in backyards, front yards, or for purposes of separating or defining Lot boundary lines. A Fence may be used to provide privacy and security on patios provided that it does not negatively affect the aesthetical view of adjacent Lot Owners, does not constitute a total patio enclosure, and is pre-approved by the ARC.

Section 6.27 -- Solar Energy Panels: All solar energy panels installed on a Lot or Home must meet all applicable requirements of RCW 64.38.055(1) and must be pre-approved by the ARC. Without limitation to the ARC's ability to impose other reasonable conditions regarding the placement of a solar energy panel, the ARC may prohibit the visibility of any part of a roof-mounted solar energy panel above the roof line; permit the attachment of a solar energy panel to the slope of a roof facing a street only if the panel conforms to the slope of the roof and the edge of the panel is parallel to the roof ridge; require a solar energy panel frame, a support bracket, or any visible piping or wiring to be painted to coordinate with roofing materials; require a ground-mounted solar energy panel to be shielded if shielding does not economically prohibit installation of the panel or degrade the panel's operational performance quality by more than 10%; and/or require the Owner to indemnify or reimburse the Association and its Members for any loss or damage caused by the installation, maintenance, or use of the solar energy panel.

ARTICLE 7: TOWNHOMES

Section 7.1 -- Exterior Townhome Maintenance, Repair, and Replacement: It shall be the exclusive right and duty of the Townhome Owners Association, if formed, otherwise the Association, to provide adequate exterior building maintenance on any and all Townhome Lots, as follows: Stain or paint; repair, replace and care for roofs, gutters, down spouts, doors and other exterior improvements, and exterior walls; and perform annual exterior window cleaning. Said maintenance shall not include window glass replacement/repair and cleaning other than the annual exterior window cleaning. All costs, including reasonable reserves for replacement, for such maintenance, repair and replacement shall be assessed only to the Townhome Owners.

Section 7.2 -- Party Walls: Foundation piers, floors, beams, and other structural members or elements common to two adjoining Townhomes on adjacent Townhome Lots which are built as part of the original construction, or are placed upon the dividing line between two adjacent Townhome Lots and actually support or protect two adjacent Townhomes shall be regarded and treated as party walls. The cost of the repair and maintenance of a party wall (as above defined) shall be borne by the Townhome Owners or Patio Home Owners, as the case may be, sharing such party wall.

Section 7.3 -- Wrongful Acts: In the event that the need for any maintenance or repair is caused through the willful or negligent act of a Townhome Owner or his or her family, guests, or invitees, the cost of such maintenance or repairs shall be added to and become a part of the assessments to which such Townhome Owner's Lot is subject.

Section 7.4 -- Right of Entry: The Association and, if formed, the Townhome Owners

Association may at all reasonable times enter upon any Townhome Lot for the purpose of performing its functions under this Article.

Section 7.5 -- Encroachments: Appurtenant to each Townhome Lot shall be an easement over all adjoining Townhome Lots and the Common Area for the purpose of accommodating any encroachment by buildings or structures on the Townhome Lot due to engineering errors, errors in original construction, or the settling or shifting of such buildings or structure. If any residence on any Townhome Lot is partially or totally destroyed and then repaired and rebuilt substantially in accordance with the original plans and specifications, there shall also be appurtenant to the Townhome Lot an easement to accommodate minor encroachments by the successor structure from similar causes.

Section 7.6 -- Lawns and Landscaping: The Townhome Homeowners Association, if formed, otherwise the Association, shall regularly mow, aerate, and fertilize the lawns and other originally installed Landscaping on the Townhome Lots in accordance with good gardening practices, and the Townhome Owners and their Townhome Lots shall be assessed for such associated costs and expenses.

Section 7.7 -- Casualty Insurance: The Townhome Owners Association, if formed, otherwise the Association, shall obtain and maintain in effect fire and extended coverage insurance on the Townhomes at full replacement cost. It shall be the sole responsibility of each Townhome Owner to obtain and provide insurance coverage for the protection and/or replacement of their Townhome and any and all contents therein.

ARTICLE 8: ASSESSMENTS

Section 8.1 -- Creation of the Lien and Personal Obligation of Assessments: Each Lot Owner, by acceptance of a deed to the Lot, and regardless of whether or not it is expressed in such deed, is deemed to covenant and agree to pay the Association any assessment duly levied by the Association as provided for in this Article 8 or elsewhere in this Declaration. Such assessments, together with interest, cost, late charges, and reasonable attorney fees, shall be a charge on the land and constitute a continuing lien upon the Lot(s) (and all improvements thereon and appurtenances thereto) against which such assessments are made. Each such assessment, together with interest, costs, late charges and reasonable attorney fees, shall also be the personal debt and obligation of the Lot Owner; provided, however, said personal obligation for delinquent assessments shall not pass to a successor-in-title of a Lot unless notice of the lien for such assessments had been recorded prior to title transfer or unless expressly assumed by the successor-in-title. When ownership of a Lot changes, assessments established and levied for that current fiscal year shall be prorated between the seller/grantor and buyer/grantee on a 365-day year basis.

Section 8.2 -- Liability for Assessments: Any assessments that may be levied from time to time pursuant to the authority of the Board shall be established in accordance with this Article 8. No Owner may exempt themselves from liability for their Assessments by abandoning their Lot.

Section 8.3 -- Association Budget: The Association shall prepare, or cause the preparation of, an operating budget for the Association at least annually, in accordance with generally accepted accounting principles. The operating budget shall set forth sums required by the Association, as estimated by the Association, to meet its annual costs and expenses together with a reasonable sum to establish reserves for future major repairs and replacements, provided that the Board shall determine when establishment of such reserves shall commence. The Association shall have a separate operating budget for costs of maintenance, repair, and replacement of the Townhomes and Townhome Lots described in Article 7. The Townhome Owners Association may revise the operating budgets after their preparation at any time and from time to time, as it deems necessary or advisable in order to take into account and defray additional costs and expenses of the Association. The Members of the Association who are obligated to pay assessments based on a particular budget may reject said budget at a Special Meeting of the Association by a vote of 67% of the total votes entitled to be cast by the affected Members.

Section 8.4 -- Levy of General Assessment: In order to meet the costs and expenses projected in its operating budget, the Board shall determine and levy on every Owner a general assessment. The Association's operating budget shall be divided by the number of votes in the Association to determine the amount of one assessment unit. Each Owner's general assessment shall be calculated by multiplying the number of votes in the Association by one assessment unit.

Section 8.5 -- Amount of General Assessment: The Board shall make reasonable efforts to determine the amount of the general assessment payable by each Owner for an assessment period at least 30 days in advance of beginning of such period. Notice of the general assessment shall thereupon be sent to each Owner subject to assessment, provided, however, that failure to notify an Owner of the amount of an assessment shall not render such assessment void or invalid. Any failure by the Board, before the expiration of any assessment period, to fix the amount of the general assessment hereunder for the next period shall not be deemed a waiver or modification in any respect of the provisions of this Article or a release of any Owner from the obligation to pay the general assessment or any installment thereof, for that or any subsequent assessment period.

Section 8.6 -- Assessment Period: The general assessment fixed for the preceding period shall continue until a new assessment is fixed. Upon any revision by the Association of the operating budget during the assessment period for which each budget was prepared, the Board shall, if necessary, revise the general assessment levied against the Owners and give notice of the same in the same manner as the initial levy of a general assessment for the assessment period.

Section 8.7 -- Townhome Maintenance Assessments: In order to pay the costs of Townhome maintenance, repair, and replacement services described in Article 7, the Board of the Townhome Owners Association, if formed, or otherwise the Board of the Association, shall determine and levy upon every Townhome Lot Owner an assessment for such costs. Reasonable effort shall be made to establish the amount of such assessment for each assessment period at

least 30 days prior to its commencement. Notice of the assessment shall thereupon be sent to each Townhome Owner subject to assessment; provided, however, that failure to notify a Townhome Owner of the amount of an assessment shall not render such assessment void or invalid. Any failure before the expiration of any assessment period to fix the amount of the assessment for the next ensuing assessment period shall not be deemed a waiver or modification in any respect of the provisions of this article nor a release of any Townhome Owner from the obligation to pay the assessment or any installment thereof for that or any subsequent assessment period. The board of the Townhome Owners Association, or the Board, as the case may be, shall have both the authority and obligation to make such changes in the amount of the Townhome-related assessments as may be necessary to make the assessment revenues realized therefrom in any calendar year equal to the total Townhome-related costs (including reasonable reserves for replacement) for that assessment period; provided, however, the approval of the Townhome Owners shall not be required for any such changes.

Section 8.8 -- Manner and Time of Payment: Assessments shall be payable in such reasonable manner as the Board shall designate. Any assessment or installment thereof, which remains unpaid for at least 15 days after its established payment due date shall bear interest at the rate of 12% per annum, and a late charge in an amount not exceeding 25% of any unpaid assessment may be assessed if delinquent for more than 15 days.

Section 8.9 -- Accounts: Any assessments collected by the Association shall be deposited in one or more federally insured institutional depository accounts established by the Board. The Board shall have exclusive control of such accounts and shall maintain accurate records thereof. No withdrawal shall be made from said accounts except to pay for charges and expenses authorized by this Declaration.

Section 8.10 -- Lien: In the event any assessment or installment thereof remains delinquent for more than 15 days, the Board, upon 15 days' prior written notice of delinquency to the Lot Owner, may accelerate and demand immediate payment of the entire assessment. The amount of any delinquent assessment levied or charged against a Lot plus interest, costs, late charges, and reasonable attorney fees, shall be a lien upon such Lot. A "Notice of Assessment" may be recorded with the Franklin County Auditor at any time after delivery of the above-referenced notice of delinquency to the Lot Owner. The lien for payment of such assessment and charges shall have priority over all other liens and encumbrances against the Lot, recorded or unrecorded, except as may be limited by Section 11.1 of this Declaration, and said lien may be foreclosed in the same manner as a mortgage lien and the court shall have full power and authority to order the Lot sold. Suit to recover a money judgment for unpaid assessments plus interest, costs, late charges, and reasonable attorney fees may be directly maintained against the Lot Owner without foreclosure or waiver of the above-referenced lien securing such debt and obligation.

Section 8.11 -- Waiver of Homestead: Each Owner hereby releases and waives, to the full extent of any and all liens created pursuant to this Article or otherwise under this Declaration, the benefit and right to assert any homestead or any other similar exemption law in

effect at the time any assessment or installment thereof becomes delinquent or at the time any lien arises pursuant to the provisions of this Article or otherwise under this Declaration including, without limitation, the homestead exemption provisions provided under RCW Chapter 6.13.

Section 8.12 -- Special Assessments: In addition to the general assessments authorized by this Article, the Association may levy a special assessment or assessments at any time against all Lot Owners for the specific purpose of defraying, in whole or in part, the cost of any construction or reconstruction, inordinate, or unexpected repair, maintenance or replacement, or a capital improvement located upon or related to a Common Area, including necessary fixtures and personal property related thereto, or for such other purposes as the Association may consider necessary or appropriate; provided, however, that any such special assessment must have the prior favorable vote of 67% of the Member votes entitled to be cast. The amount of each owner's special assessment shall be calculated in the same manner as a general assessment under this Article, except that the total special assessment amount shall be substituted for the operating budget amount.

Section 8.13 -- Individual Assessments: In addition to the general assessments and special assessments authorized by this Article, any common expense or any part of a common expense benefiting fewer than all of the Lots may be assessed by the Association against only the Lot(s) benefited as an individual assessment. Individual assessments shall also include default/corrective assessments individually levied against any Lot and its Owner to reimburse the Association for any fees and costs incurred by the Association to bring such Lot or its Owner into compliance with the provisions of this Declaration and/or the Bylaws and/or administrative rules and regulations adopted by the Association (as the same may be lawfully amended from time to time). Unless otherwise allowed by the Board, individual assessments shall be due and payable to the Association 30 days after the Board has given written notice of the individual assessment to the Lot Owner.

Section 8.14 -- Records & Financial Statements: The Board shall prepare or cause to be prepared for any fiscal year in which the Association levies or collects any assessments, a balance sheet and an operating (income/expense) statement for the Association which shall include a schedule of assessments received and receivable identified by the number of the Lot and the name of the Owner so assessed. The Board shall cause detailed and accurate records of the receipts and expenditures of the Association to be kept specifying and itemizing the maintenance, operating, and any other expense incurred. Such records, copies of this Declaration, the Articles and the Bylaws, and any resolutions authorizing expenditures of Association funds shall be available for examination by any Owner at convenient weekday hours.

Section 8.15 -- Certificate of Assessment: Upon written request, a certificate shall be executed and acknowledged by the Association treasurer or president (or by some other designated and authorized Board representative if the treasurer and president are unavailable) stating the amount of any then-existing indebtedness against a specific Lot for assessments and

charges or, if applicable, stating the lack of such indebtedness. Such certificate shall be conclusively binding on the Association as to the specific matters stated therein, and such certificate in recordable form shall be furnished to any Owner or any record holder of an encumbrance against a Lot within a reasonably prompt time after written request for issuance of the certificate is received and any reasonable charge imposed by the Association for such certificate issuance is paid.

Section 8.16 -- Foreclosure of Assessment or Assessment Lien; Attorney Fees and Costs: The Board or authorized agent may initiate action on behalf of the Association to foreclose the lien of any assessment, or to otherwise collect any assessment, or other charges, levied and imposed under this Article or otherwise in this Declaration. As part of any such foreclosure or collection action, the Association shall be entitled to receive judgment for its reasonable attorney fees and all costs and expenses incurred to pursue and prosecute said action.

Section 8.17 -- Curing of Default: The Board shall prepare and record a satisfaction and release of lien for which any notice has been recorded by the Association against a Lot under this Article or otherwise under this Declaration when the Association receives full and timely payment or other satisfaction of the delinquencies specified in such notice together with any and all other assessments becoming due and payable following the date of such notice's recording together further with any and all related and accrued and incurred costs, late charges, interest, and attorney fees. The Association shall be entitled to impose and collect a reasonable charge to reimburse it for the costs of preparing and recording the satisfaction and release of lien, which costs may include a reasonable sum for incurred attorney fees. A satisfaction and release of lien shall be executed and acknowledged by the Association treasurer or president, or by some other designated and authorized Board representative if the treasurer and president are unavailable.

Section 8.18 -- Delinquent Assessment Deposit:

8.18.1 The Board may require a previously-delinquent Lot Owner to periodically make and maintain a delinquent assessment reserve deposit in an amount equal or up to 3 months of estimated monthly assessments and charges, which deposit shall be held by the Association in a separate/segregated account credited to the Lot owned by that Owner. Said deposit shall be held and maintained for the sole purpose of establishing a reserve fund for the payment of delinquent assessments, and shall not be considered as any type of advance assessment payment. Any interest or dividend accruing on such deposit, if any, shall be credited to the deposit and become part of such deposit.

8.18.2 The Association, acting through its Board, shall be entitled to access and withdraw funds from the above-mentioned reserve fund upon the Lot Owner becoming 10 days or more delinquent in paying assessments and charges. In such event, the withdrawn reserve funds shall be credited towards the delinquent assessments and charges and the Lot Owner shall continue to be responsible for the full and immediate payment of any remaining or other delinquent assessments and charges together with any and all related, accrued and incurred costs, late charges, interest, and attorney fees.

8.18.3 Upon the sale of a Lot, the selling Lot Owner shall not be entitled to receive a refund from the Association of any portion of the above-mentioned reserve fund deposited and maintained with respect to such Lot. Rather, such reserve fund deposit shall continue to be held by the Association for the credit of such Lot, and the selling Lot Owner shall be responsible for obtaining appropriate compensation for such deposited funds direct from the new Lot purchaser.

ARTICLE 9: COMPLIANCE AND ENFORCEMENT

Section 9.1 -- Declaration and Bylaws: Each Member, Board member and the Association shall comply strictly with the provisions of this Declaration and with the Bylaws and administrative rules and regulations adopted by the Association (as the same may be amended from time to time). Failure to comply shall result in a claim for damages or injunctive relief, or both, by the Board (acting through its officers on behalf of the Association and the Owners) or by the aggrieved Owner, on his own, against the party (including an Owner or the Association) failing to comply.

Section 9.2 -- Enforcement: In any action or arbitration to enforce the provisions of Section 9.1 or any other provision of this Declaration, the Articles or the Bylaws, the prevailing party in such action or arbitration shall be entitled to an award for reasonable attorneys' fees and all costs and expenses reasonably incurred in preparation for prosecution of said action or arbitration, in addition to taxable costs permitted by law.

Section 9.3 -- No Waiver of Strict Performance: Any failure by the Association or the Board in any one or more instances to insist upon or enforce the strict performance of any term, covenant, condition, requirement, or restriction contained in this Declaration, or of any applicable Bylaws or administrative rules or regulations, shall not be construed as being any type of waiver, abandonment, or relinquishment of such term, covenant, condition, requirement, or restriction. Without limitation to the foregoing, no such waiver may be asserted against the Board unless such waiver is clearly expressed in writing and duly signed by the Board.

Section 9.4 -- Arbitration: Except as may be otherwise expressly provided in this section or elsewhere in this Declaration, any type of dispute arising from or relating to this Declaration shall be resolved by arbitration conducted in the Tri-Cities, Washington, under the then-existing American Arbitration Association ("AAA") Commercial Arbitration Rules with Expedited Procedure, as modified by this Declaration. There shall be a single arbitrator selected by the parties within 10 business days of the arbitration demand. If the parties are unable to mutually agree on an arbitrator, the arbitrator shall be selected pursuant to AAA Rules. The arbitrator must be a licensed Washington attorney with at least 10 years of practice experience in real estate law. Any disagreement over whether a particular claim or issue is subject to arbitration will be determined and resolved by the arbitrator. At the request of any party made within 45 days of the arbitration demand, the parties shall submit the disputed matter to non-binding mediation which shall be promptly scheduled and held so as not to delay the arbitration hearing date, which hearing shall be held within 90 days of the arbitration demand and fully

concluded within 2 days. No substantive motions or discovery will be generally allowed; provided, however, the arbitrator may authorize discovery as may be deemed reasonably necessary to promote and ensure a fair arbitration hearing. The foregoing time limits are not jurisdictional. The arbitrator shall apply substantive law and may award injunctive relief or any other remedy available from a Washington Superior Court Judge including, without limitation, the award of attorney fees and costs to the prevailing party; provided, however, the arbitrator shall have no power to award punitive damages. The foregoing alternative dispute resolution provisions of this section shall not apply to any action or claims by the Association for enforcement or collection of assessments and related charges, which matters shall be exclusively governed by the provisions of Article 8 of this Declaration.

Section 9.5 -- Remedies Cumulative: Except for claims that must be arbitrated pursuant to Sections 9.2 and 9.4 above, the remedies provided herein are cumulative, and the Board may pursue them concurrently, as well as other remedies, which may be available under law although not expressed herein.

ARTICLE 10: LIMITATION OF LIABILITY

Section 10.1 -- No Personal Liability: So long as a Board member, Association committee member, Association officer, or authorized agent(s) has acted in good faith, without willful or intentional misconduct, upon the basis of such information as may be possessed by such person, no person shall be personally liable to any Member or other party, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error, negligence (except gross negligence), any discretionary decision or failure to make a discretionary decision, by such person in such person's official capacity, provided, however, that this Section shall not apply where the consequences of such act, omission, error or negligence are covered by insurance or bond obtained by the Board pursuant to Article 4 or Article 15 hereof.

Section 10.2 -- Indemnification: Each Board member or Association committee member or Association officer and their respective heirs, and successors, and legal/personal representatives, shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed in connection with any proceeding to which they may be made a party to, or in which they may otherwise become involved, by reason of being or having held such position or office at the time such expenses or liabilities are incurred, except in cases wherein such person is adjudged guilty of intentional misconduct, or gross negligence, or a knowing violation of law in the performance of his duties, and further except in cases where they have participated in a transaction from which they personally receive a monetary benefit, property, or services to which they are not otherwise legally entitled. In the event of a claim or lawsuit settlement, the indemnification provisions of this section shall only apply to settlement and indemnification approved by the Board as being in the best interest of the Association. Nothing contained in this Article 10 shall be deemed to obligate the Association to indemnify any Member who is or has been a Board member or Association officer with respect to any duties or obligations assumed, or any debts and liabilities incurred, by such Member under

and by virtue of this Declaration in the capacity of being a Member or Owner.

ARTICLE 11: EXISTING MORTGAGEE PROTECTION

Section 11.1 -- Priority of Mortgagees: Notwithstanding but without limitation to provisions of this Declaration making unpaid sums generally assessed by the Association against all Lots and any unpaid sums specially assessed against any specific Lot a first-position priority lien against the affected Lot(s), the lien in favor of the Association for such unpaid assessments shall be subordinate to tax liens against the Lot(s) in favor of any lawfully-assessing governmental unit and/or special district and shall be further subordinate to unpaid sums secured by existing first-position Mortgages against the Lot(s) made in good-faith and for value that are recorded as of the date this Declaration is recorded. In that regard, a first-position Mortgagee under such a Mortgage that obtains possession of a Lot through a Mortgage foreclosure sale or by accepting a deed-in-lieu of foreclosure sale shall take possession of the Lot free of any lien or claim for unpaid Association assessments that became due before such possession is acquired, but shall take possession of the Lot subject to any Association assessments and related liens accruing after such possession is acquired. The Lot's past-due and unpaid share of Association assessments accruing pre-possession shall become a new Association common expense and shall be proratably collectible from all Lot Owners including the Mortgagee and its successors and assigns. None of the foregoing provisions of this section shall release or discharge a delinquent prior Owner of a Lot from continuing personal liability for past-due Association expenses. For purposes of this Article 11, the term "Mortgage" shall not mean a real estate contract or a mortgage or deed of trust securing a deferred purchase price balance owed with respect to a seller-financed Lot sale by an Owner; and the term "Mortgagee" shall not mean a real estate contract seller/vendor or a deed of trust beneficiary with respect to a seller-financed Lot sale by an Owner.

Section 11.2 -- Effect of Declaration Amendments: No amendment of this Declaration shall be effective to modify, change, limit or alter the rights expressly conferred hereunder to Mortgagees with respect to any unsatisfied duly recorded Mortgage unless the Mortgagee consents to the amendment in writing.

Section 11.3 -- Rights of Lien Holders: Except as otherwise provided in this Declaration, a breach of the provisions of this Declaration shall not affect or impair the lien of any bona fide Mortgage made in good-faith and for value on any Lot; provided, however, any subsequent Lot Owner shall be fully and unconditionally bound by the provisions of this Declaration regardless of whether such ownership title was acquired by foreclosure sale or by any other manner or means.

Section 11.4 -- Copies of Notices: If the first-position Mortgagee of any Lot provides the Association with written request, the Association shall provide written notice to such Mortgagee if and when the Lot Owner becomes more than 60 days delinquent or otherwise in default under this Declaration.

Section 11.5 -- Furnishing of Documents: Upon written request the Association shall make current copies of this Declaration, Articles, Bylaws, any other rules and regulations affecting the Property, and most recent Association financial statements (if prepared and available) to Mortgagees, prospective Lot purchasers, insurers, and Mortgage guarantors.

ARTICLE 12: EASEMENTS AND SPECIAL TRACTS

Section 12.1 -- Association Functions: There is reserved to the Association or its duly authorized agents and representatives such easements as are necessary or appropriate to perform the Association's duties and obligations under this Declaration or the Bylaws, or any other rules and regulations adopted by the Association.

Section 12.2 -- Utility Easements: Each Lot, has reserved easements over it as provided by the Plat Map and/or applicable government laws, ordinances, rules, and regulations for purposes of installing and maintaining utilities including, without limitation, underground electric power, telephone, water, sewer, drainage, gas and cable; and such easement rights include the authority and right of the easement holder to enter upon a Lot at any time for said purposes. All such easements shall be strictly observed by the Lot Owner, and no Structure, Landscaping, or Fence shall be constructed or placed on a Lot, nor shall any materials (e.g., wood, brick, concrete, blocks, etc.) be stacked or otherwise allowed to accumulate on any Lot, so as to encroach upon, or otherwise interfere with, any designated easement areas(s). The Lot Owner shall be responsible to continuously maintain the easement area(s) on the Lot and any authorized improvements therein unless the maintenance of such improvement is the legal responsibility of a public authority or a utility company.

Section 12.3 -- Reciprocal Private Road Easements: Each Owner and their tenants, guests, and invitees shall have a non-exclusive perpetual easement for ingress-egress access and utilities over and along any roadway or street within the Property, including any roadway or street shown on the Plat Map and legally described on said Plat Map.

Section 12.4 -- Entry by Security Patrol: If the Board contracts with a security service to patrol the Property, the security service employees shall have the right to enter onto any Lot or Common Area in order to carry out their contracted duties provided that, with regard to entry onto a Lot, the security service employee must have reasonable cause or the consent of the Lot Owner or tenant.

ARTICLE 13: ABANDONMENT OF SUBDIVISION STATUS

Section 13.1 -- Duration of Covenants: The provisions of this Declaration, including all covenants, conditions, restrictions, and reservations set forth herein, as now existing or as hereafter amended in accordance with Article 14, shall fully and perpetually run with the land within the Property including, without limitation, any and all Lots and Common Areas.

Section 13.2 -- Abandonment at Subdivision Status: The Association shall not seek by act or omission to either abandon or terminate the legal subdivision status of the Property without obtaining the prior written approval of the City of Pasco, all Owners of record, and all first-position Mortgagees of record.

ARTICLE 14: AMENDMENT OF DECLARATION OR PLAT MAP

Section 14.1 -- Declaration Amendment: The Board may propose amendments to this Declaration to the Lot Owners. Any amendments to this Declaration shall be made by a written and recorded instrument, and must be approved by at least 67% of the Lot Owners entitled to vote on Association affairs pursuant to Section 3.5 of this Declaration and the Articles and/or Bylaws. Such approval of Lot Owners may be obtained by a special vote at a meeting of the Association membership or by the acknowledged signatures of the requisite percentage of Lot Owners. Notice of a meeting at which an amendment to this Declaration is to be considered shall include the text of the proposed amendment. If an amendment is adopted at a meeting of the Association membership, the instrument of the amendment shall bear the acknowledged signatures of the Association president and be attested to by the Association secretary (who shall describe the manner of amendment adoption). Any duly adopted amendments to this Declaration shall become effective, binding, and enforceable for all intents and purposes upon an instrument of amendment being duly prepared and recorded with the Franklin County Auditor.

Section 14.2 -- Plat Map: Except as may be otherwise provided herein, the Plat Map may be amended by revised versions thereof or revised portions thereof being referred to and described as to their effect in an amendment to the Declaration adopted pursuant to Section 14.1. Any such adopted Plat Map amendment shall be effective upon being approved by the City of Pasco and recorded with the Franklin County Auditor in conjunction with the Declaration amendment instrument.

ARTICLE 15: INSURANCE COVERAGE

The Board shall have discretion and authority to obtain and maintain insurance or bonds of fiduciary and/or fidelity coverage for Board members and Association officers, employees, and agents, including, without limitation, fiduciary insurance coverage for officers and directors. The Board shall also have discretion and authority to obtain and maintain any other type of insurance coverage deemed necessary or reasonably appropriate to protect and insure Association interests. Any bonding or insurance coverage obtained and maintained by the Board under this Declaration shall be deemed as a common Association expense.

ARTICLE 16: NOTICE OF GOLF BALL HAZARDS

Section 16.1 -- Golf Balls: All Lot Owners are hereby put on NOTICE that golf balls from the adjacent/neighboring Sun Willows Golf Course may enter onto a Lot. All Lot Owners and their respective family members, guests, tenants, invitees and licensees covenant and agree

to release and hold the City of Pasco, the Association, the golf course operator, and each of their respective officers, directors, principals, employees, tenants, successors in interest, and golf course users harmless from any and all damage or loss caused by golf ball, except as to a golf course user in instances where there is credible proof that the user intentionally and maliciously directed a golf ball onto a Lot causing damage or loss. All Lot Owners are strongly advised and encouraged to take sufficient safeguards on their Lot to attempt to avoid or at least minimize damage or loss that may occur from the intrusion of golf balls onto their Lot.

Section 16.2 -- Homeowner Insurance Coverage: If a golf ball intrusion causes physical or personal damage on a Lot and the golf course user contacts the Lot Owner to report the incident, the golf course user's homeowner's liability insurance policy (if any) may cover the damage. In any event, the Lot Owner's homeowner's insurance policy may cover the damage (less any applicable claim deductible), and an Owner incurring any golf ball damage to their Lot should consider promptly reporting the damage to the Owner's homeowner's insurance carrier.

ARTICLE 17: MISCELLANEOUS

Section 17.1 -- Notices: Any written notice or other documents as required by this Declaration may be delivered personally or by certified mail. If by mail, such notice, unless expressly provided for herein to the contrary with regard to the type of notice being given, shall be deemed to have been delivered and received 48 hours after a copy thereof has been deposited in the United States mail, postage prepaid, addressed as follows:

17.1.1. If to a Member, to the Member's mailing address maintained in the Association's records pursuant to the Bylaws. Each Member has the responsibility to promptly provide the Association with written notice of any mailing address changes.

17.1.2 If to the Association, to the Association's principal mailing address of Sun Willows Home Owners Association; 205 Sun Willows Blvd. Pasco, WA 99301.

Section 17.2 – Lot Conveyance; Assessments Notice: The right of an Owner to sell, transfer, or otherwise convey his Lot shall not be subject to any right of approval, disapproval, first refusal, or similar restriction by the Association or the Board, or anyone acting on their behalf. If a Lot is being sold, the Board shall have the right to notify the purchaser, the title insurance company, and the closing agent of the amount of unpaid assessments and charges outstanding against the Lot, whether or not such information is requested.

Section 17.3 -- Successors and Assigns: This Declaration shall be binding upon, and shall inure to the benefit of, all Owners/Members and their respective heirs, marital communities, personal/legal representative, successors, grantees, assigns, and tenants/lessees.

Section 17.4 -- Joint and Several Liability: In the case of joint ownership of a Lot, the liability of each of the Owners thereof in connection with the liabilities and obligations of

Owners, set forth in or imposed by this Declaration, shall be joint and several.

Section 17.5 -- Severability: The provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability of any other provision hereof.

Section 17.6 -- Construction: The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operations and maintenance of the Property.

Section 17.7 -- Captions: Captions given to the various articles and sections herein are for convenience only and are not intended to modify or affect the meaning of any of the substantive provisions hereof.

Section 17.8 -- Effective Date: This Declaration shall take effect upon recording with the Franklin County Auditor.

BY WITNESS WHEREOF, the Association has duly adopted and executed this Declaration on this day of , 2011.

JOHN FIFER, President

ATTESTED BY:

CAROL BROWN, Secretary

STATE OF WASHINGTON)
) ss.
County of _____)

On this day before me, the undersigned, a Notary Public in and for the state of Washington, duly commissioned and sworn, appeared **JOHN FIFER**, to me known to be the acting President of **SUN WILLOWS HOMEOWNERS ASSOCIATION**, the Washington non-profit corporation that approved and executed the foregoing Declaration, and acknowledged the said instrument to be the free and voluntary act and deed of said Association, for the uses and purposes therein mentioned, and on oath stated that he is fully authorized to approve and execute the said instrument on said Association's behalf.

Given under my hand and seal this ____ day of _____, 2011.

Print Name: _____
NOTARY PUBLIC in and for the state of
Washington, residing at:
My commission expires: _____

STATE OF WASHINGTON)
) ss.
County of _____)

On this day before me, the undersigned, a Notary Public in and for the state of Washington, duly commissioned and sworn, appeared **CAROL BROWN**, to me known to be the acting Secretary of **SUN WILLOWS HOMEOWNERS ASSOCIATION**, the Washington non-profit corporation that executed the foregoing Declaration, and acknowledged the said instrument to be the free and voluntary act and deed of said Association, for the uses and purposes therein mentioned, and on oath stated that she is fully authorized to attest to and execute the said instrument on said Association's behalf, and further attested to and stated that said instrument was executed by the Association's above-named President after being duly approved at a duly-held special meeting of the Association's membership on _____, 2011, by the affirmative vote of approval from at least 67% of the Association Members entitled to vote on Association affairs pursuant to Section 14.1 of the Existing Declaration.

Given under my hand and seal this ____ day of _____, 2011.

Print Name: _____
NOTARY PUBLIC in and for the state of
Washington, residing at:
My commission expires: _____

EXHIBIT A

All lots and tracts, The Village at Sun Willows Division 1, according to the Plat thereof recorded in Volume D of Plats, Pages 131 and 132, records of Franklin County, Washington.

All lots and tracts, Amended Plat of The Village at Sun Willows, according to the Plat thereof recorded in Volume D of Plats, Page 132, records of Franklin County, Washington.

All lots and tracts, The Village at Sun Willows Division 2, according to the Plat thereof recorded in Volume D of Plats, Page 136, records of Franklin County, Washington.

All lots and tracts, The Village at Sun Willows Division 3, according to the Plat thereof recorded in Volume D of Plats, Page 137, records of Franklin County, Washington.

All lots and tracts, The Village at Sun Willows Division 4, according to the Plat thereof recorded in Volume D of Plats, Pages 141 and 142, records of Franklin County, Washington.

All lots and tracts, The Village at Sun Willows Division 5, according to the Plat thereof recorded in Volume D of Plats, Page 157, records of Franklin County, Washington.

All lots and tracts, The Village at Sun Willows Division 6, according to the Plat thereof recorded in Volume D of Plats, Page 174, records of Franklin County, Washington.

All lots and tracts, The Village at Sun Willows Division 7, according to the Plat thereof recorded in Volume D of Plats, Page 229, records of Franklin County, Washington.

EXHIBIT B

TRACT A, BLOCK 1, THE VILLAGE AT SUN WILLOWS, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME D OF PLATS, PAGE 130 and 132, RECORDS OF FRANKLIN COUNTY, WASHINGTON.

TRACT A, BLOCK 2, THE VILLAGE AT SUN WILLOWS, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME D OF PLATS, PAGE 130 and 132, RECORDS OF FRANKLIN COUNTY, WASHINGTON.

TRACTS B & C, THE VILLAGE AT SUN WILLOWS DIVISION III, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME D OF PLATS, PAGE 137, RECORDS OF FRANKLIN COUNTY, WASHINGTON.

TRACTS A, B, C, D & E, THE VILLAGE AT SUN WILLOWS DIVISION IV, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME D OF PLATS, PAGE 141 and 142, RECORDS OF FRANKLIN COUNTY, WASHINGTON.

TRACT A, THE VILLAGE AT SUN WILLOWS DIVISION V, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME D OF PLATS, PAGE 157 AND 158, RECORDS OF FRANKLIN COUNTY, WASHINGTON.

TRACT A, THE VILLAGE AT SUN WILLOWS DIVISION 7, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME D OF PLATS, PAGE 229, RECORDS OF FRANKLIN COUNTY, WASHINGTON.