



AFTER RECORDING RETURN TO:

PAINE HAMBLEN LLP
Attn: Leland B. Kerr
7025 W. Grandridge Blvd., Suite A
Kennewick, WA 99336

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF SOUTHRIDGE HOMEOWNERS ASSOCIATION
OF BENTON COUNTY, WASHINGTON**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS ("Declaration") is made this ___ day of March, 2007, by The McDougal Foundation, Inc., an Oregon corporation, and LeeLynn, Inc., an Oregon corporation, collectively referred to herein as the "Declarant".

WHEREAS, the Declarant owns the below described real property located in Kennewick, Benton County, Washington, together with the improvements to be made thereon, commonly known as "Southridge Development" which is hereinafter referred to as the "Property".

WHEREAS, for the benefit and protection of the property, to enhance it value and attractiveness as a desirable place to live accomplished by the implementation of these Covenants.

DECLARATION

NOW, THEREFORE, Declarant does hereby declare that the Property described in the Plat shall be held, sold and conveyed subject to the following easements, covenants, conditions, restrictions and charges which shall run with each Property and parcel thereof, and shall be binding on all parties having or acquiring any right, title or interest in such property, or any part thereof, and shall inure to the benefit of each owner thereof.

Parcel # 1-1689-200-000-2-000

16-8-29



SECTION ONE
DEFINITIONS

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

1.1 "*Architectural Review & Design Committee*", or "*ARDC*", or "*Committee*" means a committee appointed pursuant to Section Six established to enforce the architectural standards of the Property and to approve and disapprove plans for improvements proposed for any lot or parcel of the Property.

1.2 "*City*" shall mean the City of Kennewick, Washington.

1.3 "*County*" means Benton County, Washington.

1.4 "*Declarant*" means McDougal Foundation, Inc., an Oregon corporation, and LeeLynn, an Oregon corporation, and their successors and assigns.

1.5 "*Design Guidelines*" shall mean Architectural Design Guidelines promulgated from time to time by the Architectural Review & Design Committee.

1.6 "*Easements*" means the easements in, on or over the Property designated as such on Plat and in this Declaration of Covenants which are reserved for a specific limited use or enjoyment.

1.7 "*Homeowners Association*" means Southridge Homeowners Association, a Washington non-profit association.

1.8 "*Improvement*" means every structure or improvement of any kind, including but not limited to, buildings, landscaping and any fence, wall driveway, swimming pools, tennis or sport court, light fixture, entry gate, storage shelter or other product of construction efforts on or in respect to the Property.

1.9 "*Living Unit*" means a building located upon a Lot and designated for separate residential occupancy.

1.10 "*Lot*" means a platted or partitioned lot or parcel within the Property.

1.11 "*Mortgage*" means a mortgage, deed of trust or contract of sale; "*mortgagee*" means a mortgagee, holder of a vender's interest under a land sale contract, or a beneficiary of a deed of trust; and "*mortgagor*" means a mortgagor, holder of a vendee's interest under a land sale contract, or a grantor of a deed of trust.



1.12 "Owner" means the person or persons, including Declarant, owning any Lot (including the holder of a vendee's interest under a land sale contract) or Living Unit within a multi-family building, but does not include a tenant or holder of a leasehold interest or a person holding only a security interest in a Lot (including the holder of a vendor's interest under a land sale contract). The rights, obligations and other entitlements granted to or imposed upon an Owner commence upon acquisition of the ownership of a Lot and terminate upon disposition of such ownership, but termination of ownership shall not discharge an Owner from obligations incurred prior to termination. In the event any Lot is further partitioned or subdivided, the Owner of each such subdivided parcel shall be an "Owner".

1.13 "Plat" shall mean that final Plat of Southridge Development approved by the City of Kennewick, including amendments thereto, affecting that real property described in Section Two below.

1.15 "Property" means the real property described in the Plat.

1.16 "Sold" means that legal title has been conveyed or that a contract of sale has been executed and recorded under which the purchaser has obtained the right to possession.

1.17 "This Declaration" means all of the easements, covenants, conditions, restrictions and charges set forth herein, together with any rules or regulations promulgated by the Association and any Guidelines promulgated by the Committee hereunder, as the same may be amended from time to time, in accordance with the provisions hereof.

SECTION TWO

DESCRIPTION OF THE LAND

2.1 The Property subject to this Declaration is that property designated as the Plat of Southridge Development as recorded with the County Auditor of Benton County, Washington, and more particularly described in Exhibit A attached hereto and incorporated by this reference.

2.2 Initial Development. Declarant hereby declares that all of the property described in the Plat is owned and shall be owned, conveyed, hypothecated, encumbered, used, occupied and improved subject to this Declaration.

2.3 Annexation of Additional Property. Declarant may from time to time, and in its sole discretion, annex to Southridge Development any adjacent property now or thereafter acquired by it, and may also from time to time, and in its sole discretion, permit other holders of adjacent property to annex adjacent land owned by them to Southridge Development. The annexation of such property shall be accomplished by recording a declaration which shall be executed by or bear the approval of Declarant and shall describe the property to be annexed, shall establish any additional or different limitations, restrictions, covenants and conditions, and shall declare that such property is held and shall be held, conveyed, hypothecated, encumbered, used, occupied or improved subject to these covenants. The property included by such annexation shall thereby become a part of the Property bound by this Declaration. There is no

limitation on the number of parcels of adjacent real property that Declarant may annex to the Property, except as may be established by applicable ordinances, agreements, or land use approvals.

SECTION 3
PROPERTY RIGHTS IN LOTS

3.1 Use and Occupancy. Except as otherwise expressly provided in this Declaration or in the Plat, the Owner of a Lot shall be entitled to the exclusive use and benefit of such Lot.

3.2 Easements Reserved. In addition to any utility and drainage easements shown on the Plat, Declarant hereby reserves the following easements for the benefit of Declarant and the Architectural Review & Design Committee.

(1) Right of Entry. Declarant, the Architectural Review & Design Committee and their respective representatives may at any reasonable time, and from time to time at reasonable intervals, enter upon any Lot for the purposes of determining whether or not the use of and/or Improvements on such Lot are then in compliance with this Declaration. No such entry shall be deemed to constitute a trespass or conversion or otherwise create any right of action in the Owner of such Lot.

(a) Easements. Easements for installation and maintenance of utilities and drainage facilities are reserved, as shown on the Plat. Within the easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation or maintenance of any utilities, or which may change the direction, obstruct or retard the flow of water through drainage channels in the easements. The easement area of each Lot and all Improvements therein shall be maintained continuously by the Owner of the Lot, except for those Improvements for which a public authority or utility company is responsible. Each Lot owner shall be responsible for removal of any fencing or vegetation in the easement area in the event a utility company makes such a request.

SECTION 4
USE AND ARCHITECTURAL RESTRICTIONS

4.1 Structures Permitted. Except to the extent expressly provided in this Declaration, no Improvements shall be erected or permitted to remain on any Lot, except Improvements containing Living Units and Improvements normally accessory thereto, and only one Living Unit shall be permitted on any Lot. The foregoing provisions shall not preclude construction of a private greenhouse, storage unit, tennis court, sport court, private swimming pool, structure for storage of a boat and/or camping trailer for personal use, or other similar outbuilding, provided the Improvement is in conformance with the other provisions of this Declaration and applicable City and County regulations, agreements, or land use approvals, is compatible in design and decoration with the Living Unit constructed on such Lot, does not obstruct or infringe on the

view from or privacy or solar access of any Living Unit located on another Lot, and (for so long as it exists) has been approved by the Architectural Review & Design Committee. No structure of a temporary character, nor any trailer, camper, mobile homes, manufactured home, manufactured dwelling, basement, tent, shack, garage, barn, or other out building shall be used on any Lot as residence, either temporarily or permanently. No building or structure shall be moved onto any Lot from any real property outside of said subdivision, except a new prefabricated structure of a type and design approved by the Architectural Review & Design Committee.

4.2 Residential Use. Lots shall only be used for residential purposes in accordance with, and subject to, the other provisions of this Declaration. Except with the consent of the Architectural Review & Design Committee, and as allowed by applicable City and County ordinances, agreements, or land use approvals, no trade, craft, business, profession, commercial or similar activity of any kind shall be conducted on any Lot, or within any Living Unit, nor shall any goods, equipment, vehicles, materials or supplies used in connection with any trade, service or business be kept or stored on any Lot. Nothing in this Section 4.2 shall be deemed to prohibit: (a) activities relating to rental or sale of Living Units, including builders', Declarant's, or real estate agents' temporary sales offices or model homes; (b) the right of Declarant or any contractor or homebuilder to construct living Units on any Lot and to store construction materials and equipment on such Lots in the normal course of construction in accordance with the other provisions of this Declaration; and (c) the right of an Owner to maintain his professional personal library, keep his personal business or professional records or accounts, handle his personal business or professional telephone calls or confer with business or professional associates, clients or customers, in his Living Unit, in offices which are not designated by exterior signs and do not create significant additional vehicle traffic.

4.3 Dwelling Size, Height, Standards and Setback. Dwelling size, height limitations, color and material restrictions, setbacks and all other standards affecting the design, appearance and aesthetics of all structures within the plat, shall be included within the Architectural Guidelines adopted by the Declarant and Association.

4.4 Construction of Improvements. The construction of an Owner's Living Unit or any other building, including painting, all exterior finish, and hard surface driveways, shall be completed within nine (9) months from the beginning of construction so as to present a finished appearance when viewed from any angle. In the event of undue hardship due to extraordinary weather conditions, these periods may be extended for a reasonable length of time upon written approval from the Architectural Review & Design Committee. The building area and streets shall be kept tidy, clean and in workmanlike order during the construction period. The owner of each Lot shall be responsible for any and all damage to curbs, streets and utilities during construction. All construction activities shall be in conformance with construction rules that may be adopted from time to time by the Architectural Review & Design Committee.

4.5 Landscaping.

(a) All front, side, and rear yards shall be landscaped must be completed within thirty (30) days of occupancy of the Living Unit constructed thereon. In the event of undue hardship due to extraordinary weather conditions, this period may be extended for a reasonable length of time upon written approval of the Architectural Review & Design Committee. Landscape completion shall also include provisions for adequate roof and surface water drainage to prevent erosion and unreasonable discharge onto adjoining Lots.

(b) A landscape plan must be submitted concurrently with final building design plans and should be submitted with preliminary plans. Plans shall be at 1/8" x 1" scale or larger, accurately and clearly drawn, showing and describing: improvements to the entire parcel of property (with scale, north arrow, major dimensions, roads or streets, utility services, easements, etc.); contour lines and/or slope indications and/or spot elevations; paved areas including walks, driveways, required parking spaces; drainage information, and all landscaped areas (including grass, ground covers and flower masses). Plans shall be accompanied by a "plant list" showing botanical and common names of plants, spacings, quantities, and installation sizes. A minimum of twenty (20) two-gallon plants and ten (10) one-gallon plants shall be planted prior to occupancy. Minimum landscaping requirements shown on the plans shall be planted prior to occupancy. Minimum landscaping requirements shown on the plan shall also include placement of plastic edging, rock, and sod on the front, side, and rear yards.

4.6 Exterior Plan, Materials and Finish. Exterior plans, materials and colors must be approved for use in advance by the Architectural Review & Design Committee in accordance with the provisions of Section 6. The Architectural Review & Design Committee shall have the sole right and authority to waive or enforce the provisions of the Design Guidelines.

4.7 Offensive or Unlawful Activities. No noxious or offensive activities shall be carried on upon any Lot, nor shall anything be done or placed on any Lot which interferes with or jeopardizes the enjoyment of other Lots, or which is a source of annoyance to any residents of the Property. No unlawful use shall be made of a Lot, or any part thereof, and all laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction over the Property shall be observed. Without limiting the generality of the foregoing, no heat pump, heating, ventilating or air conditioning equipment, or other equipment, the operation of which produces noise at a level higher than eighty (80) decibels, shall be allowed on or in any Lot or Living Unit, except equipment used for initial construction of a Living Unit.

4.8 Maintenance of Improvements. Each owner shall maintain the Improvements located on that Owner's Lot or Living Unit in a clean and attractive condition, in good repair and in such fashion as not to create a hazard of any kind. Such maintenance shall include, without limitation, painting and staining, repair, replacement and care for roofs, gutters, downspouts,

exterior building surfaces, surface water drainage, driveways, walks and other exterior improvements and glass surfaces. In addition, each Owner shall keep shrubs, trees, grass and plantings of every kind neatly trimmed, properly cultivated and free of trash, weeds and other unsightly materials. The provisions of this section include the area between the property line of any Lot and the nearest curb, including sidewalks and street trees. Damage caused by fire, flood, storm, earthquake, riot, vandalism, or other causes shall be the responsibility of each Owner and shall be restored within a reasonable period of time. Common Areas and landscaped parks, including lineal parks (not maintained by the City) shall be maintained by the Homeowners Association, and maintained in a clean, orderly and attractive condition.

4.9 Storage of Equipment. Boats, trailers, truck-campers, motor homes, commercial vehicles and like equipment shall not be parked or stored on any Lot or on public ways except that (subject to Section 4.21) such equipment owned by a resident Owner shall be allowed to be parked in the driveway servicing a Living Unit or on the public street adjacent thereto for a period not to exceed five (5) days in any thirty (30) day period, and except further that such equipment may be parked on that portion of the Lot not located between the street and the front setback line which (in the opinion of the Architectural Review & Design Committee) is adequately screened, which is specifically designed for such additional parking pad, and which has been approved by the Architectural Review & Design Committee.

4.10 Vehicles in Disrepair. No Owner shall permit any vehicle which is in a state of disrepair to be abandoned or to remain parked upon any Lot (except in an enclosed garage) for a period in excess of five (5) days. A vehicle shall be deemed in a "state of disrepair" when its presence reasonably offends the Owners of adjoining Living Units.

4.11 Signs. No signs shall be erected or maintained on any Lot except the following signs:

(a) Political Signs. The temporary placement of political yard signs on any Lot by the Owner thereof shall not exceed five (5) square feet in size and shall be displayed not more than ninety (90) days in advance of the election to which they pertain and are removed within fifteen (15) days after the election;

(b) Security System Signs. Security systems signs not exceeding one (1) square foot in area and mounted on a wall, fence, or structure;

(c) For Sale Signs. One "for sale" sign, not exceeding five square feet in size, placed on a Lot on behalf of Declarant or the Owner of the Lot;

(d) Street Address Signage. A sign on an address column identifying the street address of the Living Unit, consistent in appearance with identification signage for other Living Units in the vicinity and at a location and in accordance with specifications approved by the Architectural Review & Design Committee;
or

(e) Project Signage. Signage erected by or on behalf of Declarant, in its sole discretion, in connection with construction, development, and sale of Lots, including, without limitation, directional signs and signs identifying Lots.

4.12 Rubbish and Trash. No Lot shall be used as a dumping ground for trash or rubbish of any kind. All garbage and other debris and waste shall be kept in appropriate sanitary containers for proper disposal and out of public view.

4.13 Fencing. As used herein, fencing shall mean any fence, barrier or wall. Any sight obscuring fences shall be in accord with City ordinances and shall be complimentary to the Living Unit on the Lot where the fence is located. Fencing shall be of project-standard materials and composition, where required under the Design Guidelines. Fences, walls, and hedges along pedestrian access ways adjoining open space shall be in accordance with the applicable provisions of the Architectural Review & Design Committee Design Guidelines.

4.14 Antenna. Except as may otherwise be permitted by the Architectural Review & Design Committee, subject to any provisions of any guidelines or standards adopted by the Architectural Review & Design Committee, no exterior radio antenna, television antennae, or other antennae, satellite dish, or audio or visual reception device of any type shall be placed, erected, or maintained on any Lot except inside a Unit concealed from view; provided, however, that the requirements of this subsection shall not apply to those "antennae" (including certain satellite dishes) which are specifically covered by the *Telecommunications Act of 1996* and/or applicable regulations, as amended from time to time. Such "antennae" subject to the Act shall, however, be subject to rules and regulations adopted by the Association consistent with the requirements of the Act consisting of nondiscriminatory reasonable restrictions relating to the appearance, safety, location and maintenance. Notwithstanding the above, a satellite dish antennae eighteen inches (18") in diameter or smaller may be installed (a) on the rear of the dwelling of a Lot or on the enclosed garage located on a Lot, and (b) at an elevation no higher than thirty-six inches (36") above the eaves of the roof. The satellite dish antennae should be in the least conspicuous location on the roof when viewed from the street in front of the living unit from where an acceptable quality signal can be received, or in the rear yard of the Lot with landscape screening as approved by the Architectural Review & Design Committee.

4.15 Flags and Flagpoles. Except for the display of a standard size American Flag from a wall-mounted stand or from a residentially scaled flagpole (not to exceed eighteen feet in height), displayed in compliance with the Federal Flag Display Act, 4 U.S.C., Section 1, *et seq.*, no flagpoles, flags, banners shall be permitted, except those promotional devices erected and utilized by the Declarant for the marketing of Lots and Living Units within the Property.

4.16 Animals. No animals, livestock or poultry of any kind, shall be raised, bred or kept on any Lot, except that dogs, cats or other household pets (excluding any varieties of pigs, goats, or wild animals) may be kept provided that they are not kept, bred, or maintained for any commercial purpose, or in unreasonable numbers, nor permitted to run loose and/or controlled so as not to be offensive to neighbors or visitors.

4.17 Grading. No Owner shall grade or regrade any Lot so as to materially raise or lower the Lot above or below the grade elevation as shown on Declarant's Lot grading plan.

SECTION FIVE
HOMEOWNERS ASSOCIATION

5.1 Purpose of Association. The Association is to be incorporated as a nonprofit corporation to serve as the governing body for all of the Owners for the protection, improvement, alteration, maintenance, repair, replacement, administration and operation of the Property, including the assessment for expenses and improvements, and all other matters as provided in this Declaration, the Articles of Incorporation, Bylaws, Association Rules, and Design Guidelines.

5.2 Articles & Bylaws. In addition to the rights and powers of the Association set forth in this Declaration, the Association, and its directors, officers, employees, agents, and members shall have such rights and powers as set forth in the Articles and Bylaws and are not inconsistent with the laws of the State of Washington or this Declaration.

5.3 Association Meetings. A meeting of the Association shall be held at least once each year on a date set by the Bylaws. Special meeting of the Association may be called by the President, a majority of the Board of Directors, or by Owners having more than ten percent (10%) of the votes in the Association. Not less than fourteen (14) and no more than sixty (60) days in advance of any meeting, the Secretary and/or officer authorized by the Bylaws shall cause notice to be hand-delivered or sent prepaid by First Class United States Mail to the mailing address of each member, or to any other mailing address designated in writing by the member. The notice of any meeting shall state the time and place of the meeting and the business to be placed on the agenda by the Board of Directors for a vote by the members, including the general nature of the action to be taken.

5.3.1 A quorum is present throughout any meeting of the Association if the members to which thirty-four percent (34%) of the vote of the Association are present in person or by proxy at the beginning of the meeting.

5.3.2 The members by a majority vote of the voting power of the Association present in person, or by proxy, entitled to vote at any meeting of the members in which a quorum is present, may remove any member of the Board of Directors with or without cause.

5.3.3 An annual budget shall be prepared by the Board of Directors, and shall be submitted at a regular or special meeting of the members for ratification. This meeting shall be held within thirty (30) days after the adoption by the Board of Directors of any regular or special budget, and notice of such meeting shall be provided to the members, not less than fourteen (14), nor more than sixty (60) days after the mailing of the budget summary. Unless at the meeting, the owners of seventy-five percent (75%) of the total votes cast reject the budget, in person or by proxy, the budget shall be ratified whether or not a quorum is present.

5.4 Board of Directors. The affairs of the Association shall be conducted by the Board and such officers as the Board may elect or appoint. The initial Board shall consist of three (3) members appointed by a Developer. The Board may also appoint various committees, and may appoint a Manager or Managing Agent who shall, subject to the direction of the Board, be responsible for the day to day operation of the Association.

5.4.1 Except as to closed sessions permitted by RCW 64.38.035, all meetings of the Board of Directors shall be open for observation by all members of record and their authorizations, and minutes of all actions taken by the Board shall be kept and available for inspection by all members.

5.5 Association Rules. The Board shall be empowered to adopt, amend and repeal such rules and regulations as it deems reasonable and appropriate ("the Association Rules") effective upon adoption by the Board and shall be binding upon all persons subject to this Declaration. The Association Rules may include the establishment of a system of fines and penalties enforceable as reimbursement charges. The Association Rules shall govern such matters in furtherance of the purposes of the Association, including but not limited to, maintenance and use of the Common Areas. The Association Rules shall have the same force and effect as if there were set forth in and a part of this Declaration and shall be binding on all Owners and all other persons having an interest in or making any use of the Property.

5.6 Membership and Voting. The rights and obligations of a member shall not be assigned, transferred, pledged, conveyed, or alienated in any way, except upon transfer of ownership to an Owner's lot, and then only to the transferee of ownership to the lot. Every Owner shall be a member of the Association, and such membership shall be appurtenant to, and inseparable from ownership of a lot. There shall be only one ownership per lot. Each member shall have one vote for each lot in which they hold the interest required for membership, provided there shall only be one vote per lot.

5.7 Assessments. There are hereby created assessments for Association expenses as the Board may specifically authorize from time to time. Each Owner by accepting a deed or entering into a recorded real estate contract for any portion of the property or any lot therein, is deemed to covenant and agree to pay these assessments. Such assessments shall include:

(a) assessment to fund common expenses for the general benefit of all lots within the Property:

(b) capital improvement assessments;

(c) special assessments; and

(d) reimbursement assessments.

5.8 Assessments as Liens on Lots. All assessment, together with interest thereon, computed at the rate of twelve percent (12%) per annum from the day of delinquency, together

with late charges in such amounts as the Board may establish by Resolution, costs and reasonable attorneys' fees incurred shall be a charge and continuing lien upon each lot against which the assessment is made until paid. Such liens shall be enforced as provided in Section 7.3 below.

5.9 Common Areas. The Common Areas, including the maintenance, operation and improvements of the private park and lineal parkways, if any, shall be maintained by the Association. Any lineal park, including the landscaping thereon maintained by the City, may not be altered, improved or removed by either the Developer or the Homeowners Association without the prior written consent of the City.

**SECTION SIX
ARCHITECTURAL REVIEW & DESIGN COMMITTEE**

6.1 Architectural Review. No Improvement shall be commenced, erected, placed, altered or maintained on any Lot until the plans and specifications, including, without limitation, site plans, building plans (including elevations), grading plans and landscape plans, which plans shall include the proposed exterior lighting, and exterior color and/or exterior materials samples, showing the nature, shape, height, materials, colors and proposed location of the Improvement have been submitted to and approved in writing by the Architectural Review & Design Committee. It is the intent and purpose of this Declaration to achieve a high standard of quality of workmanship and materials and to assure harmony of external design with existing Improvements and location with respect to topography and finished grade elevations.

6.2 Procedure. In all cases which require Architectural Review & Design Committee approval or consent pursuant to this Declaration the provisions of this Section 6 shall apply. The procedure and specific requirements for Architectural Review & Design Committee approval or consent may be set forth in Design Guidelines adopted from time to time by the Architectural Review & Design Committee. The Architectural Review & Design Committee may charge a reasonable fee to cover the cost of processing an application for its approval.

6.3 Committee Decision. The Architectural Review & Design Committee shall use all reasonable efforts to render its decision on an application for approval of the design of an Improvement or any other proposal submitted to it for approval or consent within thirty (30) working days after it has received a complete written application therefor. A complete application shall specify the approval or consent requested and be accompanied by all material reasonably required or desired by the Architectural Review & Design Committee Guidelines.

6.4 Committee Discretion. The Architectural Review & Design Committee may, in its sole discretion, withhold consent to any proposed Improvement if the Architectural Review & Design Committee finds the proposed Improvements would be inappropriate for the particular Lot or incompatible with the design standards that the Architectural Review & Design Committee intends for the Property. Consideration of siting, shape, size, color, design, height, solar access, impairment of the view from other Lots within the Property, effect on the enjoyment of other Lots, disturbance of existing terrain and vegetation and any other factors which the Architectural Review & Design Committee reasonably believes to be relevant,

including Declarant's Architectural Guidelines as may be amended from time to time, may be taken into account by the Architectural Review & Design Committee in determining whether or not to approve, deny approval, or condition its approval of any proposed Improvement.

6.5 Appointment of Architectural Review & Design Committee. Until the earlier to occur of: (a) six (6) months following the conveyance of the last Lot owned by Declarant to a third party; and (b) notification by Declarant to the Owners and Declarant's determination to relinquish control of the Architectural Review & Design Committee (the "Turnover Date"), the Architectural Review & Design Committee shall consist of between one and three persons (who need not be Owners) appointed from time to time by Declarant. Thereafter, the Architectural Review & Design Committee shall consist of five Owners elected by the members of the Homeowners Association in accordance with Section 6.6. Prior to the Turnover Date, Declarant shall have the right to remove or replace any member of the Architectural Review & Design Committee at any time.

6.6 Elections by Owners.

(a) The first meeting of Owners to elect members of the Architectural Review & Design Committee shall occur not more than thirty (30) days after the Turnover Date, as described in Section 6.5. At such meeting: (i) the Owners of Lots shall elect five (5) Owners each to serve as Members of the Architectural Review & Design Committee to succeed the Members of the Architectural Review and Design Committee appointed by the Declarant.

(b) Except as provided in Section 6.5, all members of the Architectural Review & Design Committee shall serve two year terms. Any member may serve more than one term. In the event a member dies, resigns, or ceases to be an Owner, the resulting vacancy shall be filled by designation of the Architectural Review & Design Committee. The member so selected shall serve the remainder of the replaced member's term.

6.7 Majority Action. A majority of the members of the Architectural Review & Design Committee shall have the power to act on behalf of the Architectural Review & Design Committee, without the necessity of a meeting, provided that all members of the Architectural Review & Design Committee have been delivered prior written notice of the proposed action. The Architectural Review & Design Committee may render its decision only by written instrument setting forth the action taken by the members consenting thereto.

6.8 Liability. Neither Declarant, the Architectural Review & Design Committee, nor any member thereof, shall be liable to anyone submitting plans to them for approval, or to any Owner or occupant of any Living Unit by reason of a mistake in judgment, negligence or disapproval or failure to approve plans. Every person who submits plans to the Architectural Review & Design Committee for approval agrees, by submission of such plans, and every Owner agrees not to bring any action or suit against Declarant, the Architectural Review & Design Committee, or any member thereof to recover damages of any nature. The Architectural Review & Design Committee's review and approval or disapproval of plans and specifications shall not

be relied upon by the applicant as an indication of compliance with any applicable building codes or regulations, or of structural soundness of such improvement, such review having been made solely to assure that the improvements contemplated would be aesthetically compatible with the existing and planned Living Units in the Plats. The scope of the Architectural Review & Design Committee's review is not intended to include any review or analysis of structural, geophysical, engineering or other similar considerations, nor any compliance with applicable building codes, rules, laws, and ordinances.

6.9 Non-Waiver. Consent by the Architectural Review & Design Committee to any matter proposed to it or within its authority 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.

6.10 Effective Period of Consent. The Architectural Review & Design Committee's consent to any proposed Improvement shall automatically be revoked one year after issuance, unless construction of the work has been commenced or the Owner has applied for and received an extension of time from the Architectural Review & Design Committee.

6.11 Variance. The Architectural Review & Design Committee may authorize variances in compliance with the requirements of the Guidelines and procedures when circumstances such as unusual topography, natural obstructions, hardship, aesthetic or environmental considerations require. No variance shall (a) be affective unless in writing signed by a majority of the Committee; or (b) preclude the Committee from denying a variance under other circumstances which the Committee deems detrimental to the Property. For the purpose of this Section, the inability to obtain approval of a governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

SECTION 7 ENFORCEMENT

7.1 Non-Qualifying Improvements. In the event any Owner constructs, attempts to construct, or permits to be constructed on such Owner's Lot an Improvement, or removes or commences to remove any trees or vegetation contrary to the provisions of this Declaration, the Architectural Control Committee may notify the Owner in writing of any such specific violations of this Declaration and may require the Owner to remedy or abate the same within sixty (60) days of the date of such notice in order to bring the Owner's Lot or Living Unit, including Improvements thereon and the Owner's use thereof, into conformance with this Declaration. If the Owner is unable or unwilling to comply with the Architectural Control Committee's specific directives for remedy or abatement, or the Owner and the Architectural Control Committee cannot agree on a mutually acceptable solution within the framework and intent of this Declaration, and within the notice period stated above, then the Declarant, prior to the Turnover Date, and thereafter the Homeowners Association, upon notification by the Architectural Control Committee of such Non-Qualifying Improvement, shall have, in addition to any other rights or remedies provided in this Declaration, at law or in equity, the right to do any or all of the following:

(a) Remove Cause of Violation. Enter the offending Lot (which entry shall not subject the Declarant or members of the Homeowners Association or the Architectural Control Committee, or any agent or representative thereof to liability for trespass, conversion or any other claim for damages) and remove the cause of such violation, or alter, repair or change the item which is in violation of the Declaration in such a manner as to make it conform hereto, in which case the Declarant or the Homeowners Association may assess such Owner for the entire cost of the work done, which amount shall be applied to defray the cost of such work, provided that no building shall be altered or demolished in the absence of judicial proceedings; and/or

(b) Suit or Action. Bring suit or action against the Owner to enforce this Declaration.

7.2 Other Violations. Except as provided in Section 7.1, should any person violate or attempt to violate any of the provisions of this Declaration, the Declarant, prior to the Turnover Date, and thereafter the Homeowners Association, at its option, but without obligation, shall have the full power and authority to prosecute any proceedings at law or in equity against the person or persons violating or attempting to violate any of such provision, either to prevent the violation of such provisions, to require the performance of such provision, or to recover damages sustained by reason of such violation. Failure by the Declarant or the Homeowners Association to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

7.3 Enforcement of Lien. If an assessment or other charge imposed under this Declaration is not paid within thirty (30) days after the date of the assessment or charge, such assessment or charge shall become delinquent and shall bear interest from the date of the assessment or charge until paid at the rate set forth in Section 7.5. In addition, any or all of the following remedies may be exercised:

(a) Lien. The Declarant, prior to the Turnover Date, and thereafter the Homeowners Association (but not an individual Owner) shall have a lien against each Lot or Living Unit for any assessment levied against such Lot or Living Unit and any other charges imposed under this Declaration against the Owner of the Lot or Living Unit from the date on which the assessment or charge is due. The Declarant shall have a lien against any Lot whose Owner violated the provisions of Section 4.5(b) for the value of any trees removed in violation of such Section. Any such lien shall be recorded in the real property records of the Benton County Auditor. The lien shall be foreclosed by the Declarant prior to the Turnover Date and thereafter by the Homeowners Association in accordance with Washington law. If any assessment is payable in installments, the full amount of the assessment is a lien from the date the first installment of the assessment becomes due.

(b) Suit or Action. The Declarant, prior to the Turnover Date, and thereafter the Homeowners Association, may bring an action to recover a money judgment for unpaid assessments and charges under this Declaration in lieu of foreclosing the lien.

(c) Other Remedies. The Declarant, prior to the Turnover Date, and thereafter the Homeowners Association, shall have any other remedy available to it by law or in equity.

7.4 Subordination of Lien to Mortgages. The lien for the assessments or charges provided for in this Declaration shall be subordinate to the lien of any Mortgage on such Lot which was made in good faith and for value and which was recorded prior to the recordation of the notice of lien. Sale or transfer of any Lot shall not affect the validity of the lien.

7.5 Interest, Expenses and Attorneys' Fees. Any amount not paid to the Declarant, the Architectural Control Committee or the Homeowners Association when due in accordance with this Declaration shall bear interest from the due date until paid at the rate of twelve percent (12%) per annum, but not to exceed any applicable lawful rate of interest under the laws of the State of Washington. In addition, a late charge may be charged for each delinquent charge or assessment in an amount not to exceed thirty percent (30%) of such assessment. In the event the Declarant or the Homeowners Association shall file a notice of lien, the lien amount shall also include the recording fees associated with filing the notice, and a fee for preparing the notice of lien established from time to time by resolution of the Architectural Control Committee. In the event the Declarant or the Homeowners Association shall bring any suit or action to enforce this Declaration, or to collect any money due hereunder or to foreclose a lien, the prevailing party in such suit or action shall recover such amount as the court may determine to be reasonable as attorneys' fees and expenses of litigation at trial, including a foreclosure title report, and upon any appeal or petition for review thereof.

7.6 Non-Exclusiveness and Accumulation of Remedies. An election to pursue any remedy provided for a violation of this Declaration shall not prevent concurrent or subsequent exercise of any other remedy permitted hereunder. The remedies provided in this Declaration are not exclusive, but shall be in addition to all other remedies, including actions for damages and suits for injunctions and specific performance, available under applicable law.

SECTION 8 MISCELLANEOUS PROVISIONS

8.1 Amendment and Repeal.

(a) This Declaration, or any provision thereof, as from time to time in effect with respect to all or any part of the Property, may be amended or repealed in whole or in part: (i) by Declarant alone for as long as Declarant owns at least ten percent (10%) of the total number of Lots; or (ii) thereafter by the vote or written consent of not less than sixty percent (60%) of the Owners (together with the vote or written consent of Declarant, until the end of the sixth month following the conveyance of the last Lot owned by Declarant to a third party).

(b) Any such amendment or repeal shall become effective only upon recordation in the real property records of Benton County of a certificate of a member of the Architectural Control Committee (and of Declarant, if applicable) setting forth in full

the amendment, amendments or repeal so approved and certifying that said amendment, amendments or repeal have been approved in the manner required by this Declaration.

8.2 Regulatory Amendments. Notwithstanding the provisions of Section 8.1, until the conveyance of the last Lot owned by Declarant to a third party, Declarant shall have the right to amend this Declaration in order to comply with the requirements relating to the development of single-family structures of any applicable statute, ordinance, regulation or guideline of the Federal Housing Administration, the Veterans Administration, the Farmers Home Administration of the United States, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, any department, bureau, board, commission or agency of the United States or the State of Washington, or any corporation wholly owned, directly or indirectly, by the United States or the State of Washington which insures, guarantees or provides financing for a single-family residential development or lots in a single-family residential development.

8.3 Duration. This Declaration shall run with the land and shall be and remain in full force and effect at all times with respect to all property included within the Property and the Owners thereof for an initial period of twenty (20) years, commencing with the date on which this document is recorded. Thereafter, this Declaration shall continue to run with the land and be and remain in full force and effect at all times with respect to all property within the Property, and to the Owners thereof, for successive additional periods of ten (10) years each. The continuation from the initial or any additional period into the next following period shall be automatic and shall not require any notice, consent or other action whatsoever; provided, however, that this Declaration may be repealed at any time pursuant to Section 8.1.

8.4 Joint Owners. In any case in which two or more persons share the ownership of any Lot, regardless of the form of ownership, the responsibility of such persons to comply with this Declaration shall be a joint and several responsibility, and the act or consent of any one or more of such persons shall constitute the act or consent of the entire ownership interest; provided, however, that in the event 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 Architectural Control Committee, and the vote or right of consent involved shall then be disregarded completely in determining the proportion of votes or consents given with respect to such matter.

8.5 Lessees and Other Invitees. Lessees, invitees, contractors, family members and other persons entering the Property under rights derived from an Owner shall comply with all of the provisions of this Declaration restricting or regulating the Owner's use, improvement or enjoyment of such Owner's Lot and other areas within the Property. The Owner shall be responsible for obtaining such compliance and shall be liable for any failure of compliance by such persons in the same manner and to the same extent as if the failure had been committed by the Owner.

8.6 Non-Waiver. Failure by the Declarant, the Homeowners Association, the Architectural Control Committee or by any Owner to enforce any covenant or restriction contained in this Declaration shall in no event be deemed a waiver of the right to do so thereafter.

8.7 Severability. Each provision of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity or any provision shall not affect the validity or enforceability of the remaining part of that or any other provision.

8.8 Number. As used herein, the singular shall include the plural and the plural the singular, and the masculine and neuter shall each include the masculine, feminine and neuter, as the context requires.

8.9 Captions. All captions used in this Declaration are intended solely for convenience of reference and shall in no way limit any of the provisions of this Declaration.

8.10 Notices and Other Documents. All notices and other communications under this Declaration shall be in writing and shall be deemed to have been given on the date of delivery when delivered by personal service or facsimile transmission, or three (3) business days after delivery to the United States Mails, postage prepaid, certified or registered mail, return receipt requested, addressed to the party to which such notice is directed at its address determined as provided in this Section 8.10. A minimum of thirty (30) days advance written notice shall be given as to any matter requiring a vote of the Owners.

(a) Addresses. All notices and other communications under this Declaration shall be given to the parties hereto at the following addresses:

(i) If to an Owner, then to the last address for such Owner shown in the Architectural Review & Design Committee's or Homeowners Association records.

(ii) If to Declarant, then to:

The McDougal Foundation, Inc.
P.O. Box 518
Creswell, OR 97426-0518

(b) Change of Address. Any party hereto may change the address to which notices shall be directed by giving ten (10) days' written notice of such change delivered as provided herein.

8.11 Limitation of Duties and Liability of Declarant. Neither Declarant nor the Architectural Control Committee shall have any duty to enforce any provision of this Declaration. Neither Declarant nor any officer, director or employee thereof shall be liable to any Owner on account of any action or failure to act of Declarant in performing its duties or

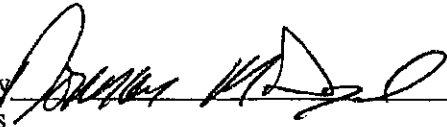
rights hereunder, provided that Declarant has, in accord with actual knowledge possessed by it, acted in good faith.

8.12 Time. Time is of the essence of each and every provision of this Declaration.

8.13 Dispute Resolution. In the event a dispute arises concerning the enforcement, interpretation or breach of the terms of these Declarations, the aggrieved party shall immediately notify all other affected parties of the dispute and shall meet in a good faith attempt to resolve the dispute. In the event the dispute is not resolved, and should any suit or action be instituted either at law or in equity, injunctive relief may be ordered without the necessity of posting bond, venue for such action shall be placed in Benton County, Washington. The laws of the State of Washington shall apply, and the prevailing party shall be awarded as additional judgment against the defendants, its reasonable attorneys' fees and costs incurred in such action.

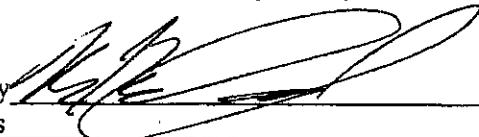
IN WITNESS WHEREOF, Declarant has executed this Declaration this 13th day of March, 2007.

The McDougal Foundation, Inc., an Oregon corporation

By 
Its _____

By _____
Its _____

LeeLynn, Inc., an Oregon corporation

By 
Its _____

By _____
Its _____

STATE OF OREGON)
 : SS.
County of LANE)

I certify that I know or have satisfactory evidence that NORMAN McDUGAL is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the President of The McDougal Foundation, Inc., to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: March 13, 2007.



Maggie Turner
Print Name: MAGGIE TURNER
Notary Public in and for the State of Oregon, residing at Cottage Grove My commission expires: 5/13/09

STATE OF OREGON)
 : SS.
County of LANE)

I certify that I know or have satisfactory evidence that MELVIN McDUGAL is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the President of LeeLynn, Inc., to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: March 13, 2007.



Maggie Turner
Print Name: MAGGIE TURNER
Notary Public in and for the State of Oregon, residing at Cottage Grove My commission expires: 5/13/09