

MASTER DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTION
FOR
THE COMMUNITY OF CANYON LAKES

THIS DECLARATION is made by CANYON LAKES PARTNERSHIP, a Washington general partnership (hereinafter "Developer"), consisting of BROOKS RESOURCES CORPORATION, an Oregon corporation, and HAROLD N. THOMPSON and ARLENE R. THOMPSON, husband and wife, as partners, to set forth. Among other things provisions which will subject the development of the Community of Canyon Lakes in Kennewick, Washington, to certain covenants, conditions, restrictions and other provisions.

RECITALS

The Community of Canyon Lakes is to be a development located in the City of Kennewick, Benton County, Washington. The initial phase of such development will be located on that platted land defined below as the "Property." Developer may, but shall not be required to, add additional land to the development by annexation thereof in accordance with the terms hereof.

This Declaration is created to benefit the entire Community of Canyon Lakes (as defined hereinafter), to establish covenants, conditions, restrictions and other provisions regarding the use and operation of such community and all of the property contained therein and to provide an organization to carry out and enforce such covenants, conditions, restrictions and other provisions

Developer hereby subjects the Property and provides for the subjection of certain additional property to the following covenants, conditions, restrictions and other provisions:

SECTION 1. Definitions. When used herein the following terms shall have the following meanings:

- 1.1 "Architectural Review Committee" shall mean the committee appointed pursuant to the provisions of Section 8.
- 1.2 "Association" shall mean the association to be organized by the Developer pursuant to the provisions of Section 9.
- 1.3 "Board" shall mean the Board of Directors of the Association.
- 1.4 "Common Area" shall mean any area which is designated as such or as "open space" in this Declaration, or any Supplemental Declaration or in the plat of any portion of the Community.

- 1.5 "Community" and or "Property" shall mean the real property which includes the following described parcels of real property as recorded with the office of the Benton County Auditor: Canyon Lakes No. 1; Canyon Lakes No. 2; Canyon Lakes No. 5; Canyon Lakes No. 7, Phase 1 and Phase 2; Canyon Lakes No. 8, Phase 1, Phase 2, Phase 3, and Phase 4; Canyon Lakes No. 9; Canyon Lakes No. 10; Canyon Lakes No. 11, Phase 1 and Phase 2; Canyon Lakes No. 12 Phase 1 and Phase 2; Canyon Lakes No. 16, Phase 1 and Phase 2; Canyon Lakes No. 17, Phase 1, Phase 2, Phase 3 and Phase 4; Canyon Lakes No. 18, Phase 1, Phase 2, Phase 3 and Phase 4; Canyon Lakes No. 19, Phase 1 and Phase 2; Canyon Lakes Villas, Phase 1, Phase 2 and Phase 3; Final Plat of Fairwood, Lots 1 through 19, Volume 15 of Plats, Page 70; Short plat 1669, Lot 2 and Lot 1 less that portion of Lot 1 lying northerly and easterly of main canal right of way; Tract One, Survey No. 1154 recorded under Benton County Auditor's File No. 88-164, also known as tax parcels 1-15, Canyon Lakes No. 20 (Loden Greens), Canyon Lakes No 21, Phase 1, Phase 2, Phase 3. Heights at Canyon Lakes Phase 1.
- 1.6 "Condominium" shall mean any properly submitted to the Horizontal Property Regimes Act of the State of Washington in the manner provided by RCW 64.32 as such statutes may be amended.
- 1.7 "Developer" shall mean Canyon Lakes Partnership, its successors and assigns, including without limitation, purchasers from it of its interest in the Common Areas, Private Ways, Private Recreational Areas and Semipublic Recreational or Service Areas, other than the association.
- 1.8 "Developer's Area" shall mean any area retained by Developer pursuant to Section 4.7 herein.
- 1.9 "Local Association" shall mean any association organized by Developer or the Board with members consisting of all owners of Units within one or more Sections. The term "Local Association" shall include any association of Unit Owners organized pursuant to the provisions of RCW 64.32 for the administration of a condominium, which is subject to the provisions of this Declaration.
- 1.10 "Private Area" shall mean any area for private residential use which is designated as such in this Declaration or any Supplemental Declaration or any plat of the Community' or Property or any portion thereof.
- 1.11 "Private Recreational Area" shall mean any portion of a Common Area which is leased to Unit Owners for recreational purposes as provided in Section 4.5 herein.
- 1.12 "Private Way" shall mean any area, which is designated as such in this Declaration or any Supplemental Declaration or in any plat of the Community or Property or any portion thereof.

- 1.13 "Property" means that real property located in Benton County, Washington, covered by the two plats of Canyon Lakes No. 1 and Canyon Lakes No. 2 recorded May 8, 1981, volume 14 of Plats at pages 49 and 50, respectively, Records of Benton County, Washington.
- 1.14 "Resident" shall mean any person who is a Unit owner or the lessee of a Unit, together with members of his immediate family, provided that a person shall be a "Resident" only during periods in which he is occupying his Unit.
- 1.15 "Rules and Regulations" shall mean the Community or Section rules and regulations adopted as provided in Section 6 herein.
- 1.16 "Section" shall mean any area subjected to the provisions of this Declaration in a manner provided in Section 2, or any portion of the Property which may be designated as such with particular land classification(s) in a Supplemental Declaration as provided in Section 4 herein, All real property within a Section shall have a land classification as provided in Section 4, and any Section may contain properties with different land classifications.
- 1.17 "Semipublic Recreational or Service Area" shall mean any area devoted to a service or recreational facility which is made available for use by the public as well as by Residents as provided in Section 4.6.
- 1.18 "Supplemental Declaration" shall mean any instrument provided for in Section 2 or elsewhere herein for the subjection of additional real property to the provisions of this Declaration or for the designation of any portion of the Property as a Section or Sections or as a particular land classification or classifications.
- 1.19 "Unit" shall mean each lot described in any subdivision plat of one or more Sections which is designated as a Private Area, any condominium unit-within a Section and any single family dwelling unit contained within a Section. Developer may specify additional areas which shall constitute "Units" in any instrument subjecting property to the provisions of this Declaration as provided herein. If, in any case, a Unit Owner shall have consolidated a lot or portion thereof with another lot in the manner set forth in Section 5 herein, then subject to the provisions hereof, the area consolidated shall be considered one Unit.
- 1.20 "Unit Owner" shall mean the person ore persons who hold legal title on to any Unit unless provisions is made in the instrument creating a Section that a lessee or other person entitled to possession of a Unit shall be the Unit Owner, in which case the person so designated shall be the Unit Owner.

SECTION 2. Subjection of Property to the Provisions of this Declaration. The Property is hereby subjected to the covenants, conditions, restrictions and other provisions of this declaration of the following methods:

- 2.1 All real property contained in the definition of Community above which has been previously subjected to the provisions of this Declaration by any means previously allowed by this declaration. Filing.
- 2.2 Developer, or its successors or assigns or the owner of real property lying within the Community may file a Supplemental Declaration in the records of Benton County, Washington, providing that a particular parcel of real property shall be subject to the provisions of this Declaration; or
- 2.3 Developer, or its successors or assigns or the owner of real property within the Community may provide in any lease that a particular parcel of real property described in the lease shall be subject to the provisions of this Declaration.
- 2.4 The Supplemental Declaration may contain any additional provisions as to land classifications or otherwise that are provided for herein. In case of the filing of a Supplemental Declaration by an owner other than Developer, or its successors or assigns, such owner shall have the rights and responsibilities of Developer with respect to the land covered by the Supplemental Declaration. Provided further, that in the case of the filing of a Supplemental Declaration by an owner other than Developer, or its successors and assigns, the Association shall be required to file an annexation document in the records of Benton County, Washington, accepting the real property to be subjected to this Declaration

In the case of Section 2.1 above, the Supplemental Declaration may contain any additional provisions as to land classification or otherwise that are provided for herein. In the case of the filing of a Supplemental Declaration by an owner other than Developer pursuant to Section 2.1, such owner shall have the rights and responsibilities of Developer with respect to the land covered by such Supplemental Declaration.

SECTION 3. Withdrawal of Property from the Provisions of this Declaration.

A Section which has been subjected to the provisions of this Declaration may be withdrawn therefrom by either of the following methods:

- A.) At any time following the expiration of 20 years from the recording of this Declaration, the owners of all the Property in an entire Section may file a declaration stating that the area is withdrawn from the provisions of this Declaration; or
- B.) Property subjected to the provisions of this Declaration pursuant to a lease as provided in Section 2.2 hereof shall be withdrawn from the provisions hereof automatically upon termination or expiration of the lease pursuant to which the property was subjected to the provisions hereof except to the extent that provision to the contrary is made in such lease.

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2.2 hereof shall be withdrawn from the provisions hereof automatically upon termination or expiration of the lease pursuant to which the property was subjected to the provisions hereof except to the extent that provisions to the contrary is contained in such lease.

SECTION 4. Land Classifications and Uses Within the Community.

- 4.1 Classifications Presently Contemplated. Land classifications presently contemplated within the Property and other areas to be subjected to the provisions of this Declaration are Private Areas, Common Areas, Private Ways, public roads and streets, Private Recreational Areas, Semipublic Recreational or Service Areas and Developer's Areas. The Supplemental Declaration for any Section shall designate the land classifications thereof, and in addition may contain further covenants, conditions, restrictions and other provisions which relate to such restrictions and other provisions pertaining to such Section. Developer further reserves the right to create and make provision for additional land classifications in any Supplemental Declaration. Promptly following completion of any improvements planned by Developer for Common Areas, Private Ways and Private Recreational Areas, Developer shall convey title to such common Areas, Private Ways and Private Recreational Areas to the Association subject to necessary utility easements and similar rights reserved by Developer. The Association will hold and retain title to Common Areas, Private Ways and Private Recreational Areas, subject, however, to the right of Residents of the Community and others to use such areas as herein provided. Developer may at its option retain title indefinitely to any Semipublic Recreational or Service Area or Developer's Area.
- 4.2 Private Areas. Restrictions on Rules and Regulations governing the use of Private Areas within a particular Section shall be set forth in the Declaration or Supplemental Declaration used-to create the Section.
- 4.3 Common Areas. Subject to the provisions hereof, each Resident is hereby granted a nonexclusive easement to use the Common Areas for such recreational purposes as may be permitted by the Community Rules and Regulations and in the manner permitted therein. Each Resident may permit his guests to use Common Areas or such purposes and in such manner. Common Areas shall not be platted or otherwise divided into parcels for residential use. The Association may develop special recreational or service facilities on portions of the Common Areas for the general use and benefit of all- Residents and their guests. The Board may from time to time permit Residents to use designated portions of Common Areas for recreational or service uses of benefit to such Residents only (as, for example, maintaining a volleyball or badminton court), provided that such permission shall be revocable at any time. The easement and rights herein granted shall be appurtenant and assignable with the Unit with respect to which it is granted, but shall not otherwise be assignable. The Board may dedicate Common Areas to the public for park purposes, and may use Common Areas for the purpose of location of utilities thereon or thereunder. The Board may bar any Unit Owner, members of his family

and his guests from using Common Areas during periods in which the Unit Owner's maintenance assessments are delinquent.

4.4 Private Ways. Each Unit Owner and each Resident is hereby granted a nonexclusive easement to use all Private Ways for the purposes of walking thereon or traveling thereon by appropriate authorized means. Each Resident may permit his guests and invitees to use the Private Ways for such purposes. The easement herein granted shall be appurtenant to and assignable with the Unit with respect to which it is granted, but shall not otherwise be assignable. Use of Private Ways shall be subject to the Community or Selection Rules and Regulations. The Board in its discretion may dedicate Private Ways to the public. The Board also may grant free access on Private Ways to police, fire and other public officials, to employees of utility companies serving the Community and to such other persons to whom the Board believes access should be given for the benefit of Residents. Developer may use the Private Ways for its own purposes and for the purpose of location of utilities thereon or thereunder. By granting the right to Residents and others to use Private Ways, Developer does not intend to dedicate Private Ways to the public, but rather intends to preserve the private character of such ways. The Board shall be deemed to have dedicated such ways to the public only if it shall file in the Records of Benton County, Washington, an instrument clearly evidencing its intention to dedicate such ways to the public.

4.5 Private Recreational Areas. It may be that a group of Unit Owners will wish to use a portion of the Common Areas to develop a facility such as a swimming pool or tennis court for their private use. With approval of the Board, the Association may lease a portion of the Common Areas to a Local Association or to a group of not less than five Unit Owners who wish to develop the same for their private recreational use, to be known as a "Private Recreational Area," subject to the following conditions:

- A.) The rentals received pursuant to the lease must be added to the maintenance fund.
- B.) Not more than 50 percent of the Common Area in any Section may be so leased at any one time.
- C.) The lease shall provide that the lessees shall use the leased area solely for the development of a recreational facility thereon.
- D.) The lease shall preclude the lessees from operating a private recreational on the leased premises for profit or from permitting anyone other than Residents and their guests from using the facility

- E.) The lease shall provide that the lessees will erect or construct a designated recreational facility on the leased premises within a specified time in accordance with standards to be fixed by the Architectural Review Committee and that shall maintain the improvement at their expense in accordance with standards which shall be fixed by the Architectural Review Committee.
- F.) The lease shall provide that ad valorem taxes assessed against any improvement constructed on a Private Recreational Area shall be borne by the lessees
- G.) No person shall be excused from paying any part of the maintenance assessment by virtue of his use of Private Recreational Area maintenance as in lieu of a facility available to all Residents of the Community or any Section.

4.6 Semipublic Recreational or Service Areas. Developer believes that it will be possible to make certain kinds of recreational and service facilities available to the Residents on an economical basis only if the general public is allowed to use the facilities along with the Residents on a fee basis. Therefore, developer may subject areas to the provisions of this Declaration which will constitute "Semipublic Recreational or Service Areas" if each of the following conditions are met:

- A.) Provision must be made for the use of the facility by the Residents and their guests in the manner permitted by the Community Rules and Regulations; provided that use of any club facilities within a Semipublic Recreational Area may be limited to club members.
- B.) Fees charged Residents and their guests for the use of the facility may be no higher than those charged members of the public for an equivalent use or service.
- C.) Any net profits from the operation of the facility must be added to the maintenance fund
- D.) The Board shall have the right to convert any Semipublic Recreational or Service Area into a Common Area on either a permanent or temporary basis at any time it deems this desirable; provided that the conversion of any Semipublic Recreation Area involving a club to which memberships have been sold to persons who are not Residents shall be without prejudice to the membership rights of persons who are not Residents.

Semipublic Recreational or Service Areas shall not be subject to any regular, special or other assessment pursuant hereto or to any Supplemental Declaration.

- 4.7 Developer's Areas. Developer may own certain areas, including but not limited to areas for commercial, office, hotel or other compatible uses, to be known as "Developer's Areas," which are in close proximity to the Property. Regardless of whether such Developer's Areas are annexed to the Property as part of the Community or indicated as "Developer's Areas" on any plat, such areas shall not be subject to any regular, special or other assessment pursuant hereto or to any Supplemental Declaration.
- 4.8 General Restrictions. No activity will be permitted on Common Areas, Private Ways or Private' Recreational Areas which will be injurious to land or vegetation unless the Board consents. There shall be no discharge or firearms within the boundaries of the Community unless the Board consents. The off-road operation of automobiles, trail bikes, motorcycles and other motorized transportation or off-road vehicles is prohibited within the boundaries of the Community unless the Board consents. The Board will be the only entity which can authorize the erection of any improvement in any Common Area.

SECTION 5. Consolidation of Lots within Private Areas. Whenever a person shall own all of a lot restricted to single family residence use within a Private Area (the "basic lot"), together with one or more contiguous lots or contiguous portions thereof also restricted to single family residential use (the "additional lot" or "additional portion"), and shall wish to consolidate the basic lot and the additional lot or additional portion, he may do so. The consolidation shall be effected by the owner's filing in the Records of Benton County, Washington, a declaration stating that the two areas are consolidated.

The consolidation provided for in this section shall have the following effects:

- A.) The consolidated areas shall constitute one Unit for all purposes under this Declaration and under the Supplemental Declaration for the Section in which the consolidated areas are located except that there shall be no change in the manner of payment of assessments and voting for the consolidated areas unless the consolidation is accomplished with the consent of the Board.
- B.) No residence or other structure may be placed upon the remainder of a lot, a portion of which has been consolidated with another lot but which remainder has not been consolidated with another lot, unless the area of such remainder constitutes at least 95 percent of the original area of the lot.
- C.) Areas which have once been consolidated may not in the future be partitioned without the consent of the Board.

SECTION 6. Community Rules and Regulations. In the exercise of its powers and in the performance of its obligations pursuant to this Declaration or to any Supplemental Declaration,

the Board may adopt, amend or repeal rules and regulations to be known as the Community Rules and Regulations to provide for the manner in which Common Areas (including Private Recreational Areas established thereon), Private Ways, Semipublic Recreational or Service Areas, and any other areas which all Residents are entitled to use, shall be used. To the extent provided in Section 13.4 with respect to the Property and in a Supplemental Declaration, the Community Rules and Regulations may provide for the manner in which Private Areas may be used. Amendment, adoption and repeal procedures for such Private Area rules and regulations, if any, will be set. out in such Supplemental Declaration.

Community Rules and Regulations may, among other things, provide for any of the following:

- A.) For speed and other traffic controls, safety patrols, parking patrols and restrictions upon the type of vehicles which may use Private Ways.
- B.) For the times and manner in which spaces within Common Areas may be used.
- C.) For charges for use of recreational facilities and for services to be supplied by the Association to be applied uniformly to all Residents and their guests.
- D.) For the control of noise, for litter control and trash disposal and for the personal conduct of the Residents and their guests while in the Common Areas, Private Ways and Semipublic Recreational or Service Areas.
- E.) For the conditions upon which guests of Residents will be entitled to use Common Areas, Private Ways and Semipublic Recreational or Service Areas and for the terms and conditions upon which guest cards will be issued.

All Rules and Regulations must be applicable on a non-discriminatory basis. However, provisions uniformly applicable to a class of persons, such as children of particular ages, will not be deemed discriminatory. A current copy of the Community Rules and Regulations shall be kept on file at the principal office of the Association at all times. Such Rules and Regulations shall have the same force and effect as if set forth herein as part of this Declaration. Each Unit Owner will be given a copy of such Rules and Regulations and copies of any changes thereto when made.

SECTION 7. Maintenance and Development Fund.

- 7.1 Imposition of Regular Assessments_ The Board shall have the right to impose a regular annual assessment against each Unit Owner in an amount to be determined by the Board each year. The Board may increase the regular annual assessment by not more than ten percent (10%) annually. Otherwise the regular annual assessment shall be increased only pursuant to the provisions of paragraph 7.4. The regular annual assessments shall be

applied uniformly to all Units except the Developer shall not be assessed with respect to a Unit owned by it upon which no dwelling has been erected; and no regular annual assessment shall be imposed with respect to a Condominium Unit which have never been sold or rented. On or before December 31 of each year, the Board shall fix the amount of the regular annual assessment to be imposed during the ensuing year. The Unit Owners shall be notified of the regular annual assessment prior to January 31 of the ensuing year.

7.2 Payment of Regular Annual Assessments. Any Unit Owner who shall pay the regular annual assessment prior to January 31 each year shall receive a five percent (5%) discount in the regular annual assessment. All regular annual assessments shall be paid no later than April 1 each year after April 1 the regular annual assessment, together with a late charge equal to twenty five percent (25%) of the regular annual assessment shall bear interest at the rate of twelve percent (12%) per year. After June 30 any Unit with unpaid regular annual assessments shall have a lien recorded against it. An additional assessment of twenty five dollars (\$25.00) shall be imposed against any such Unit, along with the costs associated with recording the lien. In the event a Unit shall first become subject to assessment during the year, then only a percentage of the regular annual assessment shall be collected (in an amount equal to the regular annual assessment times the number of partial or full months remaining in the year, divided by 12). This partial regular annual assessment shall be due on the first day of the month following the month during which the Unit first became subject to assessment. Ninety (90) days after this partial regular annual assessment is due and remains unpaid, and then the above provisions regarding late charges, additional assessments and filing of the lien shall apply.

7.3 Transfer Assessment. At the time any Unit is sold or otherwise transferred, and then a transfer assessment in the sum of twenty five dollars (\$25.00) shall be assessed against the purchaser or other transferee at the time of the closing of the transfer. The lien provisions set forth above shall also apply to this transfer assessment if it is not paid at the time of closing.

7.4 Increase in Maximum Amount of Regular Annual Assessment with Consent of Unit Owners. In the event the Board shall deem the maintenance fund to be inadequate for the purposes for which it is to be maintained, taking into account the need for reasonable reserves for special purposes, the regular annual assessment may be permanently increased over the amounts provided for in paragraph 7.1 with the approval in writing by Unit Owners owning more than fifty percent (50%) of the Units within the Community which are subject to assessment.

7.5 Special Purpose Assessments. In the event the Board deems it to be to the advantage of the Residents to impose a special purpose assessment to provide funds for the development of a particular recreational facility, enforcement of rules and regulations, or landscaping improvements to the Common Areas, it may impose such a special assessment, provided that the amount of the assessment and the terms upon which it will be imposed have been approved in writing by the Unit Owners, other than Developer, owning more than fifty percent (50%) of the Units within the Community which are

subject to assessment. All special assessments shall will be applied uniformly to all Units, excluding Developer's. In the event that such an assessment is imposed, the Board shall add the moneys derived therefrom to the maintenance fund, but shall keep the same in a special account and shall the same only for the purposes set forth in the instrument by which the Unit Owners consented to the special assessment.

7.6 Section Assessments. Any Supplemental Declaration may also provide for special Section assessments applicable only to Owners of all Units within the Section in question, in addition to regular and special purpose assessments provided for above in Sections 7.1 and 7.4. In the event, a special Section assessment is imposed, the Local Association shall add to moneys derived therefrom to a Section maintenance fund established by the Local association.

7.7 Maintenance Fund. The Board shall keep the moneys which it may collect from assessments, together with all other moneys which it is required to add to the maintenance funds pursuant to the provisions hereof or of any Supplemental Declaration, in a separate fund to be called the "maintenance fund" and shall use the moneys in the maintenance funds only for the following purposes:

- A.) Payment of the cost of maintaining and developing (i) Common Areas, (ii) Private Ways (including streetlights, entrances, mailboxes, paper receptacles and signs), (iii) Semipublic Recreational or Service Areas, and (iv) special recreational and other facilities on Common Areas or Semi-public Recreational or Service Areas which are available for use by all of the Residents.
- B.) Payment of taxes and assessments levied against Common Areas, Private Ways, Semipublic Recreational or Service Areas-and the improvement thereon.
- C.) Payment of the cost of providing patrol and fire prevention and control service, garbage and trash disposal, if provided by the Association.
- D.) Payment of the cost of insurance, including insurance protecting the Board, the Architectural Review Committee, and the Association against liability arising out of their function and activities in the administration of the provisions of this Declaration or any Supplemental Declaration.
- E.) Payment of the cost of enforcing the provisions contained in this Declaration or any Supplemental Declaration, or in the Community or any Section Rules and Regulations.
- F.) Payment of the reasonable expenses and fees of the Architectural Review Committee.
- G.) Payment of other services which the Board deems to be of general benefit to Residents.

- H.) Payment of costs incurred in collecting maintenance assessments.
- I.) Payment of expenses incurred in organizing the Association or any Local Association and of maintaining the same as corporations.
- J.) Payment of any expense reasonably incurred by the Board in carrying out any function for which it has been given responsibility hereunder.
- K.) Payment to Developer of reasonable costs for the maintenance and operation of its facilities which are made available to all Residents. Except as stated above, no part of-the maintenance fund will inure to the benefit of Developer.

7.8 Annual Accounting. Within 90 days following the close of each calendar year, the Board shall render to each Unit Owner an accounting which shall set forth the amount and source of all income received in the maintenance fund and all disbursements from the fund during the previous calendar year, together with a statement of the assets and liabilities of the maintenance fund at the close of the last calendar year. The Board shall maintain records' of all amounts received into the maintenance fund and of all disbursements therefrom, which records shall be open to inspection by any Unit Owner or by the officer of any Local Association or the Association at any reasonable time during normal business hours.

7.9 Joint and Several Liability. If a Unit Owner comprises more than one person, each shall be jointly and severally liable for any assessment or charge.

SECTION 8. Architectural Review Committee. Function of Architectural Review Committee.

8.1 The Architectural review Committee shall exercise the functions for which it is given responsibility in any Supplemental Declaration or in this Declaration. Generally, the architectural Review Committee will be responsible for the approval of plans and specifications for the development of Private Areas and for the promulgation and enforcement of its rules and regulations governing the use and maintenance of Private Areas and the improvements thereon. All such rules and regulations of the Architectural Review Committee shall be deemed to constitute part of the Community Rules and Regulations.

8.2 Members: Term and Removal. The Architectural Review Committee shall consist of three persons who shall be appointed by the Board to three-year terms. Members of the Architectural Review Committee may be removed and replaced at any time by the Board. The Board shall keep on file at its principal office a list of the names and addresses of the members of the Architectural Review Committee

- 8.3 Action. Except as otherwise provided herein, any two members of the Architectural Review Committee shall have the power to act on behalf of the Committee without the necessity of a meeting and without the necessity of consulting the remaining members of the Committee. The Committee may render its decisions only by written instrument setting forth the action taken by the members consenting thereto.
- 8.4 Failure to Act. If at any time the Architectural Review Committee shall for any reason fail to function, the Board shall have complete authority to serve as a pro tem Architectural Review Committee.
- 8.5 Duties and Rules. No person shall construct or reconstruct any improvement on any Unit, or alter or refinish the exterior of any improvement on any Unit, make any change in any Unit, whether by excavation, fill, alteration of existing drainage, or the planting, cutting or removal of vegetation, shrubs, or trees, install a utility, outside antenna, outside satellite dish, or other outside wire on a unit unless such person has first obtained the approval of the Architectural Review Committee. The Architectural Review Committee shall consider and act upon all matters properly submitted to it pursuant to this Declaration or any Supplemental Declaration. In furtherance of these functions of the Architectural Review Committee, the Board may from time to time adopt, amend, and repeal rules and regulations to be known as the "Architectural Review Committee Rules" establishing the Architectural Review Committee's operating procedures and interpreting, detailing and implementing the provisions of the instruments to which the it is charged with responsibility. The Board may establish a reasonable fee to be paid to cover the costs incurred by the Architectural Review Committee in considering and acting upon matters submitted to it. Such fees shall be paid into the maintenance fund. A current copy of the Architectural Review Committee Rules shall be kept on file at the principal office of the Association at all times. Such rules and regulations have the same force and effect as if set forth herein as part of this Declaration.
- 8.6 Non-waiver. Consent by the Architectural Review Committee to any matter proposed to it or within its jurisdiction shall not be deemed to constitute a precedent or waiver impairing its right to withhold approval as to any similar matter thereafter proposed or submitted to it for consent
- 8.7 Estoppel Certificate. Within 30 days after written demand therefor by a Unit Owner, the Architectural Review Committee shall execute and deliver to the Unit Owner requesting the same an estoppel certificate certifying with respect to the Unit of such Unit Owner that, as of the date of the certificate, either (i) all improvements and other work within such Unit comply with the provisions of this Declaration and any applicable Supplemental Declaration and with all restrictions, rules and regulations adopted in or pursuant thereto, or (ii) that such improvements and work do not so comply for reasons specified in the certificate. Any purchaser or mortgagee of a Unit may rely on such certificate with respect to the matters set forth therein, such matters being conclusive against the Board and all Unit Owners.

8.8 Liabilities. Neither the Architectural Review Committee nor any member thereof shall be liable to any Unit Owner or the Board (or to any other party as a result of any certificate furnished pursuant to Section 8.7 above) for any damage, loss or prejudice suffered or claimed on account of any action or failure to act of the Committee or a member thereof, provided only that the member has acted in good faith.

SECTION 9. The Association.

9.1 Organization of the Association. All Unit Owners shall by virtue of the ownership of their Units be members of the Association, which shall be organized as provided herein to represent all Unit Owners. The name of the Association shall be "The Canyon Lakes Property Owner's Association. In order to facilitate the accomplishment of such purpose, Developer shall organize the Association not later than January 1, 1982. Developer shall have the right to organize the Association on such basis as shall appear to Developer to be most advantageous to the Unit Owners at the time of the organization. The Association shall be incorporated as a miscellaneous or mutual corporation under the Miscellaneous and Mutual Corporations Act of the State of Washington, RCW 24.06. The Association shall have articles of incorporation and by-laws as initially established by Developer.

9.2 Duties of the Association. The Association shall be charged with the duties and invested with the powers prescribed by law and set forth in the articles, by-laws and this Declaration. Neither the articles nor by-laws shall, for any reason, be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration.

9.3 Membership. Each Unit Owner, by virtue of being a Unit Owner and for so long - as such ownership is maintained, shall be a member of the association, and no Unit Owner shall have more than one membership in the Association, except as hereinafter set forth with respect to voting. Memberships in the Association shall not be assignable, except to the successor in interest of the Unit Owner, and all memberships in the Association shall be appurtenant to the Unit owned by such Unit Owner. The memberships in the Association shall not be transferred, pledged or alienated in any way except upon the transfer of title to a Unit and then only to the transferee of title to the Unit. Any attempt to make a prohibited membership transfer shall be void and will not be reflected on the books of the Association.

9.4 Voting. All voting power shall be exercised by the members of the Association. Each member of the Association shall have one vote for each Unit owned in the Canyon Lakes development. A member may vote at any meeting in person, mail or by proxy executed in writing by the member or by his or her duly authorized attorney-in-fact. Votes may be taken by mail if the name of each candidate and the text of each proposal to be voted upon at the meeting are set forth in a writing accompanying or contained in the notice of the meeting. Persons voting by mail

shall be deemed present for all purposes of quorum, count of votes and percentages of total voting power voting.

- 9.5 Board and Officers. The affairs of the Association shall be conducted by a Board and such officers as the Directors may elect or appoint, in accordance with the articles and by-laws, as the same may be amended from time to time.
- 9.6 Powers of the Board. The powers of the Association shall be exercised by and through the Board. In addition to such other powers as shall be given to or imposed upon the Board by this Declaration or by any Supplemental Declaration, the Board shall have the power to carry out the following:
- A.) Maintenance of all Common Areas, Private Ways, Semipublic Recreational or Service Areas and the improvements thereon.
 - B.) Construction of such improvements on or under the Common Areas, Private Ways and Semipublic Recreational or Service Areas as it deems will be of benefit to the Residents and their guests in accordance with any Rules and Regulations.
 - C.) Enforcement of all covenants, conditions, restrictions, and other provisions contained in this Declaration or in any Supplemental Declaration.
 - D.) Promulgation and enforcement of the Rules and Regulations and the enforcement of the Architectural Review Committee Rules and Regulations and the decisions of the Architectural Review Committee
 - E.) Payment of all ad valorem taxes and assessments on any of the Common Areas, Private Ways or Semipublic Recreational or Service Areas within the Community.
 - F.) Provision of such services to the Residents as it shall deem to be of benefit to the Residents.
 - G.) Procuring and maintenance of insurance on all improvements constructed on the Common Areas, Private Ways or Semipublic Recreational or Service Areas.
 - H.) Collection of assessments and penalties.
 - I.) Fixing of fees for use of recreational and service facilities within the Common Areas and in the Semi-public Recreational or Service Areas and for the collection thereof. All such fees shall be paid into the maintenance fund.
 - J.) Borrowing of money on behalf of the Association and in connection therewith, the granting of mortgages, deeds of trust or other security interests with respect to land owned or leased by it and improvements thereon.

- K.) Granting of easements along road ways of the Community owned by the Association to owners, occupants and invitees of office, commercial and lodging Or other facilities constructed on land within a Developer's Area, whether or not subject to this Declaration, and entering into road maintenance agreements providing for contribution to the cost of maintenance of the entrances to the Community and roadways and related improvements which are subject to easements granted by the Board.
- 9.7 Delegation of Functions. The Board may at any time to a manager employed by the Board responsibility for the performance of any duty or function Of the Board.
- 9.8 Limitation of Liability. The Board shall not be liable for failure to carry out any power enumerated in Section 9.1 herein or elsewhere in this Declaration or any Supplemental Declaration in cases in which there are not sufficient moneys in the maintenance fund to enable it to carry out its power. The Board shall have sole power to determine for which authorized purposes moneys in the maintenance fund shall be spent and in what priority, including the power to determine how much shall be held in reserve. Neither the Board, the Association or any Local Association nor any director shall be liable to any Unit -Owner to any Resident on account of any action or failure to act of the Board, provided only that it has acted in good faith.
- 9.9 Annual Meeting of Association Members. The Association shall hold and annual meeting each year during the first three month of the calendar year. Notice for all Association membership meetings, annual or special, shall be given by regular mail or telegram to all Members and shall be given not less than ten (10) days nor more than fifty (50) days prior to the time of said meeting and shall set forth the place, date and hour of the meeting and the nature of the business to be undertaken. All meetings shall be held within the Community or as close thereto as practicable at a reasonable place selected be the Board. The presence at any meeting in person, by mail, or by proxy of more than 40 percent of the total voting power of the Association shall constitute a quorum. If any members present may adjourn the meeting to a time not less than 5 days nor more than 30 days form the time the original meeting was called, provided that the quorum requirement for such adjournment shall be members representing no less than 25 percent of the total voting power thereof.

SECTION 10 N/A

SECTION 11. Local Associations.

- 11.1 Creation. Developer will create Local Associations as miscellaneous or mutual corporations. At the discretion of Developer a Local Association may -include land in more than one Section. Each Local Association shall have all the Dowers, rights, obligations and responsibilities and be subject to all of the same limitations and

restrictions as are specified in this Declaration with respect to the Association, except for such differences as are specified in this Declaration and such changes as Developer may deem appropriate as a result of the different property being maintained and managed by the Local Association, which changes will be set forth in a Supplemental Declaration.

- 11.2 **Members.** The members of each Local Association shall be the Unit Owners of Units in the Section or Sections covered by such Local Association as specified in this Declaration and in Supplemental Declarations. Memberships may only be transferred in the same manner as specified for Association.
- 11.3 **Voting in Local Associations.** Each member of a Local Association shall have one vote for each Unit owned. The right to vote may not be severed or separated from the ownership of the Unit to which it is appurtenant, except that any Unit Owner may give a revocable proxy, or may assign his right to vote to a lessee or beneficiary or contract purchaser of the Unit concerned, for the term of the lessee, deed of trust or contract, and any sale, transfer or conveyance of such Unit to a new Unit Owner or Owners shall operate automatically to transfer the appurtenant vote to the new Unit Owner, subject to any assignment of the right to vote to a lessee or beneficiary as provided herein.
- 11.4 **Powers and Duties.** Each Local Association shall be managed by a Board of Directors and officers in the same manner as specified for the Association, shall have the same powers and duties with respect to its members or the property owned, managed or maintained by it, including levying regular or special assessments in the amounts and subject to the provisions of Section 7.1 through 7.5 hereof, adopting rules and regulations, granting easements, licenses and rights-of-way, payment of expenses, preparation and distribution of budgets and financial statements as are provided in Section 9 for the Association.
- 11.5 **Annual Meetings of Local Associations.** There shall be an annual meeting of the members of each Local Association at least 10 days but no more than 60 days prior to every annual meeting of the Association. The first meeting of the members in such Local Association, whether annual or special, shall be held no later than January 31 following the first sale of a Unit in a Section included within the Local Association. At the first meeting of the members in such Local Association and at each subsequent annual meeting, such members shall elect the Delegate to represent them. Such Delegate shall continue to be a Delegate for one year or until his successor is elected, whichever is later, unless such Delegate is removed by a vote or written consent of a majority of the voting power in such Local Association. Such meeting shall be held within the Community or at such other convenient location near the Community as may be designated in the notice of such meeting. Written notice of the time, place and purpose of each annual meeting shall be sent to each member within the Local Association no later than 10 days prior to the meeting by, or at the direction of, the president or the secretary of the Local Association. A special meeting of the members in any Local Association may be

called at any reasonable time and place by written notice by Developer for so long as Developer is a Class B member in the Association, by the Delegate to the Association representing the members in such Local Association, or by the members in the Local Association having one quarter of the total votes within such Local Association, or, so long as Developer owns any Unit in such Section by members in the Local Association representing at least 15 percent of the voting power residing in members other than Developer and delivered to all other members not less than 10 days prior to the date fixed for such special meeting, specifying the date, time and place thereof and the nature of the business to be undertaken. The presence at any meeting, in person or by written proxy, of the members entitled to vote at least 25 percent of the total votes within such Local Association shall constitute a quorum. If any meeting cannot be held because a quorum is not present, the members present, either in person or by proxy, may adjourn the meeting to a time not less than 5 days nor more than 30 days from the time the original meeting was called. The members present at each meeting shall select a chairman to preside over the meeting and a secretary to transcribe minutes of the meeting.

SECTION 12. Enforcement.

- 12.1 General Provisions. The Board, the Association or any Unit Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration or any Supplemental Declaration. Failure by any such person to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.
- 12.2 Violation of This Declaration or Supplemental Declaration by Non-qualifying Improvement. In the event any Unit Owner constructs or permits to be constructed on his Unit an improvement contrary to the provisions of this Declaration or a Supplemental Declaration or in the event that a Unit Owner maintains or permits any improvement, condition or thing on his Unit contrary to the provisions of this Declaration or Supplemental Declaration, the Board, through its designated representative, may no sooner than 60 days after delivery to such Unit Owner of written notice of the violation enter upon the offending Unit and remove the cause of such violation, or alter, repair or change the item which is in violation of such Declaration in such manner as to make it conform thereto. The Board may charge such Unit Owner for the entire cost of the work done by it pursuant to this Section. Such amounts shall become payable upon delivery by the Board to the Unit Owner of notice of the amount due, and shall be paid into the maintenance fund to the extent that the costs being reimburse were paid out of the maintenance fund.

12.3 Default in Payment of Assessments and Charges; Liens. Each assessment or charge levied or imposed pursuant to this Declaration or any supplemental Declaration, together with interest thereon, shall be a separate, distinct and personal debt and obligation of the Unit Owner or Resident against whom the assessment or charge is levied or imposed or from whom the amount is due. If the Unit Owner fails to pay any such assessment or charge or any installment thereof when due, the Unit Owner shall be in default and the assessment or charge not paid, together with interest, costs and attorneys' fees as elsewhere provided for herein, shall automatically become a lien upon the Unit of Units owned by the person from whom the assessment or charge is due, upon the filing by the Association in the Records of Benton County, Washington a notice of lien setting forth a description of the Unit of Units against which the lien is imposed. Such lien shall be subordinate to any lien of any mortgage upon any Unit which is accepted in good faith and for value and which was recorded prior to the filing of the notice of lien. The Association may commence a proceeding to foreclose the lien in the same form of action as is then provided for the foreclosure of a mortgage on real property by Washington law. The Association may also foreclose the lien in a non-judicial proceeding pursuant to the deed of trust foreclosure law as is then provided by Washington law. In such proceeding, the Association shall act as trustee in any such non-judicial proceeding. The Association may also enforce or foreclose the lien in any other manner permitted by Washington law for the enforcement or foreclosure of liens against real property or the sale of property subject to such lien. Upon the sale of a Unit pursuant to this provision, the purchaser thereof shall be entitled to a deed to the Unit and to immediate possession thereof, and said purchaser may apply to a court of competent jurisdiction for a writ of restitution or other relief for the purpose of acquiring such possession. The proceeds of any such sale shall be applied as provided by applicable law. In the absence of any such law, the proceeds shall be applied first to discharge the costs of the sale, including but not limited to court costs, other litigation costs, costs and attorney's fees incurred by the Association, all other expenses of the proceedings, interest, late charges, unpaid assessments and other amounts due to the Association, and the balance of the sale proceeds shall be paid to the Unit Owner. The Association shall have the power to bid for the Unit at any sale and to acquire and hold, lease, mortgage or convey the Unit. Notwithstanding any foreclosure or the lien or sale of the Unit, any assessments and other amounts due after application of any sale proceeds shall continue to exist as personal obligations of the defaulting

12.4 Right of Entry. A representative of the Board or any member of the Architectural Review Committee authorized by the Board may at any reasonable time, and from time to time at reasonable intervals, enter upon any Unit for the purpose of determining whether or not the use of such Unit or any improvement thereon is then in compliance with the provisions of this Declaration or any Supplemental Declaration. No such entry shall be deemed to constitute a trespass or otherwise to create any right of action in the Unit Owner or occupant of such parcel.

- 12.5 Interest. Any amount not paid to the Board when due in accordance with the provisions of this Declaration or of any Supplemental Declaration shall bear interest from such date until paid at the rate of twelve percent (12%) per year.
- 12.6 Expenses and Attorney's Fees. In the event of any suit or action to enforce any provision contained in this Declaration or in a Supplemental Declaration, to collect any money due thereunder or to foreclose a lien, the prevailing party in such suit or action shall be entitled to recover all costs and expenses incurred in connection with such suit or action, including a foreclosure title report, and such amount as the court may determine to be reasonable as attorneys' fees therein, including attorneys fees incurred in connection with any appeal from a decision of the trial court or an intermediate appellate court.
- 12.7 Non-exclusiveness and Accumulation of Remedies. Election by the Board or the Association to pursue any remedy provided for herein or in any Supplemental Declaration in respect of the violation of any provision of this Declaration or of any Supplemental Declaration shall not prevent concurrent or subsequent exercise of another remedy permitted herein or in any Supplemental Declaration, or which is permitted by law. The remedies provided in this Declaration and in any Supplemental Declaration are not intended to be exclusive but shall be in addition to all other remedies, including without limitation, actions for damages or suits for injunctions or for specific performance, available under applicable law.

SECTION 13. The Property

- 13.1 Land Classifications. All numbered lots within the Property shall be classified as Private Areas. The other land classifications for the Property are set forth on the plats of the subdivisions referred to in Section 13-1. All lots within the Property shall be used only for construction of single family dwelling units.
- 13.2 Rules and Regulations. The community rules and regulations may provide for the manner in which the Private Area within the Property may be used with respect to the following matters:
- A.) Establishing standards of maintenance.
 - B.) Restricting exterior signs.
 - C.) Restricting and regulating animals.
 - D.) Restricting the maintenance of rubbish.
 - E.) Requiring weed control.
 - F.) Restricting storage of trailers, campers, boats and like equipment.
 - G.) Restricting open burning.
 - H.) Establishing uniform design of mailboxes and newspaper receptacles.

SECTION 14. Miscellaneous Provisions.

14.1 Amendment and Repeal. Any provision of this Declaration or any Supplemental Declaration may be amended or repealed or provisions may be added by Developer at any time prior to the first sale by it of a Unit and at any time thereafter by the Board, - provided that the amendment has been approved by the Board and it has obtained either:

A.) The written consent of Unit Owners (including Developer) owning 50 percent of the Units; or

B.) The consent of the Association voting in accordance with Section 9.4.

Notwithstanding the above, no amendment hereto shall diminish the votes or consent required in respect of any matter for which the number of votes or consenting Owners required is specifically set out herein, unless such amendment has received the consent of Owners having such number of votes (or of such number of Owners, as the case may be) and no amendment shall modify the voting power specified in Section 9.4 without the consent of Developer.

Any amendment or repeal of a provision of this Declaration or additional provisions shall become effective only upon the filing thereof in the Records of Benton County, Washington, of a certificate of an officer of the Association setting forth in full the amendment, amendments, additional provision or repeal approved as provided in this Section and certifying that said amendment, amendments, additional provision or repeal have been approved in the manner required therefor herein.

14.2 Joint Owners. In any case in which two or more persons share the ownership of any Unit, regardless of the form of ownership, the responsibility of such persons to comply with the provisions of this Declaration and of the applicable Supplemental Declaration shall be a joint and several responsibility. The act or consent of any one or more of such persons shall constitute the act of consent of the entire ownership interests; however, in the event that such persons disagree among themselves as to the manner in which any vote or right of consent held by them shall be exercised with respect to a pending matter any such person may deliver written notice of such disagreement to the Board, and the vote or right of consent involved shall then be disregarded completely in determining the number or proportion of votes or consents given with respect to such matter.

14.3 Mortgage Protection. Notwithstanding any other provision of this Declaration, no amendment of this Declaration or any Supplemental Declaration shall operate to defeat and render invalid the rights to the beneficiary under any first deed of trust upon a Unit made in good faith and for value, and recorded prior to the recordation of such amendment, provided that, after foreclosure of any such first deed of trust, such Unit shall remain subject to this Declaration, as amended. Notwithstanding any and all provisions of this Declaration to the contrary, in order to induce the Federal Home Loan Mortgage Corporation ("FHLMC"), the Government National Mortgage Association ("GNMA") and the Federal National

Mortgage Association ("FNMA") to participate in the financing of the sale of Units within the Community, to the extent the statutory requirements or regulations of FHLMC, FNMA, GNMA, VA and FHIA conflict with any provisions of this Declaration or any Supplemental Declaration, such statutory requirements or regulations shall control. The Board shall enter into such contracts or agreements on behalf of the Association as are required in order to satisfy the guidelines of the VA, the FHA, and FHLMC, the FNMA or the GNMA or any similar entity, so as to allow for the purchase, guaranty or insurance, as the case may be, by such entities of first mortgage encumbering Units with dwelling units thereon. Each Unit Owner hereby agrees that it will benefit the Association and the membership of the Association, as a class of potential mortgage borrowers and potential sellers of their residential Units, if such agencies approve the Community as a qualifying subdivision under their respective policies, rules and regulations, as adopted from time to time. Mortgages are hereby authorized to furnish information to the Board concerning the status of any mortgage encumbering a Unit.

14.4 Construction; Severability; Number; Captions. This Declaration shall be construed as an entire document to accomplish the purposes stated in the Recitals set forth above. Nevertheless, each provision of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity of any provision shall not affect the validity or enforceability of the remaining part of that or any other provision.

As used herein the singular shall include the plural, and the plural the singular. The masculine and neuter shall each include the masculine, feminine and neuter, as the context requires. All captions used herein are intended solely for convenience of reference and shall in no way limit any of the provisions hereof.

14.5 Notices. Any notice permitted or required hereby or by any Supplemental Declaration may be delivered either personally or by mail. Delivery by mail shall be deemed to have been accomplished 24 hours after the notice has been deposited as certified or registered mail in the United States mail, with postage prepaid, addressed as follows:

If to Developer, the Architectural Review Committee, or the Board:
3911 W. 27th Avenue, Suite 107 Kennewick, WA 99337
or to such other address as the Board may designate in the Community Rules
and Regulations.

If to a Unit Owner, at the address given by him at the time of
his purchase of a Unit or at the address of his Unit.
The address of any person may be changed by him at any time by
notice in writing delivered as provided herein.

IN WITNESS WHEREOF, Developer has caused this Declaration to be
executed this 12th day of November, 1981.

CANYON LAKES PARTNERSHIP
By: Brooks Resources Corporation,
Partner

SEPTEMBER, 2005

THIS DOCUMENT HAS BEEN AMENDED TO REFLECT THE RECORDED
AMENDMENTS LISTED BELOW. ORIGINALS ON FILE

1999-012714 4/19/1999
CERTIFICATION REGARDING AMENDMENTS TO MASTER DECLARATION OF
COVENANTS CONDITIONS AND RESTRICTIONS FOR THE COMMUNITY OF
CANYON LAKES

1998-011011 4-22-1998
CERTIFICATION REGARDING AMENDMENTS TO MASTER DECLARATION OF
COVENANTS CONDITIONS AND RESTRICTIONS FOR THE COMMUNITY OF
CANYON LAKES

94 13911 VOL 605 PAGE 2724 4-21-1994
CERTIFICATION REGARDING AMENDMENTS TO MASTER DECLARATION OF
COVENANTS CONDITIONS AND RESTRICTIONS FOR THE COMMUNITY OF
CANYON LAKES

854090 VOL 417 PAGE 1055 12-22-1981
AMENDMENT TO MASTER DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS FOR THE COMMUNITY OF CANYON LAKES