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AUDITOR, Pierce County, WASHINGTON

After: *Rush Residential, Inc.*
6622 Wollochet Drive NW
Gig Harbor, WA 98335

**DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS, EASEMENTS AND
RESERVATIONS FOR LEGACY HOMEOWNERS
ASSOCIATION
“The plat of 72nd Street”**

Grantor: Rush Residential, Inc., a Washington corporation

Grantee: The Public Owners of Legacy Homeowners Association, “The plat of 72nd Street”

Legal Description (abbreviated): Parcels A and B of Gig Harbor Boundary Line

Adjustment 200103165001.

Assessor's Tax Parcel No: 0221074082 and 0221074083

EXCISE TAX EXEMPT DATE 12/9/16
Pierce County
By *[Signature]* Auth. Sig.

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**DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS, EASEMENTS AND RESERVATIONS FOR
LEGACY**

“The plat of 72nd Street”

This Declaration of Covenants, Conditions, Restrictions, Easements and Reservations for LEGACY the “Declaration” is made by Rush Residential, Inc., a Washington corporation, the “Declarant” this 9th Day of December, 2016.

RECITALS

1. Declarant is the Owner of certain real property situated in Pierce County, Washington and legally described as follows:
Parcels A and B of Gig Harbor Boundary Line Adjustment 200103165001, according to the map thereof recorded March 16, 2001, records of Pierce County, Washington.

The above described property is referred to as the “Residential Property”.

2. The purpose of this Declaration is to subject the Residential Property to the Declaration.

3. All of the Residential Property and housing units constructed on the Residential Property are and will be held, sold, and conveyed subject to this Declaration which is made for the purpose of enhancing and protecting the value, the desirability and attractiveness of the real property for the benefit of all the real property and their Owners. The covenants, restrictions, reservations, and conditions, contained in this Declaration shall run with the land as easements and equitable servitudes, and shall be binding upon the real property and each portion thereof and all persons owning, purchasing, leasing, subleasing or occupying any Lot on the real property and upon their respective heirs, successors and assigns.

4. The Declarant has deemed it desirable for the efficient preservation of the values of the improvements in and upon the Residential Property and for the maintenance and preservation of the common areas to create a not for profit corporation under RCW 24.03 (hereinafter called the “Association”) to which shall be assigned the powers, responsibilities and duties of maintaining and administering the common areas and enforcing the covenants, conditions, and restrictions herein contained, and collecting and disbursing the assessments and charges hereinafter created.

In addition to the foregoing, Declarant has deemed it desirable for the efficient preservation of values and quality of the property and its surrounding environment for the association and the Owners to maintain the property, including the common areas, Lots, and improvements.

ARTICLE ONE: DEFINITIONS

For purposes of the Declaration, Articles of Incorporation and Bylaws of the Association, certain words and phrases have particular meanings, which are as follows:

1. "ACC" shall mean the Architectural Control Committee, as described in this agreement.
2. "Articles" shall mean the Association's Articles of Incorporation and any amendments.
3. "Assessments" shall mean the Assessments imposed by the Association pursuant to Article Seven below.
4. "Association" shall mean the LEGACY Homeowners Association formed as a nonprofit corporation for the purpose of administering this Declaration.
5. "Board" or "Board of Directors" shall mean the Board of Directors of the Association. For purposes of exercising the powers and duties assigned in this Declaration to the Board during the development period, this term shall also mean the "Temporary Board" or "Declarant" as provided in this Declaration unless the language or content clearly indicates otherwise.
6. "Budget" shall mean the operating budget for the Association.
7. "Bylaws" shall mean the Association's Bylaws and any amendments.
8. "Common Areas" shall mean all real property and improvements: (a) owned or leased by the Association; (b) in which the Association has an easement for access or maintenance (excepting easements for maintaining Lots) for the use, enjoyment, and benefit of the Members; (c) in which the Members have a right of control by any written instrument, including this declaration, or by delineation and declaration of the same on the Plat; (d) in which the Members of the Association have an undivided interest; (e) or any area which is required to be maintained by the Association under the terms of this Declaration, governmental authority, or any other recorded document. The common areas may be improved by certain common facilities and, if and when improved, shall include such common facilities. The common areas may include (where applicable, if and when improved) common landscaped or lawn areas and open space areas, including improvements thereon, street lights, street trees and other landscaping, signs, recreational, picnic and athletic facilities, pedestrian and hiking paths and trails, bicycle paths, private alleys, irrigation systems located in

public rights of way, drainage and storm water detention/retention areas and sewer, water, storm drainage, and utility systems located on or in the common areas.

9. "Common Expenses" shall mean all costs and expenses incurred by the Association, including but not limited to, the following (a) expenses of administration, maintenance, and operation, including but not limited to, reasonable compensation to employees of the Association; (b) costs of repair or replacement of the common areas or any improvements thereon; (c) premiums or deductibles for all insurance policies and bonds required or permitted by this Declaration; (d) all real property and other taxes and assessments on the common areas; (e) utility and service charges; (f) funding of reserves for anticipated operational shortfalls or for replacement of capital items; (g) funding of reserves for the start-up expenses and operating contingencies of a nonrecurring nature; (h) expenses payable under this Declaration; (i) legal fees and costs; (j) the costs of recovering unpaid assessments, including legal fees and other costs of foreclosure of an association lien; (k) fees for architectural services provided to the committee; (l) expenses of administration, maintenance, operation, repair or replacement of landscaping performed by the Association or the Association's agent on the Owners' Lots; (m) costs payable under this Declaration; (n) the costs of maintaining or repairing any storm water drainage system; (o) maintenance and repair of perimeter fencing as constructed by the Declarant and the irrigation of the common areas (p) costs relating to maintaining the front yard landscape of each lot. This shall include mowing, fertilizing and blowing of front yard landscapes. (This does not include landscape replacement or irrigation repair and maintenance) and costs relating to the maintenance and repair of Pintail Loop. (q) any other costs and expenses determined from time to time as reasonably necessary by the board, or as otherwise incurred by the Association pursuant to this Declaration.
10. "Community Compliance Guidelines" The Community Compliance Guidelines (CCG), commonly referred to as Rules and Regulations, are guidelines governing the use of the Property and overall conduct within the community, in addition to the use restrictions contained in this Declaration.
11. "Declarant" The Declarant shall mean Rush Residential, Inc., a Washington corporation, or any other person or entity to whom the Declarant assigns by written instrument its rights as a Declarant under the terms of this Declaration.
12. "Declaration" shall mean this Declaration of Covenants Conditions, Restrictions, Easements and Reservations.
13. "Development Period" shall mean the period of time from the date of recording of this Declaration until 180 days after the date upon which 100% of the Lots have been sold by the Declarant or any shorter period, as determined by the Declarant. A partial delegation of authority by the Declarant of any of the management duties described in this Declaration shall not terminate the development period.

14. "Front yard" shall be defined as the Lot area extending from the front property line back to a line measured parallel with the front property line which would coincide with the front wall of the main dwelling on the Lot, exclusive of any garage projections.
15. "Housing Unit" shall mean the building occupying a Lot.
16. "Institutional First Mortgagee" or "Mortgagee" shall mean a bank or savings and loan association or established Mortgage Company, or other entity chartered under federal or state laws, any corporation or insurance company or state or federal agency which holds a first note or deed of trust against a Lot or housing unit thereon.
17. "Lot" shall mean any one of the Lots shown on The plat of 72nd Street, plat map.
18. "Majority Vote" shall mean a vote of the members of more than 50% of the total number of votes allocated to the Association pursuant to Article Four.
19. "Member" shall mean every person or entity that holds a membership in the Association.
20. "Mortgage" shall mean a mortgage or deed of trust encumbering a Lot or other portion of the real property.
21. "Occupant" shall mean a lessee or licensee of an Owner or any other person or entity, other than an owner, in lawful possession of a Lot, or a portion of a Lot, with the permission of the owner.
22. "Owner" shall mean the recorded Owner(s) of a Lot, whether one or more persons or entities, but excluding those having such interest merely as security.
23. "Participating Builder" shall mean a party that purchases unimproved Lots from the Declarant for purposes of building residences on such Lots and offering such residences for sale.
24. "Person" shall mean a natural person, a corporation, a partnership, trustee or other legal entity.
25. "Plat" shall mean the Residential Property of, The Plat of 72nd Street.
26. "Prorata Share" shall mean for any particular Owner and for any particular assessment an amount equal to the number of Lots owned by an Owner divided by the total number of Lots subject to that particular assessment.
27. "Representative" shall mean an individual or individuals appointed by the Declarant (during the development period) to serve on the Board of Directors or on any committee of the Association, including but not limited to, the architectural

control committee. Said representative need not be a member of the Association.

28. "Reserve Fund" The Reserve Fund shall mean a fund or account set aside to meet any unexpected costs as well as costs for future or long term upkeep or replacement.
29. "Reserve Study" shall mean a long-term capital budget planning study which identifies the current status of the reserve fund and an equitable funding plan to offset ongoing deterioration of Common Areas.
30. "Sale" or "Sold" shall mean the date upon which Ownership of a Lot is transferred from an Owner to another person or entity by recordation of an instrument of transfer such as a deed or real estate contract.
31. "Street" shall mean the private and public streets, driveway, lane (if located in a public right of way or common area), place or other thoroughfare either as shown on any recorded survey or plat of the property, however designated, or as so used as a part of the common areas.
32. "Turnover Date" shall mean the date the Members elect a new Board which shall be within 180 days from the date the last Lot has been conveyed by the Declarant to another owner; provided, however, that the Declarant may accelerate the Turnover Date by recording a written notice surrendering Declarant's Development Rights arising under this Declaration.
33. "Working Capital Fund" shall have the meaning ascribed to it in Article Seven.

ARTICLE TWO: DEVELOPMENT PERIOD MANAGEMENT

2.1: Development Period.

During the development period the Declarant shall appoint the sole director or directors of the Association who need not be members of the Association or non-member representatives to other committees or positions in the Association as the Declarant deems appropriate to serve at the Declarant's discretion and may assign such responsibilities, privileges, and duties to the Members as the Declarant determines for such time as the Declarant determines. Any member appointed by the Declarant during the development period may be dismissed at the Declarant's discretion. The Declarant shall also appoint members to the Architectural Control Committee. At such time as the Declarant has sold and conveyed all Lots, then the Declarant may resign as a director of the Association and from any other committees for the duration of the development.

At such time as the Declarant has sold and conveyed all Lots, then the Board of Directors, as elected by the Members, shall appoint one or more members to the Architectural Control Committee.

2.2: Purpose of Development Period.

The Declarant's control of the Association during the Development Period is established in order to ensure that the real property and the Association will be adequately administered in the initial phases of development, and to facilitate the Declarant's completion of construction of housing units to ensure an orderly transition of Association operations,

2.3: Authority of Association after Development Period.

At the expiration of Declarant's management authority, the Association shall have the authority and obligation to manage and administer the common areas and to enforce this Declaration. Such authority shall include all authority provided for in the Association's Articles, Bylaws, Community Compliance Guide and this Declaration. The Association shall also have the authority and obligation to manage and administer the activities of the ACC in its responsibilities as described in this Declaration.

2.4: Delegation of Authority.

The Board of Directors or the Declarant may delegate any of its managerial duties, powers, or functions to any person, firm, or corporation. The Board or the Declarant shall not be liable for any breach of duty, negligence, omission, intentional act or improper exercise by a person who is delegated any duty, power or function by the Board of Directors or the Declarant.

2.5: Termination of Development.

Upon termination of the development period, the Declarant, in accordance with the By-laws, shall conduct by mail an election of a Board of Directors who shall then act in accordance and in connection with the terms and provisions of the Articles of Incorporation, By-Laws and this Declaration. However, in the alternative, not less than ten (10), nor more than thirty (30), days prior to the termination of the development period, the Declarant, shall give written notice of termination of the development period to the Owner of each Lot. Said notice shall specify the date when the development period will terminate and that at such time a meeting of the Members shall be called in accordance with the by-laws at which time Members shall then elect directors in accordance with the terms and provisions of the Articles of Incorporation, By-Laws and this Declaration.

3.1: Formation.

The Association has been, or will be, incorporated under the name of LEGACY Homeowners Association, as a non-profit corporation under Revised Code of Washington, Chapter 24 03.

3.2: Board of Directors.

The Association shall be managed by a Board of Directors, elected or appointed in accordance with this Declaration, the Articles, and the Bylaws of the Association. Notwithstanding the foregoing, the Declarant shall have the right to appoint all members of the Board in its sole discretion, which members need not be an Association member, until the Turnover Date.

ARTICLE THREE: ASSOCIATION

3.3: Delegation to Manager.

The Board may delegate any of its managerial duties, powers, or functions to any Person provided that any management agreement shall be terminable by the Association for cause upon thirty (30) days written notice, and without cause upon ninety (90) days written notice. The term of any such agreement may not exceed one (1) year, and may be renewed for up to one (1) year at a time. The Board members shall not be liable for any omission or improper exercise by the manager of any duty, power, or function so delegated by written instrument authorized and entered into by the requisite vote of the Board.

3.4: Duties and Powers of Association.

The duties and powers of the Association are those set forth in its Articles and Bylaws, together with its general and implied powers as a not for profit corporation, generally to do any and all things that a corporation organized under the laws of the State of Washington may lawfully do which are necessary or proper in operating for the peace, health, comfort, safety and general welfare of its Members, subject only to the limitations upon the exercise of such powers as are expressly set forth in its Articles, its Bylaws, and in this Declaration.

3.4.1 Purposes.

Specifically, but not by way of limitation, the Association shall effectuate the purposes of this Declaration, including but not limited to: (i) adopting and enforcing Community Compliance Guides (through action of the Board pursuant to Section 7; (ii) adopting an operating and capital budget; (iii) controlling and administering the Association's funds, including the levy, collection, and disbursement of Assessments; and (iv) administering and enforcing this Declaration. Subject to any dedications or other provisions of this Declaration, the Association shall have the authority and obligation to establish, manage, repair, and administer the Common Areas. Subject to the approval of any applicable governmental agency and to the approval of the Committee, the Association may at any time, and from time to time; construct, reconstruct, improve, replace and/or restore any Improvement or portion thereof upon the Common Areas, and the Association may construct, reconstruct, improve and/or replace destroyed trees or other vegetation and plant trees, shrubs, ground cover and other landscaping upon the Common Areas. The Association may employ personnel necessary for the effective operation and maintenance of the Common Areas, including the employment of legal and accounting services.

3.4.2 Operating Costs.

The Association shall be responsible for the payment of the common expenses as defined in this Declaration.

3.4.3 Reserve Study.

Within 3 years of the Turnover Date the Board shall complete a Reserve Study in accordance with RCW 64.38.070.

3.5: Membership.

An Owner(s) of a Lot shall automatically be a Member of the Association and shall remain a Member until such time as Ownership ceases for any reason, at which time such Membership shall automatically cease. Membership shall be appurtenant to and may not be separated from the Ownership of each Lot. The Owners covenant and agree that the administration of the Property shall be in accordance with the provisions of this Declaration, the Articles, and the Bylaws. Except as may otherwise be provided herein, the rights, duties, privileges and obligations of all Members shall be as set forth in this Declaration, the Articles, and the Bylaws.

3.6: Transfer.

Membership held by any Owner shall not be transferred, pledged or alienated in any way, except upon the sale or encumbrance of such Owner's Lot and then only to the purchaser or Mortgagee of such interest in such Lot. Any attempt to make a prohibited transfer is void and will not be reflected upon the books and records of the Association.

3.7: Community Compliance Guidelines.

The Board shall have the power to adopt from time to time and to enforce Community Compliance Guidelines governing the use of the Property and conduct within the community, in addition to the use restrictions contained in this Declaration and whether or not expressly contemplated herein, provided that such Community Compliance Guidelines shall not be inconsistent with this Declaration. The Community Compliance Guidelines may not unreasonably differentiate among Owners. The Board may prescribe penalties for the violation of such Community Compliance Guidelines, including but not limited to suspension of the right to use the Common Areas or portions thereof. Any such Community Compliance Guidelines, and/or amendments thereto, shall become effective thirty (30) days after promulgation and shall be distributed to all Owners within thirty (30) days after promulgation. A copy of the Community Compliance Guidelines in force at any time shall be retained by the secretary of the Association and shall be available for any Owner during reasonable business hours. Such guidelines shall have the same force and effect as if set forth herein.

ARTICLE FOUR: VOTING RIGHTS

The right to vote may not be severed or separated from any Lot, and any sale, transfer or conveyance of a Lot to a new Owner or Co-Owners shall operate to automatically transfer the appurtenant vote without the requirement of any expressed reference thereto. The Association shall have no responsibility to accept any vote for such Lot if such vote is disputed among Co-Owners. Notwithstanding the foregoing, the voting rights of any Member may be suspended as provided in this Declaration, the Articles, or the Bylaws. Member votes may be tabulated by mail, facsimile, email, or other electronic transmission as agreed to by the Owner. An Owner may, by written proxy delivered to the Board, designate a voting representative for its voting rights if expressly permitted in the Bylaws. Each Lot is entitled to one (1) vote. If the Declarant owns lots after relinquishing its Declarant rights, the Declarant shall be entitled to three (3) votes for each Lot owned by the Declarant. The membership of the Declarant and such voting rights, shall terminate on the Turnover Date, provided 100% of the lots have been conveyed to another owner.

ARTICLE FIVE: COMMON AREAS

5.1: Association Control.

The Association shall have the sole management and control of all of the Common Areas, although each lot shall be allocated an undivided interest in the Common Areas for real property tax segregation purposes. The Association's appurtenant rights and duties with respect to the Common Areas shall include, without limitation, the following:

5.1.1 Limits.

The right of the Association to reasonably limit the number of guests, patrons and invitees of Owners using the Common Areas.

5.1.2 Rules.

The right of the Association to establish uniform Community Compliance Guidelines pertaining to the use and conduct within the community.

5.1.3 Borrowings.

The right of the Association in accordance with the Articles, Bylaws and this Declaration, with a Majority Vote of the Owners, to borrow money for the purpose of maintaining and preserving the Common Areas, and in aid thereof to Mortgage any or all of its real or personal property as security for money borrowed or debts incurred, provided that the right of any such Mortgagee of the Association shall be subordinated to the rights of the Owners.

5.1.4 Voting Rights.

The right of the Association to suspend the voting rights and right to use the Common Areas by an Owner(s) for any period during which any Assessment or fine for an infraction of the published Community Compliance Guidelines, against the Owner and his Lot remains unpaid and delinquent for a period of thirty (30) days, provided that any suspension of such voting rights or rights to use the Common Areas shall be made only by the Board, after notice and an opportunity for a hearing, if any, as provided in the Bylaws is given.

5.1.5 Reserved Rights.

The right of the Declarant (and its sales agents, customers and representatives) to the nonexclusive use of the Common Areas without charge, for sales, display, access, ingress, egress and exhibit purposes, which right Declarant hereby expressly reserves.

5.1.6 Reconstruction.

The right of the Association (by action of the Board) to reconstruct, replace or refinish any Improvement or portion thereof upon the Common Areas, in accordance with the original design, finish or standard construction of such Improvement, or of the general Improvements within the Property, as the case may be; and not in accordance with such original design, finish or standard of construction only with a Majority Vote of the members.

5.1.7 Replacement.

The right of the Association to replace destroyed trees or other vegetation and plant trees, shrubs and ground cover, upon any portion of the Common Areas.

5.2: Easements for Public Use.

In addition to the foregoing there shall be, and Declarant hereby reserves and covenants for itself and all future Owners within the Property, easements for public services and utilities, including without limitation, the right of the City of Gig Harbor, Pierce County, or other recognized governmental entity or utility purveyors to install, maintain and repair public Streets, Street lights, curbs, gutters and sidewalks, sanitary sewer, storm water facilities and water systems, and the right of the police and other emergency and public safety personnel to enter upon any part of the Common Areas for the purpose of enforcing the law.

5.3: Waiver of Use.

No Owner may exempt himself from personal liability for Assessments duly levied by the Association, nor release the Lot or other property owned by him from the liens and charges hereof, by waiver of the use and enjoyment of the Common Areas or by abandonment of his Lot or any other property in the Property.

5.4: Trash and Other Debris.

No trash, debris, waste, grass clippings, or hazardous waste shall be dumped, deposited, or placed in any Common Areas.

5.5: Taxes.

Each Owner shall execute such instruments and take such action as may reasonably be specified by the Association to obtain a separate real estate tax assessment of each Lot. If any such taxes or assessments may, in the opinion of the Association, nevertheless be a lien on the Common Areas, or any part thereof, they shall be paid by the Association and each Owner shall be obligated to pay or to reimburse the Association for, as the case may be, the taxes and assessments assessed by the County Assessor or other taxing authority against the Common Areas and attributable to such Owner's Lot and interest in the Common Areas.

5.6: Permissive Use.

Any Owner may permit an Occupant to use the Common Areas in the same manner as an Owner. All Owners shall be responsible for informing any Occupants of the contents of this Declaration and the Community Compliance Guidelines regarding the Common Areas, and shall be responsible for requiring its Occupants to comply with this Article.

ARTICLE SIX: MAINTENANCE AND COMMON EXPENSES

6.1: Standard of Maintenance of Common Areas.

The Association shall maintain the common areas as identified and defined in this Declaration in a manner consistent with good building and nursery practices, and in compliance

with all applicable codes and regulations. These common areas include but are not limited to the following:

6.1.1 Common Area Property

All the common area property, or personal property, owned, leased, or in which the Association has an easement and which are maintained by the Association or the members of the Association. To be maintained by the Association: Street or pathway lighting, whether located in or adjacent to common area maintenance area, but not that adjacent to public streets which are maintained by others; street drains within the plat, including tracts (tracts as identified upon finalization of plat map); landscaping, signage, and irrigation facilities, if any, within all common maintenance areas; improvements within all passive and active open space; rights under any landscape or signage easement; all storm water management systems located in common maintenance areas if any, including rain gardens and swales; and all wetlands, including ponds, as delineated on the plat map.

6.1.2 Easements

All easements which have been established for the benefit of Lot Owners or the Association or reserved to the Declarant, which may be delineated on the plat of The plat of 72nd Street, or which easements are reserved on any other recorded document as well as easements which are reserved for the benefit of the Association for the purpose of the installation, maintenance, and repairing of any improvements or any other installations constructed within said easement areas or any common areas as defined above.

6.1.3 Fence Maintenance

The Association shall maintain the exterior perimeter fencing, if installed by the Declarant. Each Lot Owner shall maintain and repair all fencing around their Lot, including reapplying the staining thereon, with respect to the interiors and exteriors of all other fences, except those that are to be maintained by the Association as set forth above.

6.1.4: Standard of Lot Maintenance.

The Association shall be responsible to mow and fertilize the front yards of residences situated on Lots. The front yard maintenance mentioned above does not include irrigation repair or replacement or landscape replacement.

Each Lot Owner hereby covenants and agrees to maintain his respective Lot and the housing unit located thereon in the same condition as a reasonably prudent homeowner would maintain his own home so that the real property will reflect a high pride of Ownership. Each Lot Owner shall perform at the Lot Owner's expense the maintenance and upkeep of any drainage swales and/or underground drain lines and catch basins installed on their Lot. Each Lot Owner is responsible to maintain and repair their irrigation systems if installed, replace dead landscaping and deteriorated bark or ground covering and to provide irrigation sufficient to support healthy landscaping on the Lot. Exterior lots shall preserve and maintain the 25' or 20' landscaping and screening buffers on their lots as defined on the plat drawings.

6.2: Remedies for Failure to Maintain.

If any Lot Owner shall fail to conduct maintenance and repair on his Lot or the exterior of the

housing unit located thereon, in the same condition as a reasonably prudent homeowner would, the Association shall notify the Lot Owner in writing of the maintenance required. If the maintenance is not performed within the time frame designated in the notice, the Association shall have the right to provide such maintenance, and to levy an assessment against the non performing Lot Owner for the cost of providing the maintenance. The assessment shall constitute a lien against the Lot owned by the non-performing Lot Owner and may be collected and foreclosed in the same manner as any other delinquent assessment. The Association shall have all remedies for collection as provided in this Declaration. In the event that emergency repairs are needed to correct a condition on a Lot which pose a substantial risk of injury or significant property damage to others, the Association may immediately perform such repairs as may be necessary after the Association has attempted to give notice to the Lot Owner of the repairs necessary. Such notice in emergency circumstances shall be sufficient if attempted orally or in writing immediately prior to the Association's undertaking the necessary repairs. Emergency repairs performed by the Association, if not paid for by the Lot Owner, may be collected by the Association in the manner provided for herein notwithstanding the failure of the Association to give the Lot Owner the thirty (30) day notice.

6.3: Common Expenses.

The Association shall perform such work as is necessary to carry out the duties described in this Declaration, and shall delegate the responsibility for management and supervision of such work to the Board, the ACC or to a manager or agent hired by the Board for the purpose of such management and supervision.

Expenses for such work shall be paid by the Association for the benefit of all Lot Owners and shall be referred to as common expenses. The common expenses shall be paid by the Association from funds collected from assessments paid by Lot Owners. The common expenses shall include, but shall not be limited to, the following:

6.3.1 Insurance

The cost of maintaining all required insurance coverage and fidelity bonds on any common areas, and for directors and officers of the Association.

6.3.2 Common Area

The cost of maintaining, repairing and replacing all common area maintenance improvements, including but not limited to, playground equipment, paved pedestrian pathways and sidewalks not within the road right-of-way, lights constructed and installed to illuminate any pedestrian pathways, and any street lights which are not otherwise maintained by a public utility or public authority.

6.3.3 Storm water & Drainage

The cost of maintaining, repairing and replacing all storm water facilities and improvements as well as the cost of the implementation of a storm drainage plan required in order to obtain plat approval. The Storm Water System Operation and Maintenance Manual is attached to this Declaration and incorporated herein as though fully set forth as Exhibit "A".

6.3.4 Other

Any other expense which shall be designated as a common expense in the Declaration, or which shall be designated as a homeowners association expense as a requirement for plat approval, or may be designated as a common expense from time to time by the Board on behalf of the Association.

6.4: Extraordinary Use Expenses.

In the event that one or more Lot Owners or their occupants should by their or their occupants use of the common areas cause it to be subjected to other than reasonable wear and tear or by their actions damage those common areas or any improvements located thereon or therein, the Lot owner subjecting the common area to such use shall have the obligation to repair such damage upon demand by the Association and to restore such common area to the condition that existed prior to such use or action and all expenses therefore shall be paid by the Lot Owner.

6.5: Utilities Easement.

There is hereby reserved and conveyed for the benefit of the Declarant, the Association, all Owners, and described Grantees, easements for the various utilities granted under and upon the areas set forth in the Plat serving the property with electric, telephone, water, sanitary sewer, drainage, and utility service. There is hereby reserved and conveyed for the benefit of the Declarant, the Association, all Owners, and described Grantees, easements for those lots abutting Skansie Street and the exterior of the fence for irrigation purposes as constructed by the Declarant.

6.6: Owners' Easements of Enjoyment.

Each Owner shall have a right in an easement of enjoyment in and to the common areas which shall be appurtenant to and shall pass with title (or, if applicable, with the equitable title held by real estate contract purchaser) to every Lot subject to the following provisions:

6.6.1

The right of the Declarant or the Association to establish use and operation standards within the Community Compliance Guidelines for all common areas and general community conduct, to be binding upon all Association Members along with enforcement standards.

6.6.2

The right of the Declarant during the development period or the Association after the development period to suspend an Owner's right to vote and to use any Common Area facilities for any period during which assessments or fines against his or her Lot remain unpaid as stated in this Declaration; Article 5.1.4.

6.6.3

The right of the Declarant (during the development period) or the Association (after the development period) to dedicate or transfer all or any part of the common areas to any public agency, authority or utility for such purposes and subject to such conditions as the Declarant or Members as applicable may deem appropriate. After the development period, no such dedication or transfer shall be effective unless the instrument agreeing to such dedication or transfer is signed by Owners of two thirds of the Lots that have been recorded.

6.6.4

Any Owner may delegate their right of enjoyment to the common areas and facilities to the members of their family, their tenants, or their guests, subject to the limitations set forth above.

6.7: Insurance.

Nothing shall be done or kept in any common areas which will increase the rate of insurance on the common areas or other Lots or improvements without the prior written consent of the board. Nothing shall be kept in any common area which will result in cancellation of insurance on any part of the common areas or which would be in violation of any laws or ordinances.

6.8: Alteration of Common Areas.

Nothing shall be altered or constructed in, or removed from any common areas except upon prior written consent of the Board. There shall be no construction of any kind within the common areas except that community improvements may be constructed if the Board so authorizes (1) the construction of such improvements, and (2) assessment for such improvements. Also, any such improvements would be subject to the acquisition of all required permits from governmental agencies. This Section shall not limit or prohibit Declarant (and no Member's consent shall be necessary), during the development period, from constructing or altering any such improvements to any common area or any common maintenance area, which Declarant in Declarant's sole discretion, deems for the benefit and enhancement of said areas in the Association in general.

6.9: Dumping in Common Areas or Easements.

No trash, construction debris, or waste, plant or grass clippings or other debris of any kind, nor any hazardous waste, (as defined in federal, state or local law regulation) shall be dumped, deposited or placed on any common areas or easements. The Declarant (during the Development Period) and the Board thereafter, shall retain the rights for enforcement and initiation of penalties for violations of this policy.

6.10: Landscaping and Fencing.

No structures, items or landscaping of any kind, including fences, walls or shrubs, may be built or placed within any right of way easements or other easements as delineated on the plat except as deemed appropriate by the Board. This prohibition shall not apply to the landscaping and any improvements in the common areas installed by the Declarant, nor shall this Section prohibit the Association from installing additional improvements or landscaping within the designated common areas, nor shall this section prohibit the installation of fences as may be otherwise allowed in this Declaration, nor shall this section prohibit the installation of landscaping on private Lot areas encumbered by utility easements not otherwise restricted in this Declaration. Also, this prohibition shall not apply to landscaping of front or side yards of Lots extending to the edge of the curb or sidewalk.

6.11: Management.

Each Owner expressly covenants that the Declarant (during the development period) and the board thereafter, may delegate all or any portion of management authority to a managing agent, manager or officer of the Association and may enter into such management contracts or other

service contracts to provide for the maintenance of the common areas and any portion thereof. Any management agreement or employment agreement for maintenance or management may be terminable by the Association without cause upon not more than ninety (90) days written notice thereof. (However, this shall not be applicable if the management agreement provides for any other specific termination.) The term of any such agreement shall not exceed one year, renewable by Agreement of the parties for successive periods. Each Owner is bound to observe the terms and conditions of any management agreement or employment contract, all of which shall be made available for inspection by any Owner upon request. Any fees or salary applicable to any such management employment or service agreement shall be assessed to each Owner.

ARTICLE SEVEN: ASSESSMENTS

7.1: Covenants for Maintenance Assessments.

7.1.1

Each Owner of a Lot by acceptance of a deed therefor, whether or not it shall be so expressed in any deed or other conveyance, is deemed to pay to the Association any assessments duly levied by the Association as set forth in this Declaration.

7.1.2

The assessments, together with interest, costs and reasonable attorney's fees, shall be a charge and a continuing lien upon the Lot against which each such assessment is made. Such lien may be foreclosed by the Association in like manner as a Mortgage on real property.

7.1.3

Each assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of the Lot assessed at the time the assessment fell due. The personal obligation shall not pass to the Owner's successors- in-interest unless expressly assumed by them. The new Owner shall be personally liable for assessments which become due on and after the date of sale or transfer.

7.1.4

Unless otherwise provided for in this Declaration, no Lot owned by a Declarant shall be subject to any maintenance assessments unless a residence has been completed and such residence is occupied.

7.2: Purpose of Regular Assessments.

The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents of the real property, including the improvement, repair and maintenance of the common areas and the services and facilities related to the use and enjoyment of said areas, for the payment of insurance premiums on the common areas, and for the maintenance of other areas as provided for in this Declaration.

7.3: Board or Declarant to Fix Assessments.

7.3.1 Association Budget.

The Board of Directors shall prepare, or cause the preparation of, an operating budget (the "Budget") for the Association for each calendar year. The budget shall set forth sums required by the Association, as estimated by the Board, to meet its monthly common expenses. Regular assessments on each Lot shall be paid quarterly and shall commence as follows: (i) for Lots on which Declarant has built a residence, regular assessments on such Lots shall commence upon the earlier of the close of escrow for such Lot with a completed residence, or upon the occupancy of such Residence, and (ii) for Lots sold by Declarant to a participating builder, regular assessments shall commence on the earlier of the following dates (a) the close of escrow for the participating builder's sale of the Lot with a completed residence, or upon the occupancy of such residence; (b) but no later than one hundred twenty (120) days from the closing of the sale of a Lot to the participating building. After the termination of Declarant control, the members of the Association who are obligated to pay regular assessments based on a particular budget may reject said budget at a special meeting of the Association by a majority vote. If a budget is rejected, the prior year's budget shall remain in effect as provided in 7.3.3 below.

7.3.2 Amount of Regular Assessment.

The Board shall make reasonable efforts to determine the amount of the regular assessment payable by each Owner for an assessment period at least 30 days in advance of beginning of such assessment period. Notice of the regular assessment shall thereupon be sent to each Owner; provided, however, that failure to notify an Owner of the amount of a regular assessment shall not render such regular assessment void or invalid and each Owner shall be obligated for such regular assessment even if no notice is given, and/or notice is given late. Any failure by the Board, before the expiration of any assessment period, to fix the amount of the regular assessment hereunder for the next assessment period, shall not be deemed a waiver or modification in any respect of the provisions hereof or a release of any Owner from the obligation to pay the regular assessment, or any installment thereof, for that or any subsequent assessment period.

7.3.3 Assessment Period.

The assessment period for regular assessments shall be a calendar year. The regular assessment for the preceding assessment period shall continue until a new regular assessment is approved. Upon any revision by the Association of the Budget during the assessment period for which each Budget was prepared, the Board shall, if necessary, revise the regular assessment levied against the Owners and give notice of the same in the same manner as the initial levy of a regular assessment for the assessment period. The assessment period for any other Assessment shall be as determined by the Board.

7.3.4 Levy of Regular Assessment.

In order to meet the costs and expenses projected in its budget, the Board shall determine and levy upon every Lot Owner a regular assessment. The Association's budget shall be divided by the number of Lots to determine the amount of the regular assessment applicable to each

Lot. Except as provided herein, with respect to unoccupied Lots owned by the Declarant, each Owner's prorata share of the regular assessments shall be calculated and multiplied by the number of Lots owned by such non-declarant Owners by the number of regular assessment for each Lot. Regular assessments shall be payable in a lump sum or quarterly on the date determined by the Board.

7.3.4.1 During Development Period.

During the development period, Regular Assessments will be due quarterly (Owners who purchase Lots from the Declarant during the year shall pay their prorata share of the regular assessment for each year prorated as of the closing of escrow on a 365 day year basis.) The regular assessment as set forth above may be increased during the development period to reflect (1) maintenance costs; (2) repair costs; or (3) plat management costs. All increases during the development period must directly reflect the increase in the above cited costs. During the development period, the Declarant shall have the authority to reduce the assessments if economic data support such a reduction because of reduced maintenance costs or other anticipated association expenses.

7.3.5 Special Assessments.

In addition to the assessments authorized above, the Association by its Board of Directors may levy, in any year, a special assessment applicable to that year only, for the purpose of replenishing reserves, defraying or funding the cost of any construction or reconstruction, unexpected repair or replacement of facilities in the common areas. Special Assessments maybe payable in a lump sum or installments as determined by the Board. However, the Declarant shall not be obligated to pay any special assessments on Lots owned by the Declarant. Assessments may be made based upon the estimated cost of such work, prior to the work's commencement, provided such estimate has been provided by a contractor retained by the Board for the purpose of such estimate. All special assessments for construction of new facilities or acquisition of new equipment, which is not for the upgrade, repair or replacement of existing construction or equipment, shall require the approval as set forth in the By-Laws.

7.3.6 Rate of Assessment.

All regular and special assessments shall be fixed at a uniform rate for all Lots, subject to dues.

7.4: Contribution to Working Capital Fund.

In connection with the close of escrow for the closing of the sale of each Lot to an Owner other than the Declarant, the initial Owner of such Lot (including a participating builder who acquires a Lot or Lots from the Declarant) shall make a non-refundable working capital contribution payment to the Association for the initial working capital fund ("Working Capital Fund") which contribution shall be in an amount equal to \$500.00 per Lot (the "Initial Working Capital Contribution"). The Initial Working Capital Contribution shall not be considered as an advance payment of any Assessments. An Owner that purchases from a Participating Builder a Lot for which the Participating Builder made an Initial Working Capital Contribution shall reimburse such amount to the Participating Builder at the Close of Escrow for the purchase of such Lot from the Participating Builder. The Declarant may allocate any and all funds in the Working

Capital Fund as the Declarant sees fit acting in the best interest of the community until the Turnover Date at which time the Board may transfer any remaining funds into the Associations Reserves.

7.5: Waiver of Homestead or Exemption Rights under Law.

Each Owner hereby waives to the extent of any liens created pursuant to this Article, the benefit of any homestead or exemption law in effect at the time any assessment or installment thereof becomes due and payable pursuant to the terms hereof.

7.6: Certificate of Payment.

The Association shall, upon written demand, furnish a certificate in writing setting forth whether the assessment(s) on a specified Lot has been paid or is owed. A reasonable charge may be made for the issuance of the certificate. Such certificate shall be conclusive evidence of payment of any assessment stated to have been paid or owed.

7.7: Fines Treated as Special Assessments.

Any fines levied by the Association pursuant to RCW Chapter 64.38 (or successor statute authorizing the imposition of fines) shall be treated as a special assessment of the Owner fined, and may be collected by the Association in the manner described in this Declaration.

ARTICLE EIGHT: COLLECTION OF ASSESSMENT

8.1: Lien Personal Obligation.

All assessments, together with interest and the cost of collection shall be a continuing lien upon the Lot against which each such assessment is made. The lien shall have all the incidents of a mortgage on real property. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of the Lot at the time the assessment was due. No Owner may waive or otherwise avoid liability for assessments by non-use of the common areas or abandonment of the Lot.

8.2: Delinquency.

If any assessment is not paid within thirty (30) days after its due date, the assessment may bear interest from said date at twelve percent (12%), or, in the event that twelve percent (12%) exceeds the maximum amount of interest that can be charged by law, then the highest permissible rate as provided for by law. A late charge of \$25.00 per month shall be charged for any payment more than ten (10) days past due. Each Member hereby expressly grants to the Association, or its agents, the authority to bring an action against each Member personally for the collection of such assessments as a debt and to enforce lien rights of the Association by all methods for the enforcement of such liens, including foreclosure by an actions brought in the name of the Association in a like manner as a mortgage of real property, and such Member hereby expressly grants to the Association the power of sale in connection with such liens. The liens provided for in this section shall be in favor of the Association, and shall be for the benefit of the Association. The Association shall have the power to bid at a foreclosure sale and to acquire, hold, lease, mortgage and convey any Lot obtained by the Association. Checks returned as NSF shall incur a fee of \$100.00 and may be redeposited or returned at the Association's option. In the event of

a check being returned as NSF, late fees and interest shall apply until dues are made current.

8.3: Suspension of Voting Rights.

In the event any Member shall be in arrears in the payment of the assessments due or shall be in default of the performance of any of the terms of the Articles and Bylaws of the Association, the Community Compliance Guidelines adopted by the Association, or the Declaration for a period of thirty (30) days, the Member's right to vote shall be suspended and shall remain suspended until all payments are brought current and all defaults remedied. In addition, the Association shall have such other remedies against such delinquent Members as may be provided in the Articles, Bylaws or Declaration.

8.4: Enforcement of Assessments.

The Board may take such action as is necessary, including the institution of legal proceedings and Rent Interception if the Lot Owner rents the Housing Unit, to enforce the provisions of this Article. In the event the Board begins an action to enforce any such rights, the prevailing party shall be entitled to its attorney's fees, costs and expenses incurred in the course of such enforcement action as provided in this Declaration.

8.5: Lien May be Foreclosed.

The lien for a delinquent assessment may be foreclosed by the Board acting on behalf of the Association in a like manner as a foreclosure of a mortgage of real property. The waiver and a complaint of any right to a deficiency judgment in a judicial foreclosure action and the period of redemption shall be eight months. Nothing in this section shall prohibit the association from taking a deed in lieu of foreclosure. A lien for unpaid assessments may be enforced non-judicially, the Declarant and each subsequent Lot Owner grants an interest in the Lot to a Title Insurance Company, as trustee, with the power of sale of any Lot in LEGACY, including Boundary Line Adjustments, for the benefit of the Association as security for the payment of assessments. The Deed of Trust shall recite the property is not used principally for agricultural farming purposes. The power of sale herein is operative in the case of default on the obligation to pay assessments. This Section may be amended as elsewhere provided for herein and as provided by law without the necessity of action, consent, joinder, or execution of the trustee, nonetheless, the trustee is instructed to join in the execution of any amendment to this Declaration at the request of the Association.

ARTICLE NINE: BUILDING, USE, AND ARCHITECTURAL RESTRICTIONS

9.1: Appointment of ACC

The Declarant shall appoint either representatives or members of the Association to serve on the ACC. The Declarant reserves the right to appoint one or more representatives or members of the ACC until the Declarant has sold and conveyed all of the Lots held in the name of the Declarant. This right shall automatically terminate at such time as the Declarant has completed the Turnover within LEGACY. All decisions of the majority of the members of the ACC shall be finalized by the Board of Directors, (unless the Board has waived such oversight) and are binding. At the expiration of the time period in which the Declarant has the right to appoint members to the ACC then the Board of the Association shall appoint up to three members of the ACC or if members of the ACC resigns and no replacements assume that office then the Board shall act as the ACC

until members of the ACC are appointed or take office. Members of the Board of Directors may also serve as members of the ACC, provided they have been appointed as set forth above.

9.2 Authority of ACC after Development.

At the expiration of the Declarant's management authority, the ACC shall have the authority and obligation to manage and administer the review of building plans, specifications and plot plans and such other submissions as described in Section Four herein, and to enforce these covenants, conditions and restrictions. Such authority shall include all authority provided for the ACC in the Association's Articles, Bylaws, Community Compliance Guidelines, as initially adopted, or as amended, and all the authority granted to the ACC by this Declaration.

9.3: Delegation of Authority of ACC.

The ACC or the Declarant may delegate any of its duties, powers, or functions described in this Article to any person, firm, or corporation.

9.4: Approval by ACC Required.

No construction activity of any type including clearing and grading, cutting or transplanting of significant natural vegetation may begin on a Lot or common areas and no building, structure, fence or other improvement shall be erected, placed or altered on any Lot or common areas until, at a minimum, the building plans, specifications, Lot plans, and landscape plan showing the nature, kind, shape, height, materials, exterior color and location of such building, structure or other improvements have been submitted to the ACC and approved in writing by the Board or its authorized representative. Further, no fences, hedges or walls shall be erected or altered and no significant exterior changes shall be made to any building including, but not limited to, exterior color changes, additions or alterations until such written approval shall have been obtained.

9.5: Time Limits.

If the ACC or its authorized representative shall fail to notify the Owner of its action for a period of thirty (30) days following the date of the submission of the required information to the ACC, or its authorized representative, the Owner may proceed with the proposed work notwithstanding the lack of written approval by the ACC or its authorized representative. The required information shall be considered submitted to the ACC upon acknowledged delivery of a complete set of all required information to the person designated to receive such items by the ACC or by mail three days after deposit in the U.S. Mail, postage prepaid, certified, return receipt requested, to the ACC in care of the Board of Directors of the Association at the address designated in the most recent notice of assessment by the Board, or at such other address as is designated by the Board by written notice to the Members.

9.6: Guidelines

The ACC may adopt and amend, subject to approval by the Board, written guidelines to be applied in its review of plans and specifications, in order to further the intent and purpose of this Declaration and any other covenants or restrictions covering real property. If such guidelines are adopted, they shall be available to all interested parties upon request.

9.7: Meetings.

The ACC shall meet as is necessary to review any plans or specifications provided pursuant to this Section, and shall keep and maintain a record of all actions taken at meetings or otherwise.

9.8: No Waiver.

Approval by the ACC of any plans, drawings or specifications shall not be a waiver of the right to withhold approval of any similar plan, drawing, specification or matter submitted for approval.

9.9: Consultation.

The ACC may retain and consult persons or entities to assist in the evaluation of plans submitted for review. Upon notice to the Lot Owner, the Lot Owner will be responsible to reimburse the Association for any costs incurred for the consultation.

9.10: Appeals.

After the Development Period, upon written request of a party aggrieved by the Board decision of an ACC's submission, the Board and ACC will review the submission and based on a majority vote of both the Board and the ACC, a final decision should be made. The Board shall provide, through guidelines, a procedure by which a decision was made. The Board may choose, in its discretion, to limit the scope of such appeal and provide time limitations for appeals to be made to the Board.

9.11: Enforcement.

The ACC may recommend and request that the Board initiate legal proceedings to enforce the terms of these covenants or orders of the ACC. Legal proceedings may only be instituted, however, after approval of the Board.

9.12: No Liability.

The ACC, its agents and consultants shall not be liable to the Association, to its members, to any Owner or to any other person for any damage, loss or prejudice resulting from any action or failure to act on a matter submitted to the ACC for determination, or for failure of the ACC to approve any matter submitted to the ACC. The ACC shall not be liable for any damage, loss or prejudice resulting from any action by a person who is delegated a duty, power or function by the ACC. **Section 9.4 AND THE REVIEW BY THE ACC AND/OR APPROVAL BY THE BOARD SHALL NOT BE REQUIRED AS IT RELATES TO ANY IMPROVEMENT OR CONSTRUCTION ACTIVITY UNDERTAKEN BY THE DECLARANT ON ANY LOT OWNED BY THE DECLARANT.**

9.13: Fees.

The ACC may charge a fee for the review of any matter submitted to it. Any fee schedule adopted by the ACC must be approved by the Board and notice sent to the Members.

9.14: Temporary Structures Prohibited.

No basement, tent, shack, garage, barn or any outbuilding or buildings or any structure of a temporary or moveable character erected or placed on the real property shall at any time be used as living quarters except as specifically authorized by the ACC.

9.15: Nuisances.

No noxious or undesirable thing, activity or use of any Lot in the real property shall be permitted or maintained. If the ACC or Board shall determine that a thing or use of property is undesirable or noxious, such determination shall be conclusive. The ACC may recommend and the Board may direct, that steps be taken as is reasonably necessary, including the institution of legal action or the imposition of fines in the manner authorized by RCW Chapter 64.38, to abate any activity, remove anything or terminate any use of property which is determined or described in this Declaration to constitute a nuisance.

9.16: Building Type.

No structures of any kind shall be erected or permitted to be maintained on any Lot other than single family residences, garages, workshops and structures normally accessory to such residences which have been approved in accordance with the provisions of the Declaration. No carports will be allowed and all garages must have doors. All dwellings shall be of a "stick-built" variety. Mobile and manufactured homes, and modular homes are specifically not permitted. Each residence shall incorporate a minimum two car garage unless otherwise approved by the ACC, designed and constructed as an integral part of said residence. In special circumstances, a detached garage or storage building may be approved by the ACC. Unless otherwise approved by the ACC, each residence shall have a minimum of 2,000 square feet of living space.

9.17: Use of Lots.

All Lots within the real property shall be used solely for private single-family residential purposes and not for business purposes, provided (a) home business subject to the approval of the Board may be permitted provided that no customers, guests or business invitees come to the Lot on which said home business is located and there aren't any signs or advertising of any nature with respect to said home business; and (b) that within such single family residences the said home business doesn't produce any noxious sounds or emissions. Day Care businesses, Animal boarding, breeding and grooming are expressly prohibited. Neither the Declarant, the Board and/or the Association shall be deemed to be a partner or joint venture and/or an interest in such business operation to the extent permission to operate such business is authorized.

9.18: Limitation of Animals.

No animals, except dogs, cats, caged birds, fish in tanks, and other small household pets, will be permitted on Lots. Dogs shall not be allowed to run at large or to create a disturbance for other Owners in the plat. No animals will be allowed to be leashed, chained, or otherwise tied to any portion of the front or sides of residences. Leashed animals are permitted within rights-of-way when accompanied by their Owners. The person accompanying the animal must exercise "scooping" of animal waste. All pens, runs and pet enclosures of any kind must be screened from view of other Residences and Lots and must be approved by the Architectural Control Committee prior to construction and shall be kept clean and odor free at all times. If the investigation of the Board indicates that animals are kept in violation of this Section or are creating a nuisance, the Declarant, during the development period, or the Board thereafter, will give the Owner ten (10) days written notice of the violation. Such violation must be remedied by the Owner within such ten (10) day period. Failure to comply with the written notice will result in a fine as outlined in the fine structure for the Association. Any fine imposed by this Section shall be the personal

obligation of the fined Owner and a lien on the Lot of the fine owned. The Association shall be entitled to attorneys' fees and costs for any action taken to collect such fines in accordance with the provisions of this Declaration.

9.19: Completion of Construction.

The construction of any building on any Lot, including painting and all exterior finish, shall be completed within eight months of beginning of construction so as to present a finished appearance when viewed from any angle. The building area shall be kept in a reasonably clean and workman-like manner during construction. All Lots shall be kept in a neat and orderly condition, free of brush, vines, weeds and debris. The grass thereon shall be cut and mowed at sufficient intervals to prevent creation of a nuisance or fire hazard.

9.20: Landscape Completion and Standards.

The entire yard, including up to the edge of the hard surface of the street fronting any Lot, shall be landscaped in accordance with the provisions of this section and said landscaping shall be installed and completed prior to the date of occupancy. If inclement weather conditions prevent the timely installation of said landscaping improvements, the Lot Owner must make application to the ACC for an extension of time until weather conditions sufficiently improve. "Front yard" shall be defined as the Lot area extending from the front property line back to a line measured parallel with the front property line which would coincide with the front wall of the main dwelling on the Lot, exclusive of any garage projections. Unless otherwise approved by the ACC, at least fifty (50%) percent of every front yard less driveway and walk shall be maintained as lawn.

The entire landscaping as approved by the ACC with regard to the remaining portions of the Lot shall be installed within one hundred and twenty (120) days of occupancy. If inclement weather conditions prevent the timely installation of said landscaping improvements for either side or back yards, the Lot Owner must make application to the ACC for the extension of time until weather conditions sufficiently improve.

9.21: Antennas, Satellite Reception.

Satellite dishes of no more than one meter in diameter or diagonal measurement are permitted on the real property with ACC approval of the location of the satellite dish in the manner described in this Declaration. Except as provided above, no radio or television antenna or transmitting tower or satellite dish shall be installed on the exterior of any home without approval of the ACC obtained pursuant to Section Four, and a showing by the Owner that such installation will be visually shielded from the view of the residents traveling upon streets located around the real property.

9.22: Setbacks.

No building shall be located on any Lot nearer to the front Lot line or nearer to the side street than the minimum building setback lines adopted by the governmental authority with jurisdiction over the real property.

9.23: Roofs.

All roofs are to be of a fire resistant material, such as concrete shingles, tile, architectural grade

composition roofing (30 year minimum) of a color approved by the ACC or a similar material, unless otherwise approved by the ACC and should match the overall look of the community.

9.24: Fences, Walls.

Fences, walls, or shrubs are permitted on side and rear property lines, up to within the greater of (i) twenty feet of the front property line; or (ii) the distance between the front Lot line and the front wall (facade) of the primary residence, subject to (i) the approval of the ACC; and (ii) determination of whether such fence, walls or shrubs would interfere with utility easements reflected on the face of the plat and other easements elsewhere recorded. In no event shall any fence be allowed between the front Lot line and the front wall facade of the primary residence. Fences shall not be allowed on portions of side yards of houses beyond the front line of the building constructed on a Lot. No barb wire, chain-link, or corrugated fiberglass fence shall be constructed on any Lot, except that chain-link fencing for a sports facility enclosure may be considered for approval by the ACC upon request. This approval shall not be required for any fences constructed by the Declarant. All fences of any size constructed on the premises and wherever located must be constructed, painted (or stained, if applicable) in accordance with the Association guidelines for design and color. Any fence constructed which fails to conform to the guidelines shall be removed by the Owner or modified to conform to the guidelines. The board or the ACC may change these guidelines from time to time, and upon adoption of the change in fence guidelines, this Article shall be deemed to have been amended to conform to the new guidelines as adopted. In the event that an alternative type of fence (such a different design or chain-link material) is required to comply with the requirements of any governmental jurisdiction, such alternative type of fence shall be exempt from these restrictions, and may be constructed as required by the governmental jurisdiction.

9.25: Underground Utilities Required.

Underground utilities are required. Except for any utility, facilities or equipment provided by the Declarant, all electrical service, telephone lines and other outdoor utility lines shall be placed underground.

9.26: Vehicle Parking and Storage.

Vehicles may only be parked on public roads or on designated and approved driveways or parking areas, which shall be hard surfaced, or within garages. No storage of vehicles, boats, trailers, multi axle trucks, campers, recreational vehicles or other equipment or device shall be permitted on any lot or on the public roads which are in open view from any Lot or right of way. This provision shall not exclude the parking of up to a combination of two (2) automobiles and regular sized pick-up trucks on the designated driveway or parking areas on the Lot as set forth above. A Lot Owner may park on the driveway or the public road a recreational vehicle and/or boat trailer for a period not to exceed 24 hours. The storage of any boats, trailers, multi axle trucks, campers, and recreational vehicles must be adequately screened from the view (behind a fence or similar screening material which must be approved by the ACC) the storage of such vehicles must have the approval of the Board. Upon 48 hours' notice to the Owner of an improperly parked vehicle, the Board has the authority to tow at the Owner's expense, said vehicle. Notwithstanding the foregoing, Owners who have visiting guests intending to stay in such a vehicle may secure written permission from the Board for such guests to park the vehicle upon the Lot owned by the Owner for a maximum period of one (1) week. Such a privilege shall

only exist, however, after the written permission has been obtained from the Board.

9.27: Signs.

No signs, billboards, or other advertising structures or device shall be displayed to the public view on any Lot except one sign not to exceed three square feet in area may be placed on a Lot to offer the property for sale or rent and with the exception of any entry monumentation and signage which may be installed by the Declarant. Political yard signs, not more than three square feet in area, of a temporary nature, not to exceed thirty days will be allowed during campaign periods on Lots. Within five days after the date of the election to which the sign refers, such signs must be removed from Lots. This section, including but not limited to the restrictions on the number of signs and sign size limit shall not apply to signs approved under this Declaration by the Declarant during the development period.

The Declarant may establish, for the duration of the development, signage guidelines and standards for Lot identification, realtor identification signs, “for sale” signs and other signage that may be placed by parties other than the Declarant on any part of the Lots within LEGACY, the common areas, or the public rights-of-way. The Declarant may also develop an overall theme for signage within the project, including specific requirements for physical sign installations and size requirements, which theme will then become a part of the established guidelines and standards for signage in LEGACY during the Development Period.

During the Development Period, the Declarant shall have the sole and exclusive right to approve, in the Declarant’s sole discretion, any and all signage installations within any part of the real property encompassed within LEGACY including the adjacent rights-of-way. Each Owner of a Lot in LEGACY or real estate agent on behalf of an Owner, shall submit any proposed signs to the Declarant for approval prior to the installation of the signs.

Any signs not specifically approved by the Declarant found anywhere within LEGACY, the common areas, or on any Lot, or on adjacent rights-of-way may be promptly removed and disposed of by Declarant. This absolute right of the Declarant to remove unauthorized signs from the property or adjacent rights-of-way specifically includes, but is not limited to, the Declarant’s right to remove any and all signs placed by real estate agencies or their representatives, including temporary reader board signs and other signage installations.

No person, including but not limited to, the person or persons owning any interest in the signs removed, shall be entitled to compensation of any kind for signs removed by Declarant pursuant to the section.

The Board may cause any sign placed on the property or any adjacent rights-of-way in violation of this Declaration to be removed and destroyed without compensation of any kind to anyone including, but not limited to any persons having any Ownership interest in the sign. This section shall not apply to signage placed by Declarant.

Additional signage may be installed by Declarant during the development period to promote the sale of Lots or houses and to promote Declarant’s project and company and representatives. Notwithstanding anything in this Declaration of the contrary, signs placed by the Declarant shall not be subject to any sign restrictions and specifically shall not be subject to the limitations set forth in this Declaration on the number of signs and size of signs. The Declarant shall also not

be subject to any guidelines or standards established by Declarant for other parties pursuant to this Declaration.

Under no circumstances shall the Declarant be liable for, or be required to pay, for all or any part of the construction, installation or maintenance of any signs which are placed on any Lot not owned by the Declarant. This section shall apply even if Declarant requires an Owner to place a sign pursuant to this Declaration.

9.28: Easements for Enforcement Purposes.

Owners hereby grant to the Association an express easement for the purpose of going upon the Lots of Owners for the purpose of removing vehicles or other similar objects which are parked or stored in violation of the terms of this Declaration or the Community Compliance Guidelines.

9.29: Excavation and Fill.

Except with the permission of the ACC, or except as may be necessary in connection with the construction of any approved improvement, no excavation or fill shall be made nor shall any dirt be removed from any Lot herein.

9.30: Drainage.

The Owner of any Lot shall not take any action which would interfere with surface water drainage across that Lot either through natural drainage or by drainage easements. Any change of drainage, either through natural drainage areas or through drainage easements must be approved by the ACC. All drainage improvements must be completed prior to occupancy in accordance with the drainage plan.

9.31: Garbage and Refuse.

No garbage, refuse, rubbish, cuttings or debris of any kind shall be deposited on or left to accumulate upon any Lot. All equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition. All clothes lines, garbage cans, equipment, coolers or wood piles shall be walled in or otherwise suitably screened to conceal them from the view of neighboring Lots, common areas, or streets. Plans for all enclosures of this nature must be approved by the ACC prior to construction.

9.32: Tanks, Etc.

No elevated tanks of any kind shall be erected, placed, or permitted on any part of such premises. Any tanks for use in connection with any residence constructed on such premises, including tanks for the storage of fuels, must be buried or walled sufficiently to conceal them from the view from neighboring Lots, streets, or streets and must have ACC approval. This section does not apply to the Declarant while homes are being constructed.

9.33: Auto Repair.

No auto repairs shall be permitted except within enclosed garages which are kept closed and must not produce a sound nuisance to neighboring lots. The only repairs permitted on the balance of the real property are occasional casual repairs and maintenance activities such as tune-ups or oil changes.

9.34: Exterior Finish.

The exterior finishes on the houses shall be decided by the Declarant and any changes to the exterior finishes after turnover shall be submitted to the ACC for approval. The entire residence must be painted or stained in colors approved by the ACC.

9.35: Driveways.

All driveways shall be paved with the same type(s) of material originally installed by the declarant and kept in a clean and safe condition. Any changes to the material used shall be approved by the ACC.

9.36: Maintenance of Structures and Grounds.

Each Lot Owner shall maintain the Lot and the residence located thereon in a clean and attractive condition, in good repair and in such fashion as not to create a fire hazard or a nuisance. Each Owner shall be responsible for removing any support poles or other structures intended to support the early growth of trees when they mature, however, no later than 1 year from occupancy or planting, whichever is later.

9.37: Firearms or Fireworks.

The use of firearms is expressly prohibited. The use of Fireworks is expressly prohibited in any common area and shall otherwise comply with local authority.

9.38: Dirt bikes and or ATVs.

No unlicensed motor vehicles, including motorcycles, motor scooters, ATV's etc., shall be permitted on any street within the plat, nor on any common areas. Motorized bicycles and dirt bikes also shall not be permitted on any common areas unless operated in areas specifically approved by the Association.

9.39: Damage Repair.

All Owners agree to repair immediately any damage to any utilities adjacent to their Lot or Lots, in the event any of the utilities are cracked, broken, or otherwise damages as a result of dwelling construction activities, or other activities by Owner, by persons acting for Owner, or by persons in or around the property at the request and/or with the consent of the Owner.

9.40: Building Materials.

All homes constructed on each Lot shall be built of new materials, with the exception of "decor" items such as used brick, weathered planking, and similar items. The Architectural Control Committee will determine whether a used material is a "décor" item. In making this determination, the ACC will consider whether the material harmonizes with aesthetic character of LEGACY and whether the material would add to the attractive development of the subdivision. All siding and trim are to be re-sawn wood and/or vertical or horizontal LAP type siding, brick, authentic stone siding, Hardie Board or equivalent, or LAP siding of a color approved by the ACC.

The exterior of all construction on any Lot shall be designed, built and maintained in such a manner as to blend in with the natural surroundings and landscaping. Exterior colors must be approved by

the Architectural Control Committee. Exterior trim, fences, doors, railings, decks, eaves, gutters and the exterior finish of garages and other accessory buildings shall be designed, built and maintained to be compatible with the exterior of the structure they adjoin.

The Architectural Control Committee or Board will establish an approval process and color guidelines. Any change of color as to the exterior of any existing home within LEGACY will be subject to the same approval process.

9.41: Accessory Building.

No garden, tool, or outside sheds or structures shall be installed, constructed or placed on any Lot without the prior approval of the ACC, who shall have the authority to grant or deny permission or to grant permission subject to such conditions as in the discretion of the ACC they shall require as it relates to location, color, and type of material.

9.42: Maintenance of Landscaping within Public Right of Way

The maintenance of those portions of the public right of way adjoining a lot shall be the responsibility of the Association and the City of Gig Harbor shall have no responsibility for the maintenance or service of said landscaping, unless otherwise specified by agreement or condition with the jurisdiction.

9.43: Codes.

All construction shall conform to the requirements of the State of Washington for installing electric wires and equipment, and the uniform codes (building mechanical, plumbing), in force at the commencement of the construction, including the latest revisions thereof.

9.44: Entry for Inspection.

Any agent or member of the Declarant, the Architectural Control Committee, or the Board may, at any reasonable predetermined hour upon 24 hours' notice during construction or exterior remodeling, enter and inspect the structure to determine if there has been compliance with the provisions of this Declaration. The above recited individuals shall not be guilty of trespass for such entry or inspection. There is created an easement over, under, and across, residential Lots for the purpose of making and carrying out such inspections.

9.45: Authority to Adopt Additional Rules and Restrictions.

The Association shall have the authority to adopt Community Compliance Guidelines governing the use of the real property and conduct within the community, provided such guidelines are consistent with the purposes of the Declaration, and to establish penalties/fines for violation of those guidelines. If Community Compliance Guidelines are adopted, they, along with the established penalties/fines, shall be available to all Members upon request.

9.46: Enforcement.

The Association, or the Declarant during the Development Period, may, but is not required to, take an action to enforce the provisions of the Declaration available to it under law, including but not limited to imposition of fines as authorized by RCW Chapter 64.38, specific performance, injunctive relief, and damages. Any Member may also enforce the terms of this Article (although a Member may not impose a fine as authorized by RCW Chapter 64.38) but the Member must first

obtain an order from a court of competent jurisdiction entitling the Member to relief. In the event that a Member takes any action to enforce the terms of this Article 9, the Association shall not be in any way obligated to join in such action, or pay any of the attorney's fees, costs and expenses incurred in such action.

ARTICLE TEN: EASEMENTS

10.1: Easement for Encroachments.

Each Lot is, and the common areas are subject to an easement for encroachments created by construction, settlement, and overhangs as designed or constructed by the Declarant, and a valid easement for encroachments and for maintenance of the same as long as said improvements remain.

10.2: Easements on Exterior Lot Lines.

In addition to easements reserved on the plat of the real property or shown by instrument of record, including the previous Declaration in which easements were granted and reserved which shall continue to be in full force and effect, easements for utilities and drainage are reserved for the Declarant or its assigns, over the ten feet of the rear and front of each Lot, and over, under, and on the common areas. Within all of the easements, no structure, planting or fill material shall be placed or permitted to remain which may, in the opinion of the Board or ACC, damage or interfere with the installation and maintenance of utilities, or which may obstruct or retard the flow of water through drainage channels and the easements. The easement area of each Lot and all improvements within it shall be maintained continuously by the Owner of such Lot, except those improvements for which a public authority, utility company or the Association is responsible.

10.3: Association's Easement of Access.

The Association, the ACC, and its agents shall have an easement for access to each Lot and to the exterior of any building located thereon during reasonable hours as may be necessary for the following purposes: (a) cleaning, maintenance, or repair of any home or Lot as provided in this Declaration; (b) repair, replacement or improvement of any common area accessible from that Lot; (c) emergency repairs necessary to prevent damage to the common areas or to another Lot, or to the improvements thereon; (d) cleaning, maintenance, repair or restoration work which the Owner is required to do but has failed or refused to do; (e) cleaning, maintenance, repair and restoration work, which the Association is obligated to perform under the terms of this Declaration; and (f) all acts necessary to enforce these Covenants.

10.3: Easement for Declarant.

Declarant shall have an easement across all common areas for ingress, egress, storage and placement of equipment and materials, and other actions necessary or related to the development or maintenance of the real property.

ARTICLE ELEVEN: MORTGAGEE PROTECTION

11.1: Mortgagees.

Notwithstanding and prevailing over any other provisions of the Declaration, the Association's Articles of Incorporation or Bylaws, or any community compliance guideline or management agreements, the following provisions shall apply to and benefit each Institutional First Mortgagee ("Mortgagee") which holds a Mortgage given for the purpose of obtaining funds for the construction or purchase of a housing unit on any Lot or the improvement of any Lot.

11.2: Liability Limited.

The Mortgagee entitled to the protection hereof shall not in any case or manner be personally liable for the payment of any assessment or charge, nor for the observance or performance of any covenant, restriction, rule, Association Article of Incorporation or Bylaw, or management agreement, except for those matters which are enforceable by injunctive or other equitable relief, not requiring the payment of money, except as hereinafter provided.

11.3: Mortgagee's Rights during Foreclosure.

During the pendency of any proceeding to foreclose the Mortgage, the Mortgagee or the receiver, if any, may exercise any or all of the rights and privileges of the Owner of the mortgaged Lot, including but not limited to the right to vote as a Member of the Association to the exclusion of the Owner's exercise of such rights and privileges.

11.4: Acquisition of Lot by Mortgagee.

At such time as the Mortgagee shall become entitled to possession of the Lot, the Mortgagee shall be subject to all of the terms and conditions of the Declaration, and the Articles, Bylaws, Community Compliance Guidelines of the Association, including but not limited to the obligation to pay for all assessments and charges accruing thereafter, in the same manner as any Owner; provided, however, the Mortgagee shall acquire the title to said Lot free and clear of any lien authorized by or arising out of any provisions of the Declaration which secure the payment of any assessment for charges accrued prior to the date the Mortgagee became entitled to possession of the Lot.

11.5: Reallocation of Unpaid Assessment.

If it is deemed necessary by the Association, any unpaid assessment against a housing unit foreclosed against may be treated as a common expense of other Lots. Any such unpaid assessment shall continue to exist as a personal obligation of the defaulting Owner of the respective Lot to the Association.

11.6: Subordination.

The liens for assessments provided for in this instrument shall be subordinate to the lien of any Mortgage, or other security interest placed upon a Lot or housing unit as a construction loan security interest or as a purchase price security interest, and the Association will, upon demand, execute a written subordination document to confirm the particular superior security interest.

11.7: Mortgagee's Rights

Any Mortgagee shall have the right on request therefor to (a) inspect the books and records of the Association during normal business hours; (b) receive an annual audited financial statement of the association within (90) days following the end of any fiscal year; and (c) receive written notice of all meetings of the Association and designate a representative to attend all such meeting.

11.8: Limitation on Abandonment of Common Areas.

The Association shall not, without the prior written approval of sixty seven percent (67%) of the Mortgagees, seek to abandon the common areas for reasons other than substantial destruction or condemnation of the property.

11.9: Notice

If such notice has been requested in writing, Mortgagees shall be entitled to timely written notice of: (a) substantial damage or destruction of any housing unit or any part of the common areas or facilities; (b) any condemnation or eminent domain proceedings involving any housing units or any portion of common areas or facilities; (c) any default under this Declaration or the Articles, Bylaws or Community Compliance Guidelines of the Association by an Owner of any housing unit on which it holds the mortgage which is not cured within thirty (30) days; (d) any sixty (60) day delinquency in the payment of assessments or charges owed by the Owner of any housing unit on which it holds the mortgage; (e) ten (10) days' prior written notice of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and (f) any proposed action that requires the consent of a specific percentage of Mortgagee

ARTICLE TWELVE: MANAGEMENT CONTRACTS

Each Member hereby agrees that the Association and the ACC may enter into agreements for the performance of any or all of the functions of the Association and the ACC with such persons or entities as the Association deems appropriate; however, any agreement for professional management of the real property, or any other contract providing for services by the Declarant must provide for termination by either party without cause after reasonable notice.

ARTICLE THIRTEEN: INSURANCE

13.1 Coverage.

The Association may purchase as a common areas expense and shall have authority to and shall obtain insurance for the common areas against loss or damage by fire or other hazards in an amount sufficient to cover the full replacement value in the event of damage or destruction. It may also obtain a comprehensive public liability policy covering the common areas. The comprehensive public liability coverage shall be in an amount to be determined by the Association. It shall also obtain insurance to cover the Board, the ACC, its agents and employees from any action brought against them arising out of actions taken in furtherance of the Association's duties under this Declaration.

Following the Development Period, all such insurance coverage shall be written in the name of the Association as trustee for each of the Members of the Association. The Association shall review the adequacy of the Association's insurance coverage at least annually. All policies shall include a standard mortgagee's clause and shall provide that they may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least ten (10) days prior written notice to any and all insured named therein, including Owners and Institutional First Mortgagees that have requested notice.

13.2 Replacement, Repair after Loss.

In the event of the damage or destruction of the common areas covered by insurance written in the name of the Association, the Association may, upon receipt of the insurance proceeds, and to the extent of such proceeds contract to rebuild or repair such damaged or destroyed portions of the common areas to as good a condition as they were when the loss occurred; provided, however, that the Association's election not to rebuild the common areas shall require the approval of two thirds (2/3) of the Association. The Association may in its sole discretion contract with any contractor for reconstruction or rebuilding of such destroyed portions of the common areas.

ARTICLE FOURTEEN: COMMUNITY COMPLIANCE GUIDELINES

The Declarant /or the Board of Directors is hereby authorized and empowered to adopt Community Compliance Guidelines governing the use of the real property and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof, in the manner described by RCW Chapter 64.38, the Bylaws and any resolutions passed by the Board. All Lot Owners shall be given written notice of the Community Compliance Guidelines in the manner required by RCW Chapter 64.38.

ARTICLE FIFTEEN: REMEDIES AND WAIVER

15.1: Remedies Not Limited.

The remedies provided herein, including those for collection of any assessment or other charge or claim against any Member, for and on behalf of the Association, the ACC, or Declarant, are in addition to, and not in limitation of, any other remedies provided by law.

15.2: No Waiver.

The failure of the Association, the ACC, the Declarant or of any of their duly authorized agents or any of the Owners to insist upon the strict performance of or compliance with the Declaration or any of the Articles, Bylaws or rules or regulations of the Association, or to exercise any right or option contained therein, or to serve any notice or to institute any action or summary proceedings, shall not be construed as a waiver or relinquishment of such right for the future, but such right to enforce any of the provisions of the Declaration or of the Articles, Bylaws or rules or regulations of the Association shall continue and remain in full force and effect. No waiver of any provision of the Declaration or of the Articles, Bylaws, rules or regulations of the Association shall be deemed to have been made, either expressly or implied, unless such waiver

shall be in writing and signed by the Board of Directors of the Association pursuant to authority contained in a resolution of the Board of Directors.

ARTICLE SIXTEEN: LIMITATION OF LIABILITY

So long as a member of the Board, the Committee, any of the Board's other committees, Declarant or any agents of the foregoing has acted in good faith, without willful or intentional misconduct, upon the basis of information possessed by such persons, then that person shall not be personally liable to any Owner, the Association, or to any other person for any damage, loss, or claim on account of any, omission, error, or negligence of such person, except this article shall not apply to the extent such acts, omissions or errors are covered by the Association's insurance.

In connection with all reviews, acceptances, inspections, permissions, consents or approvals required or permitted by or from either the Declarant, the Association or the Committee under this Declaration, neither Declarant, the Association, nor the Committee shall be liable to any Owner or to any other person on account of any claim, liability, damage or expense suffered or incurred by or threatened against any Owner or such other person and arising out of or in any way relating to the subject matter of any such review, acceptance, inspection, permission, consent or approval, whether given, granted, withheld or denied.

ARTICLE SEVENTEEN: CONDEMNATION

In the event of a partial condemnation of the common areas, the proceeds shall be used to restore the remaining common areas, and any balance remaining shall be distributed to the Association.

In the event that the entire common areas is taken or condemned, or sold, or otherwise disposed of in lieu of or in avoidance thereof, the condemnation award shall be distributed to the Association.

No proceeds received by the Association as the result of any condemnation shall be distributed to a Lot Owner or to any other party derogation of the rights of the First Mortgagee of any Lot.

ARTICLE EIGHTEEN: GENERAL PROVISIONS

18.1: Binding Effect.

All present and future Owners or occupants of Lots shall be subject to and shall comply with the provisions of this Declaration, and the Bylaws and Community Compliance Guides of the Association, as they may be amended from time to time and all such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at the time any interest or estate in such Lot, as though such provisions were recited and stipulated at length in each and every deed and conveyance or lease thereof.

18.2: Enforcement by Court Action.

The Association, the Declarant, ACC, or any Lot Owner shall have the right to enforce, by any proceedings at law or in equity, all restrictions, conditions, covenants, reservations, liens and

charges now or hereafter imposed by the provisions of this Declaration. Should the Association or any Owner employ counsel to enforce any of the foregoing covenants, conditions, reservations, or restrictions, all costs incurred in such enforcement, including a reasonable fee for counsel, shall be paid by the Owner found to be in violation of said condition, covenants, reservation, or restriction, or found to be delinquent in the payment of said lien or charge.

18.3: Arbitration.

Any claim by the Association, any Owner or any occupant against the Declarant shall be settled by arbitration in Pierce County in accordance with the arbitration rules and procedures set forth in RCW 7.04 with a single arbitrator. In such arbitration, each party shall pay its own costs, witness fees, and attorney's fees and the fees charged by the arbitrator and costs of such proceeding shall be borne equally.

18.4: Enforcement by Self Help.

The Declarant, the ACC, the Association, or the duly appointed agent of either, may enter upon any Lot, which entry shall not be deemed a trespass, and take whatever steps are necessary to correct a violation of the provisions of this Declaration, provided, this provision shall not be construed as a permission to breach the peace.

18.5: Condition Precedent to Action.

Prior to taking action either by court or by self-help, written notice shall be given to the offending Lot Owner. Such notice shall specify the nature of the offense and shall also specify the action necessary to cure. Such action shall also provide a reasonable opportunity to cure which, except in the case of an emergency, shall not be less than 10 days.

18.6: Expenses of Action.

The expenses of any corrective action or enforcement of this Declaration, if not paid by the offending Owner within thirty (30) days after written notice and billing, may be filed as a lien upon such Lot, enforceable as other liens herein.

18.7: Costs and Attorney's Fees.

In the event of legal action, the prevailing party shall be entitled to recover actual costs and attorney fees. For the purposes of this Declaration "legal action" shall include arbitration, law suit, trial, appeals, and any action, negotiations, demands, counseling or otherwise where the prevailing party has hired an attorney. It is the intent of this provision to reimburse the prevailing party for all reasonable attorney fees and actual costs incurred in defending or enforcing the provisions of this Declaration, or the Owner's rights hereunder.

18.8: Failure to Enforce.

No delay or omission on the part of the Declarants or the Owners of other Lots in exercising any rights, power, or remedy provided in this Declaration shall be construed as a waiver or acquiescence in any breach of the covenants, conditions, reservations, or restrictions set forth in the Declaration. No action shall be brought or maintained by anyone whatsoever against the Declarants or the Board for or on account of its failure to bring any action for any breach of these covenants, conditions, reservations, or restrictions, or for imposing restrictions which may be unenforceable.

18.9: Severability.

Invalidation of any one of these covenants or restrictions by judgment or court order shall not affect any other provisions which shall remain in full force and effect.

18.10: Interpretation.

In interpreting this Declaration, the term "Person" may include natural persons, partnerships, corporations, Associations, and personal representatives. The singular may also include the plural and the masculine may include the feminine, or vice versa, where the context so admits or requires. This Declaration shall be liberally construed in favor of the party seeking to enforce its provisions to effectuate the purpose of protecting and enhancing the value, marketability, and desirability of the real property by providing a common plan for the development of LEGACY.

18.11: Term.

This Declaration shall be effective for an initial term of 30 years, and thereafter by automatic extension for successive periods of 10 years each, unless terminated, at the expiration of the initial term or any succeeding 10 year term by a termination agreement executed by the then Owners of not less than 75% of the Lots then subject to this Declaration. Any termination agreement must be in writing, signed by the approving Owners, and must be recorded with the County Auditor.

18.12: Perpetuities.

In the event that any provision of this Declaration violates the rule against perpetuities, such provision shall be construed as being void and of no effect as of twenty one (21) years after the death of the last surviving incorporator of the Association, or twenty one (21) years after the death of the last survivor of all of the said incorporators' children and grandchildren who shall be living at the time this instrument is executed, whichever is later.

18.13: Method of Notice.

Any notice required by the Declaration or the Articles or Bylaws of the Association or the Community Compliance Guides adopted by the Association shall be deemed properly given when distributed by the owners preferred method of delivery if applicable or by personally delivered, deposited in the United States mail, postage prepaid, or when sent electronically if provided by the Lot Owner(s).

18.14: Successors and Assigns.

This Declaration binds and is for the benefit of the heirs, successors and assigns of Declarant, the Declarant, the Members and the Owners.

ARTICLE NINETEEN: CONSTRUCTION AND SALES BY DECLARANT

Nothing in this Declaration shall limit, and no Owner shall do anything which shall interfere with, the right of Declarant to reasonably subdivide or re-subdivide any portion of the Property owned by Declarant, or to complete any construction of Improvements on the Lots owned by Declarant and the Common Areas, or to alter the foregoing and its construction plans and designs, or to construct such additional Improvements on such Lots and Common Areas as Declarant deems advisable prior to completion and sale of the last Lot owned by Declarant. Each Owner, by accepting a deed of a Lot from Declarant, hereby acknowledges that the activities of Declarant may constitute a temporary inconvenience or nuisance to the Owners, but nonetheless shall be permitted. Such right shall include, but shall not be limited to, erecting, construction and maintaining on the Property such structures and displays as may be reasonably necessary for the conduct of Declarant's business or completing the work of disposing of the Lots by sale, lease or otherwise.

Declarant may at any time use any Lots owned by Declarant as models or real estate sales or leasing and renting offices. This Declaration shall not limit the right of Declarant at any time prior to conveyance of title by deed to the last Lot owned by Declarant to establish on the Lots owned by Declarant and the Common Areas additional easements, reservations and rights-of-way to itself, to utility companies, or to other Persons as may from time to time be reasonably necessary to the property development and disposal of the Lots owned by Declarant. Such easements may be created for the construction, installation, maintenance, removal, replacement, operation and use of utilities, including without limitation sewers, water and gas pipes and systems, drainage lines and systems, electric power and conduit lines and wiring, television, internet, telecommunication, and telephone conduits, lines and wires, and other utilities, public or private, beneath the ground surface (except vaults, vents, access structures and other facilities required to be above ground surface by good engineering practice), including the right to dedicate, grant or otherwise convey easements for rights-of-way to any public utility or governmental entity for such purposes. In the performance of any work in connection with such utilities, Declarant shall not unreasonably interfere with or disrupt the use of the Common Areas or the facilities located thereon and shall replace and restore the areas and facilities as nearly as possible to the condition in which they were prior to the performance of such work. All or any portion of the rights of Declarant hereunder may be assigned to any successor or successors to all or part of Declarant's respective interest in the Property, by an express written Recorded assignment.

19.1 PHASED DEVELOPMENT; DEVELOPMENT RIGHTS.

19.1.1 Subsequent Development.

Declarant reserves as a Development Right for itself, its successors and assigns, the right, by adoption of amendments to this Declaration, to subject additional properties to this Declaration or to withdraw undeveloped property from it. If the Declarant elects to subject additional property to this Declaration, Declarant shall grant to the Owners of such additional properties all of the rights and benefits to which Members of the Association are entitled. The rights reserved by Declarant in this section shall be exercised by Declarant at Declarant's sole discretion.

19.1.2 Consent to Adding or Subtracting Properties.

Declarant reserves as a Development Right the right to subject additional properties or to withdraw any undeveloped properties to this Declaration at any time prior to termination of the Development Period. Each Owner appoints and constitutes the Declarant as his/her attorney-in-fact to adopt and file amendments to this Declaration necessary to add or subtract such properties. The original LEGACY Owners shall be benefited by any Common Areas on additional property the Declarant elects to add to Legacy, either through Association ownership and control of said additional Common Area or by easements of use and enjoyment in favor of said original Owners on said additional Common Areas. The Owners of such property added by Declarant to Legacy shall have an easement for use and enjoyment of the existing Common Areas and shall have all the obligations to pay their prorata cost of maintaining the Common Areas, unless otherwise provided herein. The Declarant shall also have as a Development Right, the right to extend existing easements and may create new easements over the Lots still within the Declarant's control so as to provide access to and service to the additional properties. Neither the Association nor any Owners shall have any right in any additional property nor shall this Declaration have any effect on such additional property until it is subjected to this Declaration by adoption of an amendment to this Declaration specifically describing such additional property or by addition to the Plat Map of Legacy. The rights reserved by Declarant in this Section shall be exercised by Declarant at Declarant's sole discretion.

19.1.3 Rights and Obligations.

The owners of properties added to Legacy shall be members of the Association, and shall be entitled to all benefits and subject to all obligations of a Member, including, but not limited to, the right to vote in Association elections and the obligation to pay assessments as set forth herein.

19.1.4 No Requirement to Include Additional Properties.

Nothing contained in this Declaration shall be construed to require the Declarant to subject additional properties to this Declaration.

19.1.5 Control.

The Declarant shall have and hereby reserves as a Development Right for itself, its successors, and assigns, an easement for the right, during the Development Period and any period thereafter in which Declarant is a Lot Owner, to utilize the Common Areas for its business uses and purposes, including, but not limited to, uses and purposes related to the construction, promotion, sale, and development of Legacy. If additional properties are subjected to this Declaration pursuant to this Section, Declarant shall have an easement as described in this Section on Common Areas located therein. Upon termination of the Development Period, said Declarant's easement shall automatically terminate except as to Lots to which the Declarant retains title. Control and the Management and administration of the Common Areas shall vest in the Association at the end of the Development Period subject to the Declarants aforementioned rights of use.

19.1.6 Dedication to Governmental Entities.

Until the termination of the Development Period, Declarant reserves as a Development

Right, the right to withdraw any undeveloped part of the property from this Declaration and to dedicate, transfer or convey it to any state, county, municipal or other governmental entity any such part of the property or reserve it for Declarant's use and/or sale. The rights reserved by Declarant in this Section shall be exercised by Declarant at Declarant's sole discretion.

ARTICLE TWENTY: AMENDMENT AND REVOCATION

20.1: Exclusive Method.

This instrument may be amended, and partially or completely revoked only as herein provided or otherwise provided by law.

20.2: Amendment by Declarant.

Notwithstanding any other provision of this Declaration, this Declaration can be amended at any time by the Declarant prior to the time that the Declarant has sold and conveyed 100% of the Lots. All Lot Owners agree to be bound by such amendment or amendments as made by the Declarant pursuant to this provision. Thereafter this Declaration can be amended only as provided for in this Declaration.

20.3: Certain Rights of Declarant.

For such time as the Declarant shall own Lots, there shall be no amendments to the Declaration, Articles of Incorporation, By-Laws, or any Community Compliance Guidelines of the Association which (a) discriminate or tend to discriminate against Declarant's rights as an Owner; (b) amend any provisions of the Declaration, Articles of Incorporation or By-Laws which in any manner alters Declarant's rights or status; (c) alter the character and rights of membership or the rights of the Declarant under this Declaration; (d) alter previously recorded or written agreements with public or quasi-public agencies regarding easements and rights of way; (e) alter its rights relating to architectural controls; (f) alter the basis for assessments; (f) alter the provisions of the use restrictions as set forth in this Declaration; or (g) alter the number or selection of directors as established in the By-Laws.

20.4: Voting.

This Declaration may be amended at any annual meeting of the Association, or at a special meeting called for such purpose, if sixty seven percent (67%) or more of the Owners vote for such amendment, or without such meeting if all Owners are notified in writing of such amendment, and if sixty seven percent (67%) or more of the Owners vote for such amendment by written ballot. Notice of any proposed amendment shall be given to all Owners not less than fourteen (14) days prior to the date of the annual meeting or of any special meeting at which the proposed amendment shall be considered. Notwithstanding any of the foregoing, fifty one percent (51%) of all Institutional First Mortgagees who have requested notification of amendments must give prior written approval to any material amendment to the Declaration or Bylaws, including any of the following:

1. Voting rights;
2. Assessments, assessment liens and subordination of such liens;

3. Reserves for maintenance, repair and replacement of common areas;
4. Insurance or fidelity bonds
5. Responsibility for maintenance and repair;
6. Contraction of the project or the withdrawal of property from the real property;
7. The boundaries of any Lot.
8. Leasing of housing units other than as set forth herein;
9. Imposition of any restrictions on the right of an Owner to sell or transfer his or her Lot.
10. Any decision by the Association to establish self-management when professional management had been required previously by an Institutional First Mortgagee;
11. Restoration or repair (after hazard damage or partial condemnation) in a manner other than that specified in this Declaration.
12. Any action to terminate the legal status of the real property after substantial destruction or condemnation occurs; or
13. Any provisions which are for the express benefit of Institutional First Mortgagees.

20.5: Owner Liability and Duty.

Each Owner shall be liable to the Association for any injury to any person or damage to the Common Areas or any equipment thereon which may be sustained by reason of the negligence of said Owner or of his guests, employees, invitees or tenants. The damage and costs incurred by the Association as a result thereof shall become a Special Assessment against such Owner and his Lot, and shall be subject to levy, enforcement and collection in accordance with the Association Lien procedure provided for in this Declaration. The Association reserves the right to charge a Special Assessment to such Owner equal to the increase, if any, in the insurance premium directly attributable to the damage or injury caused by such Owner or by the use of the Lot of such Owner. The Association shall hold each Owner harmless from liability for loss or injuries that are covered by insurance then maintained by the Association.

20.6: Association Waiver.

Notwithstanding anything herein to the contrary, to the extent that any Owner waives any claims against Declarant, or releases the Declarant from any claim with respect to a Lot, the Common Areas, the Improvements, and/or the Community, then the Association shall be deemed to have likewise released Declarant (and its officers, directors, shareholders, members, partners, employees, agents and representatives) from any claim with respect to such Lot, the Common Areas, the Improvements, and/or the Community on a pro rata basis applicable to each such Lot.

20.7: Effective Date.

Amendments to this Declaration shall take effect only upon recording with the Pierce County Auditor.

20.8: Notice.

Any notice required hereunder shall be deemed effective when personally delivered or three days after mailing by certified and regular mail to the Owner of public record at the time of such

mailing to such Owner's address as it appears on the County Assessor's tax records and to the street address of the Lot(s) herein. Notices to lenders shall be sent to the last address the lender has given to the Association. The Association is not required to provide notice of any matter to any lender who has not notified the Association in writing of such lender's desire to receive notice, and/or has not given the Association written notice of the lender's address for receipt of notices. The Association shall not undergo investigation outside of its own records into the name or location of any lender or lienholder.

IN WITNESS WHEREOF, the undersigned have caused this Declaration to be executed this 9th day of December, 2016.

Rush Residential, Inc. a Washington corporation

By: _____

Gordon Rush, Director

STATE OF WASHINGTON)
)§
COUNTY OF PIERCE)

On this 9th day of December, 2016, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Gordon Rush, the Director of Rush Residential, Inc., the Washington corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of the corporation, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

WITNESS my hand and official seal hereto affixed the day and year first above written.



Printed Name: _____

Tawney K. Calzacorta

NOTARY PUBLIC in and for the State of Washington,

Residing at: Gig Harbor, WA

My Commission Expires: 7-22-18