

RETURN ADDRESS:

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Hanson Baker Ludlow Drumheller P.S.
 2229 112th Ave. NE, Suite 200
 Bellevue, WA 98004
 Attn: Joshua Rosenstein
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SECOND AMENDED AND RESTATED DECLARATION
 OF COVENANTS, CONDITIONS AND RESTRICTIONS
 CEDAR RIDGE SUBDIVISION

Sequim, Washington

DOCUMENT TITLE	Second Amended and Restated Declaration of Covenants, Conditions and Restrictions for Cedar Ridge Subdivision
REFERENCE NOS. OF DOCUMENTS ASSIGNED/RELEASED	2007-1196497; 2007-1196499; 2007-1196500; 2007-1213556; 2008-1223577; 2008-1223578; 2008-1223579; 2021-1416152
GRANTOR	Cedar Ridge Properties, LLC
GRANTEE	Plat of Cedar Ridge, Phase I; Plat of Cedar Ridge, Phase II
LEGAL DESCRIPTION	Ptn of NW ¼ of NW ¼, Sec. 27, T.30N., R.3W., W.M.; and Ptn of NE¼ of NE¼, Sec. 28, T.30N., R.3W., W.M.
ASSESSOR'S PARCEL NOS.	03-30-28-530001; 03-30-28-530002; 03-30-28-530010 through 03-30-28-530940; 03-30-27-540950 through 03-30-27-541790; 03-30-28-110050

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SECOND AMENDED AND RESTATED DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
CEDAR RIDGE SUBDIVISION

Sequim, Washington

THIS SECOND AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS ("**Declaration**") is made as of May 19th, 2021, by Cedar Ridge Properties LLC, a Washington limited liability company ("**Declarant**").

RECITALS

A. As originally planned, Cedar Ridge, a Planned Unit Development ("**Cedar Ridge**"), was to be comprised of three "phases," known as Phase I, Phase II and Phase III. A legal description of Cedar Ridge (including all Phases as of the date of recording of this Declaration) is attached hereto as **Exhibit A**.

B. In the early stages of development of Cedar Ridge, the original declarants (Cedar Ridge Associates LLC, Cedar Ridge 2 LLC and Cedar Ridge 3 LLC) recorded three Declarations of Covenants, Conditions and Restrictions:

- Declaration of Covenants, Conditions and Restrictions Cedar Ridge Subdivision Phase I, recorded as Clallam County Auditor File No. ("**AFN**") 2007-1196497, with amendment recorded as AFN 2008-1223478 (collectively "**Phase I CCRs**");
- Declaration of Covenants, Conditions and Restrictions Cedar Ridge Subdivision Phase II, recorded as AFN 2007-1196499, with first amendment recorded as AFN 2007-1213556 and second amendment recorded as AFN 2008-1223579 (collectively, "**Phase II CC&Rs**"); and
- Declaration of Covenants, Conditions and Restrictions Cedar Ridge Subdivision Phases I, II and III, recorded as AFN 2007-1196500, with amendment recorded as AFN 2008-1223577 (collectively, "**Phases I - III CC&Rs**").

C. Declarant is the successor in interest to the original declarants of Cedar Ridge and has the full authority and power as the "declarant" under each of the sets of CC&Rs noted above.

D. The Phase I CC&Rs, Phase II CC&Rs and Phases I-III CC&Rs each provide that Declarant may amend the CC&Rs from time to time prior to the Turnover Date, which, as defined therein, is the date that at least eighty percent (80%) of the parcels which comprise each of the "Phases" contain completed and occupied residences. As of the date of this Declaration, less than eighty percent (80%) of the parcels within the identified Phases contain completed and occupied residences.

E. In the process of developing and selling properties within Cedar Ridge, Declarant has determined that the Phase I CC&Rs, Phase II CC&Rs and Phases I-III CC&Rs are substantially similar to each other, and that the multiple applicable CC&Rs cause unnecessary duplication and confusion among current and prospective Cedar Ridge property owners.

F. To address this duplication, and to promote uniform management of Cedar Ridge and uniform rights and obligations of the property owners within Cedar Ridge, Declarant has determined that it is prudent to consolidate the three sets of CC&Rs into a single set of CC&Rs applicable to all properties within Cedar Ridge.

G. Declarant has also identified certain provisions within the CC&Rs which it has determined are out of date or which should be amended to promote continued quality and responsible development within Cedar Ridge. Declarant has therefore determined it necessary to exercise its authority to amend and supersede each set of the Phase I CC&Rs, Phase II CC&Rs and Phases I-III CC&Rs accordingly.

H. Declarant previously executed and recorded the First Amended and Restated Declaration of Covenants, Conditions and Restrictions Cedar Ridge Subdivision, recorded as AFN 2120-1416152 (the "**First Amended and Restated CC&Rs**"). Declarant has determined that certain additional changes are appropriate and that amending and restating the First Amended and Restated CC&Rs will promote ease of use and understanding of the covenants, conditions and restrictions affecting Cedar Ridge.

NOW, THEREFORE, Declarant hereby amends and restates in their entirety the Phase I CC&Rs, Phase II CC&Rs, Phases I-III CC&Rs and First Amended and Restated CC&Rs. This Declaration shall replace and supersede the Phase I CC&Rs, Phase II CC&Rs, Phases I-III CC&Rs and First Amended and Restated CC&Rs in their entireties. Henceforth, all Property within Cedar Ridge, now existing or added by subsequent amendment, shall be subject to this Declaration.

ARTICLE I GENERAL DECLARATION

Declarant hereby declares that all of the Property is held and shall be held subject to this Declaration, and that the covenants, conditions, and restrictions set forth herein shall run with and bind the Property, each Lot and any other division of the Property, if any, the Owners, Occupants, and all other persons acquiring any interest in the Property or any portion thereof, and the heirs, assigns, and successors of any such persons. These covenants, conditions and restrictions shall inure to the benefit of and be burdens upon Declarant and upon all Owners, Occupants, and future Owners and Occupants.

ARTICLE II
DEFINITIONS

As used in the Declaration, the Articles of Incorporation, Bylaws and Rules and Regulations of the Association, and any Exhibits to any of them, unless the context shall require otherwise, the following definitions shall apply.

- Section 1. "Architectural Review Committee" or "ARC" shall mean the committee of the Board formed pursuant hereto and the Bylaws to review and approve or disapprove plans and specifications for the design and construction of improvements within Cedar Ridge and to undertake such other tasks as are specified in this Declaration.
- Section 2. "Assessment" shall mean all sums chargeable by the Association against a Lot including, without limitation: (a) regular and special Assessments for Common Expenses, fees and any other charges imposed by the Association; (b) interest and late charges on any delinquent account; and (c) costs of collection, including reasonable attorneys' fees, incurred by the Association in connection with the collection of a delinquent Lot Owner's account.
- Section 3. "Association" shall mean the Cedar Ridge Sequim Community Homeowners Association, a Washington nonprofit corporation, formed pursuant to this Declaration, RCW Ch. 64.38 and RCW Ch. 24.03.
- Section 4. "Board" shall mean the Board of Directors of the Association, formed pursuant to the Bylaws.
- Section 5. "Bylaws" shall mean the Bylaws of the Cedar Ridge Sequim Community Homeowners Association.
- Section 6. "Common Area(s)" shall mean and include the following:
- (a) Tract 999, including but not limited to the Club House Lot, as shown on the Phase I Plat;
 - (b) Tract 999 as shown on the Phase II Plat;
 - (c) Easement for ingress, egress, utilities and irrigation, including all private streets and driveways, as shown on the Phase I Plat;
 - (d) Easement for ingress, egress, utilities, irrigation and landscape buffer, as shown on the Phase I Plat;
 - (e) 24 ft. driveway easement for ingress, egress, utilities and irrigation as shown on the Phase I Plat;
 - (f) Easement for ingress, egress, repair and maintenance of the sanitary sewer system and water lines per filed separate document for connection to existing City of Sequim sewer and water system as shown on the Phase I Plat;

- (g) Easement for ingress, egress, utilities, repair and maintenance for the benefit of the PUD as shown on the Phase I Plat;
- (h) Easement for ingress, egress, utilities, irrigation repair and maintenance, and public walkway as shown on the Phase I Plat;
- (i) Easement for ingress, egress, utilities and irrigation, including all private streets and driveways, as shown on the Phase II Plat;
- (j) Easement for irrigation and greenbelt, as shown on the Phase II Plat;
- (k) Easement for ingress, egress, utilities, repair and maintenance for the benefit of the PUD as shown on the Phase II Plat;
- (l) Easement for ingress, egress, pump station and connection thereto as shown on the Phase II Plat; and
- (m) Any other areas owned by or benefiting the Association and/or the Owners for the common use and enjoyment of all of Owners.

In addition, Common Area shall include those areas within the Property, which are, from time to time, designated by Declarant (prior to the termination of the Development Period) or by the Board as Common Areas. Such areas may include, but are not limited to, entry roads, interior roads, club houses, open space, monuments and structures, streets and any private storm drainage casements. Such areas may be conveyed to the Association, dedicated to the public use and/or private use of the Cedar Ridge residents.

- Section 7. "Common Expenses" shall mean and refer to any expense of the Association, including any allocations to reserves, allocated to all of the Owners in accordance with common expense liability set forth in Sections 3 and 4 of Article VIII.
- Section 8. "Declarant" shall mean Cedar Ridge Properties LLC and any Person to which Declarant or a subsequent Declarant assigns its rights as Declarant. Declarant may assign its rights as Declarant at any time until termination of the Development Period.
- Section 9. "Declaration" shall mean this Second Amended and Restated Declaration of Covenants, Conditions and Restrictions for Cedar Ridge Subdivision and any amendments thereto.
- Section 10. "Development Period" shall mean that period of time from the date of recording this Second Amended & Restated Declaration of Covenants, Conditions and Restrictions for Cedar Ridge Subdivision until the date when all Lots have been sold, but in any event the Development Period shall terminate fifteen (15) years after the recording of this Second Amended & Restated Declaration of Covenants, Conditions and Restrictions for Cedar Ridge Subdivision. Notwithstanding the foregoing, the Developer, at its option, may elect to terminate the Development

Period at any time by recording with the Clallam County Auditor a Notice of Termination of Development Period referencing this Declaration and stating that the Development Period is terminated.

- Section 11. "Director" shall mean a member of the Board, selected or elected in accordance with the Bylaws.
- Section 12. "Estate Lots" are those Lots identified in **Exhibit C** as the "Estates Lots."
- Section 13. "Improvements" shall mean all improvements now or hereafter placed or constructed in, under, or upon the Property, including without limitation, any residence, wall, painting (other than existing colors), building, out building, road, parking area, fence, screening wall or barrier, retaining wall, stairs, deck, utility distribution facility, landscaping, well, septic system, driveway, awning, solar panel, dog run, statue, pole, sign and any other improvement.
- Section 14. "Lot" shall refer, severally, to each of the lots within the Property. "Lot" means any of the parcels of land designated on the Plat as a lot for residential use. "Lot" does not include the Club House Lot or any parcel of land designated on the Plat as a tract.
- Section 15. "Occupant" shall mean the Person or persons, entity or entities (including, but not limited to, trusts, corporations or partnerships) in lawful possession or all or any portion or a Lot.
- Section 16. "Open Space" shall mean that area designated on the recorded Plat as open space and shall include all Common areas.
- Section 17. "Other Vehicles" shall mean boats; trailers; motorcycles; trucks, truck-campers, vehicles and equipment in excess of one ton in weight; recreational vehicles (excluding Class B and Class B+ recreational vehicles); and similar vehicles.
- Section 18. "Owner" shall mean the Owner, whether one or more persons or entities (including, but not limited to trusts, corporations or partnerships), of the fee simple title in any residential Lot or the contract vendee on any installment land sale contract. Those having an interest merely as security for the performance of an obligation such as mortgagees and lien holders shall not be considered the Owner. In the event of multiple Owners of a single Lot or an Owner that is an entity an individual shall be designated as the Owner(s) representative to attend meetings of the association and to cast the vote for the Owner(s).
- Section 19. "Passenger Vehicles" shall mean passenger automobiles, SUVs, pickup trucks and vans rated one ton or less, and Class B and Class B+ recreational vehicles.
- Section 20. "Person" shall mean any individual, association, corporation, partnership, or other legal entity.
- Section 21. "Plat" shall mean the subdivision plat recorded in the Clallam County Subdivision Plat Records for each Phase as follows:

Phase I: Clallam County AFN 2007-1196496, Vol. 15, Page 16.

Phase II: Clallam County AFN 2007-1196498, Vol. 15, Page 17, amended under Vol. 15, Page 30, and amended by Clallam County AFN 2007-1198966 and Clallam County AFN 2007-1204660.

"Plat" shall include any amendments to the foregoing plats.

- Section 22. "Property" shall mean the real property described on **Exhibit A**, attached hereto. The Property is commonly referred to as Cedar Ridge.
- Section 23. "Public Property" shall refer to the public property contiguous with Cedar Ridge, if any, for which the responsibility of maintenance has been delegated by any governmental authority to Declarant or the Association. "Public Property" shall include all facilities, improvements, or personal property located or constructed on the real property designated as "Public Property," including, but not limited to any Streetscaping fronting those lots abutting right of way.
- Section 24. "Residence" shall mean that part of any structure intended to be occupied by one family as a dwelling if a single-family residence together with attached or detached garage and the patio, porch or steps. "Dwelling" shall be synonymous with Residence.
- Section 25. "Residential Unit" means a building or portion of a building located on a Lot and designated or intended for separate residential occupancy.
- Section 26. "Streetscaping" shall mean landscape (groundcovers, plantings, and irrigation system), hardscaping (sidewalks, walkways, decorative rocks and gravel), and structures (retaining walls, decorative walls, fencing and similar improvements) placed within the public or private street right-of-way between the curb and adjacent lot or tract.
- Section 27. "Storm Drainage" shall mean the overland storm drainage facilities on the Property located within and including the Storm Drainage Easements identified on the Plat.
- Section 28. "Adjacent Property" shall mean the real property described on **Exhibit B**.
- Section 29. "Tract" means any parcel of land designated on the Plat as a tract.
- Section 30. "Turnover Date" shall mean the date on which eighty percent (80%) of the Lots within the Property contain completed and occupied Residences, or such earlier date that the Turnover Meeting is called by Declarant.
- Section 31. "Turnover Meeting" shall mean the meeting of Declarant and the Board called for the purpose of passing control of the Association from Declarant to the Owners, which meeting shall be held pursuant to the Bylaws.
- Section 32. "Village Lots" are those Lots identified in **Exhibit C** as the "Village Lots."

ARTICLE III

CEDAR RIDGE SEQUIM COMMUNITY HOMEOWNERS ASSOCIATION

- Section 1. Formation and Authority. The Association shall be formed by Declarant as a Washington nonprofit corporation and shall be known as the Cedar Ridge Sequim Community Homeowners Association. Declarant shall relinquish control of the Association to the Owners within sixty (60) days after the Turnover Date.
- Section 2. Membership. Each Owner, by virtue of being an Owner and so long as such Owner continues in that capacity, shall be a member of the Association. Each membership in the Association shall be appurtenant to the lot and shall be transferable only upon transfer of title to such lot. Each lot shall have one (1) membership inseparably appurtenant to it.
- Section 3. Duties and Powers. The Association shall have all requisite power, duty and authority to perform its obligations under this Declaration, including, without limitation, the power, duty and authority to enforce the provisions of this Declaration and to acquire and pay for, out of the common fund provided by assessments pursuant to Article VIII, all goods and services necessary or appropriate for the proper functioning of the Association in accordance with the Declaration. Without limiting the generality of the foregoing and subject otherwise to the provisions of this Declaration, the Association shall have the following power, duty and authority to undertake the following actions:
- 3.1 Determine the budget and assessments necessary or appropriate for its performance of its powers and duties under this Declaration;
 - 3.2 Impose and collect Regular and Special Assessments from the Owners;
 - 3.3 Maintain bank accounts on behalf of the Association and designate the signatories for those accounts;
 - 3.4 File all required income tax returns;
 - 3.5 Enforce the provisions of this Declaration, impose and collect charges for late payments of Assessments and, after notice and an opportunity to be heard by the Board or by the representative designated by the Board and in accordance with the procedures as provided in the Bylaws or rules and regulations adopted by the Board, levy reasonable fines in accordance with a previously established schedule adopted by the Board and furnished to the Owners for violation of the Bylaws, rules, and regulations of the Association;
 - 3.6 Maintain, repair, replace and reconstruct the Common Areas and the Improvements thereon, if any, and establish one or more reserve funds for such purposes;
 - 3.7 Promulgate, modify and rescind rules and regulations governing the use of the Property, or any portion thereof, and administration and enforcement of the provisions of the Declaration;

- 3.8 Obtain such policies of insurance as the Board may from time to time deem appropriate for the protection of the Association, Common Areas, and the Improvements thereon;
- 3.9 Contract for such services as may be necessary or appropriate to manage the affairs of the Association and the Property; and
- 3.10 Appoint such committees as the Board may determine from time to time to be appropriate to assist in the conduct of the affairs of the Association and delegate to any such committee such authority, as the Board may deem appropriate.
- Section 4. Alienation of Common Area. The Association may not by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Common Area owned directly or indirectly by the Association for the benefit of the lots unless the Owners of at least eighty percent (80%) of the Lots not owned by Declarant at the time of the vote and, until the time of the Turnover Meeting, Declarant, have given their prior written approval. A sale, transfer, or encumbrance of the Common Area or any portion of the Common Area in accordance with this section may provide that the Common Area so conveyed shall be released from any restriction imposed on such Common Area by this Declaration. No such sale, transfer or encumbrance may, however, deprive any Lot of such Lot's right of access or support without the written consent of the Owner of such Lot.
- Section 5. Board of Directors.
- 5.1 Generally. The Board shall act in all instances on behalf of the Association.
- 5.2 Number and Election of Directors. Prior to the Turnover Meeting, Declarant shall select the Directors. From and after the Turnover Meeting, the Directors shall be elected by the Owners as set forth in the Bylaws. The Board shall be comprised of the number of Directors as set forth in the Bylaws.
- 5.3 Removal of Directors and Officers. Prior to the Turnover Date, Declarant may remove any Director or officer appointed by Declarant at any time and for any reason. Declarant may not remove any Director elected by the Owners. After the Turnover Meeting, Owners may remove any Director or officer as set forth in the Bylaws.
- 5.4 Compensation. No Director shall receive compensation from the Association for serving on the Board.
- Section 6. Bylaws. Prior to the Turnover Meeting, Declarant, acting pursuant to its authority to act on behalf of the Association, shall adopt Bylaws of the Association consistent with this Declaration, RCW Ch. 64.38 and RCW Ch. 24.03. After the Turnover Meeting, except as expressly provided to the contrary herein, the Bylaws may be amended from time to time as set forth in the Bylaws.
- Section 7. Turnover Meeting. The Turnover Meeting shall be called by Declarant and held within sixty (60) days after the Turnover Date or such earlier date as determined by

Declarant. Declarant shall give written notice of the time and place to each Owner not less than thirty (30) days prior to the Turnover Meeting date. At the Turnover Meeting the following shall occur:

- 7.1. The Directors and officers selected by Declarant shall each resign. The Directors elected by the Owners pursuant to Section 5.2 shall conduct their first meeting as the Board;
- 7.2 The new Board shall elect a President, Secretary and Treasurer; and
- 7.3 Declarant shall deliver to the new Board all of the Association's property in Declarant's possession, including, without limitation, all books and records, funds, tangible personal property, insurance policies, and contracts to which the Association is a party.

Section 8. Limitation of Liability.

- 8.1 No person who serves as a Director (including the initial Directors) or as an officer of the Association (including Declarant) shall be personally liable to the Association or any Owner or any other party for conduct as a Director and shall be protected to the fullest extent permitted by law. If Washington State Law is amended after adoption of this Declaration, then the liability of each Director and officer of the Association shall be limited to the full extent permitted by Washington State Law, as so amended. No repeal or modification of this Section shall adversely affect any right or protection of a Director existing at the time of such repeal or modification.
- 8.2 The Association shall indemnify and hold all persons who serve as a Director or the initial Director or as a Director and officer of the Association (including Declarant, to the extent Declarant acts in any such capacity), harmless to the full extent permitted by Washington State Law as it now exists or as it is amended hereafter. This indemnification shall continue as to a person who has ceased to be a Director and/or officer and shall inure to the benefit of that person's heirs, personal representatives, or assigns. The Association may, upon written request, advance expenses incurred by the Directors and/or officers entitled to this indemnification. If a claim for indemnification or advance of expenses is not paid within sixty (60) days after a written claim has been received by the Association, the claimant may sue the Association to recover any unpaid amount. If successful, the claimant shall be entitled to reasonable costs and attorneys' fees.
- 8.3 In addition, the Association shall have the power to indemnify an officer who is not a Director, as well as employees and agents of the Association who are not Directors (including the Declarant), to the full extent permitted by Washington State Law as it now exists or is amended hereafter. Whether an officer, agent or employee who is not a Director should be indemnified and the amount of indemnification to be provided shall be determined by general or specific action of the Board.

- 8.4 The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee, or agent of the Association against any liability asserted against him and incurred by the Director in such capacity or arising out of the Director's status as such, whether or not the Association would have the power to indemnify the Director against such liability under the provisions of Washington State Law.
- 8.5 The Association shall indemnify, defend and hold any Director or officer harmless for any obligation of the Association which the Director or officer personally guaranteed, so long as that Association obligation has been authorized and/or ratified by the Board as provided for in the Bylaws.
- 8.6 If any provision of this Section 8 is in violation of the Washington State Law in effect at the time of the request for indemnification, then that provision shall be automatically modified to provide the broadest indemnification available under the existing Washington State Law.
- 8.7 The rights to indemnification, limitation of liability, and to the advancement of expenses conferred in this Section 8 shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, the Association's Articles of Incorporation, Bylaws, agreement, or vote of Owners, disinterested Director or otherwise.

ARTICLE IV

ARCHITECTURAL REVIEW AND CONTROL

- Section 1. Establishment of Architectural Review Committee. The Association shall have the right to act through the Architectural Review Committee which shall be established to review, approve, conditionally approve, and disapprove plans, specifications, design, construction, and alterations of all Improvements on the Property. Prior to the Turnover Date, Declarant shall act as the ARC. After the Turnover Date, the ARC shall be a committee of the Board composed of at least two (2) Directors and one (1) Owner who is not a Director. Any Owner appointed as a member of the ARC who is not a Director shall be a non-voting member of the ARC, but otherwise shall have the right to participate in ARC meetings and functions. The members of the ARC shall be appointed, removed and replaced by the Board according to such criteria as the Board may deem appropriate. No member of the ARC shall receive any compensation or charge for their services related to the Association or their position as a member of the ARC. No member of the ARC shall be liable to the Association or to any Owner, Occupant, builder or developer, or any other third party for any damage, loss or prejudice due to approval or failure to approve any matter submitted to the ARC.
- Section 2. Architectural and Design Review.
- 2.1 Generally. No Improvement of any kind shall be commenced, erected, placed, or altered on any portion of the Property or on any Lot without the prior written

approval of the ARC. Any such Improvements shall also comply with any applicable sections of the Sequim City Code regulating development and improvements, and all other applicable local, state and federal rules, regulations and laws.

- 2.2 Design Guidelines. The ARC shall have the authority to promulgate and issue, and thereafter amend from time to time, design guidelines supplementing and interpreting, and not inconsistent with, any of the design guidelines set forth fully in this Declaration. If issued, a written copy of such guidelines shall be supplied to all Owners and shall be fully binding upon all Owners as if set forth fully in this Declaration. In reviewing and approving, conditionally approving, or disapproving proposed Improvements, the ARC shall uniformly apply the guidelines contained herein, and those supplemental or interpretive guidelines as the ARC may from time to time promulgate and issue.
- 2.3 Submission of Application. All applications for approval of an Improvement shall specify the exterior paint color, brick placement, roof color, and any other significant features of the proposed design. Prior to approving the application, the ARC may require additional information or specific changes to the proposed design or the Improvement. Two copies of the application shall be submitted to the ARC. One copy of the approved application will be returned to the applicant. To ensure efficiency and expediency with its review process, applicants shall provide completed designs for Improvement(s) at the preliminary stage of review, together with two copies of such designs (to scale) showing finished floor elevations (benchmarked), at least sixty (60) days in advance of when applicant intends to break ground for such Improvement(s).
- 2.4 Approval. The ARC shall approve, conditionally approve, or deny a proposed Improvement submitted to the ARC in accordance with Section 2.3 above and shall notify the applicant in writing of its decision within thirty (30) days after having received the application. A decision by a majority of the members of the ARC shall constitute a decision of the ARC. Any ARC approval shall expire by limitation if construction of the Improvement has not commenced for a period of 180 days from the date of approval; or, once begun, if the construction of the Improvement does not progress substantially for a period of 180 days. Extension of any unexpired approval of one hundred eighty (180) days may, if requested in writing, be granted if circumstances beyond the applicant's control prevented action from being taken. Only one extension may be granted, then a new application shall be submitted.
- 2.5 Design and Review Fees. The ARC may charge review fees as set forth by the Board in the rules and regulations for review of an application for approval of an Improvement, review of a resubmitted (previously rejected) application for approval of an Improvement and review of an application for landscaping/fencing. Notwithstanding the foregoing, to the extent the ARC determines that review of an application will require an unusual amount of review time, the Board reserves the right to establish an appropriate review fee for such application, and will provide

the applicant with notice of such fee prior to commencing its review of the application.

- 2.6 Declarant Rights. Notwithstanding turnover of control of the Association to the Owners pursuant to Section 5.2 of this Article III, Declarant and its affiliates shall be exempt from compliance with design guidelines established by the ARC or the Board and shall have no obligation to submit an application to the ARC, obtain the approval of the ARC or pay any review fees for any proposed Improvement on any Lot owned by Declarant within the Property.

Section 3. Construction

- 3.1 Generally. Construction or alteration of Improvements shall not start before 7:00 a.m.

- 3.2 Landscape Construction. Front yard (and side yard as applicable) landscape construction shall be completed within ninety (90) days after occupancy. Landscaping shall include not less than grass and shrubbery in the front yard. Rear yard landscaping shall be completed within one hundred eighty (180) days after occupancy. All buildings constructed for models shall have landscaping completed within ninety (90) days after construction is completed, unless construction is completed within any date during October through January, in which case the landscaping must be completed before April 1. If landscaping is not completed as required herein, following notice and an opportunity to be heard, a daily fine shall be assessed from the date the landscaping was required to be completed until the violation is corrected. Notwithstanding the foregoing, upon written application to the Board, the Board may extend the period by which the landscaping must be completed on a case-by-case basis due to a hardship, including but not limited to unusual lack of availability of landscaping services and extreme and unexpected weather events, provided a completion bond, deposit or other financial assurance satisfactory to the Board is posted.

- 3.3 Construction of Residences and Other Improvements. All Residence construction shall be completed and submitted for approval for occupancy by the City of Sequim within a one-year from the date the building permit was issued. No person shall occupy a Residence during the construction period or prior to occupancy approval. No person(s) shall occupy or reside on a Lot during the construction period or prior to occupancy approval. Construction of any other approved Improvements shall be completed within one hundred eighty (180) days after the date of commencement of construction. In the event construction is delayed due to causes beyond the reasonable control of the person constructing the Improvement, the construction period shall be extended by the number of days the construction is delayed. Manufactured or preconstructed residences are prohibited.

Section 4. Construction Restrictions.

- 4.1 Approved Material. Roofing and siding materials are to be of high quality and in harmony with the aesthetic design and style of the dwellings at Cedar Ridge.

- 4.2 Minimum Material Standards. Roofing material on all Improvements shall be at least twenty-five (25) year Dimensional/Architectural composition, cedar shake, tile, slate or metal.
- 4.3 Building Colors. The colors of all Improvements and materials used thereon shall be aesthetically consistent with the color plan or scheme of Cedar Ridge and shall be approved by the ARC.
- 4.4 Minimum Dwelling Size. The minimum size of interior floor space (exclusive of garages, breezeways, patios, decks, porches and the like) of all Residences within the Village Lots shall be 1,200 square feet. The minimum size of interior floor space (exclusive of garages, breezeways, patios, decks, porches and the like) of all Residences within the Estate Lots shall be 1,800 square feet.
- 4.5 Maximum Dwelling Height. Two story construction will be considered by the ARC on a case-by-case basis at the sole discretion of the ARC. The maximum height of any Residence shall be the lower of (a) the maximum height permitted by the City of Sequim municipal code or regulations, or (b) thirty feet (30'). The height of Residences shall be measured from the average of the finished grade elevation at the four (4) corners of the Residence to the average height of the highest gable of a pitched or hipped roof.
- 4.6 Maximum Roof Pitch. Roof pitches shall not exceed a 12:12 slope.
- 4.7 Structure Location. No dwelling or other structure (excluding fencing) shall be placed or located within any set back areas set forth on the Plat or as provided by applicable planning and zoning ordinances. No dwelling, permanent or temporary structure or swimming pool (above or below ground) shall be placed or constructed within any private easement area, or within any public easement area without the prior written approval of the ARC and the City of Sequim.
- 4.8 Daylight Basements. The ARC may approve the construction of a daylight basement within an Improvement on a case-by-case basis, in its sole discretion.
- 4.9 Fences. Fences shall not exceed seven feet (7') in height, to be comprised of six feet (6') of fencing and no more than one foot (1') of lattice. All fence designs and materials shall require prior written approval from the ARC. All fences must be constructed such that the finished side of the fence faces the exterior of the Lot, and the rails and posts are visible from the interior of the Lot. No fence installed on any Lot shall extend past the front of the Residence.
- 4.11 Landscaping. All landscaping designs and materials shall require prior written approval from the ARC.
- 4.12 View Corridors. Protecting and enhancing views for Owners, from their homes, and/or throughout Cedar Ridge will be taken into consideration in the approval process.

- 4.13 Limitation of Liability. The members of the ARC shall have no personal liability for any action or decision made by the ARC. By acceptance of a deed to any Lot, the Owner agrees and covenants not to maintain any action against any member of the ARC which seeks to hold that member personally or individually liable for damages relating to or caused by any action or decision of the ARC. Each Owner hereby releases any and all claims of any nature whatsoever against any member of the ARC, the Board, and the Association, their heirs, successors and assigns related to the engineering, structural integrity, sufficiency, compliance of any plans approved by the ARC.

ARTICLE V
USE RESTRICTIONS

- Section 1. Land Use. Lots shall be used only for residential purposes and only one Residence shall be erected on any Lot. Accessory buildings will be considered on a case-by-case basis by the ARC. Lots may be rented or leased for residential purposes; however, the Owner assumes responsibility and liability for ensuring that the renters comply with this Declaration and all applicable laws. No Lot shall be leased for a period of less than thirty (30) days. Each Owner shall cause its renters and lessees to agree in writing to comply with this declaration and all applicable laws. Nothing in this Section 1 shall be deemed to prohibit or limit the right of Declarant or any Owner to construct a Residence on a Lot or store construction materials and equipment on such Lot in the normal course of construction.
- Section 2. Signs. Except as otherwise set forth herein, no signs shall be visible from the street except one sign of not larger than 18"x24" advertising the property for sale or rent. A sign showing the name of the Owner and the address of the Lot may be displayed on the Residence without prior written approval of the Board. Political signs may be displayed without the approval of the Board provided, however, that such signs are placed no more than ninety (90) days before the vote or election date and removed within three (3) days after the vote or election. No person shall place or maintain political signs on any Lot or Common Area in any manner which obstructs sight lines for drivers on public or private roads, creates a safety hazard, or are attached to any fence, utility pole, light pole, tree, building (including the Residence), mailbox cluster, public signpost, or structure. The Board reserves the right to require removal of any non-political sign that does not comply with reasonable standards adopted at any time or with standards of decorum and good taste as determined by the ARC. This Section 2 shall not apply to signs used by Declarant or a builder during the initial construction and sales period.
- Section 3. Animals. No animals, except for dogs, cats, or other household pets, shall be kept on any Lot. Household pets shall not be kept, bred or maintained for any commercial purposes and shall not be a nuisance to neighbors. Pet Owners shall abide by local ordinances. Dog runs and housing shall be fully screened and/or fenced from view from any Lot and shall not be visible from the street. All animals shall be controlled so as not to be a nuisance to any Owner. All dogs shall be on leash when not on the Owner's Lot. Pet owners must promptly pick up pet

waste and remove it from Common Areas or other Owners' Lots and properly dispose of it in waste receptacles. An unrestrained or barking dog shall constitute a nuisance. Those animals which are permitted to roam free, or, in the sole discretion of the Board, make objectionable noise, endanger the health or safety of, or constitute a nuisance or inconvenience to the Occupants of other Lots, shall be removed on the Board's request, even though the Board does not require removal of other animals.

Section 4. Trash and Rubbish. No Lot, nor any part of a Lot, nor any part of the Open Space shall be used or maintained as a dumping ground for rubbish, trash, garbage, or any other waste. All incinerators, containers or other equipment for the storage or disposal of trash shall be kept in a clean and sanitary condition and out of public view.

Section 5. Offensive or Noxious Activities or Conditions. No noxious, offensive or illegal activity or conditions, or anything that may be an annoyance or nuisance to other Owners or Occupants shall be permitted, nor shall anything be done or placed upon any Lot which interferes with or jeopardizes the enjoyment of other Lots or the Open Space. No activity or condition shall be conducted or maintained on any part of the Property which detracts from the value of the Property as a residential community.

Section 6. Temporary Structures. No temporary structures, tent, shack, garage, barn, gazebo, boathouse or dock, or other outbuilding, shall be permitted on the Property. Notwithstanding the foregoing, during the Development Period, Declarant may erect such temporary structures as Declarant deems appropriate as an office for the purpose of marketing unsold Lots or for construction activity supervision.

Section 7. Recreational Facilities. No basketball hoops, sport courts, tree houses, swimming pools or similar recreational facilities shall be constructed or installed on any Lot without the prior written approval of the ARC, and in accordance with City of Sequim Municipal Code.

Section 9. Vehicles and Equipment Parking.

9.1 Prohibited Vehicles, Equipment and Devices. No Passenger Vehicles or Other Vehicles may be parked on any private road or street within Cedar Ridge or obstruct emergency vehicles or fire lanes within Cedar Ridge, except that Passenger Vehicles and Other Vehicles may be temporarily parked within private roads as reasonably necessary while performing property maintenance on Lots or Common Areas (but not maintenance on Vehicles), conducting construction activities or delivering equipment or materials. Unless otherwise approved by the Board in writing, Other Vehicles shall not be parked on any part of Cedar Ridge nor an adjacent public way for longer than forty-eight (48) hours unless such Vehicles are parked within fully enclosed garage with the garage doors closed, parked on an RV pad behind a fence enclosure which shall not extend past the front of the dwelling, or in an area set aside and designated for such parking or as otherwise authorized by prior written approval of Board.

- 9.2 Storage of Prohibited Vehicles. The Board may designate any Common Area, in accordance with the City of Sequim municipal code and regulations, for storage of and make improvements for the storage of any prohibited Other Vehicles as set out in Section 9.1.
- 9.3 Vehicles in Disrepair. No Owner shall permit any vehicle which is in a state of disrepair (as reasonably determined by the Declarant or Board) or which is under repair to be abandoned or to remain parked on any Lot for more than forty-eight (48) hours. If an Owner fails to remove such a vehicle within five days after notice from the Association, the Association may have the vehicle removed from the Property and charge the expense of such removal to the Owner of the Lot as provided in Article VIII.
- 9.4 Enforcement. The Board shall have the power and authority to enforce these parking restrictions, including, without limitation, the power and authority to impose fines, remove the offending vehicle, equipment or device, and pursue legal action. The Board shall enforce these restrictions in a uniform manner. Removal of the offending vehicle, equipment or device shall be preceded by prior written notice to the Owner and, in addition to assessing a fine(s), the Board shall specially assess the Owner for the cost of the removal pursuant to Article VIII.

Section 10. Aerials and Dishes. An Owner may install, use and maintain, at the Owner's sole cost and expense, an antenna, satellite dish or other device for the transmission or reception of television or radio (including ham radio) signals, or any other similar device ("**Satellite Dish**") on the Owner's Lot so long as such installation, use and maintenance complies with this Section 10. Satellite Dishes must have a diameter or diagonal measurement of one (1) meter or less. Owners desiring to install a Satellite Dish are encouraged, but not required, to notify the Association in writing at least ten (10) days prior to installation with a description of the Satellite Dish and the location of the intended installation. In any event, the Owner shall notify the Board within five (5) days after the installation of the Satellite Dish. The Board shall review the location and determine whether an alternative, less obtrusive location can be used. Satellite Dishes should be screened from view from the street and the Common Areas when possible. However, an Owner may install a Satellite Dish without such screening if the Owner desiring to install such device demonstrates to the Association that such screening would unreasonably delay or prevent installation, maintenance, or use of the Satellite Dish, unreasonably increase the cost of installation, maintenance or use of Satellite Dish, or preclude reception of an acceptable quality signal. The Board may (a) require additional screening and/or the painting of the Satellite Dish to match the color of the Residence so long as such action does not unreasonably interfere with the signal strength or (b) require the relocation of the Satellite Dish, if the Board demonstrates that an alternative location may be used that is less visible or less obtrusive, but still does not unreasonably delay or prevent installation, maintenance, or use of the Satellite Dish, unreasonably increase the cost of installation, maintenance or use of Satellite Dish, or preclude reception of an acceptable quality signal.

Section 11. Maintenance of Landscaping.

- 11.1 Each Owner shall maintain, repair and replace the landscaping (a) on the Owner's Lot, (b) within any landscape buffer easement on the Owner's Lot, (c) any planter strip located between the curb and sidewalk fronting the Owner's Lot (including tree replacement and revegetation required by the City of Sequim), and (d) any Streetscaping on or adjacent to the Owner's Lot in a neat, attractive and safe condition, including all necessary gardening to properly maintain, and periodically replace when necessary, all trees, plants, grass and other vegetation therein.
- 11.2 The Owner of a vacant Lot shall keep the Lot mowed and groomed.
- 11.3 The Board may authorize and undertake the completion of such work required pursuant to this Section 11 if the Owner fails to do so within thirty (30) days after receiving notice from the Board requesting such work. If such work is authorized by the Board in accordance with this section, the Owner shall be specially assessed for the fees and cost of such work pursuant to Article VIII.

Section 12. Drainage. The Owner of any Lot that contains any storm drainage easement shall provide unhindered flow of engineered storm drainage and shall allow maintenance access for the same. Changes that alter the natural drainage of any Lot shall require Board and applicable governmental agency approval. Retaining walls, fencing and landscaping should be designed to maintain natural or designed drainage patterns.

Section 13. Trees. No street tree shall be planted on any Lot line. All tree plantings shall be located not less than ten feet (10') horizontally from the centerline of any water main, sanitary sewer main, or storm sewer main; and not less than five feet (5') from the centerline of any such laterals or curbside water mains.

Section 14. Wild Animals. Cedar Ridge is located in an area where wild animals, such as elk and deer, use as habitat or have been seen passing through. Residents of the Cedar Ridge should not feed any animals, store any garbage or other edible item in areas outside that will attract any such animals. Wild animals can cause damage to landscaping, yards and fences. Owners are encouraged to become educated on and practice living in harmony with the local wildlife.

ARTICLE VI

PUBLIC PROPERTY

The Association shall comply with all maintenance and repair requirements imposed by a governmental entity upon Declarant or the Association with respect to any Public Property, and shall undertake such additional responsibility as it deems appropriate (consistent with applicable law and the consent of the applicable governing entity) for the maintenance and improvement of the Public Property, and shall keep the same in good, clean, attractive and sanitary condition, order and repair. In the event any Public Property is damaged or destroyed by an Owner (or occupant of the dwelling of such Owner, or the guest or agent of such Owner or Occupant), such Owner hereby authorizes the Association to repair said damage. The Association shall repair the damaged area

in a good and workmanlike manner. The reasonable cost necessary to repair the damage to original condition shall become a special Assessment upon the Lot of such Owner. The City of Sequim, or its assigns, has the right to provide for the maintenance and repair of any "Public Property" when deemed necessary by the City of Sequim for the best interest of the public good.

ARTICLE VII
EASEMENTS

Section 1. Egress/Ingress, Utility and Drainage Easements

- 1.1 Easements for installation and maintenance of utilities, egress and ingress and drainage facilities and any other easements of rights of way are set forth on the Plat. No structures (temporary or permanent) shall be constructed or placed, nor any tree planted, within any easement or right of way including but not limited to public utility or storm easement without prior approval from the City of Sequim. No structure, planting, or material shall be constructed, placed or allowed to remain within any storm drainage easement or swale that hinders engineered drainage or changes the natural drainage pattern in the easement. The easement area of each Lot and all improvements on it shall be maintained continuously by the Owner except for improvements for which a public authority or utility company is responsible.
- 1.2 In the event any of said easements or improvements thereon are damaged or destroyed by an Owner (or occupant of the dwelling of such Owner, or the guest or agent of such Owner or Occupant), such Owner hereby authorizes Declarant or the Association to repair said damage. The damaged areas shall be repaired in a good and workmanlike manner. The reasonable cost necessary to repair the damage to original condition shall become a special assessment upon the Lot of such Owner.
- 1.3 Easements for ingress, egress, utilities, irrigation, and an exclusive driveway easement have been granted to the owners (and their heirs, successors, assigns and purchasers) of Lot B of Jones Family Trust Boundary Line Adjustment Survey, recorded December 1, 2003 in Volume 53 of surveys, page 98, per the Plat.

Section 2. Landscape Easement.

- 2.1 The Property is subject to a Landscape Easement as set forth on the Plats and as created herein.
- 2.2 In the event any Landscape Easement or any improvements incident thereto, are damaged or destroyed by an Owner (or occupant of the dwelling of such Owner, or the guest or agent of such Owner or Occupant), such Owner hereby authorizes the Declarant or Association to repair said damage. The damaged area or improvements shall be repaired in a good and workmanlike manner. The reasonable cost necessary to repair the damage to original condition shall become a special assessment upon the Lot of such Owner.

Section 3. Access and Utilities Easements

- 3.1 Easements over the roads within the Common Areas (the "**Road Easement Area**") for egress and ingress, access, utilities and drainage facilities are hereby declared, granted and conveyed for the benefit of the Adjacent Property. The owners of the Adjacent Property, and their tenants, guests, invitees, agents, representatives, employees, contractors, successors, heirs, and assigns, shall have the right to use the Road Easement Area for pedestrian and vehicular ingress and egress to and from their respective properties; and for installation, maintenance, operation, repair, improvement, construction and reconstruction of the road and utilities within the Road Easement Area.
- 3.2 The Association shall pay all costs of maintaining, repaving, repairing, reconstructing and replacing the road and utilities within the Road Easement Area. Neither the Association nor any Owners shall have any right in any Adjacent Property nor shall this Declaration have any effect on the Adjacent Property except as set forth herein.
- 3.3 Notwithstanding the foregoing, in the event repairs to the roads or utilities within the Road Easement Area are necessitated by (a) damage caused by the negligence or intentional misconduct of any party or their tenants, guests, invitees, agents, representatives, employees, or contractors, or (b) excessive wear and tear due to activities of any party or their tenants, guests, invitees, agents, representatives, employees, or contractors, the party causing said damage or excessive wear and tear shall be responsible for repairing the damage and restoring the Road Easement Area to its prior condition, at that party's sole expense.
- 3.4 The terms of this Article VII, Section 3 may not be amended without the prior written agreement of the owner of any portion of the Adjacent Property affected by such amendment.

ARTICLE VIII
ASSESSMENTS

- Section 1. Generally. The Association shall have the authority to levy and each Owner shall pay when due to the Association its share of: (a) the Regular Assessments; and (b) any Special Assessments that may be levied. The Regular and Special Assessments levied by the Association shall be for the sole purpose of administering and enforcing the Declaration, operating the Association, managing the Property, and maintaining the Common Areas. Each Owner shall be allocated a proportionate share, as set forth in Section 3 of this Article VIII, of the total Assessments levied. Each Owner shall pay all Assessments within ten (10) days after the due date of such Assessment. Regular and Special Assessments, together with interest, costs and reasonable attorney's fees, shall be a personal obligation of the Owner and a continuing lien on the Owner's Lot ("**Assessment Lien**"). Assessment Liens shall be and remain subordinate to the lien of any first priority

lien created by a mortgage or trust deed. For purposes of this Article VIII, if there is more than one Owner of any Lot, such Owners shall together be considered a single Owner with respect to such Lot. No Assessments, Regular or Special or other Assessments shall be created, exist in any way, accrue or in any way be charged until the turnover to the Association at the Turnover Meeting previously described. At the Turnover Meeting, the Association shall establish Assessments that may be charged from that time forward. No Assessments may be charged retroactively.

Section 2. Budgets; Assessments. Within thirty (30) days after adoption of any proposed budget (including a supplemental budget for a Special Assessment), the Board must provide a copy of the budget to all the Owners and set a date for a meeting of the Owners 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 and the Assessments included in the budget are ratified, whether or not a quorum is present. If the proposed budget is rejected or the required notice is not given, the periodic budget last ratified by the Owners continues until the Owners ratify a subsequent budget proposed by the Board.

The budget must include:

- (a) The projected income to the Association by category;
- (b) The projected Common Expenses and those specially allocated expenses that are subject to being budgeted, both by category;
- (c) The amount of the Assessments per Lot and the date the Assessments are due;
- (d) The current amount of regular Assessments budgeted for contribution to the reserve account;
- (e) 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
- (f) The current deficiency or surplus in reserve funding expressed on a per Lot basis.

Section 3. Regular Assessments. Regular Assessments shall pay for all expenses associated with the Association's performance of its powers, duties and responsibilities under this Declaration, as well as to pay all property taxes, lighting, insurance, maintenance, landscape maintenance and other expenses incurred with respect to the Open Space reserve and the Common Areas, and any Improvements thereon ("**Regular Assessments**"). Regular Assessments shall be assessed in equal shares against all Lots, except for Assessments against a specific Lot Owner imposed by the Board to reimburse the Association for costs incurred in bringing the Lot Owner or Lot into compliance with the provisions of this Declaration, the Bylaws, or the

Association's rules and regulations, or as otherwise provided in this Declaration, which Assessments shall be assessed solely against such Owner's Lot. The formula used to establish allocations of interests is based on an equal share. The Association shall bill each Owner for such Owner's share of the Regular Assessments on a periodic basis as determined by the Board.

Section 4. Special Assessments. The Association may, without limit as to amount, levy special assessments for extraordinary costs (whether incurred for enforcing a violation of this Declaration or for the collective benefit of the Owners), fines, reimbursement or fees and expenses (including attorney's fees), with interest, incurred in enforcing this Declaration as provided for in this Declaration ("**Special Assessments**") pursuant to a supplemental budget adopted pursuant to Section 2 of this Article VIII. Special Assessments shall be assessed in equal shares against all Lots, except for Special Assessments which benefit less than all Lots, in which case such Special Assessments shall be assessed in equal shares against the Lots benefited by the Special Assessments. No Special Assessments for capital improvement or addition shall be levied unless approved by at least fifty percent (50%) of the Lots to be subject to the Special Assessment.

Section 5. Commencement of Assessment, Payment on Transfer of Lot. Upon conveyance of any Lot by Declarant to a third party, any and all Assessments commencing with those levied in the month the transfer occurs, shall become immediately due and payable by the third party. At the time of closing of the sale of each Lot, the purchaser shall make an initial contribution to the working capital of the Association equal to two months regular association assessments. Such initial contribution shall be in addition to the Regular Assessments and shall not be considered as an advance payment. The working capital shall be transferred to the Association for deposit into a segregated fund at the time of the organization and Turnover Meeting. The Declarant may not use the working capital fund to defray any of the Declarant's expense, reserve contributions or construction costs or to make up any budget deficits while Declarant is in control of the Association. If the transfer is closed in escrow, the contribution to working capital shall be paid to the Association from closing. An Assessment coming due pursuant to the terms of this Section shall not be prorated, but shall be the entire month, regardless of the date it becomes due.

5.1 Enforcement. The Association shall have the authority to assess reasonable late charges and interest on any Regular Assessments or Special Assessments that are not paid within fifteen (15) days after the date such Assessments are due. In the event any Regular or Special Assessment remains delinquent for more than thirty (30) days, the Board may, upon fifteen (15) days' written notice to the Owner, accelerate and demand immediate payment of the delinquent Assessment and any Assessments which the Board reasonably determines will become due during the next succeeding twelve (12) months. If the Assessments and any accrued interest and late charges are not paid in full within fifteen (15) days of the date of the notice, the Association may bring an action against the person or entity personally obligated to pay such assessment and/or record in the Clallam County Records a

lien for the amount of the Assessments plus interest, late charges and attorney's fees and costs incurred or estimated to be incurred in enforcing the lien.

- 5.2 Foreclosure of Assessment Lien. The Association may initiate an action to foreclose its Assessment Lien in any manner provided by law or in equity. In any action to foreclose an Assessment Lien against any Lot for nonpayment or delinquency of Assessments, any judgment rendered against the Owner of such Lot in favor of the Association shall include a reasonable sum for attorney's fees and all costs and expenses reasonably incurred in preparation for or in the prosecution of said action, such amount to be determined by the court before which the matter is heard. The Association shall be entitled to reimbursement for all of its attorneys' fees whether or not suit is filed or prosecuted to judgment, and whether said attorneys' fees are incurred in negotiation, arbitration, litigation, foreclosure or collection action, bankruptcy or appeal. Such amount shall be added to the indebtedness of the Owner and shall be secured by the Assessment Lien related thereto.

Section 6. Reserve Study. The Association shall prepare and update a reserve study in accordance with RCW Ch. 64.90. An initial reserve study shall be prepared by a reserve study professional and based upon either a reserve study professional's visual site inspection of completed improvements or a review of plans and specifications of or for unbuilt improvements, or both when construction of some but not all of the improvements is complete. An updated reserve study shall be prepared annually. An updated reserve study shall be prepared at least every third year by a reserve study professional and based upon a visual site inspection conducted by the reserve study professional.

The reserve study shall include:

- (a) A reserve component list, including any reserve component, the replacement cost of which exceeds one percent (1%) of the annual budget of the Association, excluding contributions to the reserves for that reserve component. If one of these reserve components is not included in the reserve study, the study must explain the basis for its exclusion. The study must also include quantities and estimates for the useful life of each reserve component, the remaining useful life of each reserve component, and current major replacement costs for each reserve component;
- (b) The date of the study and a disclosure as to whether the study meets the requirements of RCW 64.90.550;
- (c) The following level of reserve study performed: (i) Level I: Full reserve study funding analysis and plan; (ii) Level II: Update with visual site inspection; or (iii) Level III: Update with no visual site inspection;
- (d) The Association's reserve account balance;

- (e) The percentage of the fully funded balance to which the reserve account is funded;
- (f) Special assessments already implemented or planned;
- (g) Interest and inflation assumptions;
- (h) Current reserve account contribution rates for a full funding plan and a baseline funding plan;
- (i) A recommended reserve account contribution rate for a full funding plan to achieve one hundred percent (100%) fully funded reserves by the end of the thirty-year study period, a recommended reserve account contribution rate for a baseline funding plan to maintain the reserve account balance above zero throughout the thirty-year study period without special assessments, and a reserve account contribution rate recommended by the reserve study professional;
- (j) A projected reserve account balance for thirty (30) years based on each funding plan presented in the reserve study;
- (k) A disclosure on whether the reserve study was prepared with the assistance of a reserve study professional, and whether the reserve study professional was independent; and
- (l) A statement of the amount of any current deficit or surplus in reserve funding expressed on a dollars per Lot basis. The amount is calculated by subtracting the Association's reserve account balance as of the date of the study from the fully funded balance, and then multiplying the result by the fraction or percentage of the common expenses of the Association allocable to each Lot; except that if the fraction or percentage of the common expenses of the association allocable vary by Residential Unit, the Association must calculate any current deficit or surplus in a manner that reflects the variation.

The reserve study shall also include the following disclosure:

"This reserve study should be reviewed carefully. It may not include all common and limited common element components that will require major maintenance, repair, or replacement in future years, and may not include regular contributions to a reserve account for the cost of such maintenance, repair, or replacement. The failure to include a component in a reserve study, or to provide contributions to a reserve account for a component, may, under some circumstances, require the association to (1) defer major maintenance, repair, or replacement, (2) increase future reserve contributions, (3) borrow funds to pay for major maintenance, repair, or replacement, or (4) impose special assessments for the cost of major maintenance, repair, or replacement."

ARTICLE IX

ENFORCEMENT

- Section 1. Remedies cumulative. The remedies provided herein are cumulative, and the Association, the Board or the ARC, as the case may be, may pursue them separately or concurrently and may pursue any other remedies that may be available under law or in equity although not expressed herein. Failure to exercise any such remedy shall not be deemed a waiver of such remedy or any other remedy.
- Section 2. Right of Entry. Declarant, the Association, the ARC, and any representative of the foregoing shall have the right to enter upon any lot for any purpose related to the enforcement of this Declaration. The Association shall have the right to contract with such agents and independent contractors as the Association deems necessary and such parties shall have the same right of access as does the Association,
- Section 3. Fines. The Board shall have the authority to levy reasonable fines, in accordance with a previously established schedule adopted by the Board and furnished to the Owners, against an Owner if the Owner fails to remedy a violation of the Declaration after first being requested in writing by the Association to comply with the Declaration within 30 days of receipt of such notice and having been provided with an opportunity for a hearing before the Board or a representative designated by the Board in accordance with procedures provided in the Bylaws or the rules and regulations. Any such fines shall be levied as Special Assessments against the Owner's Lot.
- Section 4. ARC Enforcement. Notwithstanding the issuance of any prior ARC approval, if any condition exists that, in the opinion of the majority of the ARC, must be remedied, then the ARC shall issue a notice notifying the Owner of the condition and the requested corrective action ("**Compliance Notice**"). In the event the prior ARC approval was never obtained, the ARC may issue a Compliance Notice requiring immediate cessation of any unapproved construction or alteration of any Improvement ("**Stop Work Order**"). If issued a Stop Work Order, the Owner shall immediately comply. If issued any other Compliance Notice, the Owner shall comply in a timely manner, request a meeting with the ARC ("**Meeting**"), or submit the matter to final and binding arbitration. If the Owner does not timely request a Meeting or arbitration or fails to timely comply with the Compliance Notice, the Board shall have the right to perform or authorize performance of the work specified in the Compliance Notice to the Owner and the cost of the work shall be specially assessed to the Owner in the manner provided herein in Article VIII.
- 4.1 ARC meetings. The Meeting before the ARC shall be an informal meeting to allow the Owner to discuss the action of the ARC with the ARC. If the Owner chooses to request a Meeting, the Owner shall notify the ARC of its intention to meet with the ARC within fifteen (15) days after the Compliance Notice was given. Such a Meeting may be held in person or as a telephone conversation. The ARC shall have the authority to reduce or waive any fine imposed or to modify the corrective action requested if the Owner demonstrates that it is otherwise in

compliance or demonstrates mitigating circumstances that, in the ARC's reasonable discretion, so warrant reduction or modification.

- 4.2 Right of Enforcement. Except as otherwise provided herein, any Owner of any Lot covered by this Declaration shall have the right to enforce any or all of the provisions hereof against any property covered by this Declaration and the Owners thereof.

ARTICLE X DEVELOPMENT RIGHTS

Until the termination of the Development Period, Declarant reserves for itself, its successors or assigns, the following development rights to: (a) complete Improvements within the Common Areas and Lots located within the Property, including but not limited to any Improvements to private roads necessary to comply with City of Sequim development requirements; (b) maintain sales offices, signs advertising Cedar Ridge, and models; (c) use easements through the Common Areas for the purpose of making Improvements within Cedar Ridge.

ARTICLE XI GENERAL PROVISIONS

- Section 1. Non-waiver. The Association or any Owner shall have the right to legally or equitably enforce all restrictions, conditions, covenants, reservations and easements now or hereafter imposed pursuant to this Declaration. Failure by the Association or by any Owner to enforce any covenant, condition or restriction contained in this Declaration shall not be deemed to constitute a waiver of the right to do so.
- Section 2. Severability. Invalidation of any one of these covenants, conditions or restrictions by judgment or court order shall in no way affect any other provisions that shall remain in effect.
- Section 3. Amendment. Prior to the Turnover Date, this Declaration may be amended from time to time by Declarant, in its sole discretion. After the Turnover Date, this Declaration may be amended by the Owners upon an affirmative vote or written agreement of sixty percent (60%) of the Owners of the Lots. The Declaration may not be amended to modify the Development Period or any rights of Declarant in Article X or elsewhere in the Declaration without the consent of the Declarant.
- Section 4. Running with the Land. This Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association or the Owner of any Lot, their respective legal representatives, heirs, successors and assigns, for a term of twenty-five (25) years from the date of this Declaration first written above. After twenty-five (25) years, this Declaration shall be automatically extended for successive periods of ten (10) years each, unless terminated or modified by a recorded instrument signed by at least sixty percent (60%) of the then Owners of the Lots. For purposes of this Section 4, if there is more than one Owner of any

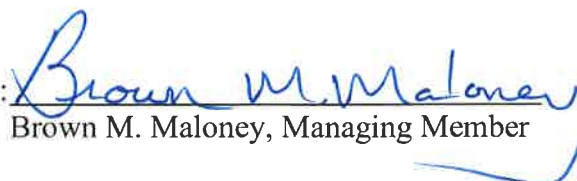
Lot, such Owners shall together be considered a single Owner for respect to such Lot.

- Section 4. No Right of Reversion. Nothing in this Declaration, or in any form of deed which may be used by the Association, or its successors and assigns, in selling property, or any part thereof, shall be deemed to vest or reserve in the Association any right of reversion or reentry for breach or violation of any one or more of the provisions hereof.
- Section 5. Assignment of Rights. Any or all rights, powers and reservations of the Association may be assigned to any other organized corporation or association that will assume the duties or the Association hereunder pertaining to the particular rights, powers and reservations assigned; and upon any such corporation or association evidencing its intent to writing to accept such assignment and assume such duties as are given to and assumed by the Association herein. Any such assignment shall not be valid unless approved by a majority or the Board.
- Section 6. Notices. Any notices desired or required to be given to an Owner shall be in writing and shall be given pursuant to the procedures for notice set forth in the Bylaws. If given by mail, such notice shall be deemed to be given on the date of placing said notice in the mail.
- Section 7. Attorney's Fees. In any legal proceeding involving the enforcement of any provision of this Declaration or an interpretation or the rights or liabilities of the Association, or an Owner or occupant, the losing party or parties shall pay the attorney's fees and other reasonable costs of litigation of the prevailing party or parties, both at trial, on appeal or on review, in such reasonable amount as shall be fixed by the court before which the matter is heard.

IN WITNESS WHEREOF, the Declarant has executed this Second Amended and Restated Declaration of Covenants, Conditions and Restrictions for Cedar Ridge Subdivision as of the date first written above.

DECLARANT:

CEDAR RIDGE PROPERTIES, LLC,
a Washington limited liability company

By: 
Brown M. Maloney, Managing Member

STATE OF WASHINGTON)
) ss.
COUNTY OF CLALLAM)

On this 15th day of May, 2021, before me the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Brown M. Maloney, to me known to be the Managing Member of Cedar Ridge Properties, LLC, the entity that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said entity for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

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





NOTARY PUBLIC in and for the State of
Washington, residing at Sequim
My Commission Expires: 4-9-2022

EXHIBIT A
LEGAL DESCRIPTION

Phase I:

THE N.E. ¼ OF THE N.E. ¼ OF SEC. 28, T.30N., R.3W., W.M., CLALLAM COUNTY, WASHINGTON;

EXCEPT THAT PORTION CONVEYED TO CLALLAM COUNTY FOR ROAD BY DEED RECORDED UNDER RECORDING NO. 194018;

AND EXCEPT LOTS 1 AND 2 OF SHORT PLAT RECORDED IN VOL. 20 OF SHORT PLATS, PG. 78, UNDER RECORDING NO. 194018;

AND EXCEPT PARCELS A, B, C AND D OF BOUNDARY LINE ADJUSTMENT SURVEY RECORDED IN VOL. 57 OF SURVEYS, PG. 61, UNDER RECORDING NO. 2005-1152676.

TOGETHER WITH AND SUBJECT TO EASEMENTS, RIGHTS-OF-WAY, CONDITIONS, ENCUMBRANCES, AND RESTRICTIONS OF RECORD, IF ANY.

SITUATE IN CLALLAM COUNTY, WASHINGTON.

Phase II:

LOT A OF JONES FAMILY TRUST BOUNDARY LINE ADJUSTMENT SURVEY, RECORDED DECEMBER 1, 2003 IN VOL. 53 OF SURVEYS, PG. 98, UNDER CLALLAM COUNTY RECORDING NO. 2003-1123397, BEING A PORTION OF THE N.W. ¼ OF THE N.W. ¼, OF SEC. 27, T.30N., R.3W., CLALLAM COUNTY, WASHINGTON.

SITUATE IN CLALLAM COUNTY, WASHINGTON.

TOGETHER WITH AND SUBJECT TO EASEMENTS, RIGHTS-OF-WAY, CONDITIONS, ENCUMBRANCES, AND RESTRICTIONS OF RECORD, IF ANY.

SITUATE IN CLALLAM COUNTY, WASHINGTON.

EXHIBIT B
ADJACENT PROPERTY

Parcel 1:

LOT B OF JONES FAMILY TRUST BOUNDARY LINE ADJUSTMENT SURVEY, RECORDED DECEMBER 1, 2003 IN VOLUME 53 OF SURVEYS, PAGE 98, UNDER CLALLAM COUNTY RECORDING NO. 2003 1123397, BEING A PORTION OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 27, TOWNSHIP 30 NORTH, RANGE 3 WEST, W.M., CLALLAM COUNTY, WASHINGTON.

SITUATE IN CLALLAM COUNTY, STATE OF WASHINGTON.

Parcel 2:

THE SOUTH HALF OF THE SOUTH HALF OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 21, TOWNSHIP 30 NORTH, RANGE 3 WEST, W.M., CLALLAM COUNTY, WASHINGTON;
EXCEPT THAT PORTION THEREOF DESCRIBED AS FOLLOWS:

BEGINNING AT THE SECTION CORNER COMMON TO SECTION 21, 22, 27 AND 28 TOWNSHIP 30 NORTH, RANGE 3 WEST, W.M., CLALLAM COUNTY, WASHINGTON;
RUNNING THENCE NORTH 330 FEET;
THENCE WEST 30 FEET TO THE TRUE POINT OF BEGINNING;
THENCE CONTINUING WEST 396 FEET;
THENCE SOUTH AT RIGHT ANGLES 330 FEET;
THENCE EAST AT RIGHT ANGLES 396 FEET;
THENCE NORTH AT RIGHT ANGLES 330 FEET TO THE TRUE POINT OF BEGINNING;
ALSO EXCEPT COUNTY ROAD;
TOGETHER WITH THAT PORTION OF PARCEL 2 AS DELINEATED ON SURVEY RECORDED IN VOLUME 8 OF SURVEYS, PAGE 87, UNDER RECORDING NO. 537923, BEING A PORTION OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 21, DESCRIBED AS FOLLOWS:
BEGINNING AT THE SOUTHEAST CORNER OF SAID PARCEL 2, SAID POINT BEING THE TRUE POINT OF BEGINNING;
THENCE NORTH 1°28'29" EAST ALONG A FENCE LINE, A DISTANCE OF 333.72 FEET;
THENCE SOUTH 88°07'35" EAST, A DISTANCE OF 2.65 FEET TO THE INTERSECTION OF THE EAST LINE OF SAID PARCEL 2;
THENCE SOUTH 1°55'18" WEST, ALONG SAID EAST LINE OF SAID PARCEL 2, A DISTANCE OF 333.71 FEET TO THE TRUE POINT OF BEGINNING.

SITUATE IN CLALLAM COUNTY, STATE OF WASHINGTON.

Parcel 3:

THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 21, TOWNSHIP 30 NORTH, RANGE 3 WEST, W.M., CLALLAM COUNTY, WASHINGTON, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SECTION CORNER COMMON TO SECTIONS 21-22-27 & 28; THENCE NORTH 330 FEET; THENCE WEST 30 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING WEST 396 FEET; THENCE SOUTH AT RIGHT ANGLES 300 FEET; THENCE EAST AT RIGHT ANGLES 396 FEET; THENCE NORTH AT RIGHT ANGLES 300 FEET TO THE TRUE POINT OF BEGINNING AND CONTAINING THREE ACRES, MORE OR LESS;

SITUATE IN CLALLAM COUNTY, STATE OF WASHINGTON.

EXHIBIT C
DESIGNATION OF LOTS

Village Lots: All Lots within Phase I of Cedar Ridge

Estate Lots: All Lots within Phase II of Cedar Ridge