Exhibit 2: Application Materials and Civil Pan Set

EXHIBIT 2.a: Application Materials

June 20, 2025

Montebanc
MANAGEMENT

Heather Wright, Director of Planning and Economic Development
Nikole Coleman, Planning Manager
City of Poulsbo Planning Department
200 NE Moe Street
Poulsbo, WA 98370

Heather and Nikole:

On behalf of Montebanc Management, LLC., we are pleased to submit the following Preliminary Plat Subdivision and Planned Residential Development application(s) for the City of Poulsbo review in pursuit of obtaining the City's approval of our proposal known as the Pinnacle at Liberty Bay PRD.

First, we want to sincerely thank you for your help in the pre-application process the past seven months. As you will see from the application materials, the project has benefited from this collaboration between our teams. This joint effort has been helpful, and we believe the community will be excited and supportive of our new proposed neighborhood and believe you and your staff will be as well. Below is a brief narrative with significant items to note:

· The proposed completion of the extension of Sunrise Ridge Avenue NE to the North property line adjacent to the Crystal View neighborhood will make a significant contribution to the City's goal of completing this critical arterial.

· 100% of the right of way for the proposed construction and completion of the Sunrise Ridge Avenue NE connection will be dedicated to the City of Poulsbo.

· Per our consultations with all of you, the provision for property line landscape and critical area buffers, is a key element of PRD implementation within the City of Poulsbo and are included onsite in our proposal.

· Over 36% of the forty-two-acre site is to remain in permanent open space in its natural state for the benefit of the community and wildlife as a whole.

· The creation of the proposed new roadway systems completes the connection for all adjacent properties to residential roadways and SR-305. Pedestrians and cyclists will see a vivid connection between the project and the historical context of Poulsbo.

· The creation of centrally located supplemental guest parking to enhance the benefits of the narrowing of the residential street lanes being designed will provide traffic calming and a unique aesthetic experience by creating tree lined lanes.

· By proposing and designing smaller lots which in turn should limit smaller finished home sizes, should encourage more attainable finished home prices.

400 NW Gilman Blvd #2781 I Issaquah, WA 98027 I ph 206.391.8366 I fax 855.417.2050 I email pjdevenzio@montebanc.com

The Pinnacle at Liberty Bay Kitsap County Tax Parcel numbers include 23260140012009, 24260130032008, 24260130182001, 24260130052006, 24260130192000 which encompasses approximately 42 +- acres located within the City of Poulsbo.

The property contains zoning designations Low-Medium Density Single Family Residential. The PRD and subdivision application proposes utilizing the Planned Residential Development provisions blending this zoning density to emulate traditional patterns found elsewhere in the City in creating this new single-family neighborhood. We understand that a Planned Residential Development will need to be approved to allow modifications to the standard zoning regulations for this project.

After you have had a chance to look through the submittal materials, please let us know if there is anything else you need to complete the review of this application.

Thank you both for your help along with the other City staff input these past months and we look forward to working closely with all of you in the coming months to make this great opportunity for your community a reality.

Thank you again for your time and consideration.

Sincerely,

Paul J. DeVenzio

Paul DeVenzio
Manager
Montebanc Management, LLC

400 NW Gilman Blvd #2781 I Issaquah, WA 98027 I ph 206.391.8366 I fax 855.417.2050 I email pjdevenzio@montebanc.com

PRELIMINARY SUBDIVISION

Planning and Economic Development Department
200 NE Moe Street | Poulsbo, Washington 98370
(360) 394-9748 | fax (360) 697-8269
www.cityofpoulsbo.com | plan&econ@cityofpoulsbo.com

For additional information on the Preliminary Subdivision process, refer to Chapter 17.60 of the Poulsbo Municipal Code (PMC) or see the Land Division Handout.

PROJECT:

Project Name: Pinnacle at Liberty Bay Subdivision

Project Address: 23260140012009, 24260130032008, 24260130182001, 24260130052006, 2426013019200 , 17505 Sunrise Ridge Ave NE

Tax Assessor's ID: multiple - see above | Total Site Acreage: 41.41

Number of existing lots: 5 | Number of proposed lots: 151

Minimum Lot Size: 3,758 sf | Average Lot Size: 4,456 sf

Zoning Designation: RL | Comp Plan Designation: RL

Has the property been subdivided before? ☐ Yes ☒ No

Are there any critical areas on the property? (wetlands, steep slopes, streams, etc.) ☒ Yes ☐ No

APPLICANT:

Name: Montebanc Management, LLC | Phone: 2063918366

Address: 400 NW Gilman Blvd, STE 2781, Issaquah, WA 98027

Email: PJDEVENZIO@MONTEBANC.COM

OWNER (IF DIFFERENT):

Name: Johnson Forest Land, LLC / Owl Ridge LLC | Phone: (206) 422-1568

Address: 1913 34th Ave W, Seattle, WA 98199 / 10470 Battle Point Dr NE, Bainbridge Island, WA 98110

Email: zcar71@msn.com

PROJECT ENGINEER OR SURVEYOR:

Name: ESM Consulting Engineers | Phone: (253) 838-6113

Address: 33400 8th Ave S, STE 205, Federal Way, WA 98003

Email: john.everett@esmcivil.com

LAND USES AND SQUARE FOOTAGE:

3.66ac | 159,258

Residential:	~~15.47 acres~~ 13.97	~~672,905~~ 608,337 Sq. Ft	Open Space/Rec:	~~5.36 acres~~	~~233,621~~ Sq. Ft
Stormwater Detention (tracts):	~~2.31 acres~~ 0.91	~~100,444~~ 39,682 Sq. Ft	Landscaping:		0 Sq. Ft
Other Utilities (tracts):	~~0.52 acres~~ 0.65	~~22,777~~ 28,515 Sq. Ft	Right-Of-Way:	~~4.5 acres~~ 4.53	~~196,153~~ 197,515 Sq. Ft
Critical Areas (PMC 16.20):	~~13.27 acres~~ 17.69	~~577,957~~ 770,539 Sq. Ft	Tree Retention:		0 Sq. Ft

Gross Density: Number of units/lots ~~151~~ 138 / 41.41 gross acres = ~~3.65~~ 3.33 units per gross acre

Net Density: Number of units/lots ~~151~~ 138 / ~~20.81~~ 18.53 net acres [gross acres-deductions (roads, utilities, critical areas and buffers)] = ~~7.26~~ 7.45 units per net acre.

SIGNATURES:

I, the undersigned, state that, to the best of my knowledge, all the information provided in this application is true and complete. It is understood that the City of Poulsbo may nullify any decision made in reliance upon information given on this application form should there be any willful misrepresentation or willful lack of full disclosure on my part.

I hereby authorize City of Poulsbo representative(s) to inspect the subject property Monday-Friday between the hours of 8:00 am and 4:00 pm during this permit application process.

Paul J. DeLuzio

Signature of Applicant/Agent

Paul V. DeLuzio

Print Name of Applicant/Agent

STATE OF PENNSYLVANIA)

) SS

COUNTY OF ALLEGHENY)

On this 17 day of June, 2025 before me, the undersigned, a Notary Public in and for the State of Pennsylvania, duly commissioned and sworn, personally appeared Paul Joseph DeLuzio to me known to be the individual(s) described in and who executed the within and foregoing instrument, and acknowledged that he/she/they signed the same as his/her/their free and voluntary act and deed, for the uses and purposes therein mentioned, and on oath stated that he/she/they was (were) authorized to execute said instrument.

WITNESS my hand and official seal this 17 day of June, 2025.

Alicia Altvater

NOTARY PUBLIC in and for the State of Pennsylvania Residing at Pittsburgh PA 15205

Commission Expires 1/21/26

Commonwealth of Pennsylvania - Notary Seal
Alicia Altvater, Notary Public
Allegheny County
My commission expires January 21, 2026
Commission number 1281272
Member, Pennsylvania Association of Notaries

PRELIMINARY SUBDIVISION

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Minimum Lot Size: 3,758 sf	Average Lot Size: 4,456 sf
Zoning Designation: RL	Comp Plan Designation: RL
Has the property been subdivided before?	☐ Yes ☒ No
Are there any critical areas on the property? (wetlands, steep slopes, streams, etc.)	☒ Yes ☐ No

APPLICANT:	
Name: Montebanc Management, LLC	Phone: 2063918366
Address: 400 NW Gilman Blvd, STE 2781, Issaquah, WA 98027	
Email: PJDEVENZIO@MONTEBANC.COM	

OWNER (IF DIFFERENT):	
Name: Johnson Forest Land, LLC / Owl Ridge LLC / Malouri Ohl	Phone: (206) 422-1568
Address: 1913 34th Ave W, Seattle, WA 98199 / 10470 Battle Point Dr NE, Bainbridge Island, WA 98110	
Email: zcar71@msn.com	

PROJECT ENGINEER OR SURVEYOR:	
Name: ESM Consulting Engineers	Phone: (253) 838-6113
Address: 33400 8th Ave S, STE 205, Federal Way, WA 98003	
Email: john.everett@esmcivil.com	

LAND USES AND SQUARE FOOTAGE:			
Residential: 15.47 acres	672,905 Sq. Ft	Open Space/Rec: 5.36 acres	233,621 Sq. Ft
Stormwater Detention (tracts): 2.31 acres	100,444 Sq. Ft	Landscaping:	0 Sq. Ft
Other Utilities (tracts): 0.52 acres	22,777 Sq. Ft	Right-Of-Way: 4.5 acres	196,153 Sq. Ft
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Malauri Uhl

Signature of Applicant/Agent

Neal Thorne

Print Name of Applicant/Agent

STATE OF WASHINGTON)

) SS

COUNTY OF KITSAP)

On this 27th day of June, 2025 before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Neal Thorne Malauri Uhl to me known to be the individual(s) described in and who executed the within and foregoing instrument, and acknowledged that he/she/they signed the same as his/her/their free and voluntary act and deed, for the uses and purposes therein mentioned, and on oath stated that he/she/they was (were) authorized to execute said instrument.

WITNESS my hand and official seal this 27th day of June, 2025.

PAUL ROMERO
Notary Public
State of Washington
Commission # 23013423
My Comm. Expires May 26, 2027

Paul Romero

NOTARY PUBLIC in and for the State of Washington Residing at

Poulsbo, WA

Commission Expires 05/26/2027

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PRELIMINARY SUBDIVISION

Planning and Economic Development Department
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Number of existing lots: 5 | Number of proposed lots: 151

Minimum Lot Size: 3,758 sf | Average Lot Size: 4,456 sf

Zoning Designation: RL | Comp Plan Designation: RL

Has the property been subdivided before? ☐ Yes ☒ No

Are there any critical areas on the property? (wetlands, steep slopes, streams, etc.) ☒ Yes ☐ No

APPLICANT:

Name: Montebanc Management, LLC | Phone: 2063918366

Address: 400 NW Gilman Blvd, STE 2781, Issaquah, WA 98027

Email: PJDEVENZIO@MONTEBANC.COM

OWNER (IF DIFFERENT):

Name: Johnson Forest Land, LLC / Owl Ridge LLC | Phone: (206) 422-1568

Address: 1913 34th Ave W, Seattle, WA 98199 / 10470 Battle Point Dr NE, Bainbridge Island, WA 98110

Email: zcar71@msn.com

PROJECT ENGINEER OR SURVEYOR:

Name: ESM Consulting Engineers | Phone: (253) 838-6113

Address: 33400 8th Ave S, STE 205, Federal Way, WA 98003

Email: john.everett@esmcivil.com

LAND USES AND SQUARE FOOTAGE:

Residential: 15.47 acres	672,905 Sq. Ft	Open Space/Rec: 5.36 acres	233,621 Sq. Ft
Stormwater Detention (tracts): 2.31 acres	100,444 Sq. Ft	Landscaping:	0 Sq. Ft
Other Utilities (tracts): 0.52 acres	22,777 Sq. Ft	Right-Of-Way: 4.5 acres	196,153 Sq. Ft
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I, the undersigned, state that, to the best of my knowledge, all the information provided in this application is true and complete. It is understood that the City of Poulsbo may nullify any decision made in reliance upon information given on this application form should there be any willful misrepresentation or willful lack of full disclosure on my part.

I hereby authorize City of Poulsbo representative(s) to inspect the subject property Monday-Friday between the hours of 8:00 am and 4:00 pm during this permit application process.

Douglas W. Johnson
Signature of Applicant/Agent

Douglas W. Johnson
Print Name of Applicant/Agent

STATE OF WASHINGTON)
) SS
COUNTY OF ~~KITSAP~~ King)

On this 24 day of June, 2025 before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Douglas W. Johnson to me known to be the individual(s) described in and who executed the within and foregoing instrument, and acknowledged that he/she/they signed the same as his/her/their free and voluntary act and deed, for the uses and purposes therein mentioned, and on oath stated that he/she/they was (were) authorized to execute said instrument.

WITNESS my hand and official seal this 24 day of June, 2025.

AMBER SMITH
NOTARY PUBLIC
STATE OF WASHINGTON
COMMISSION EXPIRES
23011764
4-10-27

NOTARY PUBLIC in and for the State of Washington Residing at
Seattle

Commission Expires 4-10-27

PLANNED RESIDENTIAL DEVELOPMENT

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www.cityofpoulsbo.com | plan&econ@cityofpoulsbo.com

For additional information on the Planned Residential Development (PRD) process, refer to the Planning Residential Development Handout and Chapter 18.260 of the Poulsbo Municipal Code (PMC). For a detailed description of the Type III (quasi-judicial) review process, refer to PMC Title 19 (Project Permit Application Procedures).

PROJECT:	
Project Name: Pinnacle at Liberty Bay	Tax Assessor's ID: multiple - see below
Project Address: 17505 Sunrise Ridge Ave NE	Size of Property (Sq. Ft.): 1,803,847
Type of Residential Units: single family detached	
Project Description: Tax IDs : 23260140012009, 24260130032008, 24260130182001, 24260130052006, 24260130192000 151-unit Planned Residential Development with associated public roads, utilities, stormwater, open spaces and homes.	
Are there any critical areas on the property? (wetlands, steep slopes, streams, etc.) ☒ Yes ☐ No	
Is a residential density incentive being requested? ☐ Yes ☒ No See PMC 18.260.110 for details	
If yes, what is the requested percentage over maximum density of the zone?	
If yes, please indicate the combination of density incentives from Table 18.260.110 that will be provided, and indicate how this proposal will provide a greater public benefit than if it were approved with the standard maximum density (attach additional pages).	

APPLICATION SUBMITTAL REQUIREMENTS:

The PED Department is now accepting all applications electronically. Please submit your application online here or email the materials to plan&econ@cityofpoulsbo.com.

☐ Completed Preliminary Subdivision Application (if not submitted previously).

☐ Application Fees and Deposits. Additional hourly fees may apply.

☐ PRD application drawings.

The application shall be accompanied with complete site plans and subdivision plans if creating lots, drawn to 1" inch to 40' scale and produced in such a way as to clearly indicate compliance with all applicable requirements, and **shall include ALL the information listed in PMC 18.260.130**. At least one sheet shall show the proposed project in its entirety (drawn at its appropriate scale).

Please Note:

- all buildings and structures shall be dimensioned
- all information shall be legible
- plans shall be prepared by an appropriate certified professional in the State of Washington

☐ Any other information/documents:

☐ Notarized property owner and/or applicant signature page (attached).

REVIEW CRITERIA:

The space below is provided for your answers. ***A response is REQUIRED.*** *You may use additional sheets.*

1. Explain how the PRD results in creative site planning and a superior residential and subdivision development than generally found in conventional developments and subdivision regulations.

See attached narrative.

2. Explain how the PRD encourages a diversity of housing units and types within and between neighborhoods.

See attached narrative.

3. Explain how the PRD preserves natural features and critical areas and incorporates existing significant stands of trees.

See attached narrative.

4. Explain how the proposal will be compatible with existing and future land uses within the general area in which the proposal is to be located by providing screening or buffering between parcels and providing consistency between any existing single-family subdivisions and the proposal.

See attached narrative.

PROPERTY OWNER'S SIGNATURE (if other than applicant/agent):

I, the undersigned, state that, to the best of my knowledge, all the information provided for this application is true and complete. It is understood that the City of Poulsbo may nullify any decision made in reliance upon information given on this application form should there be any willful misrepresentation or willful lack of full disclosure on my part.

Paul J. DeVenzio
Signature of Property Owner

Paul J. DeVenzio
Print Name of Owner

STATE OF PENNSYLVANIA
) SS
COUNTY OF ALLEGHENY)

On this 17 day of June, 2025 before me, the undersigned, a Notary Public in and for the State of Pennsylvania, duly commissioned and sworn, personally appeared Paul Joseph DeVenzio to me known to be the individual(s) described in and who executed the within and foregoing instrument, and acknowledged that he/she/they signed the same as his/her/their free and voluntary act and deed, for the uses and purposes therein mentioned, and on oath stated that he/she/they was (were) authorized to execute said instrument.

WITNESS my hand and official seal this 17 day of June, 2025.

Alicia Altvater
NOTARY PUBLIC in and for the State of Pennsylvania Residing at Pittsburgh PA 15205

Commission Expires 4/21/26

Commonwealth of Pennsylvania - Notary Seal
Alicia Altvater, Notary Public
Allegheny County
My commission expires January 21, 2026
Commission number 1281272
Member, Pennsylvania Association of Notaries

PLANNED RESIDENTIAL DEVELOPMENT

200 NE Moe Street | Poulsbo, Washington 98370
(360) 394-9748 | fax (360) 697-8269
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PROJECT:	
Project Name: Pinnacle at Liberty Bay	Tax Assessor's ID: multiple - see below
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Are there any critical areas on the property? (wetlands, steep slopes, streams, etc.) ☒ Yes ☐ No	
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The space below is provided for your answers. ***A response is REQUIRED.*** *You may use additional sheets.*

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See attached narrative.

2. Explain how the PRD encourages a diversity of housing units and types within and between neighborhoods.

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Douglas W. Johnson
Signature of Applicant/Agent

Douglas W. Johnson
Print Name of Applicant/Agent

STATE OF WASHINGTON)
) SS
COUNTY OF ~~KITSAP~~ King)

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NOTARY PUBLIC in and for the
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Commission Expires 4-10-27

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Malauri Uhl

Signature of Applicant/Agent

Neal Thorne

Print Name of Applicant/Agent

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COUNTY OF KITSAP)

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PAUL ROMERO
Notary Public
State of Washington
Commission # 23013423
My Comm. Expires May 26, 2027

Paul Romero

NOTARY PUBLIC in and for the State of Washington Residing at

Poulsbo, WA 98370

Commission Expires 05/26/2027

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Pinnacle at Liberty Bay Subdivision and PRD, *Poulsbo, Washington*

General Project Narrative

Pinnacle at Liberty Bay is a proposed Subdivision and Planned Residential Development (PRD) situated on approximately 42 acres, located between the Crystal View and Baywatch developments in Poulsbo. Property zoning is Residential Low (RL). Site characteristics include gentle to steeper slopes, second and third-growth trees consistent with a site that has been logged within the past 60 years, several small wetlands and three non-fish-bearing seasonal stream segments or drainages. The subdivision proposes a PRD in order to achieve zoning densities, a variety of housing types compatible with neighboring developments, neighborhood connectivity, and a pedestrian-oriented site design. The subdivision plus PRD proposal includes 151 new single-family residential lots with appropriate areas for internal roads, protection of critical areas and their associated buffers, open space, and stormwater facilities. The project site has two access connections to SR-305, one at the west boundary via Baywatch Ct. NE, and the second at the east side from Johnson Parkway NE. Importantly, the development proposes completing the missing arterial road connection of Sunrise Ridge Avenue NE to the roundabout at Johnson Parkway NE, providing improved public and emergency access to the adjacent Crystal View neighborhood. This narrative addresses how the proposal achieves the objectives of a PRD under Poulsbo Municipal Code (PMC) chapter 18.260.

1. Site Planning and Design

Pinnacle at Liberty Bay is designed to create a new neighborhood with abundant connectivity for pedestrians, bicycles, and vehicles, supporting the existing multimodal network. Through the use of clustering, a significant portion on the W/NW section of the site is able to be set aside for public enjoyment in perpetuity. A significant portion of this area is located adjacent or close to the Frank Raab Municipal Park thus enhancing the value to the community. The proposal includes over ¾ of a mile of new multi-use walking and hiking trails that connect to the existing trail system, a portion of which is near Frank Raab Municipal Park. The site is bisected by the uncompleted section of Sunrise Ridge Avenue NE and the applicant is proposing to complete and dedicate this new critical arterial to the City of Poulsbo.

The proposed site plan is superior in design to a conventional larger lot subdivision. The site design works with the existing challenging topography to create a blend of housing styles and sizes. Using the PRD process to approve smaller lots will result in an overall higher density and more attainable price point than a conventional subdivision with larger lots, which tend to be much more expensive and less attainable to a broad cross section of future homeowners. The PRD enables new homes to be provided on more compact lots than a traditional subdivision in the RL zone, with smaller minimum lot sizes, and smaller mandated street and yard setbacks.

In addition, the Comprehensive Plan calls for connecting the Baywatch neighborhood with the Crystal View neighborhood. To meet this objective using road grades that do not exceed the 12%

maximum imposed by Public Works standards requires an extensive roadway length. Using the PRD to achieve the proposed density provides the economic base necessary to provide the desired connectivity with code compliant grades. The traffic calmed streets within the project create miles of walking for all ages to enjoy. The PRD creates several active or passive amenity parks with sidewalks encouraging public access to numerous overlook views of Liberty Bay and the Olympic Mountains. The recreational spaces can include benches, gazebo facilities, large open grass areas that can be used for large gatherings or simply to take in the significant overlook views of Liberty Bay and the Olympic Mountains.

2. **Encouraging a Diversity of Housing Units and Types Within and Between Neighborhoods.**

The proposed PRD and Subdivision provide for a wide variety of housing types by providing a diverse range of options in housing types from uphill lots (tuck-unders), level lots (two story), and daylight lots with walkout basements. These varied lot plans and configurations provide housing for a wide range of prospective residents, from multi-generational families, to retired couples, individuals, and young families. These housing types are appropriate for those individuals that work either part-time or full-time from home. In this era of a continuing housing affordability crisis these new homes which will complement the existing and future surrounding neighborhoods, while providing more attainable alternatives to a broad cross section of prospective residents that wish to reside in a single-family home with less yard maintenance.

The proposal includes a range of lots sizes, from 3,758 sf to 7,035 sf, with an average lot size of 4,456 sf. The range of lot sizes will also foster diversity of home styles and a varied appearance from the street. The site plan includes many street curves and lot angles, created in response to site topography, critical areas, and in support of street connectivity and grade moderation. This clustering effect generates an enhanced neighborhood design more creative than a traditional cul-de-sac subdivision.

3. **Preservation of Natural Features and Critical Areas and Tree Preservation**

In compliance with existing code, the subdivision proposal protects the on-site wetlands and streams. The site has three seasonal non-fish-bearing streams, including Barrantes Creek, and several small wetlands that together with their associated buffers total approximately 13.3 acres, leaving nearly 1/3 of the total site, or approximately 32% of the land, set aside as permanent open space. These sensitive areas are set aside and permanently protected in accordance with PMC 16.20.

A Tree Retention Plan has been prepared describing how nearly all of the existing trees within these permanently preserved open spaces will be preserved in perpetuity. (Only a limited number of trees will be removed from these areas to facilitate grading and necessary project infrastructure and any disturbed areas will be replanted). Of the 1,996 healthy trees estimated on site, 840 are proposed for retention. This 42% planned tree retention rate far exceeds the standard 25% City of Poulsbo requirement.

A combination of storm ponds and vaults will provide flow control and water quality treatment in each of the existing drainage basins, to facilitate continuation of the existing drainage patterns. Dispersion to existing wetlands will support wetland hydrology and maintain important habitat. By utilizing property only to the S/E side of Barrantes Creek, a stormwater pond facility will be designed to be compatible with acres of permanently dedicated open space, thus enhancing its environmental function and capabilities.

4. Compatibility with Existing and Future Land Uses, Screening and Buffering between Existing Single-Family Subdivisions

The proposed subdivision and PRD provides a new single family residential project, compatible with the adjacent single family neighborhoods of Baywatch and Crystal View in housing type, preservation of natural environment, buffering from existing housing, and access improvements.

The Barrantes Creek and Wetland B critical area buffers and open space set-aside provide significant distancing along the full west property boundary and a large part of the northerly boundary of the project, creating a permanent greenbelt toward Baywatch and the western lobe of Crystal View. Along the northeastern property boundary, Road B provides separation along the east edge of the project, with Tract P providing a 10-15’ wide landscape strip along the east side of Road B which will be planted with hedgerow to provide additional buffering for adjacent Crystal view homes. Lots that abut existing neighborhoods including Crystal View will be fully separated and buffered by a combination of landscaping and 6' high wood fencing. Overall, the project will preserve over one third of the site as permanent open space, retaining a level of natural environment that is beneficial to future residents and existing neighborhoods alike.

Compliance with applicable code provisions and PRD requirements also ensures compatibility with existing and future land uses. The PRD proposal supports City housing objectives by including more smaller lots, rather than a lower number of large lots. Smaller lots sizes will inherently provide more, and more attainable, homes. Each new home helps address the existing housing shortage. Proposed home designs will be compatible with Poulsbo's unique architectural aesthetic, such as covered porches, gables above garages, and architectural detail enhancements.

Project access and circulation support compatibility with surrounding neighborhoods and emergency access. Access to the project will be provided in three locations. One on the Western Boundary at the entrance to the Baywatch development off of SR-305, by creating a new roadway and Barrantes Stream crossing extending into the Pinnacle at Liberty Bay development. To the SE property line of the proposed development, the project will complete a new Sunrise Ridge Ave NE connector, which will serve the proposed Pinnacle at Liberty Bay PRD and the residents of the Crystal View neighborhood. A third access point is through NE Crystallia Ct to serve as the E/W connection to the road system within the development and complies with the comprehensive plan for these properties.

The overall circulation pattern for this project has been designed to reduce the likelihood of cut-through traffic, while maintaining intra-project connectivity to SR-305 and downtown Poulsbo. The internal streets are proposed to be public, residential streets within 40'-45' wide rights-of-way. These roads include a 22 ft. minimum vehicle corridor, generally with sidewalks and landscaping on both sides of the street, while maintaining an average street slope of less than 10%. The applicant proposes a couple of exceptions to road standards in unique areas of this project by using the PRD process.

CRITICAL AREA REVIEW

Planning and Economic Development Department
200 NE Moe Street | Poulsbo, Washington 98370
(360) 394-9748 | fax (360) 697-8269
www.cityofpoulsbo.com | plan&econ@cityofpoulsbo.com

A Critical Area Review is required for any alteration, construction, development or activity within a critical area or its buffer. For additional information on the Critical Area Review process, refer to Chapter 16.20 of the Poulsbo Municipal Code (PMC). For a detailed description of the Type II review process, refer to PMC Title 19. Additionally, a pre-application conference may be required prior to submission of this application.

PROJECT/PROPERTY INFORMATION:

Project Name: Pinnacle at Liberty Bay Subdivision	
Site Address: 4 vacant parcels plus 17505 Sunrise Ridge Ave NE	Tax Assessor's ID: multiple - see below
Legal Description (attached sheet if necessary): See Title Report - Exhibit A Kitsap parcel numbers - 232601400120009; 24260130032008; 24260130182001; 24260130052006; 24260130192000	
Comp Plan Designation: RL	Zoning Designation: RL
Size of Property (Sq. Ft.): 1,803,847	Current Building Sq. Ft.: 577
Proposed Number of Units or Lots: 151 lots	Proposed Building Sq. Ft.:

APPLICANT/PROJECT CONTACT:

Name: Montebanc Management, LLC c/o Paul Devenzio	Phone: (206) 391-8366
Address: 400 NW Gilman Blvd, STE 2781, Issaquah, WA 98027	
Email: pjdevenzio@montebanc.com	

PROPERTY OWNER (IF DIFFERENT THEN APPLICANT):

Name: Johnson Forest Land, LLC / Owl Ridge LLC	Phone: (206) 422-1568
Address: 1913 34th Ave W, Seattle, WA 98199 / 10470 Battle Point Dr NE, Bainbridge Island, WA 98110	
Email: zcar71@msn.com	

CRITICAL AREAS:

Check all that are on or within 300 feet of the subject property (*see Chapter 16.20 for definitions*):

- ☐ Frequently flooded areas
- ☐ Critical aquifer recharge areas
- ■ Fish and Wildlife Habitat Areas
- ■ Geologically hazardous areas
- ■ Wetlands

Environmental Studies (*provide a complete description of all studies that have been completed*):

Geotechnical Report dated 2/13/25 and Addendum dated 6/16/25 from Aspect Consulting
Critical Area Report dated 6/17/25 from Sewall Wetland Consulting
Preliminary Tree Protection Plan dated 6/16/25 from Washington Forestry Consultants

Has a survey been completed? ■ Yes ☐ No Is the property near the shoreline? ☐ Yes ■ No

SIGNATURES:

I, the undersigned, state that, to the best of my knowledge, all the information provided in this application is true and complete. It is understood that the City of Poulsbo may nullify any decision made in reliance upon information given on this application form should there be any willful misrepresentation or willful lack of full disclosure on my part.

I hereby authorize City of Poulsbo representative(s) to inspect the subject property Monday-Friday between the hours of 8:00 am and 4:00 pm during this permit application process.

Paul J. DeLong

Signature of Applicant/Agent

Paul V. DeVenzio

Print Name of Applicant/Agent

STATE OF PENNSYLVANIA)

) SS

COUNTY OF ALLEGHENY)

On this 17 day of June, 2025 before me, the undersigned, a Notary Public in and for the State of Pennsylvania, duly commissioned and sworn, personally appeared Paul Joseph Devenzio to me known to be the individual(s) described in and who executed the within and foregoing instrument, and acknowledged that he/she/they signed the same as his/her/their free and voluntary act and deed, for the uses and purposes therein mentioned, and on oath stated that he/she/they was (were) authorized to execute said instrument.

WITNESS my hand and official seal this 17 day of June, 2025.

Alicia Altvater

NOTARY PUBLIC in and for the State of Pennsylvania Residing at Pittsburgh PA 15205

Commission Expires 1/21/26

Commonwealth of Pennsylvania - Notary Seal
Alicia Altvater, Notary Public
Allegheny County
My commission expires January 21, 2026
Commission number 1281272
Member, Pennsylvania Association of Notaries

CRITICAL AREA REVIEW

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PROJECT/PROPERTY INFORMATION:

Project Name: Pinnacle at Liberty Bay Subdivision

Site Address: 4 vacant parcels plus 17505 Sunrise Ridge Ave NE

Tax Assessor's ID: multiple - see below

Legal Description (attached sheet if necessary): See Title Report - Exhibit A

Kitsap parcel numbers - 23260140012009; 24260130032008; 24260130182001; 24260130052006; 24260130192000

Comp Plan Designation: RL

Zoning Designation: RL

Size of Property (Sq. Ft.): 1,803,847

Current Building Sq. Ft.: 577

Proposed Number of Units or Lots: 151 lots

Proposed Building Sq. Ft.:

APPLICANT/PROJECT CONTACT:

Name: Montebanc Management, LLC c/o Paul Devenzio

Phone: (206) 391-8366

Address: 400 NW Gilman Blvd, STE 2781, Issaquah, WA 98027

Email: pjdevenzio@montebanc.com

PROPERTY OWNER (IF DIFFERENT THEN APPLICANT):

Name: Johnson Forest Land, LLC / Owl Ridge LLC

Phone: (206) 422-1568

Address: 1913 34th Ave W, Seattle, WA 98199 / 10470 Battle Point Dr NE, Bainbridge Island, WA 98110

Email: zcar71@msn.com

CRITICAL AREAS:

Check all that are on or within 300 feet of the subject property (see *Chapter 16.20 for definitions*):

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Has a survey been completed? ☒ Yes ☐ No

Is the property near the shoreline? ☐ Yes ☒ No

SIGNATURES:

I, the undersigned, state that, to the best of my knowledge, all the information provided in this application is true and complete. It is understood that the City of Poulsbo may nullify any decision made in reliance upon information given on this application form should there be any willful misrepresentation or willful lack of full disclosure on my part.

I hereby authorize City of Poulsbo representative(s) to inspect the subject property Monday-Friday between the hours of 8:00 am and 4:00 pm during this permit application process.

Douglas W. Johnson
Signature of Applicant/Agent

Douglas W. Johnson
Print Name of Applicant/Agent

STATE OF WASHINGTON)
) SS
COUNTY OF ~~KITSAP~~ King)

On this 24 day of June, 2025 before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Douglas W. Johnson to me known to be the individual(s) described in and who executed the within and foregoing instrument, and acknowledged that he/she/they signed the same as his/her/their free and voluntary act and deed, for the uses and purposes therein mentioned, and on oath stated that he/she/they was (were) authorized to execute said instrument.

WITNESS my hand and official seal this 24 day of June, 2025.

AMBER SMITH NOTARY PUBLIC 23011764 COMMISSION EXPIRES 4-10-27 STATE OF WASHINGTON

NOTARY PUBLIC in and for the
State of Washington Residing at
Seattle

Commission Expires 4-10-27

CRITICAL AREA REVIEW

Planning and Economic Development Department
200 NE Moe Street | Poulsbo, Washington 98370
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Email: pjdevenzio@montebanc.com

PROPERTY OWNER (IF DIFFERENT THEN APPLICANT):

Name: Johnson Forest Land, LLC / Owl Ridge LLC / Malauri Ohl | Phone (206) 422-1568

Address: 1913 34th Ave W, Seattle, WA 98199 / 10470 Battle Point Dr NE, Bainbridge Island, WA 98110

Email: zcar71@msn.com

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Has a survey been completed? ■ Yes ☐ No Is the property near the shoreline? ☐ Yes ■ No

Scanned with CamScanner

SIGNATURES:

I, the undersigned, state that, to the best of my knowledge, all the information provided in this application is true and complete. It is understood that the City of Poulsbo may nullify any decision made in reliance upon information given on this application form should there be any willful misrepresentation or willful lack of full disclosure on my part.

I hereby authorize City of Poulsbo representative(s) to inspect the subject property Monday-Friday between the hours of 8:00 am and 4:00 pm during this permit application process.

Malaurie Uhl

Signature of Applicant/Agent

Neal Thorne

Print Name of Applicant/Agent

STATE OF WASHINGTON)

) SS

COUNTY OF KITSAP)

On this 27th day of June, 2025 before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Neal Thorne Malaurie Uhl to me known to be the individual(s) described in and who executed the within and foregoing instrument, and acknowledged that he/she/they signed the same as his/her/their free and voluntary act and deed, for the uses and purposes therein mentioned, and on oath stated that he/she/they was (were) authorized to execute said instrument.

WITNESS my hand and official seal this 27th day of June, 2025.

PAUL ROMERO
Notary Public
State of Washington
Commission # 23013423
My Comm. Expires May 26, 2027

Paul Romero

NOTARY PUBLIC in and for the State of Washington Residing at

Poulsbo, WA 98370

Commission Expires 05/26/2027

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Affidavit of Public Notice | Neighborhood Meeting

Planning and Economic Development Department
200 NE Moe Street | Poulsbo, Washington 98370
(360) 394-9748 | fax (360) 697-8269
www.cityofpoulsbo.com | plan&econ@cityofpoulsbo.com

The following MUST be attached to this affidavit:

☐ Notice of Neighborhood Meeting

☐ Mailing List

I, JOHN EVERETT, representative for the PINNACLE AT LIBERTY BAY proposed project, do hereby verify that the attached notice was mailed on APRIL 3, 2025 to property owners within 300 feet of (tax parcel or address) 232601400120009, 242601300320008, 242601301820001, 242601300520006, 242601301920000.

Representatives Name: JOHN EVERETT

Representative Signature: [signature]

Subscribed and sworn to before me this 23rd day of June, 2025

[signature]

LORI Y FOX
NOTARY PUBLIC #22025584
STATE OF WASHINGTON
COMMISSION EXPIRES
JULY 8, 2026

NOTARY PUBLIC in and for the State of Washington, residing at:

King County, WA

My Commission expires on:

July 8, 2026

Affidavit of Public Notice | Site Posting

Planning and Economic Development Department
200 NE Moe Street | Poulsbo, Washington 98370
(360) 394-9748 | fax (360) 697-8269
www.cityofpoulsbo.com | plan&econ@cityofpoulsbo.com

The following MUST be attached to this affidavit:
[X] Photo of the posting on site or map showing location where sign was posted

Application No: P-03-27-25-01 Project Name: Pinnacle at Liberty Bay

I, David L. Aldridge III, representative for the above-referenced project, do hereby verify that on April 4, 2025, I posted a sign at a road stub on NE Crystallia Ct, relating to the above-referenced project at the site in a location that complies with the City of Poulsbo requirements.

Representative Name: David L. Aldridge III

Representative Signature: _____ (sign in front of notary)

Subscribed and sworn to before me this 9th day of April, 2025

LORI Y FOX
NOTARY PUBLIC #22025584
STATE OF WASHINGTON
COMMISSION EXPIRES
JULY 8, 2026

NOTARY PUBLIC in and for the State of Washington, residing at:

King County

My Commission expires on:

July 8, 2026

Affidavit of Public Notice | Site Posting

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The following MUST be attached to this affidavit:
[X] Photo of the posting on site or map showing location where sign was posted

Application No: P-03-27-25-01 Project Name: Pinnacle at Liberty Bay

I, David L. Aldridge III, representative for the above-referenced project, do hereby verify that on April 4, 2025, I posted a sign at a road stub on Baywatch Ct NE, relating to the above-referenced project at the site in a location that complies with the City of Poulsbo requirements.

Representative Name: David L. Aldridge III

Representative Signature: _____ (sign in front of notary)

Subscribed and sworn to before me this 9th day of April, 2025

LORI Y FOX
NOTARY PUBLIC #22025584
STATE OF WASHINGTON
COMMISSION EXPIRES
JULY 8, 2026

NOTARY PUBLIC in and for the State of Washington, residing at:

King County

My Commission expires on:

July 8, 2026

DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS, AND RESTRICTIONS FOR PINNACLE AT LIBERTY BAY, A PLAT AND PLANNED RESIDENTIAL DEVELOPMENT (PRD) COMMUNITY

THIS DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS, AND RESTRICTIONS FOR PINNACLE AT LIBERTY BAY OWNERS ASSOCIATION (this "Declaration"), is made by Montebanc Management LLC, a Florida LLC ("Declarant"). The Declaration and the plat referenced in the attached Exhibit "B" (the "Map") create a common interest community (the "Plat Community") governed by the Washington Uniform Common Interest Ownership Act, as amended, Chapter 64.90 RCW (the "Act"). Attached Exhibit "B" shows any additional information required for the Map by RCW 64.90.245 as permitted by RCW 64.90.245(14), and references to the Map shall mean the plat as supplemented by Exhibit "B". The real property initially included in the Plat Community is described in Paragraph 1 of attached Exhibit "A". Declarant has reserved the right to expand the Plat Community to include additional real property described in Paragraph 6 of attached Exhibit "A". The Act governs the administration of this Plat Community. Terms used and not defined in this Declaration are defined in the Act.

Article I Creation of the Community

1.1. Purpose and Intent. Declarant intends by Recording this Declaration to create a general plan of development for the Plat Community identified in the title to this Declaration. The Association shall administer and enforce this Declaration and the other Governing Documents in a manner consistent with the Act.

1.2. Binding Effect. The Plat Community and any property which is made a part of the Plat Community in the future by Recording one or more Supplemental Declarations or amendments to this Declaration shall be owned, conveyed, and used subject to all of the provisions of this Declaration and the other Governing Documents, which shall run with the title to all Lots, Dwellings and Common Elements located in the Plat Community. This Declaration shall be binding upon all Persons having any right, title, or interest in any portion of the Plat Community, their heirs, successors, successors-in-title, and assigns. This Declaration and the other Governing Documents shall be enforceable by Declarant, the Association, any Lot Owner, and their respective legal representatives, heirs, successors, and assigns, perpetually to the extent permitted by law. If any provision of this Declaration is determined by judgment or court order to be invalid, or invalid as applied in a particular instance, the invalid provision shall be severed from the remainder and shall not affect the validity of the other provisions or applications.

1.3. Lots in the Plat Community. This Declaration binds the real property described in Paragraph 1 of Exhibit "A" which is comprised of all Lots and Tracts created by the Plat. If Paragraph 3 of Exhibit "A" indicates that Lots will be added to the Plat Community in phases, then this Declaration creates a common interest community and a plat community governed by the Act only with regard to those Units in Phase 1 that are identified in Paragraph 3 of Exhibit "A". This Declaration establishes Phase 1 of the Plat Community which is comprised of those Lots described in Paragraph 3 of Exhibit "A", each of which is a Residential Building Lot.

1.4. Lots in Subsequent Phases. If Paragraph 3 of Exhibit "A" indicates that Lots will be added to the Plat Community in phases, then Declarant reserves the right in Section 1.5 hereof to create in one or more subsequent phases the number of additional Lots indicated for such subsequent phases in Paragraph 3 of Exhibit "A". If Declarant adds all Lots in all phases, then each Lot will be a Lot in the Plat Community. The Lots to be created in subsequent phases shall not be considered to be Lots in the Plat Community unless and until Declarant: records an amendment to this Declaration adding those Lots to the Plat Community. Each amendment to this Declaration adding Lots to the Plat Community will reallocate the Allocated Interests in accordance with the formula stated in Paragraph 8 of Exhibit "A" hereof (an equal fractional interest among all Lots in the Plat Community). Notwithstanding the foregoing, any Lots that have not been added to the Community by the date which is ten (10) years after the date this Declaration is recorded shall become Lots in the Plat Community as of such date.

1.5. Phased Development.

(a) Phases. If Paragraph 3 of Exhibit "A" indicates that Lots will be added to the Plat Community in phases, then Declarant reserves the right to develop the Plat Community in multiple phases as provided in this Section. Improvements intended for all phases shall be constructed on the land described in Paragraph 1 of attached Exhibit "A" and on that land that may be added to the Plat Community which is described in Paragraph 6 of attached Exhibit "A." The land upon which improvements will be constructed for Lots to be added in subsequent phases is shown on the Map (which may be supplemented on attached Exhibit "B") and is labelled "SUBJECT TO DEVELOPMENT RIGHTS TO ADD LOTS THAT WILL RESULT IN A REALLOCATION OF ALLOCATED INTERESTS." This Declaration, the Plat, and the Map describe the boundaries of all Lots for all phases. Improvements for Lots added in subsequent phases shall be consistent with the improvements for the first phase in structure type and quality of construction. Lots in the first phase shall become a part of the Plat Community upon the recording of this Declaration. Lots included in the first phase of the Plat Community upon the recording of this Declaration are located on that portion of the land described as "Phase 1" on the Map and the designations for those Lots are stated in Paragraph 3 of attached Exhibit "A".

(b) Adding Lots. Lots within a subsequent phase shall become part of the Plat Community when Declarant records an amendment to this Declaration and, if necessary to show the matters required by the Act for the subsequent phase, a revised Map which may be attached to such Declaration amendment as permitted by RCW 64.90.245(14). The amendment shall assign a designation to each new Lot created and reallocate the Allocated Interests among all Lots in accordance with the formula stated in Paragraph 8 of attached Exhibit "A". Any amendment to this Declaration or the Map adding Lots for a subsequent phase may be executed by Declarant alone. Declarant shall be the initial Owner of all Lots created in Phase 1 and each subsequent phase. All improvements intended for the subsequent phases will be substantially completed prior to recording the amendment to this Declaration and the Map (if required) for the subsequent phase.

(c) New Budget. Upon the addition of Lots within a subsequent phase, the Board shall establish a new budget suitable to the expanded Plat Community, if necessary, and shall thereafter impose monthly assessments based on that revised budget.

(d) Reserved Easements for Development of Phases. If Paragraph 3 of Exhibit "A" indicates that Lots will be added to the Plat Community in phases, then Declarant reserves a non-exclusive easement over, under and across all Lots for ingress, egress, construction of improvements for subsequent phases, and installation of utilities. The purpose of these reserved easements shall be to permit Declarant to perform all acts necessary to complete the construction of improvements for additional phases to be added to the Plat Community and shall be construed broadly to effectuate this purpose.

Declarant shall be solely responsible for the cost of constructing the improvements for subsequent phases, including the cost of installing roads and utilities, and utility connection charges. Declarant shall be permitted to maintain construction and sales facilities and signs for the sale or rental of Lots until Declarant has completed all improvements for all Lots that may be added to the Plat Community and has closed the sale of all homes therein.

(e) Reallocation of Interests. Declarant shall recalculate the Allocated Interests whenever the exercise of a Development Right or Special Declarant Right results in an increase or decrease in the total number of Lots. Declarant shall state the reallocations in an amendment to this Declaration signed by Declarant alone. Declarant shall use the formula stated in Paragraph 8 of attached Exhibit "A" to calculate those reallocations.

Article II Additional Definitions

The terms used in this Declaration and the other Governing Documents shall generally be given their natural, commonly accepted definitions unless otherwise specified in RCW 64.90.010. Additional definitions specific to this Declaration are capitalized and defined as set forth below.

2.1. "Bond": Any insurance, pledge of property or other undertaking by Declarant or Dealer transferred to a third party as security for the performance of a task subject to approval by the Local Jurisdiction, which upon completion of the Declarant's or Dealer's performance is refundable to the Person who provided the security.

2.2. "Community-Wide Standard": The standard of conduct, maintenance, or other activity generally prevailing throughout the Plat Community. Such standard shall be established initially by Declarant and may contain both objective and subjective elements. The Community-Wide Standard may evolve as development progresses and as the needs and demands of the Plat Community change.

2.3. "Local Jurisdiction": Any governmental authority having jurisdiction over the Plat Community for a matter described in this Declaration. A Local Jurisdiction may include, without limitation, the State of Washington, a county, a city, or a local sewer or water district or other governmental entity assigned authority by law to regulate activities in the Plat Community. A Local Jurisdiction may refer to different governmental authorities, depending upon which governmental authority is assigned responsibility to regulate activities described in this Declaration.

2.4. "Permits": Collectively, the permits, land use restrictions and conditions of Plat and PRD approval, as determined, approved and issued by the Local Jurisdiction related to the development and construction of improvements located at the Plat Community, as such may be amended or modified from time to time.

2.5. "PIC": The Property Improvement Committee, as described in Article IV, Section 4.2.

2.6 "Protected Trees": The trees (also referred to in some jurisdictions as street trees) that are required to be planted, located and maintained in the Plat Community pursuant to notes on the face of the Plat, the Permits, or described by this Declaration, if tree protection is required by the Local Jurisdiction. A pre-existing tree or a tree planted by Declarant on a Lot, or a Common Element at the time the Lot is purchased by a Lot Owner is considered a Protected Tree. Protected Trees that are located within Common Elements are owned by the Association. Any tree located within twenty (20) feet of a public right of way (whether such right of way is located within or outside the Plat Community) shall be presumed to be a Protected Tree unless the Association, Declarant or the Local Jurisdiction confirms otherwise in writing to the Lot Owner.

2.7 "Recording" and "Recorded": To file or to have filed of record in the public real estate records of the county in which the Plat Community is located, or such other place which is designated as the official location for recording deeds and similar documents affecting title to Real Estate. The date of Recording shall refer to that time at which a document, map, or plat is Recorded.

2.8. "Residential Design Guidelines": The architectural, design, and construction guidelines and review procedures adopted pursuant to Article IV, as they may be amended, which establish architectural standards and guidelines for improvements and modifications to homes constructed on the Lots.

2.9. "Specific Assessments": Assessments permitted by RCW 64.90.480(4), to be made only upon certain Lots and Lot Owners.

2.10. "Supplemental Declaration": An instrument Recorded which subjects additional Real Estate to this Declaration and/or imposes, expressly or by reference, additional restrictions and obligations on the land described in such instrument.

2.11. "Use Restrictions": The Initial Use Restrictions set forth in Article III as they may be supplemented, modified, and repealed, which govern the use of property, activities and conduct within the Plat Community.

Article III Use and Conduct

3.1. Authority to Enact Use Restrictions.

(a) Subject to the provisions of RCW 64.90.510, the Permits, the Governing Documents, and the Board's duty to exercise business judgment and reasonableness on behalf of the Association and the Lot Owners, the Board may adopt, modify, cancel, limit, create exceptions to, or expand the Use Restrictions. The Board shall give Notice concerning any such proposed action at least fourteen (14) days prior to the Board meeting at which such action is to be considered. Lot Owners shall have a reasonable opportunity to be heard at a Board meeting prior to such action being taken.

Such action shall become effective unless disapproved at a meeting by Lot Owners. The Board shall have no obligation to call a meeting of the Lot Owners to consider disapproval except upon receipt of a petition as required for special meetings in RCW 64.90.445(1)(b). Upon receipt of such petition prior to the effective date of any Board action, the proposed action shall not become effective until after such meeting is held, and then subject to the outcome of such meeting. Alternatively, Lot Owners may vote at a special meeting to adopt Use Restrictions which modify, cancel, limit, create exceptions to, or expand the Use Restrictions then in effect.

Prior to any action taken under this Section 3.1(a) becoming effective, the Board shall provide notice (containing a copy of the new Use Restriction or explanation of any changes to the Use Restrictions) to each Lot Owner. The effective date shall be at least thirty (30) days following distribution to the Lot Owners. The Association shall provide, without cost, a copy of the Use Restrictions then in effect to any requesting Lot Owner or holder of a Security Interest. Nothing in this Article shall authorize the Board or the Lot Owners to modify, repeal, or expand the Residential Design Guidelines or other provisions of this Declaration. In the event of a conflict between the Residential Design Guidelines and the Use Restrictions, the Residential Design Guidelines shall control.

(b) The procedures required under this Section shall not apply to the enactment and enforcement of Rules (including with respect to, by way of example and not limitation, administrative

issues, regulations governing the use of the Common Elements, etc.) unless the Board chooses in its discretion to submit to such procedures. Examples of such administrative Rules not governed by this Section shall include, but not be limited to, hours of operation of a recreational facility, use of private trails, and the method of allocating or reserving use of a facility (if permitted) by particular individuals at particular times. The Board shall exercise business judgment in the enactment, amendment, and enforcement of the Rules.

3.2. Lot Owners' Acknowledgment and Notice to Purchasers. All Lot Owners are given notice by this Section that use of their Lots and the Common Area is limited by the Use Restrictions as they may be amended, expanded, and otherwise modified hereunder. Each Lot Owner, by acceptance of a deed, acknowledges and agrees that the use and enjoyment and marketability of the Lot can be affected by this provision and that the Use Restrictions may change from time to time. All Purchasers of Lots are on notice that changes may have been adopted by the Association. Copies of the current Use Restrictions may be obtained from the Association.

3.3. Protection of Lot Owners and Others. Except as may be contained in this Declaration either initially or by amendment or in the initial Use Restrictions, all Use Restrictions shall comply with RCW 64.90.510 and the following:

(a) Similar Treatment. Similarly situated Lot Owners shall be treated similarly.

(b) Displays. The rights of Owners to display religious and holiday signs, symbols, and decorations inside structures on their Lots of the kinds normally displayed in dwellings located in single-family residential neighborhoods shall not be abridged, except that such shall be consistent with federal, state and the Local Jurisdiction's laws. The Association may adopt as Rules time, place, and manner restrictions with respect to any displays (including, without limitation, those outside of a dwelling) visible from outside the dwelling. No Use Restrictions shall regulate the content of political signs; provided, however, Rules may regulate the time, place, and manner of posting such signs (including, without limitation, design criteria).

(c) Household Composition. No Use Restriction shall interfere with the freedom of Lot Owners to determine the composition of their households, except that the Association shall have the power to (i) require that all occupants be members of a single housekeeping unit, (ii) limit the total number of occupants permitted in each Single Family Home on the basis of the size and facilities of the Home, (iii) limit fair use of the Common Area, (iv) limit or prohibit the occupancy of Lots by persons who have been convicted of a crime for which continued supervision after conviction is imposed upon the proposed occupant, and (v) limit or prohibit the occupancy of the Lots on the basis of compelling compliance with applicable law.

(d) Activities Within Dwellings. No Use Restriction shall interfere with the activities carried on within the confines of dwellings, except that the Association may prohibit activities not normally associated with property restricted to residential use, it may regulate rental of Units, and it may restrict or prohibit any activities that create monetary costs for the Association or other Owners, that create a danger to the health or safety of occupants of other Lots, that generate excessive noise or traffic, that create unsightly conditions visible outside the dwelling, that create an unreasonable source of annoyance, or that involve illegal conduct.

(e) Household Occupations. No Use Restriction may interfere with the rights of a Lot Owner or occupant residing in a dwelling to conduct business activities within the dwelling so long as (i) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell

from outside the dwelling; (ii) the business activity is consistent with the residential character of the Plat Community and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Plat Community, as may be determined in the Board's sole discretion; (iii) any goods, materials or supplies used in connection with any trade, service or business, wherever the same may be conducted, be kept or stored inside any building on any Lot and that they not be visible from the exterior of the buildings located at the Lot; and (iv) the use is as otherwise allowed by the Permits and applicable law. Nothing in this Section shall permit (A) the use of a Lot for a purpose which violates law, regulations, Rules or applicable zoning codes, or (B) activities that cause a significant increase in neighborhood traffic, or (C) modification of the exterior of the dwelling. The Board may, from time to time, promulgate Rules restricting activities pursuant to the authority granted to the Association under RCW 64.90.510, this Declaration, and the other Governing Documents.

(f) Allocation of Burdens and Benefits. No Use Restriction shall alter the allocation of financial burdens among the various Lots or rights to use the Common Area to the detriment of any Lot Owner over that Lot Owner's objection expressed in writing to the Association. Nothing in this provision shall prevent the Association from changing the Common Area available, from adopting generally applicable Rules for use of Common Area, or from denying use privileges to those who abuse the Common Area or violate the Governing Documents.

(g) Abridging Existing Rights. No Use Restriction shall require a Lot Owner to dispose of personal property that was in or on a Lot prior to the adoption of such Use Restriction and which was in compliance with all Use Restrictions previously in force. This dispensation shall apply only for the duration of such Lot Owner's ownership of such personal property, and this right shall not run with title to any Lot.

(h) Care of Protected Trees. The Lot Owners and the Association are prohibited from (i) voting to abandon or ceasing the maintenance of the Protected Trees, or (ii) removing or altering (other than appropriate pruning) the Protected Trees without permission of Declarant, until any maintenance Bond related to Protected Trees is released and fully exonerated, without charge or reduction, or upon the Bonds' forfeiture. Thereafter, the restrictions related to Protected Trees preservation shall be determined by the Local Jurisdiction.

(i) Reasonable Rights To Develop. No Use Restriction, Rule or action by the Association or Board shall unreasonably impede Declarant's right to develop the Plat Community.

3.4 Initial Use Restrictions. The following initial Use Restrictions shall apply to the Plat Community until such time as they are amended, modified, repealed, or limited by the Association.

(a) General. The Lots, and Common Elements shall be used only for Residential Purposes (which may include, without limitation, offices for any property manager retained by the Association or business offices for Declarant, Dealers, or the Association consistent with this Declaration and any Supplemental Declaration).

(b) Temporary Structures Prohibited. No basement, tent, shack, garage, barn or other outbuilding or buildings or any structure of a temporary or moveable character erected or placed within the Plat Community shall at any time be used as living quarters except as specifically authorized by the PIC.

(c) Nuisances. No noxious or undesirable thing, activity or use of any Lot in the Plat Community shall be permitted or maintained. If the PIC shall determine that a thing or use of any Lot or

any part of the Plat Community is undesirable or noxious, such determination shall be conclusive. The PIC may recommend and the Board may direct that steps be taken as is reasonably necessary including, without limitation, the institution of legal action or the imposition of fines to abate any activity, remove anything or terminate any use of property which is determined by the PIC or described in this Declaration to constitute a nuisance.

(d) Limitation on Animals. No animal, livestock or poultry of any kind shall be raised, bred or kept on or within any Lot, except cats, dogs, birds or fish may be kept if they are not kept, bred or maintained for any commercial purpose, and they shall not be kept in numbers or under conditions reasonably objectionable in a closely built up residential community. Animals shall not be allowed to roam loose outside the limits of any Lot on or within which they are kept; provided, however, the Board in its discretion may designate certain tracts as off-leash dog areas, subject to reasonable Rules, so long as (i) the dog(s) are under voice command; (ii) the dog(s) are non-aggressive; and (iii) all solid waste is removed by the Lot Owner utilizing the Common Elements for such purposes. Any dogs must be kept so as to minimize excessive noise from barking or otherwise shall be considered a nuisance according to the terms of this Declaration. Each Lot Owner shall be responsible for cleaning up after his or her animal for any waste or damage to any area outside of the Owner's Lot.

(e) Limitation on Signs. The Association may regulate or prohibit all signs on the Common Elements, and Lots, to the fullest extent allowed by applicable law and Section 3.3(b). The Association may establish guidelines or restrictions including, without limitation, duration, location and appearance of signs.

(f) Completion of Construction Projects. The work of construction of all buildings and structures shall be pursued diligently and continuously from commencement of construction until the structures are fully completed and painted. All structures shall be completed as to external appearance, including, without limitation, finish painting, within one year of the date of commencement of construction, except such construction as is performed by Declarant, which shall be exempt from the limitations contained in this Section. Front yard landscaping must be completed within ninety (90) days of occupation of a Lot, and rear yard landscaping must be completed within one hundred eighty (180) days of occupation of a Unit. Except with the approval of the PIC, no person shall reside on the premises of any Lot until such time as the improvements to be erected on the Lot in accordance with the plans and specifications approved by the PIC have been completed.

(g) Unsightly Conditions. No unsightly conditions shall be permitted to exist on or within any Lot. Unsightly conditions shall include, without limitation, laundry hanging or exposed in view for drying, litter, trash, junk or other debris; inappropriate, broken or damaged furniture or plants; and non-decorative gear, equipment, cans, bottles, ladders and other such items. No awnings, air conditioning units, heat pumps or other projections shall be placed on the exterior walls of any dwelling unless prior written approval shall have been obtained from the PIC. Garbage containers and recycle bins are to be stored so as not to be seen from the street, except on pick-up days. Lot Owners should insure garbage containers are secure from overflowing or spills and to keep litter and debris picked up around their Lot at all times.

(h) Antennas, Satellite Reception. Satellite dishes of no more than one meter in diameter or diagonal measurement are permitted on a Lot without PIC approval. All over-the-air reception devices shall comply with the Residential Design Guidelines or other applicable Rules adopted by the Association pertaining to the means, method and location of antennas and satellite dishes. PIC approval will be consistent with FCC regulations.

(i) Roofs. Roofs on all buildings must be finished with materials approved for use by the PIC. More than one type of material may be approved.

(j) Fences, Walls. In order to preserve the aesthetics of the Plat Community, no fence, wall or hedge shall be erected or placed on any Lot unless prior written approval has been obtained from the PIC. The design and color of any fence, whether visible to the other Lots or not, shall be constructed and finished according to the standard fence detail, as such detail is initially designated by the PIC. If a standard fence detail is attached to this Declaration, such fence detail and any required color for a fence may be modified by the PIC.

(k) Residential Purposes Only. Except for Declarant's or a Dealer's temporary sales, construction offices and model homes, no Lot shall be used for other than one detached single family residential dwelling, with driveway parking used for not more than three cars.

(l) Underground Utilities Required. Except for any facilities or equipment provided by Declarant or any utility, all electrical service, telephone lines and other outdoor utility lines shall be placed underground.

(m) Drainage Waters. Following original grading of the roads and ways of the Plat Community, no drainage waters shall be diverted or blocked from their natural course so as to discharge upon any public or private road serving as a right-of-way. A Lot Owner, prior to making any alteration in the natural drainage or a constructed drainage system, must make application to and receive approval from the PIC or, if required by law, the Local Jurisdiction. Any enclosing of drainage waters in culverts or drains or rerouting thereof across any Lot as may be undertaken by or for the Lot Owner shall be done by and at the expense of such Owner.

(n) NBA Restrictions and Maintenance. All areas designated on the Map as native growth protection area, sensitive area, critical area, buffer, natural buffer area, wetland or wetland buffer, if any (collectively, "NBA") shall be left permanently undisturbed in a substantially natural state. No clearing, grading, filling, building construction or placement, or road construction of any kind shall occur within these areas, except the activities approved by the Local Jurisdiction. The Association shall be responsible for operating, maintaining and restoring the condition of the NBA in the event any unauthorized disturbance occurs; provided, however, in the event that such disturbance is determined to be the fault of a party, the Association may pursue a claim for reimbursement of damages to the NBA from the party disturbing the area. The Association shall be guided in its maintenance of the NBA by the provisions contained in the ordinances of the Local Jurisdiction.

(o) Timeshares. No operation of a timesharing, fraction-sharing, or similar program whereby the right to exclusive use of the Lot rotates among participants in the program on a fixed or floating time schedule over a period of years, is permitted.

(p) Conversion of Garages. Conversion of any garage, attic, or other unfinished space, other than a basement, to finished space for use as an apartment or other integral part of the living area on any Lot is prohibited.

(q) Irrigation Systems. No sprinkler or irrigation systems or wells of any type may draw upon water from lakes, creeks, streams, rivers, ponds, wetlands, canals, or other ground or surface waters within the Plat Community, except that Declarant shall have the exclusive right to draw water from such sources and to reduce the level of such bodies of water if and to the extent allowed by the Permits.

(r) Burning. No open-air burning or use of wood stoves is permitted except in compliance with Local Jurisdiction ordinances; provided, however, outdoor cooking facilities, such as barbeques, are permissible subject to Rules and Local Jurisdiction ordinances.

(s) Limitation on Storage of Vehicles – Temporary Permits for RVs. Except as hereinafter expressly provided, the Lots, Common Elements and/or streets located in the Plat Community shall not be used for the storage and/or overnight parking of any vehicle other than private family automobiles, trucks, motorcycles and commercial vehicles operated by a person residing at the Lot, (provided that such commercial vehicles contain a single rear axle). Vehicles shall not be parked on a driveway or street in lieu of being parked in an available space in a garage, except as otherwise provided by Rules established by the Board. Boats, boat trailers, house trailers, campers, trucks, trucks with a camper, or other recreational vehicles or similar object may not be stored and/or parked overnight in any part of the Plat Community, except as specified herein, or as may be permitted by Rules established by the Board. No inoperable vehicles of any kind shall be parked, stored, maintained, or constructed on any Lot or street unless stored in a garage. Notwithstanding the foregoing, Lot Owners who have guests visiting them intending to stay in a camper, trailer, or other form of recreational vehicle may secure written permission from the PIC for guests to park on the driveway of a Lot for a period of up to seventy-two (72) hours, and not to exceed two (2) weeks in any calendar year. The privilege shall only exist, however, after the written permission has been obtained from the PIC. A Lot Owner that stores a recreation vehicle off-site may park the vehicle on the driveway of a Lot for forty-eight (48) hours for the purpose of preparing for departure or upon return, to facilitate preparation and return from travel.

(t) Changing Lot Contours. The surface grade or elevation of the various Lots shall not be substantially altered or changed in any manner which would affect the relationship of such Lot with other Lots, or which would result in materially obstructing the view from any other Lot, or which would otherwise produce an effect out of harmony with the general development of the immediate area in which said Lot is located. Whether or not such alteration or change in the elevation or grade of any Lot would be prohibited shall be determined by Declarant during the period of Declarant control in its sole, subjective discretion.

(u) Garbage Disposal. The Lot Owner shall ensure that no garbage can or other receptacle will be visible from any place outside the residence except immediately prior to until immediately after collection day.

(v) Prohibited Materials. In order to protect the environment, sensitive areas and water quality precautions must be taken with the storm drainage system on site. The following materials shall not be allowed to enter any surface or subsurface part of the public and/or private drainage system: (i) Petroleum products including, but not limited to, oil, gasoline, grease, fuel oil and heating oil; (ii) Trash and/or debris; (iii) Animal waste; (iv) Chemicals and/or paint; (v) Steam cleaning waste; (vi) Materials from washing uncured concrete or for cleaning and/or finishing purposes or to expose aggregate; (vii) Laundry wastes or other soaps; (viii) Pesticides, herbicides, or fertilizers; (ix) Sewerage; (x) Heated water; (xi) Chlorinated water or chlorine; (xii) Degreasers and/or solvents; (xiii) Bark or other fibrous material; (xiv) Antifreeze and/or other automotive products; (xv) Lawn clippings, leaves or branches; (xvi) Animal carcasses; (xvii) Silt; (xviii) Acids or alkalis; (xix) Recreation vehicle wastes; (xx) Dyes, unless prior permission has been granted by the Local Jurisdiction; or (xxi) Construction materials.

Any Lot Owner found to not be in compliance with the use, handling or storage of these items shall immediately remove and remedy the matter, upon written notice of the Association or the Local Jurisdiction.

Article IV Architecture and Landscaping

4.1. General. No structure or thing shall be placed, erected, or installed upon any Lot within the Plat Community and no improvements or other work (including, without limitation, staking, clearing, excavation, grading and other site work, exterior alterations of existing improvements, or planting or removal of landscaping) shall take place within the Plat Community, except in compliance with this Article and the Residential Design Guidelines adopted pursuant to this Declaration.

No approval of the PIC shall be required to repaint the exterior of a structure, if in accordance with the originally approved color scheme, or to rebuild in accordance with originally approved plans and specifications. Any Lot Owner may remodel, paint, or redecorate the interior of his or her dwelling without approval, provided that the work performed complies with all laws; provided, however, modifications to the interior of screened porches, patios, and similar portions of a dwelling visible from outside the structure and modifications to enclose garages as living space shall be subject to approval. All dwellings constructed on any portion of the Plat Community shall be designed by and built in accordance with the plans and specifications of a licensed architect or licensed building designer unless otherwise approved by Declarant or Declarant's designee, in its sole discretion.

4.2. Design Review.

(a) By Declarant. Declarant reserves as a Special Declarant Right the right to control all construction, design review, and aesthetic standards and the process for approving the same for as long as Declarant owns any Lot in the Plat Community or any land that may be added to the Plat Community. Each Lot Owner, by accepting a deed or other instrument conveying any interest in any Lot, acknowledges that Declarant has a substantial interest in ensuring that the improvements within the Plat Community enhance Declarant's reputation as a community developer or builder and do not impair Declarant's ability to market, sell, or lease its property. Therefore, each Lot Owner agrees that no activity within the scope of this Article ("Work") shall be commenced on such Lot Owner's dwelling unless and until Declarant or Declarant's designee has given its prior written approval for such Work, which approval may be granted or withheld in Declarant's or Declarant's designee's sole discretion.

In reviewing and acting upon any request for approval, Declarant or its designee shall be acting solely in Declarant's interest and shall owe no duty to any other Person. Declarant's rights reserved under this Article shall continue so long as Declarant owns any portion of the Plat Community or any real property which may be added to the Plat Community, unless earlier terminated in writing, executed and Recorded by Declarant. Declarant may, in its sole discretion, designate one or more Persons from time to time to act on Declarant's behalf in reviewing applications hereunder.

Declarant may from time to time, but shall not be obligated to, delegate all or a portion of Declarant's reserved rights under this Article to (i) a Property Improvement Committee appointed by the Association's Board of Directors, or (ii) a committee comprised of architects, engineers, or other persons who may or may not be Lot Owners. Any such delegation shall be in writing, specifying the scope of responsibilities delegated, and shall be subject to (A) Declarant's right to revoke such delegation at any time and reassume jurisdiction over the matters previously delegated; and (B) Declarant's right to veto any decision which Declarant determines, in Declarant's sole discretion, to be inappropriate or inadvisable for any reason. So long as Declarant has any rights under this Article, the jurisdiction of the foregoing entities shall be limited to matters specifically delegated by Declarant.

(b) Property Improvement Committee. Upon delegation by Declarant or upon expiration or termination of the period of Declarant control, the Association, acting through the PIC, shall

assume jurisdiction over design, property modification and architectural matters in the Plat Community. The PIC, when appointed, shall consist of at least three (3), but not more than seven (7), Persons who shall serve and may be removed and replaced in the Board's discretion. At least two (2) members of the PIC must be members of the Board, and may, but need not, include architects, engineers, or similar professionals whose compensation, if any, shall be established from time to time by the Board. If the PIC is not formed or is determined to lack authority to exercise the powers assigned to it for any reason, the Board shall act as the PIC. The PIC may be broken into or may form subcommittees to preside over particular areas of review (including, by way of example and not limitation, a new construction subcommittee and a modifications subcommittee). Any reference herein to the PIC should be deemed to include a reference to any such subcommittee. Unless and until such time as Declarant delegates all or a portion of its reserved rights to the PIC or Declarant's rights under this Article terminate, the Association shall have no jurisdiction over architectural matters. For purposes of this Article, the entity having jurisdiction in a particular case shall be referred to as the "Reviewer." The Work performed on Lots owned by Declarant or an Affiliate of Declarant, including but not limited to warranty-related Work, is exempt from review by the Reviewer.

(c) Reviewer Fees; Assistance. The Reviewer may establish and charge reasonable fees for review of applications hereunder and may require such fees to be paid in full prior to review of any application. Such fees may include, without limitation, the reasonable costs incurred in having any application reviewed by architects, engineers, or other professionals. Declarant and the Association may employ architects, engineers, or other persons as deemed necessary to perform the review. The Board may include the compensation of such persons in the Association's annual operating budget as a Common Expense.

4.3. Guidelines and Procedures.

(a) Residential Design Guidelines. Declarant may prepare the initial Residential Design Guidelines, which may contain general provisions applicable to all of the Plat Community as well as specific provisions which vary from area to area within the Plat Community. The Residential Design Guidelines are not the exclusive basis for decisions of the Reviewer and compliance with the Residential Design Guidelines does not guarantee approval of any application. Absence of adopted Residential Design Guidelines shall not limit the PIC’s ability to exercise its powers; provided, however, when disapproving an application for permission to perform Work, the Reviewer shall describe the basis for a decision if the Reviewer is unable to refer to adopted Residential Design Guidelines as the reason for disapproval of an application.

Declarant shall have sole and full authority to amend the Residential Design Guidelines in a manner consistent with the Permits during the period of Declarant control, notwithstanding a delegation of reviewing authority to the PIC, unless Declarant also delegates the power to amend to the PIC. Upon termination or delegation of Declarant's right to amend, the PIC shall have the authority to amend the Residential Design Guidelines in a manner consistent with the Permits, with the consent of the Board. Any amendments to the Residential Design Guidelines shall be prospective only and shall not apply to require modifications to or removal of structures previously approved once the approved construction or modification has commenced. Except for conditions of the Permits, there shall be no limitation on the scope of amendments to the Residential Design Guidelines, and such amendments may remove requirements previously imposed or otherwise make the Residential Design Guidelines less restrictive.

The Reviewer shall make the Residential Design Guidelines available to Lot Owners and Dealers who seek to engage in development or construction within the Plat Community. In Declarant's

discretion, such Residential Design Guidelines may be Recorded, in which event the Recorded version, as it may unilaterally be amended from time to time, shall control in the event of any dispute as to which version of the Residential Design Guidelines was in effect at any particular time.

(b) Procedures. No Work shall commence on any portion of the Plat Community until an application for approval has been submitted to and approved by the Reviewer. Such application shall include plans and specifications ("Plans") showing site layout, structural design, exterior elevations, exterior materials and colors, landscaping, drainage, exterior lighting, irrigation, and other features of proposed construction, as applicable. The Residential Design Guidelines and the Reviewer may require the submission of such additional information as may be reasonably necessary to consider any application. In reviewing each submission, the Reviewer may consider any factors it deems relevant, including, without limitation, harmony of external design with surrounding structures and environment. Decisions may be based on purely aesthetic considerations. Each Lot Owner acknowledges that determinations as to such matters are purely subjective and opinions may vary as to the desirability and/or attractiveness of particular improvements.

The Reviewer shall respond to the applicant by giving notice pursuant to RCW 64.90.515. The response may (i) approve the application, with or without conditions; (ii) approve a portion of the application and disapprove other portions; or (iii) disapprove the application. The Reviewer may, but shall not be obligated to, specify the reasons for any objections and/or offer suggestions for curing any objections. In the event that the Reviewer fails to respond in a timely manner (as provided in the Residential Design Guidelines), approval shall be deemed to have been given, subject to Declarant's right to veto approval by the PIC pursuant to this Section. However, no approval, whether expressly granted or deemed granted pursuant to the foregoing, shall be inconsistent with the Residential Design Guidelines unless a differing design proposal has been approved pursuant to Section 4.5.

Until expiration of the period of Declarant control, the PIC shall notify Declarant in writing within three (3) business days after the PIC has approved any application relating to proposed Work within the scope of matters delegated to the PIC by Declarant. The notice shall be accompanied by a copy of the application and any additional information which Declarant may require. Declarant shall have ten (10) days after receipt of such notice to veto any such action, in its sole discretion, by notice to the PIC and the applicant.

If construction does not commence on a project for which Plans have been approved within one (1) year after the date of approval, such approval shall be deemed withdrawn and it shall be necessary for the Lot Owner to reapply for approval before commencing the proposed Work. Once construction is commenced, it shall be diligently pursued to completion. All Work shall be completed within one (1) year of commencement unless otherwise specified in the notice of approval or unless the Reviewer grants an extension in writing, which it shall not be obligated to do. If approved Work is not completed within the required time, it shall be considered nonconforming and shall be subject to enforcement action by the Association, Declarant or any aggrieved Lot Owner.

The Reviewer may, by resolution, exempt certain activities from the application and approval requirements of this Article, provided such activities are undertaken in strict compliance with the requirements of such resolution.

4.4. No Waiver of Future Approvals. Each Lot Owner acknowledges that the persons reviewing applications under this Article will change from time to time and that opinions on aesthetic matters, as well as interpretation and application of the Residential Design Guidelines, may vary accordingly. In addition, each Lot Owner acknowledges that it may not always be possible to identify

objectionable features of proposed Work until the Work is completed, in which case it may be unreasonable to require changes to the improvements involved, but the Reviewer may refuse to approve similar proposals in the future. Approval of applications or Plans for any Work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar applications, Plans, or other matters subsequently or additionally submitted for approval.

4.5. Variances. The Reviewer may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, but only in accordance with the law. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing; (b) be contrary to this Declaration; or (c) estop the Reviewer from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

4.6. Limitation of Liability. The standards and procedures established by this Article are intended as a mechanism for maintaining and enhancing the overall aesthetics of the Plat Community; they do not create any duty to any Person. Review and approval of any application pursuant to this Article is made on the basis of aesthetic considerations only and the Reviewer shall not bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental requirements, nor for ensuring that all dwellings are of comparable quality, value, or size or of similar design.

Declarant, the Association, the Board, any committee, or any member of any of the foregoing shall not be held liable for soil conditions, drainage or other general site work, any defects in Plans revised or approved hereunder, or any injury, damages, or loss arising out of the manner or quality of approved construction on or modifications to any Lot. In all matters, Declarant, the Board, the PIC, and any members thereof shall be defended and indemnified by the Association as provided in RCW 64.90.405(2)(n) and in the Governing Documents.

4.7. Certificate of Approval. Any Unit Owner may request that the Reviewer issue a certificate of approval certifying that there are no known violations on his or her Lot of this Article or the Residential Design Guidelines. The Association shall either grant or deny such request within thirty (30) days after receipt of a written request and may charge a reasonable administrative fee for issuing such certificates. Issuance of such a certificate shall estop the Association from taking enforcement action with respect to any condition as to which the Association had notice as of the date of such certificate.

Article V Maintenance and Repair

5.1. Maintenance of Dwellings. Each Lot Owner shall maintain his or her Dwelling and all landscaping and improvements on the Lot in a manner consistent with the Governing Documents, the Community-Wide Standard, and all applicable covenants, unless such maintenance responsibility is otherwise assumed by or assigned to the Association. A Lot Owner shall install all landscaping surrounding all sides of the residential dwelling contained on the Lot, within six (6) months after the initial transfer of a completed residential dwelling to a Lot Owner from Declarant or a Dealer. Each Lot Owner shall also be responsible for maintaining and irrigating the landscaping within that portion of any adjacent Common Area or public right-of-way lying between the Lot boundary and any wall, fence, curb, or water's edge located on the Common Area or public right-of-way adjacent to the Lot boundary, unless such area is maintained by the Association; provided, however, there shall be no right to remove trees, shrubs or similar vegetation from this area without prior approval of the Association. Each Lot Owner shall perform

at the Owner's expense the maintenance and upkeep of fencing, Protected Trees (if located on a Lot), drainage swales and/or underground drain lines and catch basins installed on their Lot, unless such components of the Lots are made a part of the Common Elements maintained by the Association.

5.2. Responsibility for Repair and Replacement. Unless otherwise specifically provided in the Governing Documents or in other instruments creating and assigning maintenance responsibility, responsibility for maintenance shall include, without limitation, responsibility for repair and replacement as necessary to maintain the Lot and dwelling to a level consistent with the Community-Wide Standard. Repair and replacement may include, without limitation, improvement if necessary to comply with applicable building codes or other regulations or if otherwise deemed appropriate, in the Board's reasonable discretion.

By virtue of taking title to a Lot, each Lot Owner covenants and agrees with all other Owners and with the Association to carry property insurance for the full replacement cost of all insurable improvements on his or her Lot and improvements, less a reasonable deductible. If the Association assumes responsibility for obtaining any insurance coverage on behalf of Lot Owners, the premiums for such insurance shall be levied as an Assessment against the benefited Lot and the Lot Owner pursuant to RCW 64.90.480(4).

Each Lot Owner further covenants and agrees that in the event of damage to or destruction of structures on or comprising such Owner's dwelling, the Owner shall proceed promptly to repair or to reconstruct such structures in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Article IV. The Lot Owner shall pay any costs which are not covered by insurance proceeds.

5.3 Preservation of Protected Trees. The Lot Owners and the Association shall have primary responsibility for the care and preservation of all Protected Trees that are planted in the Plat Community, unless such responsibility is assumed by the Local Jurisdiction. The division of responsibility between the Owners, the Association and the Local Jurisdiction for different aspects of the care and preservation of the Protected Trees may be established by notations on the face of the Map, or if there are no such notations, by Rule, instruction by Declarant, or ordinance adopted by the Local Jurisdiction. The Lot Owners and the Association shall provide such maintenance to the Protected Trees that is appropriate, based upon good nursery practices and requirements imposed by the Map, Declarant or the Local Jurisdiction.

In the event that any Lot Owner or the Association fails to maintain the Protected Trees, Declarant may elect to maintain the Protected Trees and may charge the Association and the Lot Owners the cost of such maintenance. The obligation arising under this Section shall be a lien on the Plat Community in favor of Declarant, which Declarant may enforce (in place of the Association) in the manner described in Chapter 61.12 RCW.

In the event that a Lot Owner removes or alters inappropriately any Protect Trees without written permission of Declarant (until Declarant's Bond is released or forfeited, and then the written permission of the Association or the Local Jurisdiction, if the Local Jurisdiction assumes responsibility for the Protected Trees, shall be required), the removal shall be a breach of the Lot Owner's duties described in this Declaration. Declarant (until Declarant's Bond is released in full without claim, and then the Association or the Local Jurisdiction), may bring an action to restrain the removal of any Protected Trees, or for damages arising from such removal, including, without limitation, such additional damages, treble damages, attorney's fees, litigation expenses and costs that are available under this Declaration or state law.

Declarant's rights and duties described herein shall cease and automatically terminate upon (a) release in full, without claims, and delivery to Declarant of Declarant's Bond, (b) recovery of compensation by Declarant for all sums deducted from the Bond, or (c) a date six (6) years from the date of any Bond forfeiture, whichever event occurs first. After Declarant's performance and maintenance Bonds are released or forfeited, and Declarant has received the full exoneration of the Bond without claims, or compensation for any payments made from the Bond, the Association may apply to the Local Jurisdiction or its successor for approval to terminate or amend the restrictions imposed upon the removal or alteration of Protected Trees. Such application may be made if a majority of the Lot Owners approve of the Association's application for termination or alteration of the Protected Trees restrictions. Upon written notification from the Local Jurisdiction of the termination or alteration of the restrictions upon Protected Trees contained herein, the Association shall cause a copy of the notice to be Recorded. Upon Recordation of such notice, the provisions of this Section related to Protected Trees shall terminate or be amended in the manner described in the notice.

5.4. Remedies for Failure to Maintain. If any Lot Owner shall fail to conduct maintenance as required by this Article, or to otherwise maintain the Lot in the same condition as a reasonably prudent homeowner or in a manner which preserves the drainage for other Lots, the Association shall notify the Lot Owner in writing of the maintenance required. If the maintenance is not performed within thirty (30) days of the date notice is delivered, the Association shall have the right to enter upon the Lot and provide such maintenance, and to levy an Assessment against the non-performing Lot Owner and Lot for the cost of providing the maintenance pursuant to RCW 64.90.480(4). 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. In the event that emergency repairs are needed to correct a condition on a Lot which poses 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 non-performing Lot Owner of the repairs necessary. Emergency repairs performed by the Association, if not paid for by the non-performing Lot Owner, may be collected by the Association in the manner provided for herein notwithstanding the failure of the Association to give the non-performing Owner the thirty (30) day notice.

Article VI Association Powers and Responsibilities

6.1. Acceptance and Control of Association Property. The Association, through action of its Board, may acquire, hold, and dispose of tangible and intangible personal property and real property. Declarant and Declarant's designees may convey to the Association personal property and fee title, leasehold or other property interests in any real property. The Association shall accept and maintain such property at its expense for the benefit of the Lot Owners, subject to any restrictions set forth in the deed or other instrument transferring such property to the Association and any obligations or conditions appurtenant to such property. Upon Declarant's written request, the Association shall re-convey to Declarant any unimproved portions of the Plat Community originally conveyed by Declarant to the Association for no consideration, to the extent conveyed by Declarant in error or needed by Declarant to make minor adjustments in property lines.

6.2. Maintenance of Common Elements. The Association shall maintain the Common Elements as defined in RCW 64.90.010(7), which for the purpose of this Declaration also include, without limitation:

(a) The Common Elements identified on the Map, and any landscaping and Protected Trees located thereon;

(b) The entry features and landscaping (whether placed on land owned by the Association, or in the easements created for the Association's benefit);

(c) The irrigation facilities, storm water facilities, streets, sidewalks, street lighting, parking areas, transit shelters, trails, ponds, streams, wetlands, recreational amenities and any community center, signage, open spaces, wetlands, natural preserve areas and conservation areas, sensitive areas, and buffers located in the Plat Community that are not maintained by the Local Jurisdiction, including, without limitation, improvements and equipment installed therein or used in connection therewith;

(d) Planter strips, medians, Protected Trees, planting areas within cul-de-sacs, and the fence (or solid coniferous landscaping);

(e) mailbox and mailbox shelters (which may not be moved or physically altered without approval of the PIC, the U.S. Postal Service and the Local Jurisdiction);

(f) such improvements included within or outside the Common Elements as may be described in this Declaration or its Exhibits, described in any Recorded document, or contained in any contract or agreement for maintenance entered into by Declarant or the Association.

The Association shall use commercially-reasonable efforts to maintain the Common Elements in a manner consistent with the Community-Wide Standard. The Association may maintain other property which it does not own, including, without limitation, Lots and property dedicated to the public, if the Board determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard. The Association shall not be liable for any damage or injury occurring on, or arising out of the condition of, property which it does not own except to the extent that it has been negligent in the performance of its maintenance responsibilities.

6.3. Indemnification of Officers, Directors, and Others. To the fullest extent permitted by Washington law, the Association shall indemnify every officer, director, volunteer and committee member of the Association against all damages and expenses, including, without limitation, counsel fees, reasonably incurred in connection with any action, suit, or other proceeding (including, without limitation, settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer, director, or committee member.

The officers, directors, and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on behalf of the Association (except to the extent that such officers or directors may also be Lot Owners). The Association shall indemnify and forever hold each such officer, director, and committee member harmless from any and all liability to others on account of any such contract, commitment, or action. This right to indemnification shall not be exclusive of any other rights to which any present or former officer, director, or committee member may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

6.4. Security. The Association may, but shall not be obligated to, maintain or support certain activities within the Plat Community designed to make the Plat Community safer than it otherwise might be. Neither the Association nor Declarant shall in any way be considered insurers or guarantors of security within the Plat Community, nor shall either be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. No representation or

warranty is made that any systems or measures, including, without limitation, any mechanism or system for limiting access to the Plat Community, cannot be compromised or circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Lot Owner acknowledges, understands, and covenants to inform its tenants and all occupants of its Lot that the Association, its Board and committees, and Declarant are not insurers and that each Person entering the Plat Community assumes all risks of personal injury and loss or damage to property, including, without limitation, Lots and the contents of dwellings, resulting from acts of third parties.

6.5. Effect of Dissolution of Association. In the event that the Association is dissolved and is no longer authorized to do business as a non-profit corporation, the rights and duties of the Association (including, but not limited to, all ownership interest in the Common Elements) shall vest in the Lot Owners, as an unincorporated association. Any Lot Owner or any holder of a Security Interest may reinstate the Association's corporate status, or create a successor entity as a successor to the Association, at any time by filing with the State of Washington such documents as required by law to reinstate the Association or create its successor, and upon such reinstatement, the Lot Owners' rights and duties, as described in this Declaration, shall re-vest in the reinstated or successor Association, and all Lot Owners shall be members thereof with all rights to vote provided by law and the Governing Documents of the entity. To the greatest extent possible, any successor entity shall be governed by the Governing Documents of the Association as if they had been made to constitute the governing documents of the successor entity.

6.6. Provision of Services. The Association may provide or provide for services and facilities for the Lot Owners, their guests, lessees, and invitees, and shall be authorized to enter into and terminate contracts or agreements with other entities, including, without limitation, Declarant, to provide such services and facilities. The Board may charge use and consumption fees for such services and facilities. By way of example and not limitation, some services and facilities which might be offered include landscape maintenance, pest control service, cable television service, internet service, security, caretaker, transportation, fire protection, utilities, and similar services and facilities. Nothing herein shall be construed as a representation by Declarant or the Association as to what, if any, services shall be provided. In addition, the Board shall be permitted to modify or cancel existing services provided, in its discretion, unless otherwise required by the Governing Documents. No Owner shall be exempt from the obligation to pay for such services, if provided to all Lot Owners as a Common Expense, based upon non-use or any other reason.

6.7. Relations with Other Properties. The Association may enter into contractual agreements or covenants to share costs with other associations, properties or facilities for maintaining and/or operating shared or mutually beneficial properties or facilities.

6.8. Facilities and Services Open to the Public. Certain facilities and areas within the Plat Community may be open for use and enjoyment of the public. Such facilities and areas may include, by way of example and not limitation: greenbelts, trails and paths, parks, neighborhood spots conducive to gathering and interaction, roads, sidewalks, and medians. Declarant may designate such facilities and areas as open to the public at the time Declarant makes such facilities and areas a part of the Common Elements or the Board may so designate at any time thereafter. Portions of the Common Elements which are not intended to be open to the public may be posted as private property.

6.9. Permit Matters. The Plat Community may be subject to a variety of permit restrictions and obligations which are contained in the Permits and in applicable law and are binding upon the Plat Community and run with the land. The Association and each Lot Owner shall comply with the restrictions and requirements of the Permits, as applicable. During initial development of the Plat Community, Declarant shall implement, maintain, and enforce the programs and requirements of the Permits.

Declarant shall have the right, but not the obligation, to delegate or assign certain responsibilities to the Association or any committee, and the Association or such committee shall have the obligation to accept and fulfill such delegation or assignment of such obligations. The cost of such activities shall be a Common Expense if the activity is associated with the Common Elements and for the general benefit of all of the community. In the performance of its responsibilities, the Association shall follow the standards and requirements of the Permits and applicable law. The Association shall comply with the design guidelines and maintenance standards referenced in the Permits, particularly in the use and preservation of native vegetation and landscaping, in the performance of its responsibilities under this Declaration.

6.10. Relationship with Tax-Exempt Organizations. Declarant or the Association may create, enter into agreements or contracts with, or grant exclusive and/or non-exclusive easements over portions of the Common Elements to, non-profit, tax-exempt organizations, the operation of which confers some benefit upon the Plat Community, the Association, the Lot Owners, or occupants of dwellings. If established by Declarant or the Association, the Association shall be responsible to fund the minimum organization expenses of maintaining such entity and may contribute money, real or personal property, or services to such entity. Such expenses and any such contributions shall be a Common Expense. For purposes of this Section, a "tax-exempt organization" shall mean an entity which is exempt from federal income taxes under the Internal Revenue Code ("Code"), such as, but not limited to, entities which are exempt from federal income taxes under Sections 501(c)(3) or 501(c)(4), as the Code may be amended from time to time.

Article VII Association Finances

7.1. Budgeting and Assessments. At least sixty (60) days before the beginning of each fiscal year, the Board shall prepare a budget of the estimated Common Expenses for the coming year. The budget must include, without limitation, the projected income of the Association by category, the projected Common Expenses and those Specially Allocated Expenses that are subject to being budgeted, both by category, the amount of the Assessments per Lot and the date the Assessments are due, the current amount of regular Assessments budgeted for contribution to the reserve account, a statement of whether the Association has a reserve study that meets the requirements of RCW 64.90.550 and, if so, the extent to which the budget meets or deviates from the recommendations of that reserve study, and the current deficiency or surplus in reserve funding expressed on a per Lot basis, including any contributions to be made to a reserve fund. The budget may include, without limitation, any surplus to be applied from prior years, any income expected from sources other than Assessments levied against the Lots, and the amount to be generated through the levy of Assessments against the Lots. Any such subsidy shall be disclosed as a line item in the income portion of the budget. Payment of such subsidy in any year shall not obligate Declarant to continue payment of such subsidy in future years, unless otherwise provided in a written agreement between the Association and Declarant.

Within thirty (30) days after the adoption of a final budget by the Board, the Board shall send to each Owner a copy of the final budget, notice of the amount of the Assessment to be levied pursuant to such budget, and notice of a meeting to consider ratification of the budget, not less than fourteen (14) nor more than fifty (50) days after providing the budget. Unless at that meeting the Owners to which a majority of the votes in the Association are allocated reject the budget, the budget is ratified, whether or not a quorum is present. In the event the proposed budget is rejected or the required notice is not given, the periodic budget last ratified by the Lot Owners shall be continued until such time as the Lot Owners ratify a subsequent budget proposed by the Board. The Board may revise the budget and adjust the Assessments from time to time during the year, subject to the notice requirements and the right of the Lot Owners to ratify the revised budget as set forth above.

7.2. Budgeting for Reserves. The Board shall prepare and periodically review a reserve budget for the Common Elements for which the Association maintains capital items as a Common Expense. The budgets shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall include in the Common Expense budget adopted pursuant to Section 7.1 a capital contribution to fund reserves in an amount sufficient to meet the projected need with respect both to amount and timing by annual contributions over the budget period.

7.3. Specially Allocated Expenses. The following expenses of the Association shall be allocated as stated in this Section rather than in accordance with the Allocated Interests stated on attached Exhibit "A":

(a) Expenses benefiting fewer than all of the Lots or their Owners shall be allocated exclusively against the Lots benefited in proportion to the Allocated Interests of the benefited Lots. In particular, this means that the budget shall specially allocate all expenses that depend on occupancy or those improvements to Lots (e.g., landscaping expenses) to those Lots that have been improved with a home and sold to an Owner for occupancy.

(b) If the Association pays for any utilities provided to the Lots, then the cost of those utilities shall be allocated among the Lots in proportion to the usage of each Lot, or upon any different basis used by the utility provider in charging for those utilities, to the extent the Association is reasonably able to determine such usage or other basis;

(c) Assessments to pay a judgment against the Association shall be made only against those Lots in the Plat Community at the time the judgment was entered, in proportion to their Allocated Interests;

(d) To the extent any expense of the Association is caused by the willful misconduct or gross negligence of any Owner or that Owner's tenant, guest, invitee, or occupant, the Association may assess that expense against the Owner, after notice and opportunity to be heard, even if the Association maintains insurance with respect to that damage or expense; and

(e) To the extent any expense of the Association is caused by the negligence of any Owner or that Owner's tenant, guest, invitee, or occupant, the Association may assess that expense against the Owner, after notice and opportunity to be heard, to the extent of the Association's deductible and any expenses not covered under an insurance policy issued to the Association.

7.4 Capitalization of Association. Upon closing of the first conveyance of each Lot to a Purchaser or first occupancy of a Lot, whichever occurs first, the Association shall collect a working capital contribution for such Lot equal to $500.

7.5. Time of Payment. Assessments shall be paid in such manner and on such dates as the Board may establish. The Board may require advance payment of Assessments at closing of the transfer of title to a Lot and impose special requirements for Lot Owners with a history of delinquent payment. If the Board elects, Assessments may be paid in two (2) or more installments. Unless the Board otherwise provides, the Assessment shall be due and payable in advance on the first day of each fiscal year. If any Lot Owner is delinquent in paying any Assessments or other charges levied on a Lot, the Board may require the outstanding balance on all Assessments to be paid in full immediately.

7.6. Association's Right to Acquire Lot Subject to Foreclosure. When attempting to collect Assessments by Foreclosure, the Association may bid for the Lot at a Foreclosure sale and acquire, hold, lease, mortgage, and Convey the Lot.

7.7 Reimbursements From Local Jurisdictions – Assignment to Declarant. In the event that the Association succeeds to the interest of Declarant in any Bond, late comers' reimbursement, impact fee refund or similar right to receive a refund of funds paid by Declarant pursuant to a requirement imposed by a Local Jurisdiction related to construction of improvements at or for the benefit of the Plat Community ("Refund"), the Association irrevocably assigns any such Refund to Declarant. Upon receipt of notice that the Association is entitled to a Refund, the Association shall provide written notice of the Refund to Declarant or to Declarant's assignee if the Association has notice of such assignee. The Association shall assign to Declarant or Declarant's assignee all Refunds to which the Association may become entitled, regardless of the time that may have passed since recordation of the Map and formation of the Association.

Article VIII Changes to the Boundaries of the Plat Community

8.1. Expansion or Contraction of the Plat Community by Declarant. Declarant reserves as a Development Right the right to add to the Plat Community all or a portion of the real property described in Paragraph 6 of attached Exhibit A, or to withdraw any of the Lots within the Plat Community that have not been sold. Declarant shall determine if and how much real property should be added to or withdrawn from the Plat Community, and the location of the new boundaries of the Plat Community, in Declarant's sole, subjective discretion. When added to the Plat Community, the additional real property shall become subject to the provisions of this Declaration. When withdrawn from the Plat Community, the real property withdrawn shall be released from this Declaration without further action by Declarant. Declarant may add additional real property to the Plat Community which is not contiguous to other portions of the Plat Community. Real property shall be added to or withdrawn from the Plat Community by Recording a Supplemental Declaration prepared consistent with RCW 64.90.250(1). The decision to expand or contract the size of the Plat Community shall not require the consent of any Person except the owner of such real property to be added or withdrawn, if other than Declarant. Declarant's right to expand or contract the Plat Community pursuant to this Section shall expire ten (10) years after this Declaration is Recorded. Nothing in this Declaration shall be construed to require Declarant or any successor to subject additional property to this Declaration or to develop all of the property described in Exhibit "A" in any manner whatsoever. Every Person that acquires any interest in a Lot agrees not to protest, challenge, or otherwise object to the development of any real property by Declarant which lies adjacent to the Plat Community, and which could be subjected to the terms of this Declaration by Declarant.

8.2. Additional Covenants and Easements. Declarant may subject any portion of the Plat Community to additional covenants and easements, including, without limitation, covenants obligating the Association to maintain and insure such property and authorizing the Association to recover its costs through Assessments. Such additional covenants and easements may be set forth either in a Supplemental Declaration subjecting such real property to this Declaration or in a separate Supplemental Declaration referencing real property previously subjected to this Declaration. If the property is owned by someone other than Declarant, then the consent of the owner shall be necessary and shall be evidenced by their execution of the Supplemental Declaration. Any such Supplemental Declaration may supplement, create exceptions to, or otherwise modify the terms of this Declaration as it applies to the subject real property in order to reflect the different character and intended use of such property.

8.3 Expansion and Contraction of the Plat Community by the Association. The Association may also subject additional property to the provisions of this Declaration or withdraw real property by amending this Declaration in the manner described in RCW 64.90.285, and Recording a Supplemental Declaration adopted by the Lot Owners describing the real property affected. So long as Declarant owns

property subject to this Declaration or which may become subject to this Declaration in accordance with Section 8.1, Declarant's consent to the Association's action shall be necessary. The Supplemental Declaration shall be written and signed by the Association, by the owner of the property and by Declarant, if Declarant's consent is necessary.

Article IX Development Rights and Special Declarant Rights

9.1. Phased Development. Declarant reserves the right to develop the Plat Community in phases as stated in more detail in Section 1.5 hereof.

9.2. Expand or Contract Boundaries of the Plat Community. Declarant may exercise the Development Rights described in Article VIII of this Declaration to add or withdraw real property from the Plat Community, dedicate property to any municipality or utility as necessary for development, or transfer ownership of any Unit, easement, or other property still owned by Declarant that does not interfere with the requirements of the plat approvals.

9.3. Governmental Interests. Declarant may designate sites it owns within the Plat Community for fire, police, water, and sewer facilities, public schools and parks, and other public facilities. Sites may be designated for use of water infiltration under the Permit. None of the Association, the PIC, or the Lot Owners may object to the use of such sites for the designated public purposes.

9.4. Marketing and Sales Activities. To the fullest extent permitted by RCW 64.90.275, Declarant and Dealers may construct and maintain upon portions of the Common Elements such facilities and activities as, in Declarant's sole, subjective discretion, may be reasonably required, convenient, or incidental to the construction or sale of Lots, including, but not limited to, business offices, signs, model units, and sales offices. Declarant and Dealers shall have easements for access to and use of such facilities and shall not be subject to fees or rental charges. Declarant hereby reserves for itself and all Dealers, so long as Declarant or any Dealer owns any Lot, the right to maintain in the Plat Community such signs as in the opinion of Declarant are required, convenient or incidental to the merchandising and sale of the Units.

9.5. Right to Complete Improvements to Plat Community. Declarant may elect, at any time that Declarant or any Dealer owns any Lot, to construct, inspect, test, redesign, maintain, repair and correct improvements located in the Plat Community as Declarant and Dealers deem appropriate in their sole, subjective discretion.

9.6. Easements Granted to Declarant and Dealers. To the fullest extent permitted by RCW 64.90.280(1), Declarant and Dealers shall have an easement over and upon all of the Common Elements and Lots for the purpose of:

(a) Access to Lots and Common Elements, as described in RCW 64.90.280(2), and to utility meters, environmentally-regulated land, wetlands, bodies of water and any other improvement or land feature for which Declarant or a Dealer may have responsibility;

(b) Performing the activities described in Section 9.5.

(c) Installing utilities and infrastructure to serve the Plat Community, walkways, pathways and trails, drainage systems, street lights and signage on property which Declarant owns or within public rights-of-way or easements reserved for such purpose on the Map;

(d) Installing, operating, maintaining, repairing and replacing telephone, cable television, telecommunications, security, and other systems for sending and receiving data and/or other electronic signals ("Technology Utilities"), to serve the Plat Community and each Lot, and additional property which can be subjected to this Declarant by Declarant. Any such easement may, in Declarant's sole discretion, grant the exclusive right to access or use of such Technology Utilities, including, without limitation, the portions of the systems installed on the Lots or in the dwellings, and other structures constructed on Lots and Common Elements within the Plat Community;

(e) Planting, maintaining or replacing Protected Trees whether located along the front, side or back boundary of a Lot. The easement granted herein shall extend onto a Lot for a distance sufficient for Protected Trees (of a variety approved by the Local Jurisdiction or its successor) to be planted, irrigated, replaced, maintained and pruned in manner consistent with good nursery practices;

(f) Inspecting, maintaining, repairing, and replacing all other improvements which are the responsibility of Declarant or any Dealer, as provided in this Declaration, the Map or required by law.

Notwithstanding anything to the contrary herein, the easements granted in this Section shall not entitle the holders to construct or install any systems, facilities, or utilities over, under or through any existing dwelling on a Lot. Any damage to a Lot resulting from the exercise of the foregoing easements shall promptly be repaired by, and at the expense of, the Person exercising the easement. Exercise of the foregoing easements shall not unreasonably interfere with the use of any Lot. Except in the event of an emergency or as provided in Section 5.4, entry into a structure on a Lot shall be only after notice is given to the Lot's Owner and agreement is reached with the Lot Owner regarding a reasonable time to enter the structures.

9.7 Easements Granted by Declarant to Serve Other Real Property. Declarant also reserves the non-exclusive right and power to grant such specific easements as may be necessary, in the sole discretion of Declarant, in connection with the orderly development of any additional property which Declarant could subject to the terms of this Declaration, whether or not such property is made subject to this Declaration. The location of the easement shall be subject to the approval of the owner of the burdened property (the Association or Lot Owners, as the case may be), which approval shall not unreasonably be withheld, delayed or conditioned.

Declarant further agrees that if the easement is exercised for permanent access to such property and such property or any portion thereof benefiting from such easement is not made subject to this Declaration, or any other declaration of covenants, conditions, easements and restrictions under which an owners' association is created or provided for, Declarant or Declarant's successors or assigns shall enter into a reasonable agreement with the Association to share the cost of any maintenance which the Association provides to or along any roadway providing access to such property. The allocation of costs in any such agreement shall be based on the number of residential dwellings on the property served by the easement and not subject to this Declaration as a proportion of the total number of residential dwellings within the Plat Community and on such benefited property.

9.8 Election to Join Master Association. Declarant may elect to make the Plat Communities subject to a Master Association as described in RCW 64.90.300.

9.9 Mergers. Declarant may elect to merge the Plat Communities with another Plat Community.

9.10 Declarant Control Period.

(a) Management by Declarant-Controlled Board. Until the Transition Date defined in Section 9.10(b), the Board shall consist of three (3) directors and Declarant shall have the right to appoint and remove all members of the Board except as stated in this Section. Not later than sixty (60) days after conveyance of twenty-five percent (25%) of the Lots to Owners other than Declarant, at least one (1) member and not less than twenty-five percent (25%) of the members of the Board must be elected by Owners other than Declarant. Not later than sixty (60) days after conveyance of fifty percent (50%) of the Lots to Owners other than Declarant, not less than one-third (1/3) of the members of the Board must be elected by Owners other than Declarant.

(b) Termination of Declarant Control. Declarant Control of the Association shall terminate on the Transition Date. The "Transition Date" shall be no later than the earlier of (a) sixty (60) days after conveyance of seventy-five percent (75%) of the Lots to Owners other than Declarant, (b) two (2) years after the last conveyance of a Lot or the last exercise of a Development Right to create Lots, or (c) the date on which Declarant records an amendment to this Declaration pursuant to which Declarant voluntarily surrenders the right to further appoint and remove officers and members of the Board. If Declarant voluntarily surrenders control pursuant to (c) above, Declarant may require that for the duration of the period of Declarant Control, specified actions of the Association or the Board, as described in a recorded instrument executed by Declarant, be approved by Declarant before they become effective.

(c) Transfer of Records and Audit. Upon termination of the period of Declarant Control, the records of the Association shall be audited as of the date of transfer by an independent certified public accountant in accordance with generally accepted auditing standards unless the Owners, other than Declarant, by majority vote, elect to waive the audit. The costs of the audit shall be a Common Expense. In addition, within sixty (60) days after the termination of the period of Declarant Control, Declarant shall deliver to the Owner-controlled Board those documents and records listed in RCW 64.90.420. After such delivery, the Owner-controlled Board shall be solely responsible for maintaining those documents and records and Declarant shall have no further obligation with regard to the same. Specifically, Declarant shall have no obligation to provide additional copies of those documents and records to the Owner-controlled Board or any other party.

(d) Management by Board of Directors. Within thirty (30) days after the Transition Date, Declarant shall schedule a special meeting to elect directors to the Board, the number of which are specified in the Bylaws, and a majority of whom must be Owners of Lots. All Board positions shall be open for election at such special meeting following the Transition Date. The Board may delegate all or any portion of its administrative duties to a manager, managing agent, or officer of the Association. The Board shall elect from among its members a President (who shall preside over meetings of the Board and the meetings of the Association), Secretary and Treasurer, all of which officers shall have such duties and powers as may be specified by the Board from time to time.

9.11 Design Review. Declarant may control the PIC and serve as the Reviewer, as described in Section 4.2.

9.12 Attend Governance Meetings. Declarant may, over the objections of any Person, attend any meeting of the Association and the Board, except when the Board conducts an executive session and Declarant does not have a representative that serves as a Board member.

9.13 Access to Association Records. Declarant may, over the objections of any Person, review the Governing Documents and all other records of the Association and the Board, to the same extent as a Lot Owner.

9.14. Right To Approve Additional Covenants. During the period of Declarant Control, no easement, covenant, declaration or similar instrument affecting any portion of the Plat Community shall be Recorded without Declarant's review and written consent. Any attempted Recording without such consent shall result in such instrument being void and of no force and effect unless subsequently approved and Recorded by Declarant.

9.15. Right to Approve Changes in the Standards Within the Plat Community. No amendment to or modification of any Use Restrictions or Residential Design Guidelines shall be effective without prior notice to and the written approval of Declarant so long as Declarant owns property subject to this Declaration or which may become subject to this Declaration in accordance with Section 8.1. Declarant reserves the right to enter into an agreement with the Lot Owner (without the consent of any other Lot Owner) to deviate from the conditions, restrictions, limitations or agreements contained in this Declaration. Any deviation shall be manifested in a written agreement and shall not constitute a waiver of any such condition, restriction, limitation, or agreement as to the other Lots located in the Plat Community, and the condition, restriction, limitation or agreement waived by Declarant shall remain fully enforceable as to all other Lots.

9.16 Right to Reallocate Limited Common Elements and Shared Structures. Declarant may change the allocation of Limited Common Elements and Shared Structures among Lots owned by Declarant and assign use of the same Limited Common Element or Shared Structure to additional Lots owned by Declarant.

9.17. Right to Notice of Design or Construction Claims. No Person shall retain an expert for the purpose of inspecting the design or construction of any structures or improvements within the Plat Community in connection with or in anticipation of any potential or pending claim, demand, or litigation involving such design or construction unless Declarant and any Dealer involved in the design or construction have been first notified in writing and given an opportunity to meet with the Lot Owner to discuss the Lot Owner's concerns, and conduct the Declarant’s or Dealer’s own inspection.

9.18 Declarant’s Permission to Amend Declaration. No amendment of this Declaration shall modify, alter or delete (a) any Special Declarant Rights; (b) any portion of the Arbitration Agreements in Section 13.4 of this Declaration; (c) responsibilities of the Lot Owners, Association or Declarant concerning the preservation of Protected Trees; or (d) Limited Common Elements or Shared Structures, without the consent of Declarant attached to and Recorded with such amendment, regardless of whether Declarant continues to maintain an ownership interest in any Lot or membership in the Association.

9.19 Right to Enter Into Bulk Service Contracts. Declarant reserves the right to enter into bulk service contracts for the provision of utility or technology services offered to all Lots in the Plat Community. In such case, the cost shall be a Common Expense of the Association and shall be a part of the Assessments. If the service provides additional services or benefits to certain Lot Owners at their request, such additional services or benefits shall be paid directly by the Lot Owner to the service provider, or become a Specific Assessment, as appropriate and specified in the agreement with the service provider.

9.20 Right To Transfer Development Rights. Any or all of Declarant’s special rights and obligations set forth in this Declaration or the other Governing Documents may be transferred in whole or in part to other Persons in the manner and with the effect described in RCW 64.90.425. The foregoing sentence shall not preclude Declarant from permitting other Persons to exercise, on a one time or limited

basis, any right reserved to Declarant in this Declaration where Declarant does not intend to transfer such right in its entirety.

9.21 Rights Granted by Applicable Law. Declarant is entitled to exercise any rights granted or permitted by law to be held by a Person whose interest in the Plat Community is described in RCW 64.90.010(17).

9.22 Exercise and Termination. The Special Declarant Rights and Development Rights reserved by Declarant may be exercised by Declarant in its sole, subjective discretion in all parts of the Plat Community and in any additional real property added to the Plat Community pursuant to Section 8.1. To exercise any Development Right or Special Declarant Right, Declarant shall prepare, execute and Record an amendment to this Declaration and comply with the Act. Such amendment shall require only Declarant's signature. Except as otherwise provided in this Declaration, all Development Rights and Special Declarant Rights shall expire ten (10) years after the recording of this Declaration; provided, however, that Declarant may voluntarily terminate any and all such rights at any time by Recording an amendment to this Declaration, which amendment specifies which rights are thereby terminated. Any Development Right may be exercised with respect to different portions of the Plat Community at different times, no assurances are made regarding the boundaries of portions of the Plat Community which may be subjected to the exercise of a Development Right or the order in which a Development Right may be exercised, and if a Development Right is exercised, it is not necessary that the Development Right be exercised in all or in any other portion of the remainder of the Plat Community.

Article X Easements

10.1 Additional Easements. In addition to the easement and use rights granted to the Lot Owners and Declarant by RCW 64.90.280 and this Declaration, the additional easements described in this Article are also granted.

10.2. Easements for Encroachments. Declarant grants the Association and the Lot Owners reciprocal appurtenant easements of encroachment, and for maintenance and use of encroachments, between each Lot and any adjacent Common Area and between adjacent Lots due to the unintentional placement, settling or shifting of the improvements (including, without limitation, fences and walkways) constructed, reconstructed, or altered thereon in accordance with the terms of this Declaration, to a distance of not more than three (3) feet, as measured from any point on the common boundary along a line perpendicular to such boundary. However, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of, or with the knowledge and consent of, the Person claiming the benefit of such easement. Easements which arise for encroachments shall be deemed permissive entries into adjoining land, and their creation shall not create a claim for adverse possession of the property on which the encroachment is located.

10.3. Easements for Maintenance, Emergency, and Enforcement. In addition to the easements granted on the face of the Map, Declarant grants to the Local Jurisdiction and the Association easements over the Plat Community as necessary to enable the Local Jurisdiction and the Association to fulfill its maintenance and enforcement responsibilities under applicable law and this Declaration. The Association shall also have the right, but not the obligation, to enter upon any Lot for emergency, security, and safety reasons, to perform maintenance and to inspect for the purpose of ensuring compliance with and enforce the Governing Documents. Such right may be exercised by any member of the Board and its duly authorized agents and assignees, and all emergency personnel in the performance of their duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Lot Owner.

Article XI Limited Common Elements

11.1. Purpose. None

11.2. Designation. None

11.3. Use by Others. None

Article XII Shared Structures

12.1. General Rules of Law to Apply. Each wall, fence, driveway, utility, sewer or similar structure built as a part of the original construction on the Lots which serves and/or separates more than one (1) Lot and is not designated as a Common Element or Limited Common Element shall constitute a "Shared Structure." To the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls, tenancy in common and liability for property damage due to negligence or willful acts or omissions shall apply to Shared Structures. Any tract which provides access to or is otherwise shared by more than one Lot is a Shared Structure, the maintenance and repair of which is governed by this Declaration and this Article.

12.2. Maintenance; Damage and Destruction. The cost of reasonable repair and maintenance of a Shared Structure shall be shared equally by the Lot Owners who make use of the Shared Structure. If a Shared Structure is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Lot Owner who has used the structure may restore it. If other Lot Owners thereafter use the structure, they shall contribute to the restoration cost in equal proportions. However, such contribution will not prejudice the right to call for a larger contribution from the other users under any rule of law regarding liability for negligent or willful acts or omissions.

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

12.4. Disputes. Any dispute arising concerning a Shared Structure shall be handled in accordance with the dispute resolution provisions of this Declaration.

Article XIII Dispute Resolution and Limitation on Litigation

13.1. Dispute Resolution Methods. The provisions of this Article shall govern the resolution of all Claims between any Bound Party. Claims, disputes and controversies shall be resolved pursuant to the Arbitration Agreements described in Section 13.4, unless specifically exempted from the Arbitration Agreements by Section 13.3; if exempt from the Arbitration Agreements, the Exempt Claims may be litigated in a court of competent jurisdiction, except that Purchase Agreement Claims and Warranty Claims (as defined below) shall be resolved in accordance with the dispute resolution provisions of the Purchase Agreement or Warranty (both as defined below), as applicable. Before any Claims are brought by the Association against any Person, the Association shall comply with the requirements of Section 13.5.

13.2. Claims and Exempt Claims. Unless specifically identified as an Exempt Claim in this Section, all claims or disputes arising out of or relating to (a) the interpretation, application or enforcement of the Governing Documents; (b) the rights, obligations and duties of any Bound Party under the Governing Documents; (c) the design or construction of improvements within the Plat Community; (d) breach of contract; (e) negligent or intentional misrepresentations or nondisclosure in the inducement; (f) execution

or performance of any contract related to the Plat Community, including, without limitation, the Arbitration Agreements described in this Article; (g) any alleged statutory violation; (h) any claim of bodily injury or property damage related to the design or construction of the Lots, Dwellings, and/or the Common Elements; and (i) any claim made under the Washington State Consumer Protection Act, Chapter 18.86 RCW (the claims or disputes that are the subject of the foregoing clauses (a) through (i) are collectively referred to as "Claims"), shall be subject to the provisions of Sections 13.4-13.8, which require the Claims to be negotiated, then mediated, and then arbitrated. Unless all necessary parties otherwise agree, the following list of exemptions ("Exempt Claims") shall not be Claims, and shall not be subject to the provisions of Sections 13.4-13.8 requiring negotiation, mediation and arbitration (except that Purchase Agreement Claims and Warranty Claims shall be resolved in accordance with the dispute resolution provisions of the Purchase Agreement or Warranty, as applicable, as further provided below):

13.2.1 any suit by the Association against any Bound Party to collect Assessments, enforce liens, or enforce the provisions of the Governing Documents;

13.2.2 any suit by the Association to obtain equitable relief (such as, by way of example and not limitation, a temporary restraining order, injunction, or specific performance) and such other ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association's ability to enforce the provisions of Article III, Article IV and Article V;

13.2.3 any suit brought by the Association to challenge tax assessments;

13.2.4 any suit brought by the Association against any contractor or vendor arising out of a contract for services or supplies between the Association and such contractor or vendor, except that any claim arising from or related to alleged defects in a Lot, Dwelling, or the Common Elements shall be resolved in accordance with Section 13.2.12, if such claim is a Warranty Claim covered by a Warranty, or if not so covered, such claim shall be resolved in accordance with the Claim resolution provisions in Sections 13.4-13.8;

13.2.5 counterclaims brought by the Association in proceedings instituted against the Association, except that any counterclaim arising from or related to alleged defects in a Lot, Dwelling, or the Common Elements shall be resolved in accordance with Section 13.2.12, if such claim is a Warranty Claim covered by a Warranty, or if not so covered, such counterclaim shall be resolved in accordance with the Claim resolution provisions in Sections 13.4-13.8;

13.2.6 any suit by a Bound Party for declaratory or injunctive relief which seeks a determination as to applicability, enforcement, clarification, or interpretation of any provisions of this Declaration;

13.2.7 any suit between Owners, which does not include Declarant or the Association as a party, if such suit asserts a Claim which would constitute a cause of action independent of the Governing Documents and if the amount in controversy exceeds Ten Thousand Dollars ($10,000.00);

13.2.8 any suit in which any indispensable party is not a Bound Party, except that any claim arising from or related to alleged defects in a Lot, Dwelling, or the Common Elements shall be resolved in accordance with Section 13.2.12, if such claim is a Warranty Claim covered by a Warranty, or if not so covered, such claim shall be resolved in accordance with the Claim resolution provisions in Sections 13.4-13.8;

13.2.9 any suit concerning a Claim for which mandatory arbitration is prohibited by the provisions of Chapter 64.90 RCW;

13.2.10 any suit as to which any applicable statute of limitations would expire within one hundred eighty (180) days of giving the Notice required by Section 13.6.1, unless the party or parties against whom the Claim is made agree to toll the statute of limitations as to such Claim for such period as may reasonably be necessary to comply with this Article, and except that any claim arising from or related to alleged defects in a Lot, Dwelling, or the Common Elements shall be resolved in accordance with Section 13.2.12, if such claim is a Warranty Claim covered by a Warranty, or if not so covered, such claim shall be resolved in accordance with the Claim resolution provisions in Sections 13.4-13.8;

13.2.11 any claim ("Purchase Agreement Claim") arising under or relating to an agreement ("Purchase Agreement") between Declarant and a Purchaser for the purchase and sale of a Lot within the Plat Community, which Purchase Agreement Claim shall be resolved in accordance with the dispute resolution provisions of the Purchase Agreement, except that any claim arising from or related to alleged defects in a Unit or the Common Elements shall be resolved in accordance with Section 13.2.12, if such claim is a Warranty Claim covered by a Warranty, or if not so covered, such claim shall be resolved in accordance with the Claim resolution provisions in Sections 13.4-13.8; and

13.2.12 any claim ("Warranty Claim") arising from or related to alleged defects in a Lot, Dwelling or the Common Elements which are covered by an express or implied contractual warranty ("Warranty"), including, without limitation, any Warranty supplied to a Purchaser under a Purchase Agreement between Declarant and such Purchaser, which Warranty Claim shall be resolved in accordance with the dispute resolution provisions of the Warranty or Purchase Agreement, as applicable.

With the consent of all parties thereto, any of the above exemptions voluntarily may be submitted to the negotiation, mediation and arbitration provisions set forth in Sections 13.4-13.8. If the Association seeks to litigate items 13.2.1 through 13.2.5, such litigation shall require the majority vote of the Board of Directors. For purposes of clarity, any Purchase Agreement Claim or Warranty Claim that is finally determined to not be subject to the dispute resolution provisions of a Purchase Agreement or a Warranty, as applicable, shall be resolved in accordance with the negotiation, mediation and arbitration provisions of Sections 13.4-13.8.

13.3. Bound Parties. Declarant, the Association, the Association's officers, directors, and committee members, all Persons subject to this Declaration, any Dealer or builder, and any Person not otherwise subject to this Declaration who agrees to submit to this Article by contract with a Bound Party or by stipulation shall be a "Bound Party" for the purposes of this Article XIII. A Dealer is a Bound Party if the contract between the Dealer and a Purchaser provides for submission of disputes to this Article XIII.

13.4. Arbitration Agreements. Each Bound Party covenants and agrees to submit all Claims to the negotiation, mediation and arbitration provisions set forth in Sections 13.4-13.8, in lieu of filing suit in any court (collectively, the "Arbitrations Agreements"); provided, however, in no event shall a Claim be submitted for negotiation, mediation or arbitration after the date when institution of a legal or equitable proceeding based on the Claim would be barred by the applicable statute of limitations or statute of repose. Any dispute concerning the interpretation or the enforceability of the Arbitration Agreements described in this paragraph, including, without limitation, revocability or voidability for any cause, the scope of arbitrable issues, and any defense based upon waiver or estoppel, shall be decided in accordance with the Arbitration Agreements. The Arbitration Agreements shall inure to the benefit of, and be enforceable by, Declarant and Declarant's subcontractors, agents, vendors, suppliers, design professionals, insurers and any other person alleged to be liable for any defect in or to any Lot, Dwelling, or the Common Elements, and shall be binding upon all family members and tenants of the Lot Owners and the Association. No

participation of a party in a judicial proceeding involving a matter which is arbitrable under the Arbitration Agreements shall be deemed a waiver of the right of such party to enforce the Arbitration Agreements. If any provision of the Arbitration Agreements shall be determined by the arbitrator or any court to be unenforceable or to have been waived, the remaining provisions shall be deemed to be severable therefrom and enforceable according to their terms. The fees, expenses and costs of negotiating, mediating and/or arbitrating any Claim shall be paid in accordance with the provisions of this Sections 13.6-13.7. Mediation and arbitration proceedings shall be conducted in the jurisdiction where the Plat Community is located.

The parties expressly agree that the Arbitration Agreements involve and concern interstate commerce and are governed by the Federal Arbitration Act (9 U.S.C. §1, et. seq.) to the exclusion of any different or inconsistent state or local law, ordinance or judicial rule, and to the extent that any state or local law, ordinance or judicial rule shall be inconsistent with any provision of the Rules of the ADR Provider (both as defined below), the Rules shall govern the conduct of the proceeding, and the subject Claim shall not be resolved by or in a court of law or equity.

Without limitation of any of the foregoing, Declarant, the Association and all Owners acknowledge and agree that, by virtue of the Recording of this Declaration, the Arbitration Agreements shall run with title to the real property subject to this Declaration and all additional phases, and shall be binding upon all Persons having any right, title or interest in all or any portion of the real property subject to this Declaration and their respective heirs, legal representatives, successors, successors-in-title, and assigns, and shall be for the benefit of Declarant and all Owners of Lots, Dwellings, and Common Elements subject to this Declaration, regardless of whether Declarant continues to maintain an ownership interest in any Lot or membership in the Association.

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, BY VIRTUE OF THE RECORDING OF THIS DECLARATION, DECLARANT, THE ASSOCIATION AND ALL OWNERS ACKNOWLEDGE AND AGREE THAT THEY HAVE NO RIGHT, AND WAIVE ANY RIGHT, TO (A) HAVE ANY CLAIM BE COMMENCED, HEARD OR RESOLVED AS A CLASS ACTION; (B) ASSERT ANY CLASS ACTION OR REPRESENTATIVE ACTION CLAIMS AGAINST ANY PERSON IN MEDIATION, ARBITRATION OR OTHERWISE, AND AGREE THAT IT IS THE EXPRESS INTENT OF EACH OF THEM THAT CLASS ACTION AND REPRESENTATIVE ACTION PROCEDURES NOT BE ASSERTED OR APPLIED WITH RESPECT TO ANY CLAIM; AND (C) HAVE ANY CLAIM HEARD OR RESOLVED IN A COURT BY A JUDGE OR JURY.

13.5. Consensus for Association Litigation of Claims. Notwithstanding anything to the contrary in this Article XIII, the Association shall not commence arbitration, judicial or administrative proceedings to resolve a Claim without the approval of a majority of the Lot Owners. In the event the judicial or administration proceeding is against Declarant or any former Declarant, seventy-five percent (75%) of the total votes of the Lot Owners are required to commence such proceeding. This Section shall not be amended unless such amendment is approved by the percentage of votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

13.6. Mandatory Procedures for Resolution of Claims.

13.6.1 Notice. Any Bound Party having a Claim (whether one or more, the "Claimant") against any other Bound Party (whether one or more, the "Respondent") (each, a "Party," and collectively, the "Parties") shall notify each Respondent in writing (the "Notice"), stating plainly and concisely: (a) the nature of the Claim, including, without limitation, the Persons involved and Respondent's role in the Claim; (b) the legal basis of the Claim (including, without limitation, the specific authority out of which the Claim

arises); (c) Claimant's proposed remedy; and (d) that Claimant will meet with Respondent to discuss in good faith ways to resolve the Claim.

13.6.2 Negotiation and Mediation. The Parties shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Notice, the Association's Board may appoint a representative to assist the Parties in negotiation. If the Parties do not resolve the Claim within thirty (30) days of the date of the Notice (or within such other period as may be agreed upon by the Parties) ("Termination of Negotiations"), Claimant shall have thirty (30) additional days to submit the Claim to mediation with a mediator acceptable to Respondent, or if the parties cannot agree upon the selection of a mediator within such thirty (30) day time period, the parties shall request JAMS, Judicial Arbiter Group, Inc. or another mutually acceptable dispute resolution service provider (as selected, the "ADR Provider"). If Claimant does not submit the Claim to mediation within such time, or does not appear for the mediation, Claimant shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of such Claim; provided, however, that nothing herein shall release or discharge Respondent from any liability to any Person other than the Claimant.

Any Party who will be relying upon an expert report and/or repair estimate at the mediation shall provide the mediator and the other Parties with a copy of such reports and/or estimates. If one or more issues directly or indirectly relate to alleged deficiencies in design, materials or construction, all Parties and their experts shall be allowed to inspect, document (by photograph, videotape or otherwise) and evaluate the alleged deficiencies prior to mediation, and the Lot(s), Dwelling(s), and/or Common Elements that are the subject of the Claim shall be made available for such purposes.

All mediation fees shall be divided equally among the Parties. Before the mediation begins and consistent with the laws of the State of Washington, the Parties shall agree in writing to limit the admissibility in any arbitration or court action of anything said, any admission made, and any documents prepared in the course of the mediation.

If any Claimant commences an arbitration or court proceeding based on a Claim without first attempting to resolve the matter through negotiation and mediation as provided herein, then, in addition to any other rights and remedies of the Respondent provided under this Declaration, at law or in equity, the Respondent shall have the right, at any time, to cause such proceeding to be dismissed or set aside, and the Claimant shall pay all costs, expenses and reasonable attorneys' fees incurred by the Respondent to have such proceeding set aside or dismissed.

Any settlement of a Claim through mediation shall be documented in writing by the mediator and signed by the Parties. If the Parties do not settle the Claim within thirty (30) days after submission of the matter to the mediator, or within such time as determined by the mediator, the mediator shall issue a notice of termination of the mediation proceedings ("Termination of Mediation"). The Termination of Mediation notice shall set forth that the Parties are at an impasse and the date that mediation was terminated.

13.6.3 Final and Binding Arbitration. If the Parties do not agree in writing to a settlement of a Claim within fifteen (15) days after the Termination of Mediation, the Claimant shall have fifteen (15) additional days to submit the Claim to arbitration in accordance with this Section. Within such time period, the Claimant shall deliver to the Respondent a written notice of the intent to arbitrate the Claim ("Notice to Arbitrate"). If not timely submitted to arbitration or if the Claimant fails to appear for the arbitration proceeding, the Claim shall be deemed abandoned, and the Respondent shall be released and discharged from any and all liability to Claimant arising out of such Claim; provided, however, that nothing

herein shall release or discharge the Respondent from any liability to Persons other than Claimant. Unless otherwise agreed by the Parties, if timely submitted, the arbitration shall be conducted in accordance with the rules specified by the ADR Provider (the "Rules"), which Rules shall include, without limitation, and the Parties shall be bound by, the following:

13.6.3.1 The arbitration shall be conducted by a single arbitrator agreed upon by the Parties with at least ten (10) years of experience in the subject matter of the Claim who may be, without limitation, an attorney licensed to practice law in the State of Washington with experience in real estate or construction law, or an expert in the construction industry (the "Arbitrator," or if more than one as provided below, the "Arbitrators"). If the parties cannot agree upon the selection of an Arbitrator, the Arbitrator shall be selected by the ADR Provider in accordance with the Rules. An Arbitrator shall be selected within the shortest possible period after delivery of the Notice to Arbitrate. Any fees due to the ADR Provider in connection with such selection process shall be split equally by the Parties. If the amount demanded with respect to the Claim exceeds $1,000,000, the arbitration shall be heard and determined by three Arbitrators, unless the Parties agree on a single Arbitrator. If three Arbitrators are to hear the Claim, the Claimant, on the one hand, and the Respondent, on the other hand, shall each select an Arbitrator of their choice and those two Arbitrators shall agree on the selection of the third Arbitrator.

13.6.3.2 The Arbitrator(s) shall have exclusive authority to resolve any Claim, provided, however, such authority is limited to resolution of the Claims, and other disputes may not be joined or consolidated with the Claim unless agreed to in writing by all Parties. The Arbitrator(s) shall be authorized to provide all recognized remedies available at law for any cause of action, except injunctive relief. The Arbitrator(s) shall make a determination of the Claims as soon as possible after completion of the arbitration proceeding, and the decision of the Arbitrator(s) shall be final and binding. To the fullest extent permitted by applicable law, no finding or stipulation of fact, no conclusion of law, and no arbitration award in any arbitration shall be given preclusive or collateral estoppel effect with respect to any issue or claim in any subsequent arbitration or court action, except among the Parties to the arbitration.

13.6.3.3 Judgment upon the award rendered by the Arbitrator may be entered in any court having jurisdiction.

13.6.3.4 All arbitrations shall be concluded, if practicable, within one hundred eighty (180) days after the delivery of the Notice to Arbitrate.

13.7 Allocation of Costs of Resolving Claims. Except as expressly provided in this Article XIII, each Party shall bear its own costs and expenses, including, without limitation, attorneys' fees and expert costs and fees, related to any Claim, and shall not be entitled to or awarded its attorneys' fees or costs incurred with respect to such Claim, or the mediator or Arbitrator fees, or any related administrative fees. The fees and costs associated with mediation and/or arbitration proceedings will depend in large part on the nature of the Claim. As such, it is not possible to estimate the fees and costs in advance.

13.8 Enforcement of Resolution. If any Claim is resolved through negotiation, mediation or arbitration in accordance with this Article XIII and any Party thereafter fails to abide by the terms of such resolution, then any abiding or complying Party may file suit or initiate administrative proceedings to enforce such agreement or Award without the need to again comply with the procedures set forth in Section 13.6.

Article XIV Changes in Ownership of Lots

Any Lot Owner desiring to sell or otherwise transfer title to his or her Lot shall give the Board notice of the name and address of the Purchaser or transferee, the date of such transfer of title, and such

other information as the Board may reasonably require. Rules may be adopted governing the timing and content of such notice. Each transferee of a Lot shall, within ten (10) days of taking title to a Lot, confirm that the information previously provided by the transferor to the Association is complete and accurate. The transferor shall continue to be jointly and severally responsible with the transferee for all obligations of the Lot Owner, including, without limitation, Assessment obligations, until the date upon which such notice is received by the Board, notwithstanding the transfer of title.

Article XV Miscellaneous Additional Provisions

Exhibit "A" is incorporated by reference, contains the legal description of the Plat Communities and additional information applicable to the Plat Community that may be required to be included in this Declaration by Chapter 64.90 RCW or a Local Jurisdiction. Additional provisions of this Declaration, if attached as Exhibits, are incorporated by this reference. All of the rights, responsibilities, duties and restrictions described in Chapter 64.90 RCW are incorporated into this Declaration as if fully set forth herein.

Article XVI Amendments

16.1. Subsequent to Lot Conveyance. After the Conveyance of a Lot to a Person other than Declarant, amendments to this Declaration shall be made by an instrument in writing entitled "Amendment to Declaration" which sets forth the entire amendment. Amendments may be adopted at a meeting of the Owners if sixty-seven percent (67%) of the Owners vote for such amendment, or without any meeting if all Owners have been duly notified and sixty-seven percent (67%) of the Owners consent in writing to such amendment. In all events, the amendment when adopted shall be attested by the Secretary of the Association, who shall state whether the amendment was properly adopted, and shall be executed by the President of the Association. Amendments once properly adopted shall be effective upon Recording.

16.2. Prior to Lot Conveyance. Prior to the Conveyance of a Lot to a Person other than Declarant, Declarant shall have the right to amend this Declaration by executing and Recording the desired amendment thereto, and the Recording of such amendment shall be presumed to be valid as to anyone relying thereon in good faith.

16.3. Corrective Amendments by Declarant. Upon thirty (30) day advance notice to the Owners, Declarant may, without a vote of the Owners or approval by the Board, unilaterally adopt, execute, and record a corrective amendment or supplement to this Declaration, the Map, or the other Governing Documents to correct a mathematical mistake, an inconsistency, or a scrivener's error, or clarify an ambiguity in the Governing Documents with respect to an objectively verifiable fact including, without limitation, recalculating the Allocated Interests, within five (5) years after the Recording or adoption of the Governing Document(s) containing or creating the mistake, inconsistency, error, or ambiguity. Any such amendment or supplement may not materially reduce what the obligations of Declarant would have been if the mistake, inconsistency, error, or ambiguity had not occurred. By way of example and not limitation, Declarant’s intent with regard to this Declaration, the Map, and the other Governing Documents is that they fully comply with all requirements of the Local Jurisdiction and, as a result, Declarant shall have the authority to Record an amendment under this Section to make any changes required by the Local Jurisdiction.

[Signature page follows]

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration the date and year first written above.

Montebanc Management LLC
a Florida LLC

By: _____
Print Name:_____
Title:_____

STATE OF FFORIDA)
) ss.
COUNTY OF _____)

This record was acknowledged before me on _____, 2025 by _____ as _____ of Montebanc Management LLC a Florida LLC

_____
Notary Public in and for the State of Florida

My Commission Expires:_____

EXHIBIT "A"

INFORMATION SPECIFIC TO THE PLAT COMMUNITY / PRD

1. **Legal Description of property included in the Plat Community for Pinnacle At Liberty Bay:**

2. **Reference to the Map:**

   Recording Number: _____

3. **Units in Phase 1 of the Plat Community and Units in Subsequent Phases**:

   Phase 1:

   Subsequent Phases: None

4. **Maximum number of Lots that may be added to the Plat Community:**

   None.

5. **Limited Common Elements:**

   None.

6. **Land that may be added to the Plat Community**:

7. **Land that may be allocated as future Limited Common Elements:**

8. **Allocated Interests**:

   The common expenses of the Plat Community are allocated equally to each Unit and one vote is allocated to each Unit.

9. **Restrictions on Alienation of Units**:

   None.

EXHIBIT "B"

MAP PURSUANT TO RCW 64.90.245(14)

See attached – Plat and PRD of Pinnacle at Liberty Bay