

**RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR TIERRA VIDA**

Grantor: Community Alliance for Service and Advancement, L.L.C.

Grantee: The Public

Tax Parcel Nos.: 113-730-301 through and including 113-730-373; 113-730-375 through and including 113-730-438; 113-730-099; 113-730-471

Abbr. Legal Desc.: Lots 1 through 73, TIERRA VIDA PHASE ONE
Lots 1 through 94, TIERRA VIDA PHASE TWO
NW4SW4 27-9-30, EXC N 660' THEREOF; & ALSO THE E 60' OF W 440'
OF N 660' OF NW4SW4, EXC PTN TO ST HWY(132617) TOGETHER
WITH A PORTION OF VACATED LEWIS STREET PER ORD-4102
PTN S2S4 27-9-30

Full Legal Description: Set forth in attached Exhibit "A"

Related Documents: 1693478, 1697923, and 1721344

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**RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR TIERRA VIDA**

THIS DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, EASEMENTS AND RESERVATIONS FOR TIERRA VIDA (the "Declaration") is made by Community Alliance of Service and Advancement, L.L.C., a Washington limited liability company ("Declarant").

RECITALS

Restatement of Covenants. The purpose of these Restated Covenants, Conditions and Restrictions for Tierra Vida is to amend, restate and combine in one document all declarations applicable to the real property described in Exhibit "A", attached hereto. Accordingly, this Restated Declaration is intended to supersede those Declarations of Covenants, Conditions and Restrictions for Tierra Vida recorded under Franklin County Auditor's Numbers 1693478, 1697923, and 1721344. The undersigned certify that this Restated Declaration of Covenants, Conditions and Restrictions is duly approved by the Declarant and that Declarant is the owner of more than fifty percent (50%) of the lots located within the above described property. The undersigned further certify that this Restated Declaration does not materially affect those provisions contained in paragraphs 4, 13, 14, 15, 16 and 18 of those Declarations of Covenants, Conditions and Restrictions for Tierra Vida recorded under Franklin County Auditor's Numbers 1693478, 1697923, and 1721344 and that said provisions are all incorporated herein.

B. Development. Upon recording this Declaration, Declarant desires to submit and subject the above-described Real Property, together with all buildings, improvements and other permanent fixtures of whatever kind now or hereafter located thereon, and all easements, rights, appurtenances and privileges belonging or in any way pertaining thereto (all of which constitute a part of the "Property" as hereinafter defined), to the covenants, conditions, restrictions, liens, assessments, easements, privileges and rights contained herein. Declarant further desires to establish and authorize a plan of development to be implemented by Declarant pursuant to, and under the authority of, the Declaration.

Declarant deems it desirable to establish covenants, conditions and restrictions upon the Property and each and every portion thereof, and certain mutually beneficial restrictions and obligations with respect to the proper use, occupancy and enjoyment thereof, all for the purpose of enhancing the quality of life within the Property.

Declarant also deems it desirable for the efficient management of the Property to create a homeowners association to which will be delegated and assigned the powers of owning, managing, maintaining and administering the Common Areas within the Property; administering and enforcing these covenants, conditions, restrictions and easements; collecting and disbursing funds pursuant to the Assessments and charges hereinafter created; and the performance of such other acts as are herein provided or which generally benefit its members, the Property, and the owners of any interests therein.

Tierra Vida Homeowners Association, an unincorporated association, has been organized for the purpose of exercising the powers and functions of an Association for the Property.

Declarant desires and intends that the owners, mortgagees, beneficiaries, and trustees under trust deeds, occupants and all other Persons acquiring any interest in the Property shall at all times enjoy the benefits of, and shall hold their interests subject to, the covenants, conditions, restrictions, liens, assessments, easements, privileges and rights set forth herein and in the Declaration, all of which are declared to be in furtherance of a plan to promote and protect the Property.

C. Conditions. Any development plans for any of the real property now or hereafter covered by this Declaration, in existence prior to or following the effective date of this Declaration, are subject to change at any time by Declarant, in Declarant's sole discretion, and impose no obligations on Declarant as to how said real property is to be developed or improved. Any purchaser of a Lot within the Property acknowledges that said Lot is subject to the above-referenced zoning and subdivision ordinances and regulations and such other governmental ordinances and regulations, and approvals hereunder as may be in effect or as may from time to time be imposed. Said purchasers acknowledge familiarity with the same, constructively or otherwise.

Additionally, the purchaser of a Lot within the Plat specifically acknowledges that the Lots are subject to and encumbered by agreements and encumbrances of record.

D. Purpose. The purpose of this Declaration is to set for the basic restrictions, covenants, limitations, easements, conditions and equitable servitudes (collectively "Restrictions") that apply to the real property now or hereafter covered by this Declaration. The Restrictions are designed to preserve the value, desirability, and attractiveness of said real property, to ensure a well-integrated, high-quality development, and to guarantee adequate maintenance of any common area and improvements in a cost effective and administratively efficient manner.

NOW, THEREFORE, Declarant declares that the Property, subject to all restrictions and easements of the Plat, shall be held, transferred, sold, conveyed, leased, used and occupied subject to the covenants, conditions, restrictions, easements, assessments, and liens hereinafter set forth which are for the purpose of protecting the value and desirability of and which shall touch and concern and run with title to the Property and which shall be binding on all parties having any right, title, or interest in the Property or any portion thereof, and their respective heirs, successors and assigns, and shall inure to the benefit of each successor and assign, and shall inure to the benefit of each owner thereof.

ARTICLE 1. DEFINITIONS

1.1 **Words Defined.** In this Declaration and any amendments hereto, the following terms shall have the following meanings and all definitions shall be applicable to the singular and plural forms of such terms:

1.1.1 "Association" shall mean Tierra Vida Homeowners Association described in Article 4 of this Declaration, its successors and assigns.

1.1.2 "Board" shall mean the Board of Directors of the Association, and "Directors" shall mean members of the Board of Directors.

1.1.3 "Common Areas" shall mean the real property (including the improvements and facilities thereon) described as all areas of the Property outside the Lots, including, but not limited to, roadways, walkways, parking areas, parks, open space buffers and wetland areas, if any, shown on the Plat and other property which may be conveyed by Declarant to the Association and held for the common use and enjoyment of the members of the Association, including for purposes of managing storm water drainage, but shall not include any streets or other areas now or hereafter dedicated for public use. Common Areas specifically shall include those Tracts identified on the face of the Plat as common area.

1.1.4 "Construction" and "Constructed" shall mean any construction, reconstruction, erection or alteration of a Structure, except wholly interior alterations to a then-existing Structure.

1.1.5 "Declarant" shall mean Community Alliance for Service and Advancement, L.L.C., a Washington limited liability company, or such successor or assign (including a Participating Builder) as Declarant may designate by a writing recorded in the records of the Auditor of Franklin County.

1.1.6 "Declaration" shall mean this Declaration of Covenants, Conditions, Restrictions, and Reservations for Tierra Vida, as it may from time to time be amended.

1.1.7 "First Mortgage" and "First Mortgagee" shall mean, respectively, (a) a recorded mortgage on a Lot that has legal priority over all other Mortgages thereon, and (b) the holder of a First Mortgage.

1.1.8 "Landscape" and "Landscaping" shall mean or refer to the adorning or improving of a Lot by contouring and by planting sod, grass seed, flowers, shrubs, or trees and placing bark, decorative rocks or other such similar materials on exposed

ground.

1.1.9 "Lot" shall mean any legally platted plot of land shown upon any recorded subdivision map of the Property, with the exception of the Common Areas.

1.1.10. "Mortgage" shall mean a recorded mortgage or deed of trust that creates a lien against a Lot and shall also mean a real estate contract for the sale of a Lot.

1.1.11. "Mortgagee" shall mean the beneficial owner or the designee of the beneficial owner, of an encumbrance on a Lot created by a mortgage or deed of trust and shall also mean the vendor, or the designee of a vendor, of a real estate contract for the sale of a Lot.

1.1.12. "Owner" shall mean and refer to one (1) or more Persons who hold the record title to any Lot which is part of the Properties, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Lot is sold under a recorded contract of sale, then the purchaser (rather than the fee owner) will be considered the Owner. If a Lot is subject to a written lease with a term in excess of one (1) year and the lease specifically so provides, then upon filing a copy of the lease with the Board of Directors, the lessee (rather than the fee owner) will be considered the Owner for the purpose of exercising all privileges of membership in the Association.

1.1.13. "Participating Builder" shall mean a Person who acquires from Declarant one or more Lots for the purpose of improving the same for resale to future Owners.

1.1.14. "Person" shall mean an individual, corporation, partnership, association, trustee, or other legal entity.

1.1.15. "Plans" shall mean the detailed construction plans, site plan, specifications and diagrams prepared for the construction of a Structure or Landscaping.

1.1.16. "Plat" shall mean the recorded plat of Tierra Vida Phase One recorded in Volume D of Plats at Page 137, records of Franklin County, Washington and any amendments, corrections or addenda thereto subsequently recorded.

1.1.17. "Property" shall mean the land described on Exhibit "A" and such additions thereto as may hereafter be subjected to the terms of the Declaration, and all improvements and structures now or hereafter placed on the land.

1.1.18. "Structure" shall mean any building, fence, wall, driveway, walkway, patio, garage, storage shed, carport, mailboxes, swimming pool, rockery, dog run or the like.

1.1.19. "Transition Date" shall be as defined in Section 4.8.

1.2. Form of Words. The singular form of words shall include the plural and the plural shall include the singular. Masculine, feminine, and neuter pronouns shall be used interchangeably.

1.3. Exhibits. The following are exhibits to this Declaration, and are incorporated herein by this reference:

Exhibit "A" Legal Description of the Property

ARTICLE 2. COMMON AREAS AND EASEMENTS

2.1. Conveyance to Association. Declarant hereby covenants to convey the Common Areas to the Association upon the filing of the Articles of Incorporation of the Association, subject to existing easements and encumbrances of record.

2.2. Use. Each Owner shall have the right to use the Common Areas in common with all other Owners. The right to use the Common Areas shall be appurtenant to and pass with the ownership of each Lot and shall extend not only to each Owner, but also to his agents, tenants, members of his household, invitees, and licensees. The right to use the Common Areas shall be governed by the provisions of this Declaration, the Bylaws, and the rules and regulations of the Association.

2.3. Abandonment of Common Areas. After the Transition Date, the Common Areas may not be abandoned, partitioned, subdivided, encumbered, sold, or transferred by the Association, any Owner or any third party, provided that, with the approval of at least sixty-seven percent (67%) of the Owners and compliance with any restrictions on the face of the Plat, the Common Areas may be transferred to or encumbered for the benefit of a public agency, authority, or utility. The granting of easements for utilities or for other purposes consistent with the intended use of the common Areas by the Owners shall not be deemed a partition or division.

2.4. Alteration of Common Areas. Nothing shall be altered or constructed in or removed from any Common Areas except upon the prior written consent of the Board.

ARTICLES 3. CONSTRUCTION ON LOTS AND USE OF LOTS

3.1. Uniformity of Use and Appearance. One of the purposes of this Declaration is to assure within the Property a uniformity of use and quality of workmanship, materials, design, maintenance and location of Structures with respect to topography and finish grade elevation. It is in the best interests of each Owner that such uniformity of use be maintained as hereinafter provided. Notwithstanding anything herein set forth, the Construction of any Structure shall comply with the more restrictive of either (i) the terms and conditions of this Declaration or (ii) the laws, codes, ordinances and regulations of any governmental entity having jurisdiction.

3.2. Submission and Approval of Plans.

3.2.1 Construction. All houses constructed within Tierra Vida, inclusive of housing and landscaping plans, designs and architecture or alterations thereof, shall be approved by the Developer prior to submittal for permits and approval to The City of Pasco, Washington. After

the Transition Date, the plans shall be subject to the approval by the Homeowners Association.

3.2.2 Improvements. The Developer or the Homeowners Association, as appropriate, shall review and approve plans and specifications for all improvements and for all alterations to improvements to determine whether the proposed plans comply with the provisions of these covenants. In addition, the Developer or Homeowners Association shall determine whether the proposed improvement or alteration is aesthetically compatible with the other properties within the Tierra Vida subdivision, including requiring that exterior designs be varied from Lot to Lot to improve the overall appearance of the subdivision.

3.2.3 Architectural Control Committee. All approvals required under subsections 3.2.1 and 3.2.3 must be obtained in writing from the Architectural Control Committee (the "ACC"). Prior to the Transition Date, the Declarant shall fulfill the role of the ACC. After the Transition Date, the Board shall appoint all members of the ACC. If the Board fails or is unable to appoint members of the ACC, the Directors shall serve as the members of the ACC. The ACC's approval of any Plans shall not constitute any warranty or representation whatsoever by the ACC or any of its members that such Plans were examined or approved for engineering or structural integrity or sufficiency or compliance with applicable governmental laws, codes, ordinances and regulations, and each Owner hereby releases any and all claims or possible claims against the ACC or any of them and their heirs, successors and assigns, or of any nature whatsoever, based upon engineering or structural integrity or sufficiency or compliance with applicable governmental laws, codes, ordinances and regulations.

3.2.4. Submission. At least thirty (30) days before applying to the City of Pasco for permits and approvals necessary for the construction, alteration, or improvement of a Structure, , the Owner and/or Participating Builder shall submit to the ACC two complete sets of detailed building, construction, and specifications and a site plan showing the location of all proposed Structures (the plans, specifications and site plans are individually and collectively referred to herein as the "Plans") and a proposed Landscaping plan that identifies conceptually how the Lot shall be landscaped and shall include identification of those areas where lawn, planting beds and other landscaping features shall be located, as well as the type of plants that shall be installed on the Lot. Participating Builders are encouraged, though not required, to submit multiple Plans to the ACC simultaneously for review.

3.2.5. Approval. The ACC may withhold its approval of a Plan at its discretion based upon, but not limited to, the location of the Structure on the Lot, color scheme, finish, architecture, height, and impact on view or view corridors from another Lot or Lots, appropriateness of the proposed Structure or materials used therein. The ACC desires to always maintain an aesthetically pleasing Plat. If the ACC does not issue written notice of approval, conditional approval, or disapproval within forty-five (45) days of submission of a complete set of Plans, then such Plans shall be deemed to be approved. .

3.2.6. Dispute Resolution. Prior to the Transition Date, all decisions of the ACC shall be unanimous. After the Transition Date, the ACC shall consist of members of the Board of Directors, and all decisions of the ACC shall be as determined by the Board, in its discretion.

3.3 Size and Height: Compliance with Codes.

3.3.1. Lot Size. No Lot or portion of a Lot in this Plat shall be divided and sold or resold, or ownership changed to transferred whereby the ownership of any portion of this Plat shall be less than the area required for the use district in which the lot is located.

3.3.2. Local Codes. All buildings or Structures shall be constructed in accordance and conformance with the City of Pasco and all other applicable building and construction codes, as such codes may be amended or adopted from time to time. In the event of a conflict between any applicable codes and this Declaration, the codes shall govern.

3.4 Appearance. All construction within Tierra Vida, inclusive of dwelling structures, garages, outbuildings, fences, or other such buildings, shall have exterior paint or stain colors that comply with the color pallet and scheme approved by the Developer or Homeowners Association.

3.5 Use Restrictions.

3.5.1. Land Use and Building Type. No lot shall be re-subdivided into separate building sites. No building shall be erected, altered, placed or permitted to remain on any lot other than one (1) detached single family dwelling and private garage for two (2) or more automobiles. However, the foregoing provisions shall not be interpreted to exclude construction of a private greenhouse, private swimming pool, or a shelter or port for the protection of such swimming pool, or for the storage of a boat, camping trailer, or motorhome kept for personal use, provided the location of such structures are in conformity with the applicable ordinances and regulations and are compatible in design and decoration with the residence constructed on such lot. The Lots shall be used only for single-family residential purposes, and only one single-family residence (and such accessory structures as are approved pursuant to this Article 3) shall be constructed on each Lot. Temporary "model homes" and real estate sales offices established for the purpose of marketing the Plat shall be considered a residential use until houses have been built and sold on all Lots. No garage attached to a single family home shall be used as a living space.

3.5.2. Exterior Maintenance: Owner's Obligations. No Structure shall be permitted to fall into disrepair, and each Structure shall at all times be kept in good conditions and repair. In the event that any Owner shall permit any Structure or Landscaping on a Lot, which is the responsibility of such Owner to maintain, to fall into disrepair so as to create a dangerous, unsafe, unsightly or unattractive conditions, or so as to damage adjoining property or facilities, the Board, upon fifteen (15) days prior written notice to the Owner of such property, shall have the right to correct such condition, and to enter upon such Owner's Lot for the purpose of doing so; and such Owner shall promptly reimburse the Association for the cost thereof. Such cost shall create a lien enforceable in the same manner as other Assessments set forth in Article 8 of this Declaration. The Owner of the offending property shall be personally liable, and such Owner's property shall be subject to a lien for all costs and expenses incurred by the Association in taking such corrective acts, plus all costs incurred in collecting the amounts due, including reasonable

attorney's fees and costs. The Board may also impose Corrective Assessments (as described in Section 8.5), in its discretion, against an Owner in addition to the costs and expenses described in this Section 3.5.2. Each Owner shall pay all amounts due for such work within ten (10) days after receipt of written demand therefore, or the amounts may, at the option of the Board, be added to the amounts payable by such Owner as assessments.

3.5.2.1 Landscaping Strips.

- a) In the event of there being a landscaping strip, each of the Owners of the Lots 1 through 251 of Tierra Vida shall be responsible for maintaining the landscaping strip between the curb of the public street and the public sidewalk adjoining each owner's lot.
- b) Said landscaping strip shall be grassed and shall be irrigated by the adjoining lot owner.
- c) Within the said landscaping strip or within 15 feet of the curb of the public street, two (2) trees per lot will be provided by the Developer to the lot owner at the time the lot owner is landscaping. The lot owner is responsible to plant and maintain the tree within said space.

3.5.3. Completion of Construction. Any Structure erected or placed on any Lot shall be completed as to external appearance within six (6) months from the date Construction is started. However, with good cause shown, the Board may extend this term at the Board's sole discretion. All Construction of the Structure, including front and side landscaping, must be completed within twelve (12) months from the date Construction is started, and all rear landscaping must be completed within twelve (12) months of issuance of certificate of occupancy. However, with good cause shown, the Board may extend this term at the Board's sole discretion. All Lots shall be maintained in a neat and orderly condition during Construction.

3.5.4. Drainage. There shall be no interference with the established drainage pattern over any portion of the Property, unless an adequate alternative provision is made for proper drainage and is first approved in writing by the ACC. For the purposes hereof, "established" drainage is defined as the system of drainage, whether natural or otherwise, which exists at the time the overall grading of any portion of the Property is completed by Declarant, or that drainage which is shown on any plans approved by the ACC, which may include drainage from any Common Area over any Lot in the Plat. Each Owner acknowledges that underground water on a Lot may exist and such underground water, if it exists, may require mitigation measures prior to commencing Construction of a Structure.

3.5.5. Grading. The Owner of any Lot within the Property in which grading or other work has been performed pursuant to an approved grading plan shall maintain and repair all graded surfaces and erosion prevention devices, retaining walls, drainage structures, means or devices which are not the responsibility of the Association, or a public agency, and plantings and ground cover installed or completed thereon. Such requirements shall be subject to all Assessments described in this Declaration, as may be applicable. An "approved grading plan" means such plans as may have been approved by the applicable government agency and/or the Association, if applicable.

3.5.6. Parking. No commercial-type trucks or trailers shall be parked or permitted to remain on any Lot without prior written permission by the Board. Campers or other trailers used exclusively for recreational purposes, motor homes, boats used for recreational purposes or motorcycles may be stored on a Lot, provided that such vehicles on a Lot shall at all times be parked adjacent to the garage portion of each Dwelling, and be screened from view from the street facing a Lot by means of a fence and/or gate. No motor vehicles, inoperative for reasons of mechanical failure, shall be parked and/or stored on any Lot or in the street right-of-way for more than seventy-two (72) hours.

3.5.7. Signs and Flagpoles. Except as otherwise provided herein, no flag or sign of any kind shall be displayed to the public view on or from any Lot or Common Area without the prior written consent of the Board, except for (a) "For Rent" or "For Sale" signs following industry standard for size and in a form not prohibited by any rules and regulations of the Board; and (b) temporary "Yard Sale" signs or other signs of a similar nature in accordance with any rules and regulations of the Board. This Section shall not apply to the Declarant or any Participating Builder. Signs and flags shall not obstruct the line of sight of traffic, traffic signals, or signage.

3.5.7.1 Political Yard Signs. An owner may display political yard signs on his or her Lot no more than sixty (60) days before and no more than seven (7) days after the related primary or general election. Such signs shall not exceed 24" x 36" in size, and no more than five (5) signs shall be displayed on a Lot at the same time.

3.5.7.2 Flags and Flagpoles. An owner may display a national flag in a manner consistent with the federal flag display law, 4 U.S.C. §1 *et seq.* and in accordance with any rules and regulations of the Board. No free standing flagpole shall be erected upon a Lot without the written approval of the ACC.

3.5.8. Animals. No horses, livestock, poultry, reptiles, pigs or other non-domestic animals shall be kept on any Lot. The Owners of a Lot may keep up to three (3) domesticated dogs and up to three (3) domesticated cats on the Lot. All animal enclosures must be kept in a clean, neat and odor-free condition at all times and shall be screened so as not to be visible from adjoining Structures or streets or roadways. Owners shall not allow their animals to cause damage to the property of other Owners, constitute a nuisance or run at large in the neighborhood. Notwithstanding anything set forth herein all Owners shall comply with all applicable governmental laws, codes, ordinances, and relations pertaining to animals.

3.5.9. Temporary Structures. No Structure of a temporary character, trailer, tent, shack, garage, barn, or other out building shall be installed, placed or used on any Lot as a residence, either temporary or permanently.

3.5.10. Clothes Lines. No washing, rugs, clothing, apparel or any other article shall be hung from the exterior of any Structure or on a Lot so as to be visible from the streets and roadways adjoining the Lots.

3.5.11. Radio and Television Aerials and Satellite Dishes. No television or radio aerial shall be erected or placed on any Lot. No rotary beams, separate towers or other similar devices shall be constructed on any Lot without the written approval of the Board. No satellite receiving dishes or other such electronic receiving devices shall be located on any Lot in a location that is visible from the adjoining homes, streets, and roadways, except for satellite dishes that are twenty (20) inches or less in diameter. All aerial and satellite installations must receive prior written approval from the Board, except for satellite dishes that are twenty (20) inches or less in diameter.

3.5.12. Trash Containers and Debris. All trash shall be placed in sanitary containers. All trash receptacles and containers, inclusive of garbage and recycling receptacles supplied by the City or other provider of trash removal services, shall be screened so as not to be visible from streets or roadways. No Lot or any portion thereof shall be used as a dumping ground for trash or rubbish of any kind. Yard rakings, dirt and debris resulting from landscaping work or Construction shall not be dumped onto adjoining lots or streets or roadways. Compost piles may be kept upon the Lots provided they are kept in a clean, neat, odorless and sanitary condition and are screened so as not to be visible from adjoining structures or streets or roadways.

3.5.13. Offensive Activity. No trade, craft, business, profession, commercial or manufacturing enterprise or business or commercial activity of any kind, including day schools, nurseries or church schools (except in-home day care for not more than two (2) children, provided that there shall be no external indication of such activity), shall be conducted or permitted on any Lot, nor shall goods, equipment, vehicles or materials used in connection therewith, be kept, parked, stored, dismantled or repaired outside of any Lot or any street within the Property without the prior written approval of the Board. No noxious activity, including but not limited to the creation of excess levels of noise, shall be carried on in any Lot, nor shall anything be done therein which may be or become an annoyance or nuisance to other Owners or tenants. No drinking alcohol within public view will be allowed.

3.5.14 Underground Utilities. Any dwelling constructed on any lot within said plat shall take electric service only through underground service wires, or cable rated not less than 200 amps, and equipped with a service entrance panel of not less than 200 amp capacity and an approved type meter socket connected to a rigid metallic conduit of not less than two inch diameter extending from the meter to not less than eighteen inches below the finished ground surface, all except underground service wires to be installed and maintained at the expense of the builder or owner of said dwelling in conformity with applicable codes and regulation.

3.5.15. Damage. Any damage to streets, Plat improvements, entry structure, fences, landscaping, mailboxes, lights and lighting standards by Lot Owners, their children, contractors, agents, visitors, friends, relatives or service personnel shall be repaired and restored to like new condition by such Owner within thirty (30) days from the occurrence of such damage.

3.5.16. Window Coverings. No newspapers, bed sheets or other makeshift window coverings shall be visible from the exterior of a Structure at any time.

3.5.17. Wood Piles. No wood piles shall be located within the front yard setback or otherwise in a location visible from the street.

3.5.18. Fences. All fences, with the exception of the fencing installed by Declarant in the Common Area, if any, shall conform to the fence design and material detail approved by the ACC. No fence shall exceed six (6) feet in height as measured from the grade on which it is situated. Unless otherwise authorized by the Board, no fence, wall hedge or mass planting over three-and-one-half (3½) feet in height, other than foundation planting, shall be permitted to extend nearer to any street than the minimum setback line.

3.5.19. Setbacks. If for any reason side or rear building setbacks for any Lot are not shown on the final Plat, such setbacks shall be determined by the City of Pasco at the time and in conjunction with the issuance of any building permit for such Lot.

3.5.20. Dwelling Size. All dwelling structures erected upon a Lot shall be not less than 800 square feet of finished living area in size, exclusive of open screened porches and attached garages, and must include a garage (attached or detached) of a size no less than can accommodate two (2) cars.

3.5.21 Existing structures. No existing structure, residential or otherwise, shall be moved onto any lot in said subdivision, nor shall any dwelling therein be occupied prior to its completion.

3.5.22 Oil and Mining Operations. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any lot, nor shall oil well, tanks, tunnels, mineral excavations or shafts be permitted upon or in any lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected; maintained or permitted upon any lot.

ARTICLE 4. TIERRA VIDA HOMEOWNERS ASSOCIATION

4.1. Form of Association. The Owners of Lots within the Property shall constitute the members of Tierra Vida Homeowners Association, a Washington nonprofit corporation formed by Declarant. The rights and duties of the members and of the Association shall continue to be governed by the provisions of this Declaration, and the Association's Articles of Incorporation and Bylaws.

4.2. Board of Directors. The responsibility for overseeing and enforcing the provisions of these covenants is delegated by the Owners to the Association. The affairs of the Association shall be governed by a Board of Directors consisting of five (5) Members ("Directors"). The Directors shall be elected by a majority of the Owners at a meeting called for the specific purpose of electing the Directors to serve as the Board. At the initial election of the Directors, two (2) Directors shall be elected to serve for a term of one year and three Directors shall be elected to serve for a term of two years. Thereafter, Directors shall be elected to terms of two years. The terms of office of the initial Directors are staggered to provide that not all of the Directors shall be up for election

at the same time. After the initial election, each Director shall serve a term of two years or until such Director's successor is duly elected and qualified.

Notwithstanding the above, the Declarant shall act as the Homeowners' Association and shall be the sole Director so long as the Declarant holds title to over 20% of the Lots or at another appropriate time designated by the Declarant. The Association shall adopt bylaws that shall be approved by a majority of Owners present and voting at a meeting called for such purpose.

4.3. Qualification for Membership. Each Person who is or constitutes an Owner shall be a Member of the Association. Each Owner shall be entitled to one vote for each Lot owned. There shall be the no other qualification for membership in the Association.

4.4. Transfer of Membership. The Association membership of each person constituting an Owner (including Declarant) shall be appurtenant to the Lot giving rise to such membership, and, except as specifically permitted herein, shall not be assigned, transferred, pledged, hypothecated, conveyed, or alienated in any way except upon the transfer of title to the Lot and then only to the transferee of title to the Lot. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Lot shall operate automatically to transfer the membership in the Association to the persons constituting the new Owner.

4.5. Number of Votes. The total voting power of the Association at any given time shall equal the number of Lots included within the Property at that time. Each Owner of a Lot or Lots (including Declarant) shall be entitled to one vote for each Lot owned.

4.6. Voting. If a Lot is owned by more than one person and only one of them is present or represented at a meeting, the one who is present or represented will represent the Owner. The vote for a Lot must be cast as a single vote, and fractional votes shall not be allowed. If joint owners are unable to agree among themselves how their vote shall be cast, they shall lose their right to vote on the matter in question. An Owner may, by written notice to the Board, designate a voting representative for the Lot. The designated voting representative need not be an Owner. The designation may be revoked at any time by written notice to the Board from a Person having an ownership interest in a Lot, or by actual notice to the Board of the death or judicially declared incompetence of any person with an ownership interest in the Lot, except in cases in which the Person designated is a Mortgagee of the Lot. This power of designation and revocation may be exercised by the guardian of an Owner, the attorney-in-fact for the owner under a durable power of attorney, and the administrator or executor of an Owner's estate. If no designation has been made, or if a designation has been revoked and no new designation has been made, the voting representative of each Lot shall be the group composed of all of its Owners. The quorum requirement necessary for a meeting of the Members or their proxies shall be provided in the Bylaws.

4.7. Meetings.

4.7.1 Annual Meeting for Selection of Directors. The annual meeting for the selection

of Directors shall be the last Monday in April each year, or on such other date as the Association may from time to time determine, provided, however, that so long as the Declarant holds title to over 20% of the Lots, the annual meeting shall be at such time as may be selected by Declarant.

4.7.2. Annual and Special Meetings. All Annual and Special Meetings of the Members shall be held in accordance with the Bylaws of Tierra Vida Homeowners Association, as such Bylaws exist now or as they may be amended in the future.

4.7.3 Notice. Not less than fourteen nor more than sixty days in advance of any meeting of the association, the secretary or other officers specified in the bylaws shall provide written notice to each owner of record by either (a) hand-delivery to the mailing address of the owner or other address designated in writing by the owner; (b) prepaid first-class United States mail to the mailing address of the owner or to any other mailing address designated in writing by the owner; or (c) by electronic mail or other electronic transmission in accordance with RCW 64.38.035(c). The notice of any meeting shall state the time and place of the meeting and the business to be placed on the agenda by the board of directors for a vote by the owners, including the general nature of any proposed amendment to the articles of incorporation, bylaws, any budget or changes in the previously approved budget that result in a change in assessment obligation, and any proposal to remove a director.

4.8. Transition Date. The "Transition Date" shall be the date that control of the Board passes from the initial Board (as established in the Articles of Incorporation) to the Association. Prior to the Transition Date, Declarant shall be entitled to exercise all rights and powers of the Board and the Association. At Declarant's option, the Transition Date will be either: (i) the date designated by Declarant in a written notice to the Owners, which date may be by Declarant's election any date after this Declaration has been recorded; or (ii) the 120th day after Declarant has transferred to retail purchasers title to more than eighty percent (80%) of all Lots in the Property as well as title to all Lots in additional plats subject to the Tierra Vida Subarea Plan. For purposes of the foregoing clause (ii) transfer of title to a Lot by Declarant to any Participating Builder shall be disregarded and title to any Lot owned by Participating Builder shall not be deemed transferred for purposes of determining the Transition Date until the Lot is further transferred by Participating Builder to a purchaser who is not either a Participating Builder or Declarant.

4.9 Advisory Board. At any time before the Transition Date, the Declarant may, at Declarant's sole discretion, create an Advisory Board. The Advisory Board shall have all of the same rights, authorities, and powers granted to the Board of Directors under this Declaration and the Association's Bylaws and Articles of Incorporation, PROVIDED THAT no rule, regulation or resolution created by the Advisory Board, nor any other act of the Advisory Board, shall be of any force or effect without the written approval of the Declarant. The Advisory Board shall not supplant or replace the Declarant as the sole Director of the Board of Directors, and the Declarant shall continue to have the authority to act as the sole Director without the consent or approval of the advisory Board.

4.10 Incorporation. Noting provided herein shall prevent the Association from incorporating in order to carry the functions of the Association.

ARTICLE 5. NOTICES FOR ALL PURPOSES

All notices given under the provisions of this Declaration or rules or regulations of the Association shall be in writing and may be delivered personally, by mail, or by electronic transmission in accordance with RCW 64.38.035(c). If delivery is made by mail, the notice shall be deemed to have been delivered on the third day of regular mail delivery after a copy has been deposited in the United States mail, first class, postage prepaid, addressed to the Person entitled to such notice at the most recent address known to the Board. In lieu of mailing, a notice may be personally delivered to a recipient. Mailing addresses may be changed by notice in writing to the Board. Notices to the Board may be given to any Director.

ARTICLE 6. AUTHORITY OF THE BOARD

6.1. Adoption of Rules and Regulations. The Board is empowered to adopt, amend, and revoke on behalf of the Association detailed administrative rules and regulations necessary or convenient from time to time to insure compliance with the general guidelines of this Declaration to promote the comfortable use and enjoyment of the property and to govern the operation and procedures of the Association. The rules and resolutions may, without limitation, authorize voting by proxy or mail, or both, on Association matters. The rules and regulations of the Association shall be binding upon all Owners and occupants and all other Persons claiming any interest in the Property.

6.2. Enforcement. The Board shall have the power to enforce the provisions of the Governing Documents of the Association (*i.e.* this Declaration, the Bylaws, and the rules and regulations of the Association) for the benefit of the Association. Sanctions may include reasonable monetary fines and suspension of the right to vote and the right to use facilities on the Common Area. The Board shall, in addition, have the power to seek relief in any court for violations or to abate nuisances. The failure of any Owner to comply with the provisions of this Declaration, or the rules and regulations of the Association will give rise to a cause of action in the Association (acting through the Board) and any aggrieved Lot Owner for recovery of damages, or injunctive relief, or both. If a legal action is brought to interpret or enforce compliance with the provisions of this Declaration, or the rules or regulations of the Association, the prevailing party shall be entitled to judgment against the other party for its reasonable expenses, court costs, and attorneys' fees.

6.3. Goods and Services. The Board shall acquire and pay for as common expenses of the Association all goods and services reasonable necessary or convenient for the efficient and orderly functioning of the Association and maintenance of all portions of the Common Areas not maintained by public utility companies or a governmental entity. The goods and services shall include (by way of illustration and not limitation) utility services for the Common Areas; policies of insurance (as described in Section 6.4.5 herein below); office supplies and postage; professional accounting, property management, and legal services, and maintenance, repair, landscaping, gardening and general upkeep of the Common Areas. The Board may hire such employees as it considers necessary.

6.4. Common Areas. The Board shall have the authority and the obligation to perform each of the following duties:

6.4.1. Operation and Maintenance of Common Area. Operate, maintain and otherwise manage or provide for the operations, maintenance and management of the Common Area, including the repair and replacement of property damaged or destroyed by casualty loss. Specifically, the Association shall, at Declarant's sole discretion, operate and maintain all properties owned by Declarant which are designated by Declarant for temporary or permanent use by Owners.

6.4.2. Reserve Account. Conduct reserve studies in accordance with RCW 64.38.065 *et seq.* and, as the Board deems necessary or advisable, establish and fund a reserve account with a reputable banking institution or savings and loan association or title insurance company authorized to do business in the State of Washington, which reserve account shall be dedicated to the costs of repair, replacement, maintenance and improvement of the Common Areas within the Plat.

6.4.3. Taxes and Assessments. Pay all real and personal property taxes and assessments separately levied against the Common Area or against the Association and/or any other property owned by the Association. Such taxes and assessments may be contested or compromised by the Association, provided, however, that such taxes and assessments are paid or a bond insuring payment is posted prior to the sale or disposition of any property to satisfy the payment of such taxes and assessments. In addition, the Association shall pay all other federal, state or local taxes, including income or corporate taxes levied against the Association, in the event that the Association is denied the status of a tax exempt corporation.

6.4.4. Water and Other Utilities. Acquire, provide and/or pay for water, garbage disposal, refuse and rubbish collection, electrical, telephone and gas and other necessary services for the Common Area, and to manage all domestic, irrigation and amenity water rights and rights to receive water held by the Association, whether such rights are evidenced by license, permit, claim, stock ownership or otherwise.

6.4.5. Insurance. Obtain insurance from reputable insurance companies authorized to do business in the State of Washington, and maintain in effect any insurance policy the Board deems necessary or advisable, including, without limitation the following policies of insurance:

6.4.5.1. Fire Insurance. Fire insurance including those risks embraced by coverage of the type known as the broad form "All Risk" or special extended coverage endorsement on a blanket agreed amount basis for the full insurable replacement value of all improvements, equipment and fixtures located within the Common Area.

6.4.5.2. Public Liability Insurance. Comprehensive public liability insurance insuring the Board, the Association, the Declarant and the individual grantees and agents and employees of each of the foregoing against any liability incident to the

ownership and/or use of the Common Area. Limits of liability of such coverage shall be as follows: Not less than One Million Dollars (\$1,000,000) per person and One Million Dollars (\$1,000,000) per occurrence with respect to personal injury or death, and One Million Dollars (\$1,000,000) per occurrence with respect to property damage.

6.4.5.3. D&O Insurance. Full coverage directors' and officers' liability insurance .

6.4.5.4. Other Insurance. Such other insurance, including motor vehicle insurance and worker's compensation insurance, to the extent necessary to comply with all applicable laws and indemnity, faithful performance, fidelity and other bonds as the Board shall deem necessary or required to carry out the Association functions or to insure the Association against any loss from malfeasance or dishonest conduct of any employee or other person charged with the management or possession of any Association funds or other property.

6.4.5.5. Trustees. The Association shall be deemed trustee of the interests of all Owners in connection with any insurance proceeds paid to the Association under such policies, and shall have full power to receive such Owner's interests in such proceeds and deal therewith.

6.4.5.6. Premiums. Insurance premiums for the above insurance coverage shall be deemed a common expense to be included in the Regular Assessments levied by the Association.

6.4.5.7. Adjustment of Limits. In its discretion, the Board may adjust any minimum insurance limits to reflect the impact of inflation or other changed conditions on the value of the particular coverage required.

6.4.6. Signs and Monuments. Operate, maintain and otherwise manage or provide for the operations, maintenance and management of any subdivision identification signs and entry monuments, including the repair and replacement of such property damaged or destroyed by casualty loss.

6.5. Newsletter. The Board shall have the authority to prepare and distribute a newsletter on matters of general interest to members of the Association, the cost of which shall be included in regular assessments.

6.6. Architectural Committee. The Board shall have the authority to appoint and remove members of the ACC, subject to the provisions of this Declaration.

ARTICLE 7. BUDGET AND ASSESSMENT FOR COMMON EXPENSES

7.1. Fiscal Year: Preparation of Budget. The Board may adopt such fiscal year for the Association as it deems to be convenient. Unless another year is adopted, the fiscal year will be the calendar year. As soon as the Board in its discretion deems advisable and prior to the expiration of each fiscal year thereafter, the Board shall establish a budget for the Association, which shall include, without limitation, the costs of maintaining the Common Area during the ensuing fiscal year. The Board shall then assess each Lot within the Property with its pro rata share, based upon the number of Lots then within the Property, of such estimated costs. The Board, at its election, may require the Lot Owners to pay the amount assessed equal monthly or quarterly installments or in a lump sum annual installment. The Board shall notify each Lot Owner in writing at least ten (10) days in advance of each assessment period of the amount of the assessment for said period, which notice shall be accompanied by a copy of the budget upon which the assessment is based. The assessments levied by the Board shall be used exclusively to promote the recreation, health, safety and welfare of the Lot Owners and for the improvement and maintenance of the Common Areas, as well as for the orderly and efficient administration of the Association.

7.2. Certificate of Unpaid Assessments. Any failure by the Board of the Association to make the budget and assessments hereunder before the expiration of any fiscal year for the ensuing fiscal year shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of the owners from the obligation to pay assessments during that or any subsequent year, and the assessment amount and payment method established for the preceding fiscal year (if any) shall continue until a new assessment is established. Upon the request of any Owner or Mortgagee or prospective Owner or prospective Mortgagee of a Lot, the Board will furnish a statement of the amount, if any, of unpaid assessments charged to the Lot. The statement shall be conclusive upon the Board and the Association as to the amount of such indebtedness on the date of the statement in favor of all purchasers and Mortgagees of the Lot who rely on the statement in good faith. All assessments and other receipts received by the Association shall belong to the Association.

7.3. Annual Assessments. The annual assessment shall be prorated for any partial year at the time of purchase of the Lot. Prior to the Transition Date, Declarant may modify the amount of the annual assessment. Commencing on the first January 1 following the Transition Date, and continuing each year hereafter, the annual assessment shall not be increased by more than fifteen percent (15%) without the approval of a majority of the members voting at a meeting duly called for such purpose. Notwithstanding the provisions set forth above, the Declarant shall not be liable for any fees or assessments assessed or due so long as Declarant owns any Lot within the Plat.

7.4. Special Assessments: Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of the Common Area or any other area owned or required to be maintained by the Association, provided that such assessment shall be approved by a majority of the members voting at a special meeting (duly called for such purpose pursuant to Section 4.8 above).

ARTICLES 8. LIEN AND COLLECTION OF ASSESSMENTS

8.1. Assessments Are a Lien: Priority. All assessments, together with interest (at a rate not to exceed the highest rate allowed by Washington law) as computed from the date the delinquency first occurs, late charges, costs, and reasonable attorneys fees related to and arising from delinquent assessments, shall be a charge on the land and shall be a continuing lien upon the Lot against which each assessment is made until paid. The lien for such unpaid assessments shall be subordinate to tax liens on the Lot in favor of any assessing unit and/or special district, and to all sums unpaid on all First Mortgages of record, but, to the extent permitted by applicable law, shall have priority over all other liens against the Lot. A First Mortgagee that obtains possession through a Mortgage foreclosure or deed of trust sale, or by taking a deed in lieu of foreclosure or sale, or a purchaser at a foreclosure sale, shall take the Lot free of any claims for the share of common expenses or assessments by the Association chargeable to the Lot which became due before such possession, but will be liable for the common expenses and assessments that accrue after the taking of possession. The Lot's past-due share of common expenses or assessments shall become new common expenses chargeable to all of the Lot owners, including the Mortgagee or foreclosure sale purchaser and their successors and assigns, in proportion to the number of Lots owned by each of them. Notwithstanding any of the foregoing, however, the Owner and the real estate contract purchaser shall continue to be personally liable for past due assessments as provided in Section 8.3. For purposes of this Section, "Mortgage" does not include a real estate contract and "Mortgagee" does not include the vendor or the assignee or designee of a vendor of a real estate contract.

8.2. Lien May be Foreclosed. The lien for delinquent assessments may be foreclosed by suit by the Board, acting on behalf of the Association, in like manner as the foreclosure of a mortgage of real property. The Board, acting on behalf of the Association, shall have the power to bid in the Lot at the foreclosure sale, and to acquire and hold, lease, mortgage and convey the same.

8.3. Assessments are Personal Obligations. In addition to constituting a lien on the Lot, all sums assessed by Association chargeable to any Lot together with interest, late charges, costs and attorneys' fees in the event of delinquency, shall be the joint and several personal obligations of the Owner and any contract purchaser of the Lot when the assessment is made and their grantees. If a Lot is leased, both the lessee and the record owner shall be jointly and severally liable for all assessments assessed on the lot during the term of the lease. Suit to recover personal judgment for any delinquent assessments shall be maintainable without foreclosing or waiving the liens securing them. No Owner may waive or otherwise exempt himself or herself from liability for the assessments provided for herein, including, by way of illustration and not limitation, by nonuse of Common Areas or abandonment of the Lot. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessment or set-off shall be claimed or allowed by reason of any alleged failure of the Association or Board to take some action or perform some function required to be taken or performed by the Association or Board under this Declaration or the Bylaws

8.4. Late Charges and Interest on Delinquent Assessments. The Board may from time to time establish late charges and a rate of interest to be charged on assessments delinquent for a period of

more than ten (10) days after the date when due. In the absence of another established, nonusurious rate, delinquent assessments shall bear interest at the rate of eight percent (8%) per annum. If an installment on an assessment against a Lot is not paid when due, the Board may elect to declare the entire assessments against the Lot for the remainder of the fiscal year to be immediately due and payable.

8.5. Corrective Assessments. Notwithstanding the above provisions with respect to assessments, the Board may levy a Corrective Assessment against an Owner as a remedy to reimburse the Association for costs incurred in bringing the Owner and/or the Owner's Lot into compliance with the provisions of the governing instruments for the Plat. This shall expressly include the authority to levy assessments against any Owner in violation of any of the requirements imposed on such Lot under this Declaration. Such assessment may be made in an amount up to fifty dollars (\$50.00) per day (or its equivalent value as compared with July 1, 2014 dollars and as adjusted by the Board in its discretion), for each violation which remains uncorrected after thirty (30) days' written notice is given to such Owner from the Association. The imposition of Corrective Assessments against an Owner may be, in the discretion of the Board, in addition to the costs and expenses that may be collected from the Owner as provided for otherwise in this Declaration.

8.6. Remedies Cumulative. The remedies provided herein are cumulative and the Board may pursue them, and any other remedies that may be available under law although not expressed herein, either concurrently or in any order.

8.7. No Avoidance of Assessments. No Owner may avoid or escape liability for assessments provided for herein by abandoning his or her Lot.

ARTICLE 9. FAILURE OF BOARD TO INSIST ON STRICT PERFORMANCE NO WAIVER

The failure of the Board in any instance to insist upon the strict compliance with this Declaration or rules and regulations of the Association, or to exercise any right contained in such documents, or to serve any notice or to institute any action, shall not be construed as a waiver or a relinquishment for the future of any term, covenant, condition or restriction. The receipt by the Board of payment of any assessment from an Owner, with knowledge of any breach by the Owner, shall not be a waiver of the breach. No waiver by the Board of any requirement shall be effective unless expressed in writing and signed for the Board.

ARTICLE 10. LIMITATION OF LIABILITY

So long as a Director, or Association member, or Declarant, acting on behalf of the Board or the Association, has acted in good faith, without willful or intentional misconduct, upon the basis of such actual information as is then possessed by such person, then no such Person shall be personally liable to any Owner, or to any other Person, including the Association, for any damage,

loss, or prejudice suffered or claimed on account of any act, omission, error or negligence of such Person; provided that this Article shall not apply to the extent the liability of such person for such act, omission, error or negligence is covered by any insurance actually obtained by the Board.

ARTICLE 11. INDEMNIFICATION

Each Director, and Declarant shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed in connection with any proceeding to which such person may be a party, or in which such person may become involved, by reason of holding or having held such position, or any settlement thereof, whether or not such person holds such position at the time such expenses or liabilities are incurred, except to the extent such expenses and liabilities are covered by insurance actually obtained by the Board and except in such cases wherein such Director or Declarant is adjudged guilty of willful misfeasance in the performance of his or her duties; provided, that in the event of a settlement, the indemnification shall apply only when the Board approves such settlement and reimbursement as being for the best interests of the Association.

ARTICLE 12. INSURANCE

At such times as the Board deems appropriate, the Board shall cause the Association to purchase and maintain those policies of insurance as described in Section 6.4.5 hereinabove, with such deductible provisions as the Board deems advisable; insurance, if available, for the protection of the Association's Directors, and representatives from personal liability in the management of the Association's affairs; and such other insurance as the Board deems advisable.

ARTICLE 13. DAMAGE AND REPAIR OF DAMAGE TO PROPERTY

13.1 Casualty and Loss. In the event of any casualty, loss or other damage to the Common Area for which the then current assessments by the Board are insufficient to repair, or restore or for which there are not insurance proceeds or insufficient insurance proceeds available to the Board for such restoration or repair, the Board may make a special assessment against each Lot within the property for its pro rata share of the cost and expenses to repair and/or restore the Common Areas. The special assessment shall be payable, at the determination of the Board, in either monthly or quarterly installments or in a single lump sum amount. The Board shall notify each Lot Owner of any such special assessment not less than twenty (20) days prior to the date such special assessment or the first installment thereon is due and payable, which notice shall be accompanied by a reasonably detailed statement of the Board's estimated costs and expenses of repairing and/or restoring the Common Areas.

13.2. Damage Caused by Owner. Each Owner shall be fully liable for any damage to any Common Area which may be sustained by reason of the negligence or willful misconduct of the Owner, such Owner's resident tenant or contract purchaser, or such Owner's family and guests, both minor and adult. In the case of joint ownership of a Lot, the liability of the Owners of such

Lot shall be joint and several. The cost of correcting such damage shall be an assessment against the Lot and may be collected as provided herein for the collection of other assessments.

ARTICLE 14. AMENDMENTS

After the Transition Date, any Lot Owner may propose amendments to this Declaration to the Board. A majority of the Directors of the Board may cause a proposed amendment to be submitted to the members of the Association for their consideration. If an amendment is proposed by Owners of twenty percent (20%) or more of the Lots, then, irrespective of whether the Board concurs in the proposed amendment, it shall be submitted to the members of the Association for their consideration at their next regular or special meeting for which timely notice shall be given pursuant to the Bylaws. Notice of a meeting at which an amendment is to be considered shall include the text of the proposed amendment. Amendments may be adopted at a meeting of the Association or by written consent of the requisite number of persons entitled to vote, after notice has been given to all Persons entitled to receive notice of a meeting of the Association. The unanimous consent of all Owners shall be required for adoption of an amendment changing the voting power or portion of assessments appurtenant to each Lot. All other amendments shall be adopted by the affirmative vote or written consent, or any combination thereof, of at least sixty-seven percent (67%) of all Lot Owners. Once an amendment has been adopted by the Association, the amendment will become effective when a certificate of the amendment, executed by a member of the Board, has been recorded in the real property Records of Franklin County, Washington.

Notwithstanding the above, at any time that the Declarant owns more than 50% of the Lots on the Property, the Declarant may amend this Declaration without prior vote of or approval from the other Owners. However, any such amendment by the Declarant shall not materially affect the provisions of Sections

ARTICLE 15. ANNEXATION AND SUBDIVISION

Residential property including Common Areas may be annexed or added to the Property by Declarant at any time prior to the Transition Date as such term is defined in Section 4.8. Thereafter, residential property including Common Areas may be annexed or added to the Property only with the consent of sixty-seven percent (67%) of the Lot Owners.

ARTICLE 16. DURATION

The covenants, conditions and restrictions of this Declaration shall run with and bind the Property and shall inure to the benefit of and be enforceable by the Owners, their respective legal representatives, heirs, successors and assigns, for a period of twenty (20) years from the date this Declaration is recorded, after which time the covenants, conditions and restrictions shall be automatically extended for successive periods often (10) years each unless an instrument signed by sixty-seven percent (67%) of the then Owners has been recorded agreeing to terminate the covenants, conditions and restrictions.

ARTICLE 17 RESERVATION OF DECLARANT'S RIGHT TO AMEND

17.1. Amendment By Declarant. Declarant reserves the right to amend the Declaration as may be necessary to comply with Federal Home Loan Mortgage Corporation ("FHLMC") or Federal National Mortgage Association ("FNMA") or Federal Housing Administration ("FHA") regulations or requirements as necessary to enable the holders of first mortgages or deeds of trust to sell first mortgages or deeds of trust to FHLMC or FNMA or if such amendment is necessary to secure funds or financing provided by, through or in conjunctions with FHLMC or FNMA or FHA or, if such amendment is necessary, in Declarant's sole opinion, for the efficient functioning of the Association, the Property or the Plat.

17.2. Authorization to Amend. If Declarant, at its option, determines that it is necessary so to amend the Declaration, then Declarant, on behalf of all Lot Owners in the Association, is hereby authorized to execute and to have recorded (or filed, in the case of the Articles), said required amendment or amendments, PROVIDED THAT the Declarant may not make any amendment to the Declaration that affects the provisions of the following Sections: 3.2.1; 3.2.2; 3.4; 3.5.1; 3.5.2.1; 4.2; 4.7.1;

17.3. Duration. Declarant's rights under this Article 17 shall exist until Declarant has sold more than eighty percent (80%) of the Lots on the Property to a retail purchaser.

ARTICLE 18. SEVERABILITY

The provisions of this Declaration shall be independent and severable, and the unenforceability of any one provision shall not affect the enforceability of any other provision, if the remainder affects the common plan.

ARTICLE 19. EFFECTIVE DATE

This Declaration shall be effective upon recording of the same.

ARTICLE 20. ASSIGNMENT BY DECLARANT

Declarant reserves the right to assign, transfer, sell, lease or rent all or any portion of the Property and reserves the right to assign or delegate all or any of its rights, duties and obligations created under this Declaration.

Exhibit "A"

1. Lots 1 through and including 73, TIERRA VIDA – PHASE ONE, according to the Plat thereof recorded in Volume 4 of Plats, Page 317, records of Franklin County, Washington.

Tax Parcel Nos. 113-730-301 through and including 113-730-373;

2. Lots 1 through and including 94, TIERRA VIDA – PHASE TWO, according to the Plat thereof recorded in Volume 4 of Plats, Page 405, records of Franklin County, Washington.

Tax Parcel Nos. 113-730-375 through and including 113-730-438;

3. The following described parcels of real property, which shall constitute TIERRA VIDA – PHASE THREE:

NORTHWEST QUARTER OF SOUTHWEST QUARTER OF SECTION 27, TOWNSHIP 9 NORTH, RANGE 300 EAST, W.M., EXCEPT THE NORTH 660 FEET THEREOF; AND THE EAST 60 FEET OF THE WEST 440 FEET OF NORTH 660 FEET OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 27, EXCEPT THAT PORTION THEREOF CONVEYED TO STATE OF WASHINGTON FOR HIGHWAY PURPOSES BY DEED RECORDED UNDER AUDITOR'S FILE NO, 132617, RECORDS OF FRANKLIN COUNTY, WASHINGTON.

Tax Parcel No. 113-730-099;

and

THAT PORTION OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF SECTION 27, TOWNSHIP 9 NORTH, RANGE 30 EAST, W.M., CITY OF PASCO, FRANKLIN COUNTY, WASHINGTON DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHWEST CORNER OF SAID SECTION 27; THENCE NORTH 00°03'30" EAST 1320.92 FEET ALONG THE WEST LINE OF SAID SECTION TO THE NORTHWEST CORNER OF SAID SOUTH HALF OF THE SOUTHWEST QUARTER AND TO THE TRUE POINT OF BEGINNING; THENCE NORTH 89°37'30" EAST 1364.89 FEET ALONG SAID NORTH LINE TO THE NORTHWEST CORNER OF LOT 8 OF THE PLAT OF TIERRA VIDA — PHASE TWO ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME D OF PLATS, PAGE 405 RECORDS OF FRANKLIN COUNTY; THENCE SOUTH 03°11'06" WEST 20.84 FEET ALONG THE PLAT BOUNDARY OF SAID PLAT; THENCE SOUTH 73°07'49" WEST 175.33 FEET ALONG SAID PLAT BOUNDARY; THENCE SOUTH 55°05'27" WEST 67.29 FEET ALONG SAID PLAT BOUNDARY; THENCE SOUTH 81°37'06" WEST 117.61 FEET ALONG SAID PLAT BOUNDARY TO THE NORTHERLY LINE OF THE PLAT OF TIERRA VIDA — PHASE ONE, AS SHOWN ON THE PLAT THEREOF RECORDED IN VOLUME D OF PLATS, PAGE 317, RECORDS OF FRANKLIN COUNTY, WASHINGTON; THENCE NORTH 89°37'30" WEST 329.64 FEET ALONG SAID NORTH LINE; THENCE SOUTH 64°35'37" WEST 107.91 FEET ALONG SAID NORTH LINE; THENCE SOUTH 55°12'43" WEST 60.71 FEET ALONG SAID NORTH LINE; THENCE SOUTH 63°27'34" WEST 119.91 FEET ALONG SAID NORTH LINE; THENCE SOUTH 28°45'20" WEST 70.09 FEET ALONG SAID NORTH LINE; THENCE SOUTH 33°00'03" WEST 60.21 FEET ALONG SAID NORTH LINE; THENCE SOUTH 27°35'41" WEST 137.73 FEET ALONG SAID NORTH LINE; THENCE NORTH 63°40'31" WEST 38.41 FEET ALONG SAID NORTH LINE; THENCE NORTH 89°00' 18" WEST 275.95 FEET ALONG SAID NORTH LINE TO A POINT ON THE WEST LINE OF SAID SECTION 27; THENCE NORTH 00°03'30" EAST 480.81 FEET ALONG SAID WEST LINE OF SAID SECTION 27 TO THE TRUE POINT OF BEGINNING.

Tax Parcel No. 113-730-471.