

Recording Requested By And
When Recorded Mail To:

Roland C. Olin
RC Olin Co.
9301 NE 117th Ave.
Vancouver, WA 98662
(360)892-9555

DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS
RESTRICTIONS AND EASEMENTS FOR
THE VILLAGE AT PASCO HEIGHTS

THIS DECLARATION is made this 8 day of December, 2009 by Roland C. Olin and
M. Irene Olin, DBA, RC Olin Co., (Declarant).

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in the City of Pasco, County of
Franklin, State of Washington, which is described as follows:

8th Dec, 2009

PERIMETER DESCRIPTION
FOR
"VILLAGE AT PASCO HEIGHTS PHASE 11"

That parcel of land located in a portion of the Southeast quarter of Section 10, Township 9
North, Range 29 East, Willamette Meridian, Franklin County, Washington.

Beginning at the Northeast corner of said Southeast quarter;

Thence South 87°41'49" West, along the North line of said Southeast quarter for a distance of
1323.00 feet to the Northerly extension of the Easterly line of "Village at Pasco Heights Phase 8"
according to the plat thereof recorded under Volume D of Plats at Page 329 records of Franklin
County, Washington;

Thence South 02°18'12" East along said "Phase 8", 140.00 feet;

Thence South 87°41'49" West along said "Phase 8", 12.53 feet;

Thence South 02°18'12" East along said "Phase 8", 156.22 feet;

Thence South 87°41'48 West along said "Phase 8", 9.21 feet to the TRUE POINT OF
BEGINNING;

Thence South 02°18'12" East along said "Phase 8", 103.79 feet;

Thence South 00°45'25" East along said "Phase 8", 60.02 feet;

Thence South 02°18'12" East along said "Phase 8", 100.00 feet to the North line of "Village at Pasco Heights Phase 9" according to the plat thereof recorded under Volume D of Plats at Page 355 records of Franklin County, Washington;

Thence North 87°41'48" East along said "Phase 9", 510.00 feet;

Thence South 73°35'37" East along said "Phase 9", 165.68 feet;

Thence North 38°33'09" East, 231.34 feet;

Thence North 25°52'26" East, 161.04 feet;

Thence South 87°41'48" West, 892.67 feet to the TRUE POINT OF BEGINNING;

Containing 5.05 acres more or less.

The above description is an accurate description of the land actually surveyed.

Together with and subject to easements, reservations, covenants and restrictions apparent or of record.

Kevin L. Bethje

Professional Land Surveyor
Minister Glaeser Surveying, Inc.

NOW, THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I
DEFINITIONS

Section 1. "Association" shall mean and refer to the corporate entity to be formed to serve as the Owners Association, (The Village at Pasco Heights Homeowner's Association), it's successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Common Area" shall mean all real property and easements (including the improvements thereto) owned by the Association for the common use and enjoyment of the owners. "Common Area" means those areas designated as such in this Declaration, including the grass strip over Williams Pipeline Easement. Phase 1 of the development has a Tract A for a common area that is not part of the Gas Line easement and there may be other pathways that will be included as common areas.

Section 5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of Common Area.

Section 6. "Declarant," shall mean and refer to Roland & M. Irene Olin, DBA, RC Olin Co.

ARTICLE II
PROPERTY RIGHTS

Section 1. In General. Except as hereinafter provided, every owner shall have the right of peaceful and exclusive possession of its lot and all appurtenances. The Association, however, shall maintain the pipe line Easement.

Section 2. Owners' Easements of Enjoyment. Every owner shall have a right of enjoyment in and to the pipeline GRS Area.

- (a) The owner's rights shall be subject to the rules and regulations of the Association. So long as there is an Association, no owner shall interfere with the landscaping, in the Landscaping Strip. No owner shall violate the terms and conditions of any valid law, rule or regulation imposed by governmental agencies.

Section 3. Delegation of Use. Any owner may delegate, in accordance with the By-Laws, his right of enjoyment of the Common Area and facilities to the members of his family, his tenants or contract purchasers who reside on the property.

Section 4. Designation of Common Areas. The Common Areas shall be:

- a. The easement for the Landscaped Strip, which is legally described as follows:

The Williams Pipe Line Co. Easement across Village at Pasco Heights property identified as Tract X on any and all plat phases for said property. All Common Area shall be properly maintained by the Association as provided herein.

Section 5. Maintenance of Common Area. The Association, its heirs, successors and assigns, shall be responsible for the maintenance of the Landscape Strip in a neat appearing and attractive manner, with grass, watered and otherwise properly maintained. The Association shall also be responsible for the maintenance, repair and replacement, as necessary, of the irrigation system.

ARTICLE III MEMBERSHIP AND VOTING RIGHTS

Section 1. Every owner of a lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall continue until there is an application for FHA-insured financing that thereafter becomes a lien on any Lot. Once there is an application for such financing that thereafter becomes a lien on any Lot, the Class B membership shall cease and be converted to Class A membership when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership.

ARTICLE IV
COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association annual assessments or charges collected as hereinafter provided. The annual assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them. The fact that the personal obligation for delinquent assessment does not pass to a successor shall not effect the validity of any lien.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the improvement, repair, replacement and maintenance of the Common Area in the William Pipeline Easement.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be \$35 per Lot per year, payable in one payment.

- (a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year not more than ten per cent (10%) above the maximum assessment for the previous year without a vote of the membership.
- (b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above five per cent (5%) by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.
- (c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon any Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose. Special Assessments

shall be paid in the same manner and subject to the same late fees and interest charges as annual assessments.

Section 5. Notice and Quorum for Any Action Authorized Under Section 3 and 4.

Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty per cent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and shall be collected on an annual basis. The Association shall only be required to bill an owner once during a calendar year for the assessments due from the owner in the year for which the billing is sent. Thereafter, it shall be the responsibility of the owner to make the payments due in that year.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of any Common Area; provided that, until an application for FHA financing has been made that thereafter arises as a lien upon a Lot, maximum annual assessments shall only be due and payable from the Owners of Lots upon the issuance of a building permit for the Lot, at which time the obligation to pay maximum annual assessments shall be imposed on such Lot and shall become payable for the period following issuance of the building permit. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a lot is binding upon the Association as of the date of its issuance.

Section 8. Annual Assessments and Maintenance Fund.

- (a) It shall be the policy of the Association to establish and maintain an account with a banking institution for the deposit of sufficient funds for the maintenance obligations of the Association.
- (b) For the purpose of establishing the fund initially, each Lot, including Lots owned by the Declarant for which no building permit has been issued, shall be assessed at the rate of \$35.00 per year, which amount shall be payable at the time of the closing of the Village at Pasco Heights sale of a dwelling unit, or upon the leasing of a dwelling unit.

The assessment year shall be from February 1. The annual assessment shall be prorated for the balance of the assessment year.

Section 9. Effect of Nonpayment of Assessments; Remedies of the Association. A \$20 late fee shall be imposed on any payment received after the 15th of when payment was due. After the 15th of the month any delinquent amounts shall bear interest from due date at the rate of 12% per annum. All monies received in payment of assessments shall be first applied to any late charge, and then to interest. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of any Common Area or abandonment of his Lot.

Section 10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof. Extinguishment of the lien for assessments shall not eliminate or change the personal liability of the Owner under whom the personal obligation to pay the assessment arose, nor shall it prevent the collection of the personal obligation from that Owner.

Section 11. Insurance. No person other than the owner of a Lot, or the mortgagee were permitted by the mortgage, shall have the right to place hazard or liability insurance for that Lot.

ARTICLE V ANNEXATIONS

Section 1. Annexation of Additional Lands. Declarant will develop certain properties adjacent to all property in a series of phases, each of which will be annexed to the property. Declarant or its successor shall annex to the property all of the real property described in Preliminary Plat of Village at Pasco Heights Phases 1 through 11. Said undeveloped lands within Preliminary Plat of Village at Pasco Heights may be used for any uses approved for farming and/or any other uses approved by the governing jurisdiction.

Section 2. Annexation or Merger of the Village at Pasco Heights Phase 2-11 with the Village at Pasco Heights Phase 1. Declarant hereby declares that the Covenants, Conditions, Restrictions & Reservations for the Village at Pasco Heights Phase 2-11 are hereby merged into the Covenants, Conditions, Restrictions and Reservations for the Village at Pasco Heights Phase 1; Provided the Homeowners Associations shall have no jurisdiction over the lots in Subdivision Phase 2-11 until such time as the lot owner of each lot obtains an occupancy permit. The Homeowners Association shall have jurisdiction over each lot as that lot owners obtains an occupancy permit. In the event Declarant sells a lot and construction does not commence within two months, then the lot shall be subject to the jurisdiction of the Homeowners Association. The Common Area

of Phase 2-11 is hereby merged with the Common Area of Phase 1, under the jurisdiction of the Homeowners Association.

ARTICLE VI
AUTHORITY AND DUTY OF THE ASSOCIATION

The Association, acting through its Board of Directors, shall have the authority and the duty to:

- (a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth of the members;
- (b) Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- (c) As more fully provided herein, to
 - (1) fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment period; and
 - (2) send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period; and
 - (3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.
- (d) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.

ARTICLE VII
DECLARATION OF COVENANTS AND RESTRICTIONS FOR
VILLAGE AT PASCO HEIGHTS

The reservations, conditions, agreements, covenants and restrictions relative to the Williams Pipe Line Easement shall run with the land, shall be binding upon and inure to the benefit of all parties hereto, their successors and assigns and all persons claiming upon them and shall be part of all transfers and conveyances of the property within such platted areas as if set forth in full in such transfers and conveyances in perpetuity. The reservations, conditions, agreements, covenants and restrictions set forth in Article VII, subsections 1-14 shall be binding and effective for a period of 30 years from the date hereof, at the end of which time they shall be automatically extended for successive periods of ten owners of the lots within such signed by a majority of the ten owners of the lots within such platted area has been recorded, agreeing to change said covenants and restrictions in whole or in part: EXCEPT, however, in the event that it appears to the advantage of this platted subdivision that these restrictions should be modified, then and in that event, any modification desired may be made by affirmative vote of the instant owners of 80% lots within this subdivision and evidenced by suitable instrument filed for public record; or if such event occurs during the development period such modification or waiver shall not affect the provisions of Paragraph No. 1 of the following:

1. LAND USE AND BUILDING TYPE: No lot shall be re-subdivided into separate building sites. No lot shall be used except for residential purposes. No building shall be erected, altered, placed or permitted to remain on any lot other than one detached single-family dwelling and private garage for not less than 2 cars. However, the foregoing provisions shall not be interpreted to exclude construction for private greenhouse, private swimming pool, or a shelter or port for the protection of such swimming pool, or for the storage of a boat and /or a camping trailer kept for personal use, or a small building for storage purposes, provided the location of such structures are in conformity with the applicable municipal regulations, and are compatible in design and decoration with the residence constructed on such lot.
2. DWELLING SIZE: The main floor area of the dwelling structure, exclusive of basements, open or screened porches and attached garages, shall be not less than 1000 square feet for a one-story dwelling, nor less than 900 square feet for a dwelling of more than one story. Split-level dwellings shall contain a minimum floor area of 1200 square feet, with all levels exclusive of garage area within the dwelling unit, included in computation of footage for such split-level dwellings. For the purpose of interpretation of this paragraph, those dwellings with day-light basements shall be classified as single story, with the basement area excluded from computation of footage.
3. BUILDING LOCATION: No building shall be located on any lot with respect to setback from front, side and rear lot lines, except in conformity with the planning regulations and requirements of the municipal government having jurisdiction within the area in which this subdivision is located.
4. COMPLETION: Construction of any dwelling shall be completed including exterior decoration, within 1 year from date of the start of construction. All lots prior to the construction of improvements thereon, shall be kept in a neat and orderly condition and free of brush, vines, weeds and grass thereon cut or mowed at sufficient intervals to prevent creation of a nuisance or fire hazard. Basic lawn and landscaping shall be completed within one year of completion of construction.
5. FENCES: No fence or any lot boundary line shall exceed 6 feet in height above the grade on which it is situated and providing that any line fence or planting between the minimum building set back line and the front lot line shall not exceed 4 feet above grade.
6. EASEMENTS: Easements for the installation of utilities and drainage facilities are reserved as shown on the official plat recorded herewith. The area included in said easements shall be maintained in an attractive and well kept condition as the remainder of the lot.
7. NUISANCES AND MAINTENANCE: No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood. Yards, grounds and building shall be kept and maintained in a neat and sightly fashion at all times. No parking or dismantling or

inoperable vehicles shall be permitted on any lot. No trailers shall be parked in the public street areas, nor shall any trucks, campers, trailers, boats or inoperable vehicles be parked or permitted to remain in said public street area.

8. TEMPORARY STRUCTURES: No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any lot at any time as a residence either temporarily or permanently.
9. SIGNS: No sign of any kind shall be erected, maintained or displayed to the public view on any lot, with these exceptions: signs used by the developers or a builder to advertise the property during the initial sales and construction period, one professional sign not larger than four square feet, one sign of not larger than 24 by 24 inches advertising the property for sale or rent. This restriction, however, shall not be construed to prohibit ornamental plates designating the name of the resident or the owners thereof.
10. GARBAGE AND REFUSE DISPOSAL: No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waists shall not be kept except in sanitary containers, pending collection and removal. All incinerators or other equipment for temporary storage or disposal of such material shall be kept in a clean and sanitary condition.
11. EXISTING STRUCTURES: No existing structure, residential or otherwise, shall be moved onto any lot in said subdivision, nor shall any dwelling therein be occupied prior to its completion.
12. OIL AND MINING OPERATIONS: No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any lot.
13. UTILITIES: Any dwelling constructed on any lot within said plat shall take electric services only through underground service wire, or cable rated not less than 200 amps, and equipped with an approved type meter socket connected to a rigid metallic conduit of less than eighteen inches below the finished ground surface, all except underground service wires to be installed maintained at the expense of the builder or owner of said dwelling in conformity with applicable codes and regulations.
14. LIVESTOCK AND POULTRY: No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot, except not more than 2 dogs, 2 cats, or other usual small household pets may be kept, provided that they are not kept, bred or maintained for any commercial purposes, and provided that they are not permitted to cause damage, constitute a nuisance or run at large in the neighborhood.

ENFORCEMENT: The failure on the part of any said parties affected by these restrictions, at any time to enforce any of the provisions hereof, shall in no event be deemed a waiver

thereof, or any thereof, or of any existing violation thereof; nor shall the invalidation of any of said reservations, conditions, agreements, covenants and restrictions by judgment of court order affect any of the other provisions hereof, which shall remain in full force and effect.

Should any suit or action be instituted by any of said parties to enforce any of said reservations, conditions, agreements, covenants, and restrictions, or to restrain the violation of any thereof, after demand for compliance therewith or for the cessation of such demand, then in either of said events and whether such suit or action be reduced to decree or not, the party instituting such suit or action shall be entitled to recover from the defendants therein such sum as the court may adjudge reasonable attorney fees in such suit or action, in addition to statutory costs and disbursements.

ARTICLE VIII GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any 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. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. Except for amendments provided for in section 5(b) of this Article, this Declaration may only be amended during the first twenty (20) year period by an instrument signed by not less than seventy-five per cent (75%) of the Lot Owners. Any amendment must be recorded.

Annexation of additional properties, dedication of Common Area, and amendment of this Declaration of Covenants, Conditions and Restrictions.

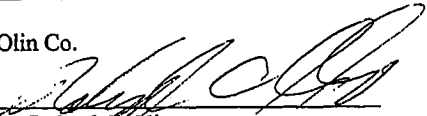
(b) If there is no application for VA or FHA financing which becomes a lien on a lot, notwithstanding anything hereinbefore in this Declaration to the contrary, Declarant, or its heirs, successors and assigns to all previously un conveyed Lots in The Village at Pasco Heights which are conveyed by Declarant, to any such heir, successor or assign for the purpose of development, shall be entitled to annex additional properties, dedicate Common Area and amend this Declaration of Covenants, Conditions and Restrictions, so long as there is class B membership; such an amendment shall only require the approval and signature of two of the three entities or

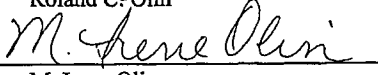
marital community of Declarant, or such heir, successor or assign, and it shall be recorded in the real property records of the Franklin County Auditor, or the Auditor's governmental successor.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this ____ day of December, 2009.

DECLARANT:

RC Olin Co.

By: 
Roland C. Olin

By: 
M. Irene Olin