

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR
THE BRIGGS VILLAGE MASTER PLAN COMMUNITY**

This Declaration of Covenants, Conditions and Restrictions for the Briggs Village Master Plan Community (“Declaration”) is made this 11th day of August, 2006 by Briggs Village Association Inc., a Washington corporation (“Declarant”).

Declarant is the owner of certain real property located in the City of Olympia, Thurston County, Washington, and more particularly described in Exhibit A, attached hereto and incorporated herein by this reference.

Declarant deems it desirable to impose a general plan for the development, protection, use, occupancy and enjoyment of the Property, and to establish, adopt and impose covenants, conditions and restrictions upon the Property for the purpose of enforcing, protecting and preserving the value, desirability and attractiveness of the Property.

Declarant intends to convey any and all portions of the Property subject to the covenants, conditions and restrictions set forth herein below.

**ARTICLE I
PURPOSE OF COVENANTS**

Section 1.01. **IMPOSITION OF COVENANTS.** The Declarant hereby makes, declares, and establishes the following covenants, conditions, restrictions and easements (the “Covenants”) which shall affect all of the Property in the manner described below. From this day forward, the Property shall be held, sold and conveyed subject to the Covenants. The Covenants shall run with the land and shall be binding upon all persons or entities having any right, title or interest in all or any part of the Property, including Declarant, and their heirs, successors and assigns, and their tenants, employees, guests and invitees, and these Covenants shall inure to the benefit of each owner of the Property and to the Association (as defined below).

Section 1.02. **STATEMENT OF PURPOSE.** These Covenants are imposed for the benefit of all owners of parcels of land located within the Property. These Covenants create specific rights and privileges which may be shared and enjoyed by all owners of any part of the Property.

Section 1.03. **DECLARANT’S INTENT.** Declarant desires to ensure the attractiveness of the land and improvements developed within the Property; to prevent any future impairment of the Property; and to preserve, protect, and enhance the values and amenities of the Property. It is the intent of Declarant to guard against the construction on the Property of improvements or structures built of improper or unsuitable materials or with improper quality or methods of construction. Declarant

intends to encourage the construction of attractive permanent, improvements appropriately located to preserve the harmonious development of the Property.

ARTICLE II DEFINITIONS

Section 2.01. DEFINITIONS. When used in this Declaration, unless the context shall prohibit or otherwise require, the following words shall have all the following meanings and all definitions shall be applicable to the singular and plural forms of such terms:

- (a) “ARC” shall mean the Architectural Review Committee appointed by the Declarant or the Board of Directors.
- (b) “Association” shall mean and refer to the Briggs Village Master Association, its successors and assigns.
- (c) “Board of Directors” shall mean the Board of Directors of the Association.
- (d) “Builder” shall mean any Person purchasing one or more Lots to construct any improvements thereon for resale or for further subdivision, development and/or resale in the ordinary course of such Person’s business.
- (e) “Cluster Home” shall mean and refer to residential town homes, condominiums, lofts or apartments (including, but not limited to senior housing), and within which common elements may be owned by non-profit corporations.
- (f) “Commercial Area” shall mean and refer to any area intended for commercial use, located within the Property. The term Commercial Area shall include the Lot(s) upon which the Commercial Area is located.
- (g) “Common Areas” shall mean and refer to all real and personal property, if any, now or hereafter owned or leased by the Association, or in which the Association has an easement, for the common use and enjoyment of the Owners. The Common Areas may include, but shall not be limited to tracts, private roads, walkways, sidewalks, jogging trails, bike paths, street lighting, nature preserves, wetlands, wetland buffers, green belts, park, and community open space areas, within the Property and any planted landscape features within Common Areas, and other areas owned by the Association for the benefit of the Owners.

The designation of any land and/or improvements as Common Areas shall not mean or imply that the public at large acquires any easement of use or enjoyment therein, unless specifically designated as such herein or in applicable documents or records.

(h) “Construction Regulations” shall mean the rules and regulations to be followed during construction on the property attached hereto as Exhibit C.

(i) “Declarant” shall mean and refer to Briggs Village Association, Inc., a Washington corporation and its successors and assigns.

(j) “Declaration” shall mean and refer to this Declaration of Covenants, Conditions and Restrictions for the Briggs Village Master Plan Community and all amendments thereto filed for record in the records of Thurston County, Washington.

(k) “Design Review Guidelines” shall mean and refer to the guidelines approved by the City of Olympia as part of the Briggs Village Master Plan and the supplemental guidelines attached hereto as Exhibit B.

(l) “Development Plan” shall mean the general plan of development for the Briggs Village Master Plan Community approved by the City of Olympia which may be amended from time to time.

(m) “Dwelling” shall mean and refer to any improved property intended for use as a single-family detached dwelling, duplexes or a Cluster Home, whether detached or attached, located within the Property. The term Dwelling shall include the Lot upon which the Dwelling is located.

(n) “First Mortgage” and “First Mortgagee” shall mean, respectively: (i) a recorded Mortgage on a Lot that has legal priority over all other Mortgages thereon; and (ii) the holder of a First Mortgage who has notified the Association in writing of its interest.

(o) “Lot” shall mean and refer to any unimproved portion of the Property upon which it is intended that a single-family detached Dwelling, duplex or Cluster Home, whether detached or attached, shall be constructed. A parcel of land shall be deemed unimproved and thus considered to be a Lot, rather than a Dwelling, until a single-family detached dwelling, duplex or Cluster Home, is constructed thereon. Upon completion, such parcel and the improvements thereon shall collectively be considered to be a Dwelling for purposes of this Declaration.

(p) “Maintenance Fund” shall mean the fund created by assessments and fees levied pursuant to Article III below to provide the Association with the funds required to carry out its duties under this Declaration.

(q) “Manager” shall mean such person or entity as may be retained by the Board of Directors of the Association from time to time to perform certain functions of the Board pursuant to this Declaration or the Bylaws.

(r) “Mortgage” shall mean a recorded mortgage or deed of trust that creates a lien against a Lot or Dwelling within the Property and also shall mean a real estate contract for sale of the same.

(s) “Nine Existing Homes” shall mean the homes which exist prior to the creation of the Association and which are located within the Property.

(t) “Occupant” shall mean and refer to any person, including, without limitation, any Owner or any guest, invitee, lessee, tenant, or family member of an Owner, occupying or otherwise using improvements within the Development.

(u) “Owner” shall mean and refer to one or more persons, including Declarant, who or which owns fee simple title to any Lot or Dwelling; excluding, however, those persons having such an interest under a Mortgage. In the event that there is a real estate sales contract covering any Lot or Dwelling, the Owner of such interest shall be the purchaser under said contract and not the fee simple title holder.

(v) “Person” shall mean and refer to a natural person, corporation, partnership, association, trust, or other legal entity, or any combination thereof.

(w) “Plat” shall mean the Final Plat Map(s) approved by the City of Olympia, and recorded in Thurston County covering the Project.

(x) “Property” shall mean and refer to the land described on Exhibit A, together with all improvements thereon, and any additional land which may hereafter be annexed thereto under the provisions of Article III from and after the time such property is actually annexed.

(y) “Special Assessment” shall mean an assessment levied to cover expenses greater or different than those budgeted against the entire membership as described in Section 3.06.05.

(z) “Specific Assessment” shall mean that the Board may specifically assess against particular Dwellings expenses incurred by the Association to provide special benefits, items, or services as described in Section 3.06.06.

(aa) “Stormwater Maintenance Agreement” An agreement containing specific provisions for the Association’s maintenance of stormwater facilities which has been recorded in Thurston County.

(ab) “Subassociation” shall mean and refer to any association(s) subject to the Association.

(ac) “Transfer Date” shall mean and refer to the date upon which the Declarant

shall transfer its authority with respect to the Property to the Association pursuant to Section 3.07.02.

ARTICLE III
DESCRIPTION OF PROPERTY AND OWNER'S PROPERTY RIGHTS

Section 3.01 GENERAL DESCRIPTION OF PROPERTY. The Development Plan is the Declarant's conceptual plan for the phased development of the Briggs Village Master Plan Community comprised of Common Areas, Dwellings and a Commercial Area.

Subject only to the prior approval of the City of Olympia, or other applicable governmental agency, nothing in this Article or elsewhere in this Declaration shall limit the right of Declarant to alter the Development Plan; and further, nothing in this Declaration shall limit the right of Declarant to establish additional licenses, easements and rights-of-way in favor of Declarant, utility companies or other, as may, from time to time, be reasonably necessary for the development of the Property. The foregoing rights of Declarant may be assigned to any successor to all or part of Declarant's interest in the Property (without the consent of any of the Owners) by an express written assignment.

Section 3.02 AREAS OF RESTRICTED USE. The Property contains several bowl-shaped depressions, or kettles, which are remnant geological features from the regions' last glacial episode. They are important drainage features on the site, as they are throughout the Pacific Northwest. As is typical, stormwater from the site and adjoining roads has been diverted into some of the kettles, including contaminants associated with urban runoff. The sediments and waters located in the Northwest, Central and South kettles contain such contaminants which, with extended exposure, present potential human health risks. The contaminants only pose a threat with direct contact with the sediments or water. For this reason, fencing and warning signs have been installed near the base of each kettle intended to keep people out of the areas determined to contain these materials. Every Owner must respect the fenced areas and keep themselves, their children, and their guests out of the fenced areas.

The Association will mail out an annual notice to all Owners regarding such contaminants in the kettles and warn them to keep themselves and their children out of those areas.

Section 3.03. OWNERS' USE AND MAINTENANCE OF COMMON AREAS. Every Owner by virtue of its ownership of a Lot or Dwelling, shall have a nonexclusive easement for the use and enjoyment of Common Areas as designed on the Plat(s) which shall be appurtenant to and shall pass with the title to every Lot or Dwelling subject to the easements set forth herein and the Articles of Incorporation, Bylaws of the Association and the Rules and Regulations promulgated from time to time by the Board of Directors pursuant to Article X of this Declaration. Owners, the Association and any

Subassociation shall be responsible for maintenance of the Common Areas as described herein.

Section 3.04. PROPERTY SUBJECT TO EASEMENTS. The Property is subject to the following:

3.04.01 Recorded Easements. The Property, and all portions thereof, shall be subject to all easements shown on the recorded Plat(s) affecting the Property and any amendments or revisions thereto, and to any other easements of record or of use as of the date of recordation of the Declaration.

3.04.02 Easements for Utilities. There is hereby reserved for Declarant, the Association, and their respective successors and assigns, the alienable, transferable, and perpetual right and easement, as well as the power to grant and accept easements to and from any public authority or agency, public service district, public or private utility, or other person, for the benefit of the Owners, upon, over, under, and across the Plat, for the purpose of installing, replacing, repairing, maintaining, and using master television antenna and/or cable systems, security and similar systems, and all utilities, including, but not limited to, storm sewers and drainage systems and electrical, gas, telephone, water, and sewer lines. Such easements may be granted or accepted by Declarant or by the Board of Directors, provided, however, that for so long as Declarant owns any interest in the Property primarily for the purpose of sale, the Board of Directors must obtain the written consent of Declarant prior to granting and accepting any such easements. To the extent possible, all utility lines and facilities serving the Development and located therein shall be facilities serving the Development and located therein shall be located underground. By virtue of such easement and facilities, it shall be expressly permissible for the providing utility company or other supplier or service, with respect to the portions of the Development so encumbered, (i) to erect and maintain pipes, lines, manholes, pumps, and other necessary equipment and facilities; (ii) to cut and remove any trees, bushes, or shrubbery; (iii) to grade, excavate, or fill; or (iv) to take any other similar action reasonably necessary to provide economical and safe installation, maintenance, repair, replacement, and use of such utilities and systems, provided all property shall be returned to its prior state of condition and repair after such activity.

3.04.03 Reservation of Easements, Exceptions, and Exclusions. Declarant reserves to itself, from the date of the Declaration until the Transfer Date, the right to establish from time to time, by declaration or otherwise, utility and other easements, permits, or licenses over the Common Areas, for purposes including but not limited to streets, paths, walkways, drainage, recreation areas, parking areas, and to create other reservations, exceptions, and exclusions for the best interest of all the Owners and the Association, in order to serve all the Owners within the Briggs Village Master Plan Community. As of the Transfer Date, Declarant shall grant the rights described herein to the Association.

3.04.04 Emergency Easement. A general easement is hereby granted to all police, sheriff, fire protection, ambulance, and all other similar emergency

agencies or persons to enter upon all streets and upon the Property in the proper performance of their duties.

3.04.05 Maintenance Easement. An easement is hereby reserved to the Declarant, and any member of the Board of Directors or Manager, and their respective officers, agents, employees and assigns, upon, across, over, in, and under the Property and a right to make use of the Lots, Dwellings, Commercial Areas and Common Areas as may be necessary or appropriate to make emergency repairs or to perform the duties and functions which the Association is obligated or permitted to perform pursuant hereto. As of the Transfer Date, Declarant shall grant the rights described herein to the Association.

3.04.06 Drainage Easement. An easement is hereby reserved to Declarant, and any member of the Board of Directors or Manager, and their respective officers, agents, employees and assigns, to enter upon, across, over, in and under any portion of the Property for the purpose of changing, correcting, or otherwise modifying the grade or drainage channels of the Property so as to improve the drainage of water. Best efforts shall be made to use this easement so as not to disturb the uses of the Owners, the Association and the Declarant, as applicable, to the extent possible, to prosecute such drainage work promptly and expeditiously, and to restore any areas affected by such work to a sightly and usable condition as soon as reasonably possible following such work. As of the Transfer Date, Declarant shall grant the rights described herein to the Association.

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

3.04.08 Temporary Easement for Sales and Construction Offices. Notwithstanding any provisions or restrictions herein to the contrary, there is hereby reserved for the benefit of Declarant the alienable and transferable right and easement in and to the Property for the maintenance of signs, sales offices, construction offices, business offices, and model Dwellings, together with such other facilities as in the sole opinion of Declarant may be reasonably required, convenient, or incidental to the completion, improvement, and/or sale of Lots or Dwellings within the Property for so long as Declarant owns any interest in the Property. In addition Owners and developers shall have the right, subject to ARC approval, to establish temporary construction offices or work trailers during the construction of any Dwelling, townhome or Cluster Home.

Section 3.05 EASEMENTS DEEMED CREATED. All conveyances of Lots or Dwellings made after the recordation date of the Declaration whether by Declarant or otherwise, shall be construed to grant and reserve the easements contained in this Article III, even though no specific reference to such easements or to this Article III appears in the instrument for such conveyance.

Section 3.06 ASSESSMENTS. Each Owner shall pay to the Association annual and Special Assessments for maintenance of the Common Areas, specific assessments as incurred by specific Owners and default assessments as follows:

3.06.01 Duty to Pay Assessments. The Declarant, for each Lot or Dwelling owned within the Property, and each Builder and/or Owner of any Lot or Dwelling, shall pay to the Association: (a) monthly assessments or charges as provided in this Declaration for the purpose of funding maintenance of the Common Areas including reserves for capital replacement; (b) special or specific assessments, if any, for capital improvements and other purposes as stated in this Declaration, such annual, special or specific assessments to be fixed, established, and collected from time to time as provided below; and (c) fines and levies which may be assessed against an Owner's Lot or Dwelling for failure to perform an obligation set forth herein or in the Association's Articles of Incorporation or Bylaws or any Rules and Regulations applicable to the property of the Association and its membership and adopted from time to time by the Board of Directors pursuant to Article X, or because the Association has incurred an expense on behalf of the Owner.

3.06.02 Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of Owners within the Property and for the improvement and maintenance of the designated Common Areas, including, but not limited to, the payment of taxes and insurance on the Common Areas, repair, maintenance, replacement and additions to any improvements on the Common Areas, the Association's share of the maintenance of the Entrance Area improvements, reserve accounts, the cost of labor, equipment, materials, management and supervision and the salary or fee of the manager and/or employees.

3.06.03 Calculation of Annual Assessments. The Board of Directors shall prepare a budget by October 1 of each year (except the first assessment year in which the first annual assessment shall be determined at the Organizational Meeting of the Association) estimating its net cash flow requirements for the next year and an estimate of the assessments to be charged each Owner, and the Board shall distribute the proposed budget to the Owners. On or before November 30 of each year, the Board shall approve the budget in final form, and shall determine, levy, and assess the Association's annual assessments for the approaching year. Each budget shall include funds for establishing and maintaining reserves for periodic repairs, replacement, and maintenance of any improvements which must be replaced on a periodic basis, and for taxes, capital improvements, deficiencies from the prior year's Maintenance Fund, and

other purposes, and shall include any expected income and surpluses from the prior year's Maintenance Fund.

3.06.04 Payment of Annual Assessments; Due Dates. The annual assessments shall commence as to all Lots and Dwellings on the first day of the month after the conveyance of the first Lot or Dwelling to a Builder or an Owner other than Declarant. The first annual assessments shall be prorated according to the number of months remaining in the fiscal year. Assessments shall be collected on a periodic basis as the Board of Directors may determine from time to time, but until the Board directs otherwise, assessments shall be payable monthly in advance of the first day of each calendar month. Collection of the Association's assessments in this manner shall not prevent the creation of the Associations' lien against any Lot or Dwelling or the Association's ability to enforce or collect its assessments as provided under this Declaration if they are not remitted to the Association in a timely manner.

3.06.05 Special Assessments. In addition to the annual Assessments, the Board of Directors may levy in any fiscal year one or more Special Assessments, as further defined in state statute, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction repair, replacement of a described capital improvement upon any Common Areas, including the necessary fixtures and personal property related thereto, or to make up any shortfall in the current year's budget. Notice of the amount and due dates for such Special Assessment must be sent to each Owner at least thirty (30) days prior to the due date.

3.06.06 Specific Assessments. The Board may assess against particular Lots or Dwellings from time to time to cover expenses incurred by the Association to provide special benefits, items, or services: (a) on request of the Owner of a Unit; (b) pursuant to the Association's maintenance obligations; (c) made necessary by the conduct of the Owner or its licensees, invitees, or guests; or (d) necessary to bring the Lot or Dwelling, or the Neighborhood in which it is located, into compliance with this Declaration, the Articles, the Bylaws, or Association rules. Such Specific Assessments may be levied by the Board after notice to the applicable Owners and an opportunity for a hearing.

3.06.07 Rate of Assessment. Both annual and Special Assessments shall be fixed at a uniform rate for all Lots and Dwellings; provided that Owners of Lots for which no plans for a Dwelling have been approved by the ARC shall be assessed at one-half (1/2) year of the regular assessment rate for up to a two (2) year period commencing on the date the Owner other than Declarant purchases the Lot, and thereafter at the regular assessment rate regardless of whether a Dwelling has been constructed or plans for a Dwelling on the Lot have been approved by the ARC. Provided further that Declarant shall be assessed at one-half (1/2) of the regular assessment rate for each Lot it owns on which no Dwelling has been constructed.

3.06.08 Default Assessments. All monetary fines assessed against an Owner pursuant hereto, or any expense of the Association which is the obligation of an Owner or which is incurred by the Association on behalf of the Owner pursuant hereto shall be a default assessment and shall become a lien against such Owner's Lot or Dwelling which may be foreclosed or otherwise collected as provided in this Declaration. Notice of the amount and due date of such default assessment shall be sent to the Owner subject to such assessment at least ten (10) days prior to the due date.

3.06.09 Capitalization of Residential Association. Upon acquisition of record title to a Lot or Dwelling by the first Owner other than a Builder, a contribution shall be made by or on behalf of said Owner to the working capital of the Association in an amount equivalent to one-sixth of the annual regular assessment per Unit for that year. This amount shall be in addition to, and not in lieu of, the annual regular assessment levied on the Lot or Dwelling and shall not be considered an advance payment thereof. This amount shall be collected at the closing of the Unit and disbursed to the Association for use in covering operating and other expense incurred by the Association under the terms of this Declaration and Bylaws.

Any shortfall during the initial capitalization of the Association shall be paid by Declarant, at its sole discretion, as either a subsidy or as a loan to the Association upon terms and conditions set forth by Declarant.

3.06.10 Delayed Assessments. The Association reserves the right to negotiate with the Nine Existing Homes for inclusion into the Association. Should it be agreed upon that the Nine Existing Homes are included in the Association they will be subject to the same duties as outlined in 3.05.01.

3.06.11 Exempt Property. The following portions of the Property shall be exempt from the assessments, charges, and liens created under this Declaration:

- (a) all properties to the extent of any easement or other interest therein dedicated and accepted by Thurston County, Washington, and devoted to public use;
- (b) all utility lines and easements; and
- (c) Common Areas, including tracts.

3.06.12 Status of Assessments. Upon twenty (20) days written notice to the Treasurer of the Association or the Manager, any Owner, prospective purchaser, or Mortgagee of a Lot or Dwelling shall be furnished a statement of the account for such Lot or Dwelling setting forth:

(a) the amount of any unpaid assessments (whether annual, special, or default assessments), interest, late charges, costs, expenses, and attorneys' fees then existing against a particular Lot or Dwelling;

(b) the amount of the current periodic installments of the annual assessment and the date through which they are paid, and

(c) any other information deemed proper by the Association.

The information contained in such statement, when signed by the Treasurer or Manager, shall be conclusive upon the Association as to the person or persons to whom such statement is issued and who rely on it in good faith.

3.06.13 Failure to Assess. The omission or failure of the Board to fix the assessment amounts or rates or to deliver or mail to each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay annual assessments on the same basis as for the last year for which an assessment was made until a new assessment is made, at which time any shortfalls in collections may be assessed retroactively by the Association.

3.06.14 Creation of Lien. The annual, special and default assessments, together with interest, costs and reasonable attorneys' fees, shall be a charge on the Owner's Lot or Dwelling and shall be a continuing lien upon the Lot or Dwelling against which each such assessment is made until paid. Each such assessment, together with interest, costs and reasonable attorneys' fees, also shall be personal obligation of the owner of such Lot or Dwelling at the time when the assessment fell due. Such lien shall be in favor of the Association and shall be for the benefit of all other Owners.

3.06.15 Remedies for Nonpayment of Assessments. Any assessment installment, whether pertaining to annual, special, or default assessments, which is not paid within 10 days of its due date shall be delinquent. In the event that an assessment installment becomes delinquent, the Association, in its sole discretion, may take any or all of the following actions:

(a) assess a late charge per delinquency to be established by the Board.;

(b) assess an interest charge from the date of delinquency at the rate permitted by Washington State Usury Laws.

(c) suspend the voting rights of the Owner during any period of delinquency, including voting rights as a Committee member or Board Director;

(d) accelerate all remaining Assessment installments for the fiscal year in question so that unpaid Assessment for the remainder of the fiscal year shall be due and payable at once;

(e) bring an action at law against any Owner personally obligated to pay the delinquent installments; and

(f) proceed to foreclose its lien in the same manner as provided for the foreclosure of mortgages under the statutes of the State of Washington.

In either a personal or foreclosure action, venue shall lie in Thurston County, Washington and the Association shall be entitled to recover a part of the action, interest, costs, and reasonable attorneys' fees with respect to the action. No Owner may waive or otherwise avoid liability for the assessments provided for herein by non-use of the Common Areas or abandonment of his or her Lot or Dwelling. The remedies herein provided shall not be exclusive, and the Association may enforce any other remedies to collect delinquent assessments as may be provided by law.

3.06.16 Successor's Liability for Assessment. In addition to the personal obligation of each Owner to pay all assessments thereon and the Association's perpetual lien for such assessments, all successors to the fee simple title of a lot or Dwelling, shall be jointly and severally liable with the prior Owner or Owners thereof for any and all unpaid assessments, interest, late charges, costs, expenses, attorneys' fees against such Lot or Dwelling without prejudice to any such successor's right to recover from any prior Owner any amount paid by such successor.

3.06.17 Subordination of the Lien. The lien of the assessments provided for in this Declaration shall be subordinate to the lien of any First Mortgage. The lien of the assessments shall be superior to and prior to any homestead exemption provided now or in the future by the laws of the State of Washington. No sale or transfer shall relieve a Lot or Dwelling from liability for any assessments or from the lien thereof. However, sale of transfer of any Lot or Dwelling pursuant to a decree of foreclosure or by a public trustee's foreclosure, or any other proceeding or deed in lieu of foreclosure for the purpose of enforcing a First Mortgage shall extinguish the lien of such assessments as to installments which become due prior to such sale or transfer, and the amount of such extinguished lien may be reallocated and assessed to all Lots and Dwellings as a common expense at the direction of the Board of Directors. No sale or transfer shall relieve the purchaser or transferee of a Lot of Dwelling from liability for, nor the Lot or Dwelling from the lien of, any assessments made after the sale or transfer.

3.06.18 Notice of Action. Any First Mortgagee who make a prior written request to the Secretary of the Association and furnishes its name and address and the legal description of the Lot or Dwelling in which it has an interest to the Secretary shall be entitled to timely written notice of any delinquency in payment of an annual, special, or default assessment levied against the Lot or Dwelling encumbered by its First Mortgage, or of any other default by the Owner under this Declaration, which has

continued for a period of 60 days or more. In addition, any such First Mortgagee shall be entitled to cure such delinquency and obtain a release from the lien imposed or perfected by reason of such delinquency.

3.06.19 Subassociation Assessments. All assessments due to the Association by Subassociations shall be paid in a lump sum by the Subassociation for all of the units within the respective Subassociation.

Section 3.07. ADMINISTRATION; TRANSFER DATE OF DECLARANT'S AUTHORITY.

3.07.01 General Description of Administration. The Association shall be responsible for the exclusive management and control of the Common Areas and all improvements thereon and shall keep the same in a good, clean, attractive and sanitary condition, order, and repair, pursuant to the terms and conditions thereof. Except to the extent otherwise required by the provisions of the Revised Code of Washington relating to nonprofit corporations, this Declaration, Bylaws, or the Articles of Incorporation, the powers herein or otherwise granted to the Association may be exercised by the Board of Directors, acting through the officers of the Association, without any further consent or action on the part of the Owners. The duties and powers of the Association shall be those set forth in the provisions of the Revised Code of Washington relative to nonprofit corporations, this Declaration, the Articles of Incorporation and the Bylaws, Board adopted Rules and Regulations pursuant to Article X, in that order of priority, together with those reasonably implied to effect the purposes of the Association. The Association may exercise any other right or privilege given to it expressly by this Declaration, together with every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege. Notwithstanding the foregoing provisions of this Section 3.06 or any other provision of this Declaration to the contrary, for so long as Declarant shall own any interest in the Property, the Association shall not, without the consent of Declarant, borrow money or pledge, mortgage, or hypothecate all or any portion of the Common Areas.

3.07.02 Transfer Date of Declarant's Authority. Declarant shall have the right to appoint or remove any member or members of the Board of Directors, any member or members of the ARC or any officer or officers of the Association until such time as the first of the following events shall occur: (a) the expiration of twenty-five (25) years after the date of the recording of this Declaration; (b) the date on which one hundred percent (100%) of the Lots shall have been conveyed to Owners other than a person or persons constituting Declarant; or (c) the surrender by Declarant of the authority to appoint and remove directors and officers of the Association or ARC by an express amendment to this Declaration executed and recorded by Declarant, such date being referred to herein as the "Transfer Date" provided, however, that from and after the Transfer Date, Declarant and its successors and assigns in ownership of the Briggs

Village Master Plan Community, shall have a permanent seat on the ARC and the Board of Directors and the Declarant shall, in its sole discretion, have the authority to select the persons to serve in these capacities on its behalf.

ARTICLE IV
ARCHITECTURAL REVIEW COMMITTEE AND USE RESTRICTIONS

Section 4.01 PERMITTED IMPROVEMENTS. No improvements of any nature whatsoever shall be constructed, altered, added to, or maintained upon the Property except: (a) such improvements as are approved by the ARC in accordance with this Article IV or (b) improvements which pursuant to this Article IV do not require the consent of the ARC.

Section 4.02 ARCHITECTURAL REVIEW COMMITTEE. The Board of Directors shall establish the ARC which shall consist of up to five (5) but not less than three (3) members (including the member to be appointed by the Declarant or its successors or assigns, who may or may not be owners, provided that all members of the ARC shall be appointed, removed and replaced by Declarant in its sole discretion until the Transfer Date. The regular term of office for each member shall be one (1) year, coinciding with the fiscal year of the Association. After the transfer date, any ARC member appointed by the board may be removed with or without cause by the Board at any time by written notice to such appointee, and a successor or successors appointed to fill such vacancy shall serve the remainder of the term of the former member. Notwithstanding anything in the foregoing to the contrary, any member appointed to the ARC by the board prior to the Transfer Date of Declarant's authority shall be subject to the prior approval of Declarant.

The ARC shall elect a chairman who shall be the presiding officer at its meetings. The ARC shall meet at least once in each calendar month, as required, as well as upon call of the chairman, and all meetings shall be held at such places as may be designated by the chairman. A majority of members shall constitute a quorum for the transaction of business, and the affirmative vote of a majority of those present in person or a proxy at a meeting of the ARC shall constitute the action of the ARC on any matter before it. The ARC is authorized to retain the services of consulting architects, landscape architects, urban designers, engineers, inspectors, and/or attorneys in order to advise and assist the ARC in performing its functions set forth herein.

Section 4.03 IMPROVEMENTS WHICH REQUIRE ARC APPROVAL. To preserve the architectural and aesthetic appearance of the Development, no construction of improvements of any nature whatsoever shall be commenced or maintained by any Owner or Person other than Declarant, with respect to any Lot, Dwelling or with respect to any other portion of the Development, including, without limitation, the construction or installation of buildings, site improvements, landscape & irrigation, sidewalks, stairways, driveways, parking lots, mail boxes, decks, patios, courtyards, swimming pools, tennis courts, green houses, playhouses, awnings, walls, fences, exterior lights,

garages, roofs or outbuildings without ARC approval, nor shall any exterior addition to or change or alteration therein be made (including, without limitation, painting or staining of any exterior surface) without ARC approval.

Section 4.04 SUBMISSION TO ARC FOR APPROVAL.

4.04.01 Two (2) copies of a complete set of architectural, site drainage and landscaping plans and specifications and related materials and data in a form and to the extent required by the ARC, on such site shall be submitted to the ARC showing the nature, color, type, shape, floor plan, height, materials, and location of the same. The ARC shall approve or disapprove the submittal after consideration of the consistency of design with this Article IV, including but not limited to the harmony of external design, location, the building footprint and appearance in relation to surrounding structures, the floor plan, elevations, site layout and topography.

4.04.02 One copy of such plans, specifications, and related data so submitted shall be retained in the records of the ARC, and the other copy shall be on file with the Association records. Status of the ARC's decision shall be in writing to the Owner indicating "approved", "approved with conditions" or "disapproved." If disapproved, the reason or reasons for such disapproval shall also be maintained in the records of the ARC and delivered to the proponent, in writing. As a fee the ARC shall be reimbursed for all expenses including, but not limited to, reviewing plans and related data and compensation to any consulting architects, landscape architects, urban designers, inspectors, or attorneys retained in accordance with the terms hereof. Notwithstanding the foregoing, an Owner may make interior improvements and alterations not visible to the exterior of a Dwelling or any building or structures which it owns or maintains, without the necessity of approval or review by the ARC. The ARC shall have the sole discretion to determine whether plans and specifications submitted for approval are acceptable to the Association. In connection with approval rights and to prevent excessive drainage or surface water run-off, the ARC shall have the right to establish a maximum percentage of a Lot or Townhouse Area which may be covered by Dwellings, buildings, structures, or other improvements, which standards shall be promulgated on the basis of topography, percolation rate of the soil, soil types and conditions, vegetation cover, and other environmental factors. (See also Section 4.06.02.)

4.04.03 Following approval of any plans and specifications by the ARC, representatives of the ARC shall have the right, during reasonable hours, to enter upon and inspect any Lot or Townhouse Area with respect to which construction is underway to determine whether or not the plans and specifications therefore have been approved and are being complied with. In the event the ARC shall determine that such plans and specifications have not been approved or are not being complied with, the ARC shall be entitled to enjoin further construction and to require the removal or correction of any work in place which does not comply with approved plans and specifications.

4.04.04 In the event the ARC fails to approve or disapprove in writing any proposed plans and specifications within forty-five (45) days after such plans and specifications shall have been submitted, such plans and specification will be deemed to

have been expressly approved. Upon approval of plans and specifications, no further approval under this Article IV shall be required with respect thereto, unless such construction has not substantially commenced within one (1) year of the approval of such plans and specifications (e.g., clearing and grading, pouring of footings, etc.) or unless such plans and specifications are materially altered or changed. Refusal of approval of plans and specifications by the ARC may be based upon any ground which is consistent with the objects and purposes of this Declaration, including purely aesthetic considerations, so long as such grounds are not arbitrary or capricious.

4.04.05 To the fullest extent permitted by law, neither the Declarant nor any employee of Declarant shall be liable to any Owner or to any member of the ARC for any damage, loss or prejudice suffered or claimed on account of any decision, approval, or disapproval of plans or specifications (whether or not defective), course of action, act, omission, error, negligence or the like. Furthermore, no member of the ARC shall be liable to any person for his/her decisions or failure to act in making decisions as a member of the ARC.

Section 4.05. APPROVAL NOT A GUARANTEE. An approval of plans and specifications and no publication of architectural standards shall be construed as representing or implying that such plans, specifications, or standards comply with requirements of any local permitting authority or, if followed, will result in properly designed improvements. Neither Declarant, the Association, nor the ARC shall be responsible or liable for any defects in any plans or specifications submitted, reviewed or approved pursuant to the terms of this Article IV, nor any defects in construction undertaken pursuant to such plans and specifications.

Section 4.06. RESTRICTIONS ON CONSTRUCTION.

4.06.01 Binding Effect. The use restrictions set forth in this Declaration shall govern the right of the Association, an owner, developer or any other Person other than Declarant to construct, reconstruct, alter or maintain any improvement upon any site with the Property. Furthermore, the use restrictions are subject to the Briggs Village Master Plan and Design Guidelines approved by the City of Olympia.

4.06.02 Height Limits; Minimum Floor Area; Lot Coverage. To assure that Dwellings/Lots and other structures will be located so that the maximum view and privacy will be available to each Dwelling or structure Dwellings and structures will be located with regard to the topography of each Lot taking into consideration the location of trees and vegetation and other aesthetic and environmental considerations, as well as the location of any other Dwelling or structures within the Development.

4.06.03 Variances. The ARC shall be empowered to grant variances with respect to setback, lot coverage, height and bulk restrictions contained herein because of exceptional topographic, geological or other extraordinary conditions, provided that such variances shall not violate local zoning or land use regulations, shall not be granted on an arbitrary basis, shall not unfairly discriminate between Owners and

shall further the common purposes of the Development. In all cases where applicable governmental laws or codes or ordinances would impose stricter standards than set forth herein, such laws, codes or ordinances shall govern.

4.06.04 Limits on Construction Activity. No construction of improvements on any Lots shall be undertaken or conducted on any Sundays, or legal holidays, except for: (a) construction activities of Declarant, (b) emergency situations involving the potential loss, injury, or damages to person or property; and (c) as otherwise permitted by the ARC.

4.06.05 Escrow Deposit for Completion; Time for Completion. The ARC, in its sole discretion, may require that an Owner place in escrow with the ARC a refundable sum of, at minimum, \$2,500.00, which sum may be increased from time to time in the ARC's reasonable discretion, in order to assure the completion of all improvements, including landscaping, within the time periods provided in this Article IV. The exterior of any improvement permitted by this Declaration shall be completed within one (1) year after the construction of same shall have been commenced, except where the ARC allows for an extension of time because completion within such time is impossible or would result in great hardship to the Owner or building thereof due to strikes, national emergencies, fires, floods, lightning, earthquakes, or other casualties. In the event that such improvements or landscaping are not completed within the provided periods, the ARC shall be entitled to retain any sums so held in escrow as a penalty for such failure to complete, or as a fund from which the Association can mitigate any Owner's failure to comply with this Section, and such sums shall be remitted to and shall be the property of the Association. Any such sums so held in such escrow shall, at the discretion of the ARC, be invested so as to earn interest, and any interest earned thereon shall be paid to the Owner making such escrow deposit, if his or her escrow deposit is refunded, or, if remitted to the Association, shall be the property of the Association.

4.06.06 No Temporary Structures, Modular or Mobile Homes; Maintenance During Construction. Dwellings may not be temporarily or permanently occupied until the exteriors thereof have been completed. No temporary house, shack, tent, barn, or other outbuilding shall be permitted on any Lot, Townhouse Area or Common Area at any time, except as provided in subsection 3.03.09 hereof and except for temporary structures for social functions as may be permitted by rules and regulations promulgated by the Board, nor shall any stable, poultry house or yard, rabbit hut, or other similar yard structure be constructed or allowed to remain on any Lot. No modular or mobile homes shall be permitted on the Property and no building or structure shall be moved in and set upon any of said Property and all construction on the Property must be of new construction. Prior to and throughout the construction of any Dwelling, each Owner shall ensure that his or her Lot is at all times maintained in a reasonably clean and uncluttered condition and, to the extent possible, all construction trash and debris shall be kept within refuse containers. Upon completion of construction, all equipment, tools, and construction material and debris shall be removed from the site.

4.06.07 Construction to Conform with Code Requirements. All construction of improvements shall conform in all respects with local, state and federal land use building, mechanical, electrical, plumbing and environmental codes and regulations, as applicable.

Section 4.07. RESTRICTIONS ON SITE WORK. To preserve the aesthetic appearance of the Development, no landscaping, grading, excavation, or filling of any nature whatsoever shall be implemented and installed by any Owner other than Declarant, unless and until the plans therefore have been submitted to and approved in writing by the ARC. In addition, the ARC shall review for conformity with the following:

4.07.01 No Obstructing Vegetation. No hedge or shrubbery planting on any Lots, Dwellings or Townhouse Areas or within any Common Areas shall be placed or be permitted to remain which obstructs sight lines or otherwise in the determination of the ARC poses any hazard to safe vehicular or pedestrian traffic above or adjacent to any roads or Common Areas in the Development.

4.07.02 Limitations On Tree Removal. Unless located within five (5) feet of a Dwelling, no Owner other than Declarant, shall be entitled to cut, remove, or mutilate any trees, shrubs, bushes, or other vegetation without obtaining the prior approval of the ARC, provided that dead or diseased trees which are inspected and certified as dead or diseased by the ARC or its representative, as well as other dead or diseased shrubs, bushes, or other vegetation, shall be cut and removed promptly from any Lot, Dwelling or Townhouse Area by the Owner.

4.07.03 Completion of Landscaping. The landscaping for all Dwellings must be completed as follows by Owner: (i) the rear-yard landscaping must be complete within six (6) months of substantial completion of the improvements located thereon and (ii) the landscaping for the front yard of all Dwellings must be completed within thirty (30) days after substantial completion of the improvements located thereon. The ARC is authorized to grant extensions of up to three (3) additional months if weather conditions require. The Association will maintain front yard landscaping once completed.

4.07.04 Removal of Vegetation. Absolutely no vegetation shall be removed by any Owner other than Declarant from any open space tract, native growth protection easement area or any other area outside the boundaries of Owner's Lot or Dwelling.

Section 4.09. SERVICE YARDS, DRIVEWAYS,.PARKING AND RETAINING WALLS

Section 4.09.01 Each Lot shall provide visually-screened areas to serve as service yards in which garbage receptacles, fire wood, fuel tanks, gas and electric meters, mechanical equipment and other materials, supplies, and equipment which are stored

outside must be placed or stored in order to conceal them from view from roads and adjacent properties. Any such visual barrier shall be at least five (5) feet high and may consist of either fencing or landscaping and planting which is approved by the ARC in accordance with the terms of this Article IV. Such service yards which are on a Lot must be enclosed and contiguous to the Dwelling.

Section 4.09.02 No overnight parking of vehicles shall be allowed on any street adjoining any Lot, provided that vehicles belonging to guests occasionally may be so parked only after obtaining a permit from the Association.

Section 4.09.03 Driveway material shall be concrete, brick, stone or cementious pavers. Gravel surface are not permitted. Asphalt driveways are permitted only off alleys into alley feed garages.

Section 4.09.04 Retaining walls shall be constructed from placed brick, stone, or be surfaced in poured in place concrete.

Section 4.10. RESIDENTIAL USE. Each Residential Lot and Dwelling shall be used for residential purposes only, and no trade or business of any kind may be carried on therein. The use of a portion of a Dwelling as an office by an Owner or his or her tenant shall not be considered to be a violation of this covenant if such use does not create regular customer, client, or employee traffic. Lease or rental of a Dwelling for residential purposes shall also not be considered to be a violation of this covenant so long as the lease: (a) is for not less than one entire Dwelling and all the improvements thereon; (b) is for a term of at least six (6) months;; and (c) is otherwise in compliance with rules and regulations as may be promulgated and published from time to time by the Board of Directors. Any lessee or tenant shall in all respects be subject to the terms and conditions of this Declaration and the rules and regulations adopted hereunder.

Section 4.11. EXTERIOR APPEARANCE. No carports shall be permitted on any Lot. No foil or other reflective materials shall be used on any windows for sunscreens, blinds, shades, or other purposes, nor shall any window-mounted heating or air-conditioning units be permitted. All seasonal/holiday decorations shall be allowed to display no sooner than 30 days prior to the holiday and disconnected and removed from the exterior of the Dwelling within fifteen (15) days following the date of the holiday. Except within screened service yards, outside clotheslines or other outside facilities for drying or airing clothes are specifically prohibited and shall not be erected, placed, or maintained or shall any clothing, rugs or other item be hung on any railing, fence, hedge, or wall. All exterior architectural and landscape lighting shall be indirect with no light source visible from the road or Common Area.

Section 4.12 SIGNS. Except as may be required by legal proceedings or law, no signs or advertising posters of any kind shall be maintained or permitted within any windows, on the exterior of any improvements or on any portion of any Lot located within the Development except one (1) sign in the front and each such sign shall not be more than the Real Estate industry standard and shall be only for advertising the Property

for sale or rent, or signs used by a builder to advertise the Property during the construction and the initial sales period. All signs shall be subject to the approval of the ARC. Political signs may be displayed 30 days prior to an election and removed 7 days after the election.

Section 4.13. MOTORIZED VEHICLES. No trucks, recreational vehicles, motor homes, motor coaches, campers, trailers, boats or boat trailers, or similar vehicles other than passenger automobiles or pickup or utility trucks with a capacity of one-half ton or less or any other motorized vehicles shall be parked, stored, or in any manner kept or placed on any portion of the Property except in an enclosed garage, or by express authorization of the Board. This restriction, however, shall not be deemed to prohibit commercial and construction vehicles, in the ordinary course of business, from making deliveries or otherwise providing service to the Property or for the initial construction by Declarant or the other Owners. In addition, no Owners or Occupant of any portion of the Property shall repair or restore any vehicle of any kind upon or within any Lot or Townhouse Area or within any portion of the Common Areas, except: (a) within enclosed garages or workshops; or (b) with Board approval, for emergency repairs, and then only to the extent necessary to enable the movement thereof to a repair facility. Notwithstanding the foregoing to the contrary, the ARC shall have the right in its sole discretion to impose further restrictions upon the placement of motor vehicles within the Briggs Village Master Plan Community.

Section 4.14 FENCES; DECKS. No fence or deck shall be constructed on any Lot without the prior review and approval of the ARC, such approval to be based upon the Design Guidelines set forth in Exhibit D.

Section 4.15. SWIMMING POOLS; JACUZZIS. No swimming pool or jacuzzis shall be constructed on any Lot without the prior review and approval of the ARC. All pools and jacuzzis, if approved, shall comply with all applicable codes set forth by the City of Olympia.

Section 4.16. WATER AND SANITATION. Each structure designed for occupancy or use by humans shall connect with water and sanitation facilities as shall be made available from time to time by the City of Olympia, or other approved person or entity.

Section 4.17. PETS. No animals, livestock, birds, or poultry of any kind shall be raised, bred, or kept by any Owner upon any portion of the Development, provided that a reasonable number of generally recognized house pets may be kept in Dwellings, subject to rules and regulations adopted by the Association, through its Board of Directors, and further provided that such pet or pets are kept or maintained solely as domestic pets and not for any commercial purpose. No pet shall be allowed to make an unreasonable amount of noise or to become a nuisance. No structure for the care, housing, or confinement of any pet shall be constructed or maintained on any port of the Common Areas. Dog kennels must be a minimum of thirty (30) feet from any adjacent Dwelling where authorized by the ARC, must be constructed with the long dimension contiguous

to an adjacent Dwelling and shall be screened from public roadways. All pets shall be kept indoors or within fenced yards and shall otherwise be on a leash at all times, including when walked or exercised in any portion of the Common Areas. No pet shall be permitted to leave its excrement on any portion of the Common Areas, and the Owner of such pet shall be immediately remove the same. Upon the written request of any Owner, the Board of Directors may conclusively determine, in its sole and absolute discretion, whether, for purposes of this Section 4.18, a particular pet is a generally recognized house pet or such pet is a nuisance, and the Board shall have the right to require the owner of a particular pet to remove such pet from the Development if such pet is found to be a nuisance or to be in violation of these restrictions. The Board of Directors shall have the further right, to fine any Owner (in an amount not to be established by the Board) for the violation of these pet restrictions by such Owner or an occupant of his or her Dwelling, and an Owner shall be liable to the Association for the cost of repair of any damage to the Common Areas caused by the pet of such Owner or of an occupant of such Owner's Dwelling. Any such fine or cost of repair shall be added to and become a part of that portion of any assessment next coming due to which such Dwelling and its Owner are subject.

Section 4.18 DRAINAGE. No owner shall do or permit any work, construct any improvements, place any landscaping, or suffer the existence of any condition whatsoever which shall alter or interfere with the drainage pattern for the property, except to the extent such alteration and drainage pattern is approved in writing by the ARC or the Board of Directors, and except for the rights reserved to Declarant to alter or change drainage patterns. All discharge from roof drains and other impervious surfaces not subject to vehicular traffic shall be directed to a drywell infiltration system sized as required by Section 4.7 of the Thurston County Drainage and Erosion Manual, as presently in effect or as hereafter amended or replaced by the appropriate authority. Sizing calculations and design of the infiltration system shall be reviewed and approved by the City of Olympia as a part of the building permit review process. Additionally, sizing calculations and design shall be reviewed and approved by the Architectural Review Committee as a part of the ARC process.

Section 4.19. TRASH. No trash, ashes, garbage or other refuse shall be thrown or dumped on any land or area within the Property. There shall be no burning or other disposal of refuse out of doors. Each Owner shall provide suitable receptacles for the temporary storage and collection of refuse, and all such receptacles shall be screened from the public view and from the wind and protected from animal and other disturbance and shall minimize the emission of odors.

Section 4.20. COMPLIANCE WITH LAWS. Subject to the rights of reasonable contest, each Owner shall promptly comply with all the provisions of all applicable laws, regulations, ordinances, and other governmental or quasi-governmental regulations with respect to all or any portion of the Property.

Section 4.21. ABANDONED OR INOPERABLE VEHICLES. Abandoned or inoperable automobiles or vehicles of any kind, except as provided below, shall not be

stored or parked on any portion of the Property. "Abandoned or inoperable vehicle" shall be defined as any vehicle which has not been driven under its own propulsion for a period of three (3) weeks or longer; provided, however, this shall not include vehicles parked by owners while on vacation. A written notice describing "abandoned or inoperable vehicle" and requesting its removal may be personally served upon the Owner or posted on the unused vehicle. If such vehicle has not been removed within seventy-two (72) hours after notice has been given, the Association shall have the right to remove the vehicle without liability, and the expense of removal shall be charged against the Owner.

Section 4.22. ANTENNAS. No exterior radio, television, microwave or other antenna or antenna dish or signal capture or distribution device shall be permitted without prior written consent of the ARC, with appropriate screening from adjacent Lots, Dwellings and Common Areas, except no more than two antenna dishes, 18" in diameter, mounted in the back of the home so as to not be visible from the street are allowed with no further ARC approval .

Section 4.23. NOISE. No exterior horns, whistles, bells or other sound devices, except door bells and security devices used exclusively to protect the security of the Property or improvements, shall be placed or used on any portion of the Property.

Section 4.24. NUISANCE. No obnoxious or offensive activity shall be carried on within the Property, nor shall anything be done or permitted which shall constitute a public nuisance. No noise or other nuisance shall be permitted to exist or operate upon the Property so as to be offensive or detrimental to any other part of the Property or its occupants.

ARTICLE V MEMBERSHIP IN THE ASSOCIATION AND VOTING

Section 5.01. MEMBERSHIP.

5.01.01 Membership Appurtenance to Ownership. Every Owner shall be deemed to have a membership in the Master Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot or Dwelling an ownership of a Lot or Dwelling shall be the sole qualification for such membership. In the event that fee title to a Lot or Dwelling is transferred or otherwise conveyed, the membership in the Association which is appurtenant thereto shall automatically pass to such transferee, notwithstanding any failure of the transferor to endorse to his transferee any certificates or other evidences of such membership, if any. The foregoing is not intended to include Mortgagees or any other persons who hold an interest in a Lot or Dwelling or any other persons who hold an interest in a Lot or Dwelling or any portion of the Property merely as security for the performance of an obligation, and the giving of a security interest shall not terminate or otherwise affect an Owner's membership in the

Association. Notwithstanding any of the foregoing to the contrary, no Owner, whether one or more persons, shall have more than one membership per Lot or Dwelling. Membership rights in the Association shall include all rights and restrictions imposed thereon as described in this Declaration or as may be promulgated by the Board of Directors pursuant to its authority to impose rules and regulations as described in Article X below.

5.01.02 Declarant a Member. Declarant at all times shall have and be deemed to hold a special membership in the Association whether or not Declarant is the Owner of a Lot or Dwelling. As the holder of this special membership, Declarant shall be entitled to notice of all meetings of Owners; shall be entitled to speak and be heard at any such meeting; and Declarant shall have a vote equal to at least sixty-seven percent (67%) of the eligible votes, but Declarant shall not, by virtue of this right, be considered to be the Owner of a Lot or Dwelling for any other purpose. Except as herein stated, Declarant as the holder of this special membership, shall have no other rights and be subject to no other obligations by reason of such special membership.

Section 5.02 VOTING. Membership in the Association shall include the right to vote. The Association shall have two (2) classes of voting membership:

5.02.01 Class "A". Class "A" members shall be all Owners, with the exception of Declarant, and shall be entitled to one vote per Dwelling. Owners of apartment buildings and senior housing shall have a number of votes equal to the number of units owned..

When more than one person holds an interest in any Lot or Dwelling, all such persons shall be members. The vote for such Lot or Dwelling shall be divisible and exercised as the Owners determine, but in no event shall more than one vote be cast with respect to the Dwelling.

5.02.02 Class "B". The Class "B" member shall be the Declarant (and any successor to Declarant except successors in interest in individual lots, Dwellings), and shall be entitled to at least sixty-seven percent (67%) of the eligible votes. The Class "B" membership shall cease and be converted to Class "A" membership upon the Transfer Date as described in Sections 2.01(w) and 3.06.02.

Section 5.03 MULTIPLE DWELLING UNITS. There shall be no votes available to the Owner of any Cluster Homes until such time as a building permit for the construction of town homes or Cluster Homes has been issued by the applicable permitting authority and the ARC. Thereafter the votes for any Townhouse or Subassociation Area shall be based upon the number of Dwellings authorized by the applicable permitting authority and the ARC, until such time as all Dwellings on such Townhouse or Subassociation Areas have been completed. Thereafter, the votes shall be based upon the number of Dwellings actually constructed upon such Lots.

Section 5.04 MANAGER. The Association may employ or contract for the services of a Manager, provided that no such employment shall be by contract having a term of more than three years, and each such contract shall be subject to cancellation by the Association of 90 days or less prior written notice without cause and without payment of a termination fee. The manager shall not have the authority to make expenditures for addition or improvements chargeable against the Maintenance Fund except upon specific prior approval and direction by the Board . The Board shall not be liable for any omission or improper exercise by a Manager of except when such duty, power, or function so delegated by written instrument is executed by or on behalf of the Board.

Section 5.05. BOOKS AND RECORDS. The Association shall make available for inspection, upon request, during normal business hours or under reasonable circumstances, to Owners and Mortgagees, current copies of this Declaration, and the books, records, and financial statements of the Association prepared pursuant to this Declaration and the Bylaws. The Association may charge a reasonable fee for copying such materials.

Section 5.06. SUCCESSOR TO DECLARANT. The Association shall succeed to all of the rights, duties and responsibilities of Declarant under this declaration upon the Transfers Date as described in Sections 2.01(aj) and 3.06.02.

Section 5.07. MAINTENANCE WITHIN PROPERTY. In the event that Declarant or the Board of Directors determines that: (a) any Owner or non-profit corporation responsible for common elements of a Cluster Home has failed or refused to discharge properly his or its obligations with regard to the maintenance, cleaning, repair, or replacement of any items for which he or its responsible hereunder; or (b) that the need for maintenance, cleaning, repair, or replacement which is the responsibility of the Association hereunder is caused through the willful or negligent act of an Owner, non-profit corporation responsible for the common elements of a Townhouse Area, his or her family, tenants, guest or invitees, and is not covered or paid for by the insurance in whole or in part, then , in either, Declarant or the Association, except in the event of an emergency situation, may give such Owner or non-profit corporation responsible for the common elements of a Townhouse Area written notice of Declarant's or the Association's intent to provide such necessary maintenance, cleaning, repair, or replacement, at the sole cost and expense of such Owner or non-profit corporation responsible for the common element of a Townhouse Area, as the case may be, and setting forth with reasonable particularity the maintenance, cleaning, repairs, or replacement deemed necessary. Except in the event of emergency situations, such Owner or non-profit corporation responsible for the common element of a Townhouse Area, as the case may be, shall have fifteen (15) days within which to complete the same in a good and workmanlike manner, or in the event that such maintenance, cleaning, repair, or replacement is not capable of being completed within said fifteen (15) day period, to commence said maintenance, cleaning, repair, or replacement and diligently proceed to complete the same in a good and workmanlike manner. In the event of emergency situations or the failure of any Owner or non-profit corporation responsible for the common elements of a Townhouse Area, to comply with the provisions hereof after such

notice, Declarant or the Association may provide (but shall not have the obligation to so provide) any such maintenance cleaning, repair, or replacement at the sole cost and expense of such Owner or non-profit corporation responsible for the common element of a Townhouse Area, as the case may be, and said cost shall be added to and become a specific assessment to which Owner and his or hers Lot or Dwelling is subject and shall become a lien against such Lot or Dwelling, or, in the case of a non-profit corporation responsible for the common element of a Townhouse Area, shall be added to and become a part of the assessment for all Owners within said such Townhouse Area and shall become a lien against such Owner's Dwellings therein. In the event that Declarant undertakes such maintenance, cleaning, repair, or replacement, the Association shall promptly reimburse Declarant for Declarant's cost and expenses.

ARTICLE VI INSURANCE AND FIDELITY BONDS

Section 6.01. INSURANCE.

6.01.01 Form of Insurance. The Board of Directors or its duly authorized agents shall have the authority to and shall obtain and continue in effect adequate property insurance, covering common Area property and improvements owned by the association, in such form as the Board deems appropriate, against loss or damage by fire or other hazards, including without limitations, extended coverage, vandalism, and mischief, such coverage to be in an amount sufficient to cover the full replacement cost (without depreciation but subject to such deductible levels as are deemed reasonable by the board) of any repair or reconstruction in the event of damage or destruction from any such hazard. In addition, the Board of Directors shall obtain directors and officers insurance.

6.01.02 Public Liability Policy for Common Areas. The Board or its duly authorized agents shall have the authority to and shall obtain and continue in effect a public liability policy covering all Common Areas and all damages or injury caused by the negligence of the Association, its members, its directors and officers, or any of its agents. Such public liability policy shall provide such coverage as are determined to be necessary by the Board of Directors.

6.01.03 Terms of Insurance. All such insurance coverage obtained by the Board of directors shall be written in the name of the Association and cost of all such coverage shall be paid by the Association. Exclusive authority to adjust losses under policies obtained by the Association and hereafter in force with respect to the Development shall be vested in the Board of Directors. Insofar as permitted by law, the Association shall be required to make effort to secure insurance policies with the provisions hereinafter set forth:

(a) All polices shall be written with the company licensed to do business in the State of Washington and holding a rating of A-XI or better in such

financial categories as established by Best Insurance Reports, if such a company is available or, if not available, its equivalent rating or the best rating possible.

(b) All property insurance policies shall be for the benefit of the Owners and their Mortgagees as their interest may appear.

(c) All policies shall provide that coverage may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least thirty (30) days' prior written notice to the Association and any Mortgagees and insureds named in the policies .

(d) In no event shall the insurance coverage obtained and maintained by the Association's Board of Directors hereunder be brought into contribution with insurance purchased by individual Owners or their Mortgagees, and all policies shall contain a provision that the "other insurance " clauses in such policies exclude from consideration policies obtained by individual Owners or their Mortgagees.

(e) All policies shall contain a waiver of subrogation by the insurer as to any claims against the Association the Association's directors and officers, the Owners, and their respective families, the Association's manager and Townhouse Association.

ARTICLE VII DAMAGE OR DESTRUCTION

Section 7.01. ESTIMATE OF DAMAGE OR DESTRUCTION. As soon as practical after an event causing damage to or destruction of any part of the Common Area in, the Association shall, unless such damage or destruction shall be minor, obtain an estimate or estimates, that it deems reliable and complete, of the cost of repair and reconstruction of that part of the Common Area so damaged or destroyed. "Repair and Reconstruction "as used in this Article VII shall mean restoring the damaged or destroyed Improvements to substantially the same condition in which they existed prior to the damage or destruction.

Section 7.02. REPAIR RECONSTRUCTION. As soon as practical after obtaining estimates, the Association shall diligently pursue to completion the repairs and reconstruction of the damages or destroyed Improvements. The Association may take any and all necessary or appropriate action to effect repair and reconstruction, and no consent or other action by any other Owner shall be necessary. Assessments of the Association shall not be abated during the period of insurance adjustments and repairs and reconstruction.

Section 7.03. FUNDS FOR REPAIR AND RECONSTRUCTION. The proceeds received by the Association from any hazard insurance shall be used for the purpose of repair, replacement and reconstruction. If the proceeds of the insurance are insufficient to pay the estimated or actual cost of such repair and reconstruction, the Association may,

pursuant to Section 3.05.05 above, levy, assess, and collect in advance from all owners, without the necessity of a special vote of the Owners, a Special Assessment sufficient to provide funds to pay such estimated or actual costs of repair and reconstruction. Further levies may be made in like manner if the amounts collected prove sufficient to complete the repair and reconstruction.

Section 7.04. DISBURSEMENT OF FUNDS FOR REPAIR AND RECONSTRUCTION. The insurance proceeds held by the Association and the amounts received from the Special Assessments provided for in Section 3.05.05 above constitute a fund for the payment of the costs of repair and reconstruction after casualty. It shall be deemed that the first money disbursed in payment for the costs or repair and reconstruction shall be made from insurance proceeds, and the balance from the Special Assessments. If there is a balance remaining after payment of all costs of such repair and reconstruction, such balance shall be retained by the Association and utilized as determined by the Board of Directors and as required by Article IX, Section 9.01.04.

Section 7.06. DAMAGE OR DESTRUCTION AFFECTING LOTS OR DWELLINGS. In the event of damage or destruction to the improvements located on any of the Lots or constituting a Dwelling, the owner thereof shall promptly repair and restore the damaged Improvements to their condition prior to such damage or destruction. If such repair or restoration is not commenced within 180 days from the date of such damage or destruction, or if repair and reconstruction is commenced but then abandoned for a period of more than 90 days, then the Association may, after notice and hearing as provided in this Declaration, impose a fine of not less than \$50 per day on the Owner of the Lot or Dwelling until repair and reconstruction is commenced, unless the Owner can prove to the satisfaction of the Association that such failure is due to circumstance beyond the Owner's control. Such fine shall be a default assessment and lien against the Lot or Dwelling as provided in Section 3.05.07 above.

ARTICLE VIII CONDEMNATION

Section 8.01. RIGHTS OF OWNERS. Whenever all or any part of the Common Areas shall be taken or conveyed in lieu of the under threat of condemnation by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice of the taking, but the Association shall act for all Owners in the proceedings incident to the condemnation proceeding, unless otherwise proceeding, unless otherwise prohibited by law.

Section 8.02. PARTIAL CONDEMNATION; DISTRIBUTION OF AWARD; RECONSTRUCTION. The award made for such taking shall be payable to the Association as trustee for all Owners to be disbursed as follows:

If the taking involves a portion of the Common Area on which improvements have been constructed, then, unless within sixty (60) days after such taking Declarant and Owners representing at least sixty-seven percent (67%) of the total membership in the Association shall otherwise agree, the Association shall restore or replace such improvements so taken on the Board of Directors and the ARC. If such improvements are to be repaired or restored, the provisions in Article VII above regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply. If the taking does not involve any improvements on the Common Areas, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award on net funds shall be distributed in equal shares per Lot or Dwelling, first to the Mortgagees and then to the Owners, as their interests appear or as determined by at least sixty-seven percent (67%) of the total allocated votes in the Association.

Section 8.03. COMPLETE CONDEMNATION. If all of the Plat of Briggs Village is taken, condemned, sold, or otherwise disposed of in lieu of or in avoidance of condemnation, then the regime created by this Declaration shall terminate, and the portion of the condemnation award attributable to the Common Areas shall be distributed as provided in Section 8.02 above.

ARTICLE IX FHLMC REQUIREMENTS

Section 9.01. FHLMC APPROVAL REQUIREMENTS. Unless at least sixty-seven (67%) percent of the First Mortgagees (based on one vote for each First Mortgage owned) and Owners representing at least sixty-seven (67%) percent of the total allocated votes in the Association have given their prior written approval, the Association shall not be entitled to:

9.01.01. Transfer of Interests in Common Areas. By act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer all or part of the Common Area (provided that the granting of easements or other interests in property for public utilities or for other public purposes consistent with the intended use of such Common Area shall not be deemed a transfer within the meaning of the clause);

9.01.02 Change in Method of Assessment. Change the method of determining the obligations, assessments, dues, or other charges which may be levied against an Owner;

9.01.03 Maintenance of Insurance. Fail to maintain fire and extended coverage on insurable Common Area in an amount not less than 100 percent of current replacement cost; or

9.01.04 Use of Insurance Proceeds. Use hazard insurance proceeds for losses to Common Areas or improvements thereon for the other than repair, replacement, or reconstruction of same.

Section 9.02. MORTGAGEES' RIGHTS. First Mortgagees of Lots or Dwelling, jointly or singly, may pay taxes or other charges which are in default and which may or have become a charge against any of the Common Areas or improvements thereon, and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for the Common Areas. First Mortgagees making such payments shall be owed immediate reimbursement from the Association.

ARTICLE X RULING MAKING

Section 10.01 RULING AND REGULATIONS. Subject to the provisions hereof, the Board of Directors may establish reasonable rules and regulations concerning the use of Lots, Dwellings, and the Common Areas. In particular but without limitations, the Board of Directors may promulgate from time to time rules and regulations which shall govern activities which may, in the judgment of the Board or Directors, be environmentally hazardous, such as application of fertilizers, pesticides, and other chemicals. Copies of such rules and regulations and amendments thereto shall be furnished by the Association to all Owners prior to the effective date of such rules and regulations and amendments thereto. Such rules and regulations shall be binding upon the Owners, their families, tenants, quests, invitees, servants, and agents, until and unless any such rule or regulation shall be specifically overruled, cancelled, or modified by the Board of Directors or in a regular or special meeting of the Association by the vote of the Owners, in person or by proxy, holding two-thirds (2/3) or the total votes in the Association, provided that in the event of such vote, such action must also be approved by Declarant, for so long as Declarant owns any interest in the Property.

Section 10.02. AUTHORITY AND ENFORCEMENT. Subject to the provisions of Section 10.03 hereof, upon the violation of this Declaration, the Bylaws, or any rules and regulations duly adopted hereunder, including, without limitation, the failure to timely pay any assessments, the Board shall have the power: (a) to impose reasonable monetary fines which shall constitute an equitable charge and a continuing lien upon the Lot or Dwelling, the Owners, occupants or guests of which are guilty of the violation; (b) to suspend an Owner's right to vote in the Association; (c) to accelerate all remaining Assessment installments for the fiscal year in question so that unpaid Assessment for the remainder of the fiscal year shall be due and payable at once; or (d) to suspend an Owner's right (and the right of such Owner's family, guests, and tenants and of the co-Owner and their respective families, guests, and tenants) to use any of the Common Areas, and the Board shall have the power to impose all or any combination of these sanctions. An Owner shall be subject to the foregoing sanctions in the event of such a violation by such Owner, his family, guests, or tenants or by his co-Owners of the family, guests, or tenants of his co-Owners. Any such suspension of rights may be for the

duration of the infraction and for any additional period thereafter, as determined by the Board.

Section 10.03. PROCEDURE. Except with respect to the failure to pay assessments, the Board shall not impose a fine, suspend voting rights, or infringe upon or suspend any other rights of an Owner or other occupant of the Development for violations of the Declaration, the Bylaws, or rules and regulations of the Association, unless and until the following procedure is followed:

10.03.01 Demand to Cease and Desist. Written demand to cease and desist for an alleged violation shall be served upon the Owner responsible for such violation specifying:

- (a) the alleged violation;
- (b) the action required to abate the violation; and
- (c) a time period of not less than ten (10) days during which the violation may be abated without further sanctions; if such violation is a continuing one, or if the violation not a continuing one, a statement that any further violation of the same provision of this Declaration, the Bylaws, or of the rules and regulations of the Association may result in the imposition of sanctions after notice and hearing.

10.03.02 Hearing. Within twelve (12) months of such demand, if the Violation continues past the period allowed in the demand for abatement without penalty, or if the same violation subsequently occurs, the Board may serve such Owner with written notice of a hearing to be held by the Board in executive session. The notice shall contain:

- (a) the nature of the alleged violation;
- (b) the time and place of the hearing, which time shall be not less than (10) days from the giving of the notice;
- (c) an invitation to attend the hearing and produce any statement, evidence, and witnesses on his behalf; and
- (d) the proposed sanction to be imposed
- (e) The hearing shall be held in executive session of the Board of Directors pursuant to the notice and shall afford the alleged violator a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy the notice together with a statement of the date and manner of delivery is entered by the officer, director, or other individual who delivered such notice. The notice requirement shall be deemed satisfied if an alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanctions imposed, if any.

ARTICLE XI
RESOLUTION OF DISPUTES

Section 12.01 TERM. This Declaration and any amendments or supplements hereto shall remain in effect for thirty (30) years from the date of recordation. Thereafter these Covenants shall be automatically extended for five (5) successive periods of ten (10) years each, unless otherwise terminated or modified as provided below.

Section 12.02 AMENDMENTS BY DECLARANT. During any period in which Declarant retains the right to appoint and remove any directors or officers of the Association, Declarant may amend this Declaration by an instrument in writing filed and recorded in the records of Thurston County, Washington, without the approval or any Owner or Mortgagee; provided, however, that, (a) in the event that such amendment materially alters or changes any Owner's right to the use and enjoyment of his or her Lot or Dwelling or the Common Areas as set forth in Declaration or adversely affects the title to any Lot or Dwelling, such amendment shall be valid only upon the written consent thereto by majority in number of the then existing Owners affected thereby; or (b) in the event that such amendment would materially and adversely affect the security, title and interest of any Mortgagee, such amendment shall be valid only upon the written consent thereto of all such Mortgagees so affected. Any amendment made pursuant to this Section 12.02 shall be certified by Declarant as having been duly approved by Declarant, and by such Owners and Mortgagees if required, and shall be effective only upon recordation or at such later date as shall be specified in the amendment itself. Each Owner, by acceptance of a deed or other conveyance to a Lot or Dwelling, agrees to be bound by such amendments as are permitted by this Section 12.02 and further agrees that if requested to do so by Declarant, such Owner will consent to the amendment of this Declaration or any other instruments relating to the Development: (i) if such amendment is necessary to bring any provision hereof or thereof compliance statute, rule, or regulation or any judicial determination which will be in conflict therewith; (ii) if such amendment is necessary to enable any reputable title insurance company to issue title insurance coverage with respect to any property subject to this Declaration; (iii) if such amendment is required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on any Lot, Dwelling or Townhouse Area or other improvements subject to this Declaration; or (iv) if any such amendment is necessary to enable any governmental agency or reputable private insurance company to insure Mortgages on the Lots, Dwellings or Townhouse Areas or other improvements subject to his Declaration. The Declarant shall make no amendment to provisions set forth in Article IV relative to architectural controls and uses restrictions under the authority of this Section 12.02.

Section 12.03 AMENDMENTS BY ASSOCIATION. Amendments to this Declaration, other than those authorized by Section 12.02 hereof, shall be proposed and adopted in the following manner:

12.03.01 Notice. Notice of the subject matter of the proposed amendment shall be included in the notice of the meeting of the Association at which

such proposed amendment is to be considered shall be delivered to each member of the Association.

12.03.02 Requirements for Approval. At such meeting, a resolution adopting a proposed amendment may be proposed by either the Board of Directors or by members of the Association. Such amendment must be approved by Owners holding at least two-thirds (2/3) of the total votes in the Association entitle to be cast; provided, however, that: (a) any amendment which materially and adversely affects the security, title and interest of any Mortgagee must be approved by such Mortgagee; and (b) during any period in which Declarant owns an interest in the property within the Development Plan, such amendment must be approved by Declarant.

12.03.03 Recording of Amendment. The agreement of the required percentage of the Owners and , where required, Declarant and any Mortgagee, to any amendment of this Declaration shall be evidenced by their execution of such amendment, or, in the alternative, and sworn statement of the president of the Association attached to or incorporated in the amendment executed by the Association, which sworn statement shall state unequivocally that the agreement of required parties was lawfully obtained. Any such amendment of this Declaration shall become effective only when recorded or such later date as may be specified in the amendment itself.

Section 12.04. CERTAIN RIGHTS DECLARANT. For such time as Declarant shall own any Cluster Home, Lot or Dwelling there shall be no amendments to the Declaration, the Articles of Incorporation, the Bylaws of the Association, or any rules and regulations adopted by the Association which shall:

12.04.01 Discriminate or tend to discriminate against the Declarant's rights as an Owner.

12.04.02 Change Article II in a manner which alters Delcarant's rights or status.

12.04.03 Alter the character and rights of property ownership, membership or the rights of Declarant as set forth in Articles III and V.

12.04.04 Alter the provisions set forth in Article IV relating to architectural controls and use restrictions.

12.04.05 Alter the basis of assessments in Articles III and V.

12.04.06 Alter the number or selection of Directors as established in the Bylaws.

12.04.07 Alter the Declarant's right as they appear in this Declaration.

Section 12.05. EFFECTIVE ON RECORDING. Any modification or amendment shall be immediately effective upon recording a copy of such amendment of modification, executed and acknowledged by the necessary number of Owners or the President of the Association as provided in Section 12.03.03 (and by Declarant, as required), accompanied by a certificate of a licensed abstract or title company as to ownership, or upon the recording of a copy of the amendment or modification together with a duly authenticated Certificate of the Secretary of the Board stating that the required number of consents of Owners and certificate of a licensed title or abstract company were obtained and are on file in the office of the Association, in the Auditor of Thurston County, Washington.

Section 12.06. REVOCATION. This Declaration shall not be revoked, except as provided in Article VII regarding total condemnation, without the consent of all of the Owners in a written instrument duly recorded.

ARTICLE XIII MISCELLANEOUS PROVISIONS

Section 13.01 CONTROL BY DECLARANT. NOTWITHSTANDING ANY OTHER LANGUAGE OR PROVISION TO THE CONTRARY IN THIS DECLARATION, IN THE ARTICLES OF INCORPORATION, OR IN THE BYLAWS OF THE ASSOCIATION, Declarant hereby retains the right to appoint the removal of any member or members of the ARC and Board of Directors of the Association and officer or officers of the Association as provided by, and for the term set forth in, Section 3.06 hereof. Every grantee of any interest in the Development, by acceptance of a deed or other conveyance of such interest, agrees that Declarant shall have the authority to appoint and remove members of the ARC and directors and officers of the Association in accordance with the foregoing provisions of this Section 13.01 and the provisions of Section 3.06. Upon the expiration of the period of Declarant's right to appoint and remove directors and officers of the Association, such right shall pass to the Owners, including Declarant if Declarant then owns one or more Lots or Dwellings, and a special meeting of the Association shall be called within a reasonable time thereafter. At such special meeting the Owners shall elect a new Board of Directors (which shall include Declarant for so long as Declarant owns the Property), which shall undertake the responsibilities of the Board of Directors and Declarant shall deliver all books, accounts, and record, if any, which Declarant has kept on behalf of the Association and any agreements or contracts executed by or on behalf of the Association during such period and which Declarant has in possession.

Section 13.02. MULTIPLE OWNERSHIP. No Lots or Dwelling may be sold under any time-sharing, time-interval, or similar right-to-use programs, unless initially constituted as such by Declarant at the time of submission of such Lots or Dwelling to the terms of this Declaration. Notwithstanding the foregoing to the contrary, a Lot or Dwelling may be owned by a corporation or partnership so long as, in the sole

determination of the Declarant and/or the Association, such corporation or partnership has an independent business purpose and has not been formed in order to circumvent the restrictions contained herein. The foregoing prohibition shall not apply to Declarant, its affiliates, or their respective successors or assigns.

Section 13.03. ADDITIONAL COVENANTS. The Declarant may in development of the Property, subject one or more of these sites to additional covenants and declarations to govern particular aspects thereof. In particular, Declarant may establish one or more associations in order to promote the health, safety and welfare of the Owners, as well as to provide for the maintenance of any improvements owned by such Owners, provided that such Owners also shall be members of the Association. Dwellings or Commercial Area within such portions of the Property so submitted may be subject to declarations which impose covenants and restrictions in addition to those set forth herein, and such associations may levy additional assessments and make and enforce supplementary rules with respect to such areas. Any such additional covenants and restrictions imposed pursuant to this subsection 13.04 shall not require the consent or approval of any Owner or Person other than Declarant.

Section 13.04 ACCESS. All Owners, by accepting title to a Lot, Dwelling or Townhouse Area conveyed subject to this Declaration, waive all rights of uncontrolled and unlimited access, ingress, and egress to and from such Lot, Dwelling or Townhouse Area, provided that pedestrian and vehicular access to and from all Lots, Dwellings or Townhouse Areas shall be provided at all times.

Section 13.05 CHANGES IN BOUNDARIES; ADDITIONS TO COMMON AREAS. Declarant expressly reserves for itself and its successors and assigns, the right to change and realign the boundaries of the Common Areas and any Lots or Townhouse Areas owned by Declarant, provided that any such change or realignment of boundaries shall not materially decrease the acreage of the Common Areas and shall be evidenced by a revision of or an addition to the Plat which shall be recorded in the records of Thurston County, Washington, except as set forth in the Design Guidelines.

Section 13.07. NO PARTITION OF COMMON AREA. There shall be no judicial partition of the Development or any part thereof, nor shall any Person acquiring any interest in the Development or any part thereof seek any judicial partition unless the Development has been removed from the provisions of this Declaration.

Section 13.08. ENFORCEMENT OF DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, ATTORNEYS' FEES. The Covenants Conditions and Restrictions set forth in this Declaration may be enforced by proceedings at law or in equity brought by the Association or any Owner, which proceedings may be brought for the purpose of securing equitable relief, monetary damages or both. Venue for any such proceeding shall be in Thurston County, Washington.

In the event any controversy or claim arises under this Declaration, the prevailing party shall be entitled to its reasonable costs, disbursements and attorney fees, together

with all expenses which it may reasonably incur, including, but not limited to, costs incurred in searching records, expert witness and consultant fees, discovery depositions whether or not introduced into evidence in the trial, hearing or other proceeding and travel expenses in any arbitration, trial or other proceeding, including any proceeding brought to enforce an award of judgment, and any and all appeals taken therefrom.

Section 13.09. SEVERABILITY. This Declaration, to the extent possible, shall be construed or reformed so as to give validity to all of its provisions. Any provision of this Declaration found to be prohibited by law or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating any other part hereof.

Section 13.10. CONSTRUCTION. In interpreting words in this Declaration, unless the context shall otherwise provide or require, the singular shall include the plural, the plural shall include the singular, and the use of any gender shall include all genders.

Section 13.11. HEADINGS. The headings are included only for purposes of convenient reference, and they shall not affect the meaning or interpretation of this Declaration.

Section 13.12. REGISTRATION OF MAILING ADDRESS. Each Owner shall register his or her mailing address with the Secretary of the Association from time to time, and notices or demands intended to be served upon or given to a Owner shall be personally delivered to or sent by mail, postage prepaid, addressed in the name of the Owner at such registered mailing address.

Section 13.13 NOTICE. All notices or requests, required shall be in writing. Notice to any Owner shall be considered delivered and effective upon personal delivery, or three days after posting, when sent by certified mail, return receipt requested, to the address of such Owner on file in the records of the Association at the time of such mailing. Notice to the Board, the Association, at the time of such mailing. Notice to the Board, the Association, the ARC, or the Manager shall be considered delivered and effective upon personal delivery, or three days after posting, when sent by certified mail, return receipt requested, to the Association, the Board, the ARC, or the Manager, at such address as shall be established by the Association from time to time by notice to the Owners. General notices to all Owners or any classification thereof need not be certified, but may be sent regular first class mail.

Section 13.14. WAIVER. No failure on the part of the Declarant, the Association, the Board, or the ARC to give notice of default or to exercise or to delay in exercising any right or remedy shall operate as a waiver, except as specifically provided above in the event the Board or ARC fails to respond to certain requests. No waiver shall be effective unless it is in writing, signed by the President or Vice President of the Board on behalf of the Association, or by the Chairman of the ARC on behalf of the ARC.

Section 13.15 LIMITATION OF LIABILITY. Neither the Association, the ARC, nor any officer or member of the Board shall be liable to any party for any action

or for any failure to act with respect to any matter arising by, through or under this Declaration if the action or failure to act was made in good faith. The Association shall indemnify all of the ARC members and officers and Board members with respect to any act taken in their official capacity to the extent provided in this Declaration and by law and in the Articles and Bylaws of the Association.

Section 13.16. CONFLICTS BETWEEN DOCUMENTS. In case of conflict between this Declaration and the Articles of Incorporation or the Bylaws, this Declaration shall control. In case of conflict between the Articles of Incorporation and the Bylaws, the Articles of Incorporation shall control.

Section 13.17. ASSIGNMENT. Declarant may assign all or any part of its rights and reservations hereunder to any successor who takes title to all or part of the Property in a bulk purchase for the purpose of development and sale. Such successor shall be identified, the particular rights being assigned shall be specified, and, to the extent required, concomitant obligations shall be expressly assumed by such successor, all in a written instrument duly recorded in the records of the Clerk and recorder of Thurston County, Washington.

IN WITNESS WHEREOF, Declarant has executed this Declaration as of the day first above written.

BRIGGS VILLAGE ASSOCIATION, INC.,
a Washington Non-Profit Corporation

By: _____
Name: Joseph T. Amoroso
Its: Vice President