

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION, made on the date hereinafter set forth by RICHARD MOELLER and JULIANN MOELLER, hereinafter referred to as "Declarant";

WITNESSETH:

WHEREAS, Declarant is the owner of certain property situated in Walla Walla County, Washington, known as Plat of Stone Creek Planned Unit Development, Phase I, which is more particularly described on Exhibit "A" attached hereto and incorporated by reference as though set forth in full herein; and

WHEREAS, Declarant will convey the said properties, subject to certain protective covenants, conditions, restrictions, reservations, liens and charges as hereinafter set forth;

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

ARTICLE I Definitions

Section 1: "Association" shall mean and refer to STONE CREEK HOMES ASSOCIATION, its successors and assigns.

Section 2: "Properties" shall mean and refer to that certain real property described in Exhibit "A" attached hereto and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3: "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the members of the Association, including, but not limited to, private roads so long as the same remain undedicated to any public authority. The Common Area to be owned by the Association at the time of the conveyance of the first lot is described in Exhibit "B" hereto. Additions thereto may hereafter be made.

Section 4: "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

PROTECTIVE COVENANTS (continued)

Section 5: "Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 6: "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, and excluding those having such interest merely as security for the performance of any obligation.

Section 7: "Declarant" shall mean and refer to Richard Moeller and Juliann Moeller, their successors and assigns, if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

ARTICLE II

ANNEXATION OF ADDITIONAL PROPERTIES

Section 1: Annexation Without Consent of Members: The Declarant, their successors and assigns, shall have the right to bring within the scheme of this Declaration at any time or times within ten (10) years of the date of this instrument without the assent or vote of the Class A or B members of the Association or the Association, in one or more stages or phases of the Stone Creek Planned Unit Development, additional residential and common properties of all or any portion or portions of the following described real property situated in Walla Walla County, State of Washington, and more particularly described as follows:

PARCEL A:

All that part of the Northwest Quarter of the Northwest Quarter and of the South half of the Northwest Quarter of Section 32 in Township 7 North, Range 36 East of the Willamette Meridian, lying between the Easterly right of way line of the County road now known as Plaza Way and the Westerly right of way line of the Oregon-Washington Railroad & Navigation Company and South of the following described line, to wit:

Beginning at a point in the West line of said Section 32 which is 1392.7 feet South of the Northwest corner thereof, and running thence South 15°11' East 380.0 feet to the point of beginning of said line; thence North 57°36' East 200 feet; thence North 18°31' East 65.0 feet; thence North 47°53' East 441.80 feet; thence North 38°24' West 137.5 feet; thence North 57°34' East 136.0 West; thence North 79°56' East to the Westerly line of the right of way of the Oregon-Washington Railroad & Navigation Company, the terminus of said line.

PROTECTIVE COVENANTS (continued)

EXCEPTING therefrom the following described tracts, to wit:

(a) Beginning at the Northwest corner of said Section 32, and running thence South, along the West line of said Section 32, a distance of 1392.7 feet; thence South $15^{\circ}11'$ East 380.0 feet; thence South $22^{\circ}00'$ East 159.0 feet to an intersection with the center line of the channel of Stone Creek, which point is the Southwest corner of the property deeded to Mary E. Farrell by deed recorded in Volume 203 of deeds page 189, under Auditor's File No. 254711, records of Walla Walla County, and which point is the TRUE POINT OF BEGINNING for this description. From said true point of beginning run thence North $38^{\circ}47' \frac{1}{2}'$ East, along the center line of Stone Creek, a distance of 105.09 feet; thence North $28^{\circ}25'$ East 98.99 feet; thence North $49^{\circ}43'$ East 49.75 feet; thence North $1^{\circ}40' \frac{1}{2}'$ West 43.37 feet; thence North $47^{\circ}32' \frac{1}{2}'$ East 27.89 feet; thence South $33^{\circ}59'$ East 184.30 feet; thence South $60^{\circ}18'$ West 312.0 feet; thence North $8^{\circ}00'$ East 29.0 feet; thence North $22^{\circ}00'$ West 16.56 feet to the true point of beginning.

(b) Beginning at a point in the East right of way line of the County road now known as Plaza Way, which point is 20 feet North and 106.2 feet East of the Quarter section corner on the West side of said Section 32, and running thence Northeasterly, along the East right of way of said road, a distance of 150 feet; thence East, parallel to the East and West center line of said Section 32, a distance of 200.0 feet; thence Southwesterly, parallel to the Easterly right of way line of said road, a distance of 150.0 feet to a point in a line parallel to and 20.0 feet North of the East and West center line of said Section 32; thence West, along said parallel line, 200.0 feet to the point of beginning.

(c) Beginning at a point in the East right of way line of the County road now known as Plaza Way, which point is 106.2 feet East and 20 feet North of the Quarter Section corner on the West side of said Section 32, and running thence Southwesterly along the East right of way line of said Road to the point of its intersection with the East and West center line of said Section 32; thence East, along said East and West center line, a distance of 330.0 feet; thence Northeasterly, parallel to the East right of way line of said road, a distance of 170.0 feet; thence west, parallel to said East and West center line, a distance of 130.0 feet; thence Southwesterly, parallel to the East right of way line of said road, a distance of 150.0 feet; thence West, parallel to said East and West center line of Section 32, a distance of 200.0 feet to the point of beginning.

PROTECTIVE COVENANTS (continued)

(d) Beginning at a point 1392.7 feet South and South 15°11' East 380 feet from the corner common to Sections 29, 30, 31, and 32 in Township 7 North, Range 36 East of the Willamette Meridian, and running thence North 57°36' East 200 feet; thence North 18°31' East 65 feet; thence North 47°53' East 441.8 feet; thence South to the center of the South channel of Ritz Creek (now known as Stone Creek); thence Westerly along the center of said creek to the center of the county road; thence Northerly along the center of said road to the point of beginning.

PARCEL B:

Beginning at a point 1392.7 feet South and South 15°11' East 380 feet from the corner common to Sections 29, 30, 31, and 32 in Township 7 North, Range 36 East of the Willamette Meridian and running thence North 57°36' East 200 feet; thence North 18°31' East 65 feet; thence North 47°53' East 441.8 feet; thence South to the center of the South channel of Ritz Creek (now known as Stone Creek); thence Westerly along the center of said creek to the center of the county road; thence Northerly along the center of said road to the point of beginning.

EXCEPTING THEREFROM the following described tract, to wit:

Beginning at the Northwest corner of said Section 32 and running thence South, along the West line of said Section 32, a distance of 1392.7 feet; thence South 15°11' East 380.0 feet; thence South 22°00' East 159.0 feet to an intersection with the center line of the channel of Stone Creek, which point is the Southwest corner of the property deeded to Mary E. Farrell by deed recorded in Volume 203 of Deeds, page 189, under Auditor's File No. 254711, records of Walla Walla County, and which point is the TRUE POINT OF BEGINNING for this description, from said true point of beginning run thence North 38°47 1/2' East, along the center line of Stone Creek, a distance of 105.09 feet; thence North 28°25' East 98.99 feet; thence North 49°43' East 49.75 feet; thence North 1°40 1/2' West 43.37' feet; thence North 47° 32 1/2' East 27.89 feet; thence South 33°59' East 184.30 feet; thence South 60°18' West 312.0 feet; thence North 8°00' East 29.0 feet; thence North 22°00' West 16.56 feet to the true point of beginning and

PROTECTIVE COVENANTS (continued)

EXCEPTING from Parcels A and B described above the real property described in Exhibit A attached to this Declaration and incorporated herein by this reference; provided that such additions are in accord with a general plan of development prepared prior to the sale of any lot and made known to every purchaser (which may be done by brochure delivered to each purchaser) at the time of sale, and provided further that the Federal Housing Administration determines that the annexation is in accord with the general plan heretofore approved by it.

Such general plan of development shall show the proposed addition to the properties and contain:

(1) a general indication of size and location of additional development stages and proposed land use in each;

(2) the approximate size and location of Common Areas proposed for each stage;

(3) the general nature of any proposed common facilities and improvements;

(4) a statement that the proposed additions, if made, will become subject to assessment for their just share of Association expenses; and

(5) the date on which Declarant's rights under this Section 1 will terminate. Unless otherwise stated therein, such general plan shall not bind the Declarant, their successors or assigns to make the proposed additions or to adhere to the plan in any subsequent development of the land shown thereon and those general plans shall contain a statement to this effect.

Additions authorized under this Section shall be made by filing of record a supplementary Declaration of Covenants, Conditions and Restrictions with respect to the additional property which shall extend the scheme of the covenants and restrictions of this Declaration to such property.

Such supplementary Declaration may contain such complementary additions and modifications of the covenants and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added properties and as are not inconsistent with the scheme of the Declaration. In no event, however shall such supplementary Declaration revoke, modify, or add to the covenants established by this Declaration within the property described in Exhibit A hereto.

PROTECTIVE COVENANTS (continued)

Owners of Lots within such addition or additions annexed hereafter shall be added to the membership of the Association under Article III and shall have voting rights as provided in Article IV hereof.

Section 2. Annexation of Other property With Consent of Members: Annexation of additional property other than all or any portion of the real property described in Section 1 of this Article II which Declarant reserved the power to annex without the vote or assent of members or the Association shall require the assent of two-thirds of the Class A members and two-thirds of the Class B members, if any, at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than 30 days nor more than fifty days in advance of the meeting setting forth the purpose of the meeting.

ARTICLE III

MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. Ownership of such Lot shall be the sole qualification for membership.

ARTICLE IV

VOTING RIGHTS

The Association shall have two classes of voting membership:

Class A. Class A members shall be all of these Owners as defined in Article III with the exception of the Declarant. Class A members shall be entitled to one vote for each Lot in which they hold the interest required for membership by Article III. When more than one person holds such interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member shall be the Declarant. The Class B member shall be entitled to three votes for each Lot situated on the real property described in Exhibit A in which he holds the interest required for membership by Article III, provided that the Class B membership shall cease and become converted to Class A membership (1) on the date on which seventy-five percent of the lots now platted on the real property described in Exhibit A hereto and hereafter platted within five years of the date hereof on the real property described in Section 1 of Article II hereof have been sold by Declarant, or (2) on June 1, 1979, whichever shall first occur.

ARTICLE V

PROPERTY RIGHTS

Section 1. Members' Easements of Enjoyment. Every member shall have a right and easement of enjoyment in and to the Common Area and such easement shall be appurtenant to and shall pass with the title to every assessed Lot, subject to the following provisions:

- (a) The right of the Association to limit the number of guests of members;
- (b) The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;
- (c) The right of the Association in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Common Area and facilities and in aid thereof to mortgage or deed in trust said property, and the rights of such mortgagee in said properties shall be subordinate to the rights of the homeowners hereunder;
- (d) The right of the Association to suspend the voting rights and right to use of the recreational facilities by a member for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed 30 days for any infraction of its published rules and regulations;
- (e) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by members entitled to cast two-thirds of the votes of the Class A membership, if any, has been recorded, agreeing to such dedication or transfer.

Section 2. Delegation of Use. Any member may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

PROTECTIVE COVENANTS (continued)

ARTICLE VI

COVENANT FOR COMMON PROPERTY MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments for Benefit of Common Property. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree to pay to the Association (1) monthly common property assessments or charges, and (2) special assessments for capital improvements upon common property, such assessments to be fixed, established, and collected from time to time as hereinafter provided. The monthly and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Monthly Common Property Assessments. The monthly Common Property assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of all residents of Properties including, without limitation, the construction, establishment, improvement, repair and maintenance of the Common Properties and services and facilities related to the use and enjoyment of the Common Properties and for expenses of operating the Association with respect thereto, including without limitation the purchase of liability insurance for the Association.

Section 3. Basis and Maximum of Monthly Common Property Assessments. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum monthly common Property assessment shall be SIX DOLLARS (6.00) per Lot on which a residence has been built (hereinafter "improved lot") and fifty percent of said amount per Lot on which no residence has been built (hereafter "unimproved Lot").

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum monthly Common Property assessment may be increased effective January 1 of each year for that year not more than five percent above the maximum assessment for the previous year without a vote of the membership.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the

PROTECTIVE COVENANTS (continued)

maximum monthly Common Property assessment may be increased above five percent for the year, provided that any such change shall have the assent of two-thirds of the votes of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than 30 days nor more than 50 days in advance of the meeting setting forth the purpose of the meeting; and provided further that the assessment per unimproved Lot shall in no event exceed 50% of the assessment per improved Lot. The limitations hereof shall not apply to any change in the maximum and basis of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.

(c) After consideration of current maintenance costs and future needs of the Association, the Board of Directors may fix the actual assessment for any month at a lesser amount, provided that the assessment per unimproved Lot shall not exceed fifty percent of the assessment per improved Lot.

Section 4. Special Assessments for Capital Improvement Upon Common Property. In addition to the monthly assessments authorized above, the Association may levy in any year, a special assessment applicable to that year only, for the purpose of defraying, in whole or part, the cost of any construction or reconstruction, unexpected repair or replacement of a capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than 30 days nor more than 50 days in advance of the meeting setting forth the purpose of the meeting.

Section 5. Uniform Rate of Assessment. the monthly Common Area assessments must be fixed at a uniform rate for all improved Lots and at a uniform rate for all unimproved Lots, which latter rate shall not exceed 50% of the rate fixed for improved Lots. The special common Area assessments must be fixed at a uniform rate for all Lots. All assessments are subject to provisions of Article IX hereof for exterior maintenance which may not be uniform for all Lots.

Section 6. Quorum for any Action Authorized Under Sections 3 and 4. At the first meeting called, as provided in Sections 3 and 4 hereof, the presence at the meeting of members or of proxies entitled to cast sixty percent of all the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set

PROTECTIVE COVENANTS (continued)

forth in Sections 3 and 4, and the required quorum at any such subsequent meeting shall be one-half of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty days following the preceding meeting.

Section 7. Date of Commencement of Monthly Assessments Due Dates. The monthly assessments provided for herein shall commence and be due and payable on the date (which shall be the first day of a month) fixed by the Board of directors of the Association to be the date of commencement and shall continue and be due and payable on the first day of each succeeding month thereafter.

The due date on any special assessment under Section 4 hereof shall be fixed in the Resolution authorizing such assessment.

The Board of Directors of the Association shall fix the date of commencement and the amount of assessments against each Lot for each year at least thirty (30) days in advance of each January 1 and shall, at that time, prepare a roster of the properties and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner. Written notice of the assessment shall thereupon be sent to every owner subject thereto.

The Association shall upon demand at any time furnish to any Owner liable for said assessment a certificate in writing signed by an officer of the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid. A reasonable charge may be made by the Board for the issuance of such certificates.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of six percent (6%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

PROTECTIVE COVENANTS (continued)

Section 9. Subordination of the Lien to Mortgages and Deeds of Trust. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages or Deed of Trust or Deeds of Trust. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot which is subject to any mortgage or Deed of Trust, pursuant to a decree of foreclosure under such mortgage or Deed of Trust or any proceeding in lieu of judicial foreclosure thereof, shall extinguish the lien of such assessments as to payments thereof which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 10. Exempt Property. The following property subject to this Declaration shall be exempt from the assessments created herein: (a) all properties dedicated to and accepted by a local public authority; (b) The Common Area; and (c) all properties owned by a charitable or non-profit organization exempt from taxation by the laws of the State of Washington. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

ARTICLE VII

PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as part of the original construction of the homes (including detached garages) upon the Properties and placed on the dividing line between the Lots shall constitute a party wall, and to the extent not inconsistent with the provisions of this Article, the General Rules of Law of the State of Washington regarding Party Walls and of liability for property damage due to negligent or willful act or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. the cost of reasonable repair and maintenance of a Party Wall shall be shared by the Owners who make use of the Wall in proportion to such use.

Section 3. Destruction by Fire or Other Casualty. If a Party Wall is destroyed or damaged by fire or other casualty, any Owner who has used the Wall may restore it, and if the other Owners thereafter make use of the Wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any Rule of Law regarding liability for negligent or willful acts or omissions.

PROTECTIVE COVENANTS (continued)

Section 4. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes the Party Wall to be exposed to the elements shall bear the whole costs of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs with the Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 6. Party Wall Easement. There is hereby reserved for each lot owner whose home (including garage and/or carport, whether detached or attached) which has as a part of the original construction a party wall or party walls, as the case may be, an easement for support of each such party wall in a portion of the party wall situated on the adjoining lot and an easement for the support of the party wall eight inches in width along the length of the side boundary of the adjoining lot on which a portion of such party wall is situated; provided, however, that in the event that in the original construction of the home (including garage and/or carport, whether detached or attached), the entire width and/or length of such easement is not utilized for support of a portion of the party wall, that portion of the reserved easement not so used shall ipso facto be deemed abandoned and released without further action of any kind or nature. Such easement or easements as established by the original construction shall not be extinguished by destruction of the party wall or party walls, whether such destruction is accidental or otherwise.

Section 7. Arbitration. In the event of any dispute arising concerning a Party Wall, or under the provisions of this Article, each party shall choose one arbitrator, and the decision of the majority of all of the arbitrators shall be final and conclusive of the questions involved.

ARTICLE VIII

ARCHITECTURAL CONTROL COMMITTEE

No landscaping and no building, fence, wall, patio or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to (including without limitation radio and television antennas), or change or alteration therein be made until the plans and specifications showing the color, nature, kind, shape, heights, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and color and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an Architectural Committee composed of three or more representatives appointed by the Board. In the event (one) said Board, or its

PROTECTIVE COVENANTS (continued)

designated Committee fail to approve or disapprove such design and location within thirty days after said plans and specifications have been submitted to it, or (two) no plans and specifications have been submitted to it, and no suit relating to or arising out of the commencement of such landscaping, addition, alteration or change has been commenced prior to 180 days after the completion thereof, such approval will not be required, and this Section shall be deemed to have been fully complied with. Original construction of homes by the Declarant hereunder or by any other person, firm or corporation approved by Declarant and engaged in the construction of homes for sale in the ordinary course of business shall be exempt from the requirements of this Article VIII.

ARTICLE IX EXTERIOR MAINTENANCE

Section 1. Mandatory Exterior Maintenance of Townhouses, Duplex and Triplex Properties or Other Mult-Family Living Units.

In addition to the maintenance upon the Common Properties, the Association shall provide exterior maintenance upon each Lot on which the residence constructed has a party wall or other wall in common with another residence or living unit, i.e., a Townhouse, Duplex or Triplex, etc., as follows: paint, repair, replace, and care for roofs, gutters, downspouts and exterior building surfaces.

Section 2. Mandatory Exterior Maintenance-Assessment of Cost.

The cost of such mandatory exterior maintenance (including any and all costs of administration) shall be assessed against each lot upon which the residence constructed has a party wall or other wall in common with another residence of living unit, as follow: Prior to January 1 of each year the board of Directors of the Association shall determine separately the estimated cost of the exterior maintenance to be performed for the coming year and for five future years beyond the coming year (six years in total) for each type of such residence, i.e., townhouse, duplex or triplex, etc. The estimate of cost of exterior maintenance by type of such residence shall then be scheduled by year in which it is to be performed and analyzed and budgeted so that the Board of Directors may determine how much the assessment shall be to collect in a reserve account, for the coming year, and for each of the five future years, the amount needed for future maintenance by type of residence in equal monthly installments, so that the money will be substantially available at the time the expenditure is required. For example, if prior to January 1, 1975, the Board estimates that in the fifth year beyond the coming year (1981) that \$3,000 will be required for maintenance of triplexes, then the \$3,000 would be divided by 60 months, and collected in equal installments from the owners of lots on which a unit of

PROTECTIVE COVENANTS (continued)

a triplex is situated, so that at the beginning of the fifth year beyond the coming year (1981), the \$3,000 would be available for triplex maintenance purposes. The Board of Directors may revise the estimate for any future requirements for any year at the time of any subsequent annual assessment. For example, if the year after the estimate is made that \$3,000 will be required in 1981 for maintenance of triplexes, the Board determined that \$3,200 would be required for that year, the assessment would then be increased so as to make \$3,200 available in the reserve account at the beginning of that year for triplex maintenance. The amount of such estimated costs for the coming year and for future years for each type of residence until, after taking into account the amount in the reserve account, if any, for the coming year and for any future year, shall be divided by the number of lots which a unit of the specific type of structure is situated and on which exterior maintenance is to be performed, so that the annual assessment against each such lot with the same type of residence or living unit (i.e., townhouse, duplex, or triplex, etc.) shall be equal. The amount so determined shall be added to and become a part of the monthly common property maintenance assessment or charge to which such lot is subject under Article VI hereof, and as a part of such monthly assessment or charge, it shall be a lien and obligation of the owner and be due and payable in all respects as provided in Article VI hereof.

In the event the need for maintenance or repair to any living unit on which mandatory maintenance is required is caused through the willful neglect or negligent act of the Owner, his family for guests or invitees, the costs of such maintenance or repairs shall be added to and become a part of the assessment to which such lot is subject under Article VI hereof, and as part of such monthly assessment or charge, it shall be a lien and obligation of the Owner and be due and payable in all respects as provided in Article VI hereof.

Section 1. Exterior Maintenance on Detached Single Family Residences and Maintenance of Landscaping on Lots Covered by Sections 1 and 2 of This Article. Each individual owner of a Lot on which a detached single-family residence has been constructed shall be obligated to provide exterior maintenance on his own residence and Lot and each individual owner of a Lot covered by Sections 1 and 2 of this Article shall be obligated to provide exterior maintenance for trees, shrubs, grass, walks and other Landscaping improvements on his Lot; PROVIDED, however, that in the event an Owner of any such lot on which a detached single-family residence has been constructed shall fail to maintain the premises (including shrubs, grass and trees) and the improvements situated thereon in a manner satisfactory to the Architectural control Committee of the Association; and PROVIDED further if the owner of a Lot covered by Sections 1 and 2 of this Article shall fail to maintain and care for trees, shrubs, grass, walks and other landscaping improvements on his Lot in a manner satisfactory to the Architectural Control Committee of the Association, the Association shall have the right, through its agents or employees, to enter upon such premises

PROTECTIVE COVENANTS (continued)

and repair, maintain, restore and care for the lot and exterior of the buildings and any other improvements erected thereon in the case of detached single-family dwellings and to repair, maintain and care for trees, shrubs, grass, walks, and other landscaping in the case of lots covered by Sections 1 and 2 of this Article. The cost of such maintenance shall be added to, and become a part of the monthly assessment to which each Lot is subject.

Section 4. Access at Reasonable Hours. For the purpose solely of performing the exterior maintenance required by this Article, the Association, through its duly authorized agents or employees, shall have the right, after a reasonable notice to the Owner, to enter upon any Lot at reasonable hours on any day except Sunday.

ARTICLE X USE RESTRICTIONS

Section 1. Residential Character of Property. The term "residential lot" as used herein means any of the lots now or hereafter platted on the Properties, including any additions thereto with exception of the Common Properties. A building site shall consist of not less than one residential lot as shown on a recorded plat, and no residential lot shall be divided except for the purpose of attaching portions thereof to adjacent building sites.

Section 2. Residential Uses Only. All residential lots shall be used exclusively for residences, with appurtenant garages and/or carports and parking places, including but not limited to single family residences, duplexes, triplexes, fourplexes, townhouses, and multi-family residences with appurtenant garages and/or carports and parking places.

Section 3. Business and Commercial Use of Property Prohibited. No trade, craft, business, profession, commercial or manufacturing enterprise or business or commercial activity of any kind shall be conducted or carried on upon any residential Lot, nor shall any goods, equipment, or materials or supplies used in connection with any trade, service or business, wherever the same may be conducted, or any vehicles in excess of 8,000 pounds gross weight (including buses, trucks and trailers of any description) used for private purposes or used in connection with any business be kept, parked, stored, dismantled or repaired outside on any residential Lot or on any street within the property nor shall anything be done on any residential Lot which may be or may become an annoyance or nuisance to the neighborhood.

No Lot or tract shall be used as a dump for trash or rubbish of any kind. All garbage and other waste shall be kept in appropriate sanitary containers for proper disposal. yard rakings, such as rocks, lawn and shrubbery clippings, and dirt and other material resulting from landscaping work shall not be dumped into public streets or ditches. the removal and disposal of all such materials shall be the sole responsibility of the individual Lot Owner. Should any

individual Lot Owner fail to remove any such trash, rubbish, garbage, yard rakings and other such materials from his property or the street and ditches adjacent thereto, within ten days following the date on which notice is mailed to him by the Declarant or the Association informing him of such violation, then the Declarant or the Association may have said trash removed and charge the expense of removal to said Lot Owner. Any such charge shall become a continuing lien on the property, which shall bind the property in the hands of the then owner, and his successors in interest. Such charge shall also be a personal obligation of the one who is the Owner of the Lot involved on the date of removal.

Notwithstanding anything in this Section 3 to the contrary, Declarant shall have the right to use residential lots and residences constructed thereon as model homes and sales offices as long as Declarant retains property in the Subdivision and any additions thereto for sale to purchasers in the ordinary course of business.

Section 4. Residential Use of Temporary Structures Prohibited. No trailer, basement, tent, shack, garage, barn or other outbuildings or any structure of a temporary character erected or placed on the property shall at any time be used as a residence temporarily or permanently.

Section 5. Easements. There are hereby specifically reserved for the benefit of the Association, the Declarant, any applicable utility company, the lot owners in common, and each lot owner severally, as their respective interests shall obtain, the easements, reciprocal negative easements, secondary easements, and rights of way, as are specifically identified hereinafter.

(a) Utility Easements. On each lot an easement is reserved under, over and upon ten foot strips of land adjacent to front, rear and side boundary lines for utility installation and maintenance, including but not limited to power, telephone, water, sewer, drainage, gas, etc., together with the right to enter upon the lots at all times for said purposes; provided, however, that in the event the house originally constructed on any lot is constructed upon all or any portion of such reserved easement areas, the portion of the utility easement over which the house is in part built shall ipso facto be deemed to be abandoned and released without further action of any kind or nature. additional utility easements are reserved as shown on the recorded plat and others as required will also be recorded as will necessary easements required by governmental subdivisions; and

(b) Easements for Roof Overhang and Repair and Maintenance of Walls Contiguous to Side Boundary Lines. Where a dwelling or detached garage has been constructed contiguous to the common boundary line between adjoining lots, there is specifically reserved, upon the adjoining lot which faces the exterior wall of such dwelling or detached garage as the servient tenement for the benefit of the adjoining lot on

PROTECTIVE COVENANTS (continued)

which such dwelling or detached garage is located and the owner thereof as dominant tenement, an easement over, under, upon and through such servient tenement for roof overhang and at reasonable places, forth performance of such work during daylight hours as may be necessary or advisable in connection with the maintenance, repair or restoration of the side of the dwelling or detached garage contiguous to the common boundary and the dwelling of which it is a part, and an easement for ingress and egress to perform such work.

(c) Easement in Gross. There is reserved to the Association, their agents and servants, an easement in gross over each and every lot in the subdivision (all of which lots shall constitute the servient tenement) for entry and access at reasonable times and places for maintenance of common areas and the exterior of dwellings and decorative screening and for the performance generally of their rights and duties as provided in this Declaration.

Section 6. Date for Completion of Construction. Any dwelling or structure erected or placed on any residential lot shall be completed as to external appearance, including landscaping and finished painting, within nine months from date of commencement of construction unless such completion is prevented by causes beyond the owner's control, and shall be connected to the public sewer system.

Section 7. Animals. No animal, livestock or poultry of any kind shall be raised, bred, or kept on any lot, except that dogs, cats, birds or other household pets may be kept if they are not kept, bred, or maintained for any commercial purpose, and that they shall not be kept in numbers or under conditions reasonably objectionable in a closely built-up residential community. No lot owner shall cause, permit or allow any dog owned by or in his custody to roam run, stray, or be away from the premises of such owner or custodian and to be on any public way or common area in the subdivision or on the private property of another within the subdivision, unless such dog while away from such premises be controlled by a leash or chain not more than eight feet in length, such control to be exercised by such owner or custodian or other competent person.

Section 8. Signs. No signs shall be erected or maintained on any residential lot in the tract, except that not more than one approved FOR SALE or FOR RENT sign placed by the builder or by a licensed real estate broker, may be displayed on any lot. No signs are to be posted by owners other than the original builders.

Section 9. Mortgage Protected. Nothing herein contained shall impair or defeat the lien of any mortgage or deed of trust now or hereafter recorded covering any lot or lots, but title to any property obtained as a result of foreclosure shall thereafter be held subject to all for the provisions herein.

PROTECTIVE COVENANTS (continued)

Section 10. Fencing. The specific location of perimeter walls, hedges and fences shall be subject to the prior written approval of the Architectural Control Committee of the Association, or if no such committee has been appointed, subject to the prior written approval of the Directors of the Association, as set forth in Article VIII.

Section 11. Windows and Openings. Where any wall constructed on any lot is so located so that a zero lot line exists, no windows thereon shall face onto the adjoining property of another, except where such zero lot line wall faces any "common area" ten feet more in width.

ARTICLE XI
PRESERVATION OF VIEW

The Architectural Control Committee shall have the responsibility of determining whether trees or other vegetation on the premises of any lot unreasonably interferes with the view of other residences. If the Architectural Control Committee shall determine that there is such interference, it shall send a notice in writing to the owner of the lot on which the view obstruction is located. The notice shall set forth the extent to which the trees or other vegetation shall be pruned or removed. If within thirty days after such notice is mailed, the owner of the lot has not caused the trees or other vegetation to be pruned or removed to the extent required by the Architectural Control Committee, the Association may perform the pruning or removal at the owner's expense. The resulting cost shall be treated as a special assessment as provided in Article IX hereof.

ARTICLE XII
GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

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

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, or the, Owner of any Lot subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of twenty years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten years. The covenants and restrictions of this Declaration may be amended, in whole or in part, during the first twenty

PROTECTIVE COVENANTS (continued)

year period by an instrument signed by not less than ninety percent of the Lot Owners, and thereafter by an instrument signed by not less than seventy-five percent of the Lot Owners. Any amendment must be properly recorded.

Section 4. Annexation. Additional residential property and Common Area may be annexed to the Properties with the consent of 2/3 of each class of members.

Section 5. FHA Approval. As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration: Annexation of additional properties, dedication of Common Area, and amendment of this Declaration of Covenants, Conditions and Restrictions.

SUPPLEMENTARY
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION, made on the date hereinafter set forth by MOELLER CONSTRUCTION CO., INC., hereinafter referred to as "Declarant";

WITNESSETH:

WHEREAS, Declarant is the owner of certain property situated in Walla Walla County, Washington, known as Plat of Stone Creek Planned Unit Development, Phase II, which is more particularly described on Exhibit A attached hereto and incorporated by reference as though set forth in full herein; and

WHEREAS, Declarant will convey the said properties, subject to certain protective covenants, conditions, restrictions, reservations, liens and charges as hereinafter set forth, and WHEREAS, Richard Moeller and Juliann Moeller recorded a "Declaration of Covenants, Conditions and Restrictions" under Walla Walla County Auditor's File No. 537704 on June 19, 1974, in Volume 17 at page 128, records of Walla Walla County which were applicable to certain property known as the "Plat of Stone Creek Planned Unit Development, Phase I", which Declaration of Covenants, Conditions and Restrictions is by this reference incorporated herein as if the same were set forth in full herein, and shall hereafter be referred to as the "Phase I, Declaration" and

WHEREAS, in Article II of the Phase I Declaration, Richard Moeller reserved the right for themselves their successors and assigns, to bring within the scheme of the Phase I Declaration certain additional property without the consent of the Class A or B members of the Association or the Association; and

WHEREAS, the property described in Exhibit A attached hereto is a portion of the property as to which Richard Moeller and Juliann Moeller reserved such right; and

WHEREAS, Declarant is a Washington corporation wholly owned by Richard Moeller and Juliann Moeller, and is the successor and assignee of Richard and Juliann Moeller as to the property described in Exhibit A, which Declarant has acquired for the purpose of development;

NOW THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the easements, restrictions, covenants and conditions provided for and set forth in the Phase I Declaration, all of which are for the purpose of enhancing and protecting the value, desirability, and attractiveness of the real property. These easements, covenants, restrictions, and conditions shall run with the real property and shall be binding on all parties having or acquiring any right, title or interest in the described properties or any part thereof, and shall inure to the benefit of each owner thereof.

SUPPLEMENT (continued)

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, have hereunto set their hands and seals this 15th day of April 1977.

8

SUPPLEMENTARY

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION, made on the date hereinafter set forth by MOELLER CONSTRUCTION CO., INC., hereinafter referred to as "Declarant";

W I T N E S S E T H ;

WHEREAS, Declarant is the owner of certain property situated in Walla Walla County, Washington, known as Plat of Stone Creek Planned Unit Development, Phase III, which is more particularly described on Exhibit A attached hereto and incorporated by reference as though set forth in full herein; and

WHEREAS, Declarant will convey the said properties, subject to certain protective covenants, conditions, restrictions, reservations, liens and charges as hereinafter set forth; and

WHEREAS, Richard Moeller and Juliann Moeller recorded a "Declaration of Covenants, Conditions and Restrictions" under Walla Walla County Auditor's File No. 537704 on June 19, 1974, in Volume 17 at page 128, records of Walla Walla County which were applicable to certain property known as the "Plat of Stone Creek Planned Unit Development, Phase I", which Declaration of Covenants, Conditions and Restrictions is by this reference incorporated herein as if the same were set

forth in full herein, and shall hereafter be referred to as the "Phase I, Declaration" and

WHEREAS, in Article II of the Phase I Declaration, Richard Moeller and Juliann Moeller reserved the right for themselves, their successors and assigns, to bring within the scheme of the Phase I Declaration certain additional property without the consent of the Class A or B members of the Association; and

WHEREAS, the property described in Exhibit A attached hereto is a portion of the property as to which Richard Moeller and Juliann Moeller reserved such right; and

WHEREAS, Declarant is a Washington corporation wholly owned by Richard Moeller and Juliann Moeller, and is the successor and assignee of Richard and Juliann Moeller as to the property described in Exhibit A, which Declarant has acquired for the purpose of development;

NOW, THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the easements, restrictions, covenants and conditions provided for and set forth in the Phase I Declaration, all of which are for the purpose of enhancing and protecting the value, desirability, and attractiveness of the real property. These easements, covenants, restrictions, and conditions shall run with the real property and shall be binding on all parties having or acquiring any right, title or

interest in the described properties or any part thereof, and shall inure to the benefit of each owner thereof.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, have hereunto set their hands and seals this 10th day of November, 1987.

MOELLER CONSTRUCTION CO., INC.

By Richard Moeller
RICHARD MOELLER, President

By Juliann Moeller
JULIANN MOELLER, Secretary

STATE OF WASHINGTON)
)ss.
County of Walla Walla)

This is to certify that on the above date, before me, the undersigned Notary Public in and for the State of Washington, duly commissioned and qualified, personally appeared RICHARD MOELLER and JULIANN MOELLER, to me known to be the President and Secretary, respectively, of MOELLER CONSTRUCTION CO., INC., who described in and who executed the foregoing SUPPLEMENTARY DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, and acknowledged to me that said DECLARATION OF COVENANTS is the free and voluntary act and deed of the corporation for the use or purposes therein mentioned, and on oath stated that they are authorized to execute said DECLARATION OF COVENANTS, and that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

Sandra M. Wood
NOTARY PUBLIC in and for the State
of Washington, residing at Walla
Walla.

interest in the described properties or any part thereof, and shall inure to the benefit of each owner thereof.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, have hereunto set their hands and seals this 10th day of November, 1987.

MOELLER CONSTRUCTION CO., INC.

By Richard Moeller
RICHARD MOELLER, President

By Juliann Moeller
JULIANN MOELLER, Secretary

STATE OF WASHINGTON)
)ss.
County of Walla Walla)

This is to certify that on the above date, before me, the undersigned Notary Public in and for the State of Washington, duly commissioned and qualified, personally appeared RICHARD MOELLER and JULIANN MOELLER, to me known to be the President and Secretary, respectively, of MOELLER CONSTRUCTION CO., INC., who described in and who executed the foregoing SUPPLEMENTARY DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, and acknowledged to me that said DECLARATION OF COVENANTS is the free and voluntary act and deed of the corporation for the use or purposes therein mentioned, and on oath stated that they are authorized to execute said DECLARATION OF COVENANTS, and that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

Shirley M. Wood
NOTARY PUBLIC in and for the State
of Washington, residing at Walla
Walla.

FILED FOR RECORD
IN WALLA WALLA CO. WASH.
BY Golden Knowlton
Nov 12 3 42 PM '87

JANICE E. BATES
COUNTY AUDITOR

EXHIBIT "A"

Beginning at a point in the east line of Lot 33 of Stone Creek Planned Unit Development Phase 1, as per Plat thereof recorded in Plat Book "H" at Page 28 Records of Walla Walla County, Washington, said point being North $0^{\circ} - 51' - 00''$ West 35.00 feet from the southeast corner of the said Lot 33, and run thence North $0^{\circ} - 51' - 00''$ West, along the aforesaid east line, 12.05 feet; thence Northeasterly on a curve to the right having a radius of 135.40 feet and a central angle of $48^{\circ} - 44' 00''$, a distance of 115.17 feet to the terminus of said curve; thence North $47^{\circ} - 53' - 00''$ East, tangent to the preceeding curve, 198.98 feet; thence North $38^{\circ} - 24' - 00''$ West 142.50 feet; thence North $60^{\circ} - 39' - 00''$ East 208.12 feet; thence North $79^{\circ} - 09' - 43''$ East 306.22 feet to a point in the westerly right-of-way line of the Oregon-Washington Railway and Navigation Company; thence southeasterly, along the said westerly right-of-way, on a curve to the right having a radius of 5679.67 feet and a central of $3^{\circ} - 40' - 03''$, a distance of 363.52 feet; thence leaving the said westerly right-of-way line, run South $67^{\circ} - 51' - 51''$ West 124.04 feet; thence North $22^{\circ} - 17' - 12''$ West 13.86 feet; thence South $68^{\circ} - 43' - 00''$ West 170.69 feet; thence North $22^{\circ} - 17' - 12''$ West 100.00 feet; thence South $49^{\circ} - 21' - 00''$ West 276.22 feet to a point in the north line of Lot 1 of the aforesaid Phase 1; thence South $89^{\circ} - 09' - 00''$ West along the said north line of said Lot 1 and the said north line extended westerly, 205.00 feet to the point of beginning. Also known as Stone Creek Planned Unit Development Phase 3.