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DECLARATION
OF
COVENANTS, CONDITIONS & RESTRICTIONS

CRYSTAL RIDGE
HOMEOWNERS ASSOCIATION
PUYALLUP, WASHINGTON

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DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
CRYSTAL RIDGE HOMEOWNERS ASSOCIATION

THIS DECLARATION is made on the date hereinafter set forth by Novastar Enterprises Inc., ("Declarant"), who is the Owner of certain land situated in the state of Washington, County of Pierce, known as "Crystal Ridge," which is more particularly described on the attached Exhibits "A" and "B" collectively. In order to ensure preservation of the high quality residential environment at Crystal Ridge, Declarant agrees and covenants that all land and improvements now existing or hereafter constructed thereon will be held, sold, conveyed subject to, and burdened by the following covenants, conditions, restrictions, reservations, limitations, liens and easements, all of which are for the purposes of enhancing and protecting the value, desirability and attractiveness of such lands for the benefit of all of such lands and the Owners thereof and their heirs, successors, grantees and assigns. All provisions of this Declaration shall be binding upon all parties having or acquiring any right, title or interest in such lands or any portion thereof and shall inure to the benefit of each Owner thereof and to the benefit of Crystal Ridge Homeowners Association and shall otherwise in all respects be regarded as covenants running with the land.

ARTICLE I

DEFINITIONS

For purposes of the Declaration and the Articles of Incorporation and the Bylaws of Crystal Ridge Homeowners Association, certain words and phrases shall have particular meanings as follows:

Section 1. "Association" shall mean and refer to Crystal Ridge Homeowners Association, its successors and assigns.

Section 2. "Board" shall mean and refer to the Board of Directors of the Association, as provided for in Article X. For purposes of exercising the powers and duties assigned in this Declaration to the Board during the development period, this term shall also mean the "Temporary Board" or "Declarant" as provided in Article III unless the language or context clearly indicates otherwise.

Section 3. "Properties" shall mean and refer to the real property described with particularity in Exhibit "A" and Exhibit "B" collectively, and such additions to that property which may hereinafter be brought within the jurisdiction of the Association. Said "properties" may also be collectively referred to as "Crystal Ridge."

Section 4. "Common Areas" shall mean and refer to all of the real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the members of the Association. The Common Areas to be owned by the Association are described as follows:

(a) All "open space" tracts of land to be dedicated to the Crystal Ridge Homeowners Association on the face of each plat map to be recorded within Crystal Ridge.

(b) All other "non-buildable" Lots or tracts of land specifically to be dedicated to the Crystal Ridge Homeowners Association on the face of each plat map to be recorded within Crystal Ridge, or to be deeded to the Association by separate legal instrument.

Section 5. "Common Maintenance Areas" shall mean those portions of all real property (including the improvements thereto) maintained by the Association for the benefit of the members of the Association. The areas to be maintained by the Association are described as follows:

(a) All Common Areas as set forth in Section 4 above.

(b) Landscaping, irrigation and entry identification signage to be installed at the 23rd Avenue S.E. intersection with Shaw Road, and along the open space frontage on 15th Avenue East, as well as landscaping, irrigation and entry identification to be installed for THE ESTATES.

(c) The 7.5-foot wide landscape planter strip with street trees and associated irrigation improvements in the street right-of-way within "The Estates at Crystal Ridge" including both sides of all streets, AND the 7.5-foot wide landscape planter strip with street trees, irrigation and landscaping in those sections of the street right-of-way in Crystal Ridge which do not front on lots.

(d) Any landscaping improvements installed within any storm drainage tracts dedicated to the City of Puyallup.

(e) Common maintenance areas set forth in the Covenants, Conditions & Restrictions for Janelle Estates under Recording No. 9205190361, at such time as the Janelle Estates Homeowners Association is dissolved and the members of the Janelle Estates Homeowners Association are subsequently incorporated into the Crystal Ridge Homeowners Association.

Section 6. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties. Common Areas and Common Maintenance Areas shall not be regarded as Lots.

Section 7. "Declarant" shall mean and refer to Novastar Enterprises Inc., or the successor designated by Novastar Enterprises Inc. during the development period, as defined herein, which shall be at Novastar Enterprises Inc.'s sole and exclusive discretion.

Section 8. "Architectural Control Committee" shall mean and refer to the duly appointed or elected Committee of the Board of Directors as outlined in Article XV of this Declaration, hereinafter referred to as the "Committee."

Section 9. "Development Period" shall mean and refer to that period of time as defined in Article III of this Declaration.

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Section 10. "Plat" shall mean and refer to the plat of Crystal Ridge, and all divisions thereof, as approved by the City of Puyallup and to be recorded in Pierce County, Washington, together with that certain real property referred to in the Covenants, Conditions and Restrictions for Janelle Estates as described under Recording No. 9205190361, Records of Pierce County, Washington, excepting therefrom Lots 3 and 4 of the Novastar Short Plat, which are hereby exempted from this Declaration. (All of said properties are legally described on Exhibit "A" and Exhibit "B" attached hereto).

Section 11. "Residence" shall mean and refer to buildings occupying any Lot.

Section 12. "The Estates at Crystal Ridge" hereinafter referred to as "THE ESTATES" shall mean and refer to that certain division of Crystal Ridge more particularly described by the legal description on the attached Exhibit "B" hereto.

Section 13. "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of (1) a fee simple title to any Lot which is a part of the Properties (but excluding those persons or entities, such as real estate contract sellers, having record title merely as security for the performance of an obligation), or (2) the Purchaser under a real estate contract prior to issuance of the fulfillment deed for the contract.

Section 14. "Crystal Ridge" shall mean and refer collectively to the "properties" described in Section 10 of this Article I.

ARTICLE II

PRE-EXISTING RESTRICTIONS

If the Properties covered by this Declaration are already affected by previous covenants, restrictions, conditions, and encumbrances (collectively "prior restrictions"), the Properties will continue to be subject to such prior restrictions to the extent the prior restrictions are valid and legally enforceable.

ARTICLE III

DEVELOPMENT PERIOD; MANAGEMENT RIGHTS OF DECLARANT DURING DEVELOPMENT

Section 1. Management by Declarant. Development period shall mean that period of time from the date of recording the Declaration until (1) the date seven (7) years from the date of recording this Declaration or (2) the thirtieth (30) day after Declarant has transferred title to the purchasers of Lots representing 100 percent of the total voting power of all Lot Owners as then constituted (so that Declarant no longer is entitled to vote either as a Class A or Class B member of the Association pursuant to Article X, Section 3) or (3) the date on which Declarant elects to permanently relinquish all of Declarant's authority under this Article III by written notice to all Owners, whichever date first occurs. Notwithstanding anything in this

Declaration to the contrary, until termination of the Development period, either upon the sale of the required number of Lots, the expiration of seven (7) years, or at the election of the Declarant, the Property shall be managed and the Association organized at the sole discretion of the Declarant.

Section 2. Notice to Owners. Not less than ten (10) nor more than thirty (30) days prior to the termination of the development period, the Declarant shall give written notice of the termination of the development period to the Owner of each Lot. Said notice shall specify the date when the development period will terminate and shall further notify the Owners of the date, place and time when a meeting of the Association will be held. The notice shall specify that the purpose of the Association meeting is to elect new Officers and Directors of the Association. Notwithstanding any provisions of the Articles or Bylaws of the Association to the contrary, for the purpose of this meeting, the presence, either in person or by proxy, of the Owners of five (5) Lots shall constitute a quorum. The Board of Directors and Officers of the Association may be elected by a majority vote in said quorum. If a quorum shall not be present, the development period shall nevertheless terminate on that date specified in said notice and it shall thereafter be the responsibility of the Lot Owners to provide for the operation of the Association.

Section 3. Declarant may in Declarant's sole discretion, and at such times as the Declarant deems appropriate (including in the Articles of Incorporation of the Association, if the Declarant is the Incorporator of the Association), appoint three persons who may be Lot Owners, or are representatives of corporate entities or other entities which are Lot Owners, as a Temporary Board. This Temporary Board shall be for all purposes the Board of Directors of the Association, and shall have full authority (including the authority to adopt or amend the initial or subsequent Bylaws of the Association) and all rights, responsibilities, privileges and duties to manage the Properties under this Declaration and shall be subject to all provisions of this Declaration, the Articles and the Bylaws. Provided that, after selecting a Temporary Board, the Declarant, in the exercise of the Declarant's sole discretion, may at any time terminate the Temporary Board and reassume the Declarant's management authority under Article III or select a new Temporary Board under this section of Article III. When the Declarant has appointed a Temporary Board, the Temporary Board, during the development period, shall have, and may fully exercise, any power or authority granted to the Permanent Board after the development period.

Section 4. So long as no Temporary Board is managing the Properties or until such time as the first permanent Board is elected, should Declarant choose not to appoint a Temporary Board, Declarant or a managing agent selected by the Declarant shall have the power and authority to exercise all the rights, duties and functions of the Board and generally exercise all powers necessary to carry out the provisions of this Declaration, including, but not limited to, enacting reasonable administrative rules, contracting for required services, obtaining property and liability insurance, collecting and expending all assessments and Association funds, and enforcing this Declaration (including foreclosing any liens provided for by this Declaration). Any such managing agent or the Declarant shall have the exclusive right to contract for all goods and services, payment for which is to be made from any monies collected from assessments. In the event that Association expenses exceed assessments, any monies provided by Declarant for Association expenses that would otherwise be paid for out of Association assessments shall be considered a loan to be repaid to Declarant through regular or special assessments from the Association, together with interest at 12 percent (12%) per annum.

Section 5. These requirements and covenants are made to ensure that the Properties will be adequately administered in the initial stages of development and to ensure an orderly transition to Association operations. Acceptance of an interest in a Lot evidences acceptance of this management authority in Declarant.

Section 6. Declarant shall have the management authority granted by this Article III notwithstanding anything in this Declaration to the contrary. Declarant, as the Incorporator of the Association, may cause the Association to be incorporated, the Temporary Board to be appointed either in the Articles of Incorporation of the Association or by separate written instrument, to terminate the Temporary Board and reassume the Declarant's management authority under this Article III, reappoint successor Temporary Boards, or take any other action permitted by this Article III, all without affecting the authority given the Declarant by this Article III to manage the Property and organize the Association at the Declarant's sole discretion.

ARTICLE IV

DEED AND DEDICATION OF COMMON AREAS

Section 1. Declarant shall transfer, convey and grant title to all of the Common Areas of the Properties to the Association as each final plat map for a division of Crystal Ridge is recorded for the common use and enjoyment of the Association and the Owners in accordance with the terms and conditions of this Declaration, reserving however, to the Declarant for the benefit of Declarant, his successors and assigns, those certain rights of use, ingress, egress, occupation and control indicated elsewhere in this Declaration for the duration of the development period, at which time this reservation shall cease and then be of no further force and effect.

ARTICLE V

DEED AND DEDICATION OF EASEMENTS

Section 1. Declarant shall transfer and convey to the Association as each final plat map for a division of Crystal Ridge is recorded, for the common use and enjoyment of the Association and the Owners, all easements created thereby for the purpose of landscaping, utilities, and access, reserving, however, to Declarant for the benefit of Declarant, its successors and assigns, an equal right to utilize all easements. The Declarant's and Association's right to use such easements are subject to the right of the public to use rights-of-way which have been dedicated as public roads and are open to public access, including emergency vehicle access.

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ARTICLE VI

ADMINISTRATION AND USE OF COMMON AREAS
AND COMMON MAINTENANCE AREAS

Section 1. Owners' Easements of Enjoyment. Every Owner shall have a right in easement of enjoyment in and to the Common Areas which shall be appurtenant to and shall pass with title (or, if applicable, with the equitable title held by a real estate contract purchaser), to every Lot subject to the following provisions:

(a) The right of the Declarant or the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Areas, and to establish use and operation standards for all Common Areas to be binding on all Association Members along with enforcement standards.

(b) The right of the Declarant (during the development period) or the Association (after the development period) to suspend an Owner's right to vote and to use any recreational facilities for any period during which assessments against his or her Lot remain unpaid and for a period, not to exceed 60 days, for any, and each separate, infraction of its published rules and regulations.

(c) The right of the Declarant (during the development period) or the Association (after the development period) to dedicate, transfer, or encumber all or any part of the Common Areas to any public agency, authority or utility for such purposes and subject to such conditions as the Declarant or Members, as applicable, may deem appropriate. During the development period, any such dedication or transfer of all or any part of the Common Areas pursuant to this Section may be made by the Declarant in the Declarant's sole discretion. After the development period, no such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer, signed by the Owners of two-thirds (2/3) of the Lots, has been recorded.

Section 2. Insurance. Nothing shall be done or kept in any Common Areas which will increase the rate of insurance on the Common Areas or other Lots or Improvements without the prior written consent of the Board. Nothing shall be done or kept in any Common Areas which will result in the cancellation of insurance on any part of the Common Areas or which would be in violation of any laws or ordinances.

Section 3. Alteration of Common Areas and Common Maintenance Areas. Nothing shall be altered, or constructed in, or removed from any Common Maintenance Areas except upon prior written consent of the Committee. There shall be no construction of any kind within the Common Areas except that community improvements may be constructed if two-thirds (2/3) of the members of the Association authorize (1) the construction of such improvements and (2) assessments for such improvements. Also, any such improvements would be subject to the acquisition of all required permits from governmental agencies. This Section shall not limit or prohibit Declarant (and no member consent shall be necessary), during the development period, from constructing or altering any such improvements to any Common Areas or Common Maintenance Areas, which the Declarant in Declarant's sole discretion, deems for the benefit and enhancement of said areas and the Association in general.

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Section 4. Dumping in Common Areas, Common Maintenance Areas, or Native Growth Protection Easements. No trash, construction debris or waste, plant or grass clippings or other debris of any kind, nor hazardous waste (as defined in any federal, state, or local law or regulation) shall be dumped, deposited or placed on any Common Areas or Common Maintenance Areas.

Section 5. Landscaping and Fencing. No permanent structures or landscaping of any kind, including fences, walls, or shrubs, may be built or placed within any right-of-way or easements as delineated on the plat except as deemed appropriate by the Committee. This prohibition shall not apply to the landscape and fence/monument sign improvements in the Common Maintenance Areas installed by Declarant, nor shall this Section prohibit the Association from installing additional improvements or landscaping within the designated Common Areas or Common Maintenance Areas, nor shall this section prohibit the installation of fences by Lot Owners on property lines as may be otherwise allowed in this Declaration, nor shall this section prohibit the installation of landscaping on private Lot areas encumbered by utility easements not otherwise restricted in this Declaration as to landscaping. Also, this prohibition shall not apply to landscaping of front or side yard areas of Lots extending up to the edge of the curb or sidewalk in the public right-of-way as further set forth in Article XII, Section 12 of this Declaration.

ARTICLE VII

MAINTENANCE OF THE COMMON AREAS AND COMMON MAINTENANCE AREAS

DELEGATION OF MANAGEMENT

Section 1. Maintenance of Common Areas. Maintenance of the Common Areas and Common Maintenance Areas and all improvements thereon shall be the sole responsibility of the Association and shall include, but not be limited to, maintenance of the Common Areas and Common Maintenance Areas. This maintenance responsibility shall commence as soon as each respective improvement by Declarant has been completed during the development period. All maintenance of Lots and Residences located on Properties shall be the sole obligation of the Owner, provided, however, the Association may, from time to time, provide certain common maintenance of Lots and Residences as may be determined to be in the best interests of all Owners. The Association shall maintain and regulate the use of Common Areas for the benefit of each Lot within the plat, and shall do all things necessary to preserve and maintain the Common Areas for the purpose intended. It shall be the responsibility of the Association to maintain said common areas and any improvements thereon to preserve the value of said common areas for the use and enjoyment of the Members of the Association in accordance with all restrictions and limitations established for said common areas through this Declaration, the laws and ordinances of Puyallup, Washington, and all other applicable statutes and regulations. The Declarant, during the development period, and the Board following the development period, shall have the exclusive right to establish use and operation standards for said Common Areas to preserve the value and desirability of said Common Areas for the enjoyment of the Members of the Association.

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Section 2. Responsibility for Maintaining Common Maintenance Areas. The Association is responsible for maintaining and preserving the character of areas designated on the face of the plat as Common Maintenance Areas, or as defined in this Declaration as Common Maintenance Areas. Common Maintenance Areas have been set aside for landscaping and community identification purposes.

Section 3. Repair of Common Areas and Common Maintenance Areas. Any damage to the Common Areas or Common Maintenance Areas or improvements thereon, including landscaping plantings, fences, berms, etc., by the Owners or their children shall be repaired within one (1) week by the Owners who (or whose children) caused the damages. If the damage cannot reasonably be repaired within one week, the time for the Owner to repair the Property shall be extended to the time reasonably required to repair the Property, provided that the Owner promptly begins, and diligently pursues, the repair of the damage. If such repairs are not made timely, the Association shall execute the repair and the Owner will be obligated to immediately pay the Association or its designee for the repair. If the Owner fails to promptly make payment for such repairs, the Owner will be charged interest at the rate of 12 percent (12%) per annum on the payment due, the payment due shall be a personal liability of the Owner, and the amount of the payment due shall be a lien on the Owner's Lot.

Section 4. Maintenance of Planter Areas. It shall be the responsibility of the Association to maintain the 7.5-foot wide landscape planter strips in the right-of-way on each side of each street within THE ESTATES, the entry planter landscaping and signage improvements in all areas of Crystal Ridge, and the 7.5-foot wide landscape planter strips in all right-of-way areas in Crystal Ridge which do not front onto lots.

Section 5. Management. Each Owner expressly covenants that the Board and the Declarant, during the development period, and the Board, after the development period, may delegate all or any portion of their management authority to a managing agent, manager or officer of the Association and may enter into such management contracts or other service contracts to provide for maintenance of Common Areas and Common Maintenance Areas and any portion thereof. Any management agreement or employment agreement for the maintenance or management shall be terminable by the Association without cause upon 90 days' written notice thereof; the term of any such agreement shall not exceed three (3) years, renewable by agreement of the parties for successive periods of up to three (3) years each. Each Owner is bound to observe the terms and conditions of any such management agreement or employment contract, all of which shall be made available for inspection by any Owner on request. Any fees or salaries applicable to any such management, employment or service agreement shall be assessed to each Owner.

ARTICLE VIII

ASSESSMENTS

Section 1. Each Owner of any Lot, by acceptance of a deed therefor, whether it shall be so expressed in each deed, is deemed to covenant and agree to pay to the Association (1) annual assessments or charges, (2) special assessments for capital improvements, and (3) any assessments made by Declarant pursuant to this Declaration. If the Owner fails to timely pay any assessments within thirty (30) days of the date specified by the Association or Declarant (during the development period), the annual and special assessments, together with any interest, costs and any reasonable attorney fees incurred to collect such assessments, shall be a lien on

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the land comprising the Lot, and shall be a continuing lien upon the Lot against which such assessment is made. Each such assessment, together with any interest, costs and reasonable attorney fees incurred in attempting to collect the easement, shall also be the personal obligation of the person who is the Owner of such Property at the time when the assessment fell due. The personal obligation for delinquent assessments shall continue even if the Owner subsequently transfers legal or equitable title to the Lot; however, the personal obligation for delinquent assessments shall not pass to the delinquent Owner's successors in ownership of the Lot unless expressly assumed by the successor(s). The Association shall record such liens in the Office of the Pierce County Auditor.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to (a) promote the recreation, health, safety and welfare of the residents of the Properties, and (b) for the improvements and maintenance of the Common Areas and Common Maintenance Areas as provided in Article VI.

Section 3. Annual Assessment. Until January 1993, the annual assessment for Lots in THE ESTATES shall be \$360 per Lot. The annual assessment for all remaining Lots in Crystal Ridge shall be \$240 per Lot. Twenty-five percent (25%) of each and every annual assessment shall be allocated and paid to the Declarant for plat management services provided by the Declarant (or by a professional management firm hired by Declarant) to the Association. Such allocation of funds to the Declarant shall cease when the development period expires and the Association assumes collection costs, bookkeeping, and other management responsibilities which are described with particularity in the Bylaws of the Association. The balance of the annual assessment shall be used by Declarant during the development period, and by the Association after the development period, for maintenance, repair, and other purposes permitted by this Declaration.

The annual assessment may be increased (after December 31, 1992) during the development period to reflect increased (1) maintenance costs, (2) repair costs, or (3) plat management costs. All increases during the development period must directly reflect increases in the above recited costs. During the development period, the Declarant shall have the authority to reduce the annual assessments if economic data supports such a reduction because of reduced maintenance costs or other anticipated Association expenses.

(a) During the development period, the maximum annual assessment may not be increased each year more than 10 percent (10%) above the maximum assessment for the previous year without a vote of the membership pursuant to Section 3(b) of Article VIII of this Declaration.

(b) After the development period expires, the maximum annual assessment may be increased by more than 10 percent (10%) (over the previous years' maximum annual assessment) only if two-thirds (2/3) of the members of the Association, who are voting in person or by proxy at a meeting duly called for this purpose, consent to such an increase.

(c) After the development period expires, the Board of Directors shall fix the annual assessment in accord with the above-recited standards.

Section 4.

(a) Special Assessment for Irrigation Improvements for "The Estates at Crystal Ridge". For all Lots within "The Estates at Crystal Ridge," there is hereby levied an initial special assessment applicable only to these Lots, for the purposes of funding the installation of an automatic underground irrigation system which shall provide irrigation for all of the 7.5-foot wide landscape planter strip in the public right-of-way within THE ESTATES, together with corner landscaping to be installed by Declarant adjacent to the entry monuments for THE ESTATES. This special assessment shall be levied for a period of two years beginning in 1993, and terminating in 1994. Each annual assessment shall be \$450. Each such special annual assessment shall be due on the 1st of January of each of the calendar years 1993 and 1994.

Notwithstanding anything in this Declaration to the contrary, this special annual assessment shall accrue to each of the Lots in THE ESTATES beginning on January 1, 1993, with the first annual special assessment. The Declarant shall be exempt from this annual special assessment. Upon the sale or transfer of each Lot in THE ESTATES by Declarant, the accrued annual special assessments shall become due and payable upon closing. By way of example, if a Lot is transferred or sold by Declarant in calendar year 1994, the full special assessment accrued for years 1993 and 1994, shall be paid at the time of said closing or transfer. For any closing during the calendar year prior to December 31, the new Owner shall be obligated for the full special assessment applicable for that calendar year regardless of when closing takes place prior to December 31 of that calendar year.

These annual special assessments shall be collected and deposited in a separate Homeowners Association account for the express purpose of paying for the cost of installing the entire irrigation system set forth herein for the mutual benefit of all residents within THE ESTATES. This shall include the cost for purchase of materials, payment of any City irrigation meter fees, all construction labor and taxes, together with bonds, insurance, and all applicable expenses thereto as necessary in order to accomplish the installation of this system. Furthermore, it is understood that the installation of this system shall take place in phases as individual sections of the sidewalk and related 7.5-foot wide landscaping improvements are constructed by the respective homeowners as further required in Article XII, Section 12 of this Declaration, or at such other earlier time as may be determined by Declarant.

In the event there are insufficient funds in this special assessment account to enable the Association to pay for the installation of each respective section of said irrigation system, the Declarant, acting on behalf of the Association, may elect to loan the Association the funds necessary to accomplish the required installation either in whole or in part. Any such funds loaned by the Declarant to the Association shall be repaid as soon as funds are available, but in any event within one (1) year from the date such funds are advanced. Furthermore, said loans shall bear interest at the rate of ten percent (10%) per annum until paid.

The Declarant during the development period may levy an additional annual special assessment equally among the Lots within THE ESTATES for the purpose of providing additional funds to accomplish the installation of said irrigation system, to pay any loan fees and interest charges resulting from an advance of funds by Declarant, or to cover any other expenses otherwise related to this installation, including, but not limited to additional improvements for the entry landscaping and monumentation exclusively for THE ESTATES. However, any such election to authorize a subsequent special annual assessment shall be subject to the provisions of Section 4(b) of this Declaration.

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In the event that any funds are remaining in the special assessment account for the irrigation system after all irrigation improvements have been installed in THE ESTATES, and after collection of the full amount due for this special assessment applicable to every Lot in THE ESTATES, any amount remaining shall be refunded to all Owners of Lots in THE ESTATES on a pro rata basis among every Lot Owner, after any loans made by Declarant have been repaid in full, together with accrued interest thereon.

(b) Subsequent Special Assessment for Capital Improvements. In addition to the annual assessments authorized in Section 3 above, and the special assessment authorized in Section 4(a) above, the Association (or during the development period, the Declarant) may levy, in any assessment year, a common assessment, applicable to that year only, for the purpose of financing, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Areas or Common Maintenance Areas not prohibited by this Declaration, including fixtures and personal property related thereto, provided that any such assessment for those capital improvements or repairs exceeding \$10,000 shall have the assent of two-thirds (2/3) of the members of the Association who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for any Action Authorized Under Sections 3 and 4. Written notice of the place, day, hour and purpose of any meeting called for the purpose of taking any action authorized under Sections 3 and 4(b) of this Article shall be sent to all members not less than thirty (30) days nor more than fifty (50) days in advance of the meeting. At the first meeting called, the presence of 60 percent (60%) of the members of the Association or of proxies entitled to cast 60 percent (60%) of the votes of the Association shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement; the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. In the event that a quorum is still not achieved at the second meeting, then the Declarant, during the development period, shall have the sole and exclusive authority to initiate a special assessment and carry out capital improvements more fully described in Section 4 herein without first obtaining the approval of the required number of members of the Association as further defined in Sections 4 and 5 herein.

Section 6. Uniform Rate of Assessment. Both annual and special assessments arising under Article VIII, Sections 3, 4, and 11, must be fixed at a uniform rate for all Lots, provided, however, that, as stated in Article VIII, Section 10, any unimproved Lot owned by the Declarant shall not be subject to any assessments or charges described in this Declaration. Assessments shall be collected on a monthly, bi-monthly, quarterly, or annual basis as determined by the Declarant during the development period, or by the Association for periods after the development period.

Section 7. Date of Commencement of Annual Assessment; Due Dates. The annual assessments described in this Article shall commence during the first calendar month following recording of the plat of Crystal Ridge, or any division thereof. If the plat is recorded in divisions, then the annual assessment shall only apply to those Lots recorded within each division based on the date each division is recorded. The first annual assessment for each Lot Owner shall be adjusted according to the number of months remaining in the calendar year calculated from the date of recording of the division in which the Lot is located. After the development period expires, the Board of Directors shall fix the annual assessment. Written notice of the annual assessment shall be sent to every Owner subject to such assessments. The due date shall be established by the Board of Directors. The Association shall, upon demand

and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessment on a specified Lot has been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 8. Effect of Non-Payment of Assessments; Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of 12 percent (12%) per annum. Each Owner hereby expressly vests in the Declarant during the development period, or the Association after the development period, or their agents the rights and powers to bring all actions against such Owner personally for the collection of such assessments as debts and to enforce lien rights of the Association by all methods available for the enforcement of such liens, including foreclosure by an action brought in the name of the Association in like manner as a mortgage of real property. Such Owner hereby expressly grants to the Declarant or to the Association, as applicable, the power of sale in connection with such liens. The liens provided for in this Section shall be in favor of the Association and shall be for the benefit of the Association. The Association shall have the power to bid in an interest at foreclosure sale and to acquire, hold, lease, mortgage and convey the same. The Owner is responsible for payment of all attorney fees incurred in collecting past due assessments or enforcing the terms of assessment liens (see Article XVI, Section 5). No Owner may waive or otherwise escape liability for the assessments provided herein by non-use of the Common Areas, Common Maintenance Areas or abandonment of his Lot.

The Association shall have the right to suspend the voting rights and enjoyment of Common Areas (see Article VI, Section 1[b]) of an Owner for any period during which any assessment against the Lot remains unpaid and for a period not to exceed sixty (60) days per infraction for any infraction of the terms of either this Declaration, the Articles or the Bylaws of the Association.

Section 9. Subordination of the Lien to Mortgage. The lien for assessments, provided for in this Article, shall be subordinate to the lien of any first mortgage or first deed of trust ("first mortgage"). Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to a mortgage foreclosure, or any proceeding in lieu thereof, or the first mortgage holders acceptance of a deed in lieu of foreclosure, shall extinguish the lien created pursuant to this Article as to payments which become due prior to such sale or transfer. No sale or transfer, however, shall (a) relieve such Lot Owner or Lot from liability for any assessments thereafter becoming due nor from the lien thereof, nor (b) shall relieve the delinquent Owner from personal liability for the amount of the payments which become due prior to such sale or transfer, and for costs and attorney fees.

Section 10. Exempt Property. All property dedicated to and accepted by local public authority shall be exempt from the assessments provided for in this Article. Property and Lots within Crystal Ridge owned by Declarant, and all Common Areas, shall be exempt from any and all assessments provided for in this Declaration. This Section shall apply notwithstanding any other provision to the contrary in this Declaration.

Section 11. Management by Declarant During the Development Period. Declarant, at its option, shall have and may exercise all of the rights and powers herein given to the Association. Such rights and powers are reserved by the Declarant, its successors and assigns as provided in Article III. Declarant shall have the right and option to assess Owners for actual costs of maintaining Common Areas, Common Maintenance Areas, and rights-of-way, and to assess a plat management fee during the development period as set forth in Article VIII, Section 3.

ARTICLE IX

MAINTENANCE OF LOTS

Section 1. Exterior Maintenance by Owner. Each Lot and Residence shall be maintained by the Owner in a neat, clean and sightly condition at all times and shall be kept free of accumulations of litter, junk, containers, equipment, building materials, and other debris. All landscaping areas, including landscaping extending into the adjacent street right-of-way, shall be regularly maintained and trimmed to present a clean, neat, and well-maintained appearance. All refuse shall be kept in sanitary containers sealed from the view of any Lot; the containers shall regularly be emptied and the contents disposed of off the Properties. No grass cuttings, leaves, limbs, branches, and other debris from vegetation shall be dumped or allowed to accumulate on any part of the Properties, except that a regularly tended compost device shall not be prohibited. No storage of goods, vehicles, boats, trailers, trucks, campers, recreational vehicles, or other equipment or device shall be permitted in open view from any Lot or right-of-way. (Vehicles, boats, trailers, trucks, campers, and recreational vehicles shall be referred to as "Vehicles.") This provision shall exclude temporary (less than 24 hours) parking of Vehicles on the designated driveway areas adjacent to garages on the Lots. This paragraph is not meant to disallow permanent (more than 24 hours) parking or storage of Vehicles on the Lots, but if stored, Vehicles shall be adequately screened from view from the adjacent rights-of-way and Lots. Screening of such Vehicles must have the approval of the Committee. Upon 48 hours notice to the Owner of an improperly parked Vehicle, the Board has the authority to have towed, at the Owner's expense, any Vehicles still visible from the right-of-way or adjacent Residences that have been parked on any Lot or within the right-of-way for more than 24 hours.

Notwithstanding the foregoing, Owners who have visiting guests intending to stay in such a Vehicle may secure written permission from the Board for such guests to park the Vehicle upon the Lot owned by the Owner for a maximum period of one (1) week. Such a privilege shall only exist, however, after the written permission has been obtained from the Board.

Section 2. Easements for Enforcement Purposes. Owners hereby grant to the Association an express easement for the purposes of going upon the Lots of Owners for the purpose of removing Vehicles or other similar objects which are parked or stored in violation of the terms of this Declaration.

Section 3. Lot Maintenance by the Association. In the event that an Owner shall fail to maintain the exterior of his premises and the improvements situated thereon in a manner consistent with maintenance standards of the Crystal Ridge community, including maintenance of landscaping required in the adjacent right-of-way as set forth in Article XII, Section 12, the Board shall, upon receipt of written complaint of any Owner and the subsequent investigation

which verifies that complaint, have the right through its agents and employees to enter upon the offending Owner's Lot and repair, maintain and restore the Lot and exterior of the improvements on that Lot if the Owner shall fail to respond in a manner satisfactory to the Board within forty-five (45) days after mailing of adequate notice by certified mail to the last known address of the Owner. The cost of such repair, maintenance or restoration shall be assessed against the Lot, and the Board shall have the right to cause to be recorded a notice of lien for labor and materials furnished, which lien may be enforced in the manner provided by law for enforcement of labor liens and materialman's liens. In the event that the estimated cost of such repair should exceed one-half of one percent (0.50%) of the County Tax Assessor assessed value of the Lot and improvements on the Lot, the Board shall be required to have the assent of two-thirds (2/3) of the Members before undertaking such repairs.

Section 4. Enforcement During the Development Period. During the development period, the Declarant may elect to exercise and perform the functions of the Board. If the Declarant elects not to perform this function or at any time elects to no longer perform this function, the Declarant may appoint the Temporary Board to function as provided herein.

ARTICLE X

HOMEOWNERS ASSOCIATION

Section 1. Non-Profit Corporation. The Association shall be a non-profit corporation under the laws of the state of Washington.

Section 2. Membership. Every person or entity (including Declarant) who is an Owner of any Lot shall become a member of the Association. Membership shall be appurtenant to the Lot and may not be separated from ownership of any Lot and shall not be assigned or conveyed in any way except upon the transfer of title to, or a real estate contract vendee's interest in, said Lot and then only to the transferee of either the title to the Lot or the vendee's interest in the Lot. All Owners shall have the rights and duties specified in this Declaration, the Articles and the Bylaws of the Association.

Section 3. Voting Rights. The Association shall have two (2) classes of voting membership:

Class A: Class A members shall be all Owners, with the exceptions of (i) the Declarant while the Declarant is a Class B member, and (ii) the Owners of Lots described as exempt in the Declaration. Class A members shall be entitled to one (1) vote for each Lot owned. When more than one (1) person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they by majority determine, but in no event shall more than one (1) vote be cast with respect to any Lot, nor shall any vote be divided. When more than one person holds an interest in any Lot, all such persons shall unanimously designate (in writing delivered to the secretary of the Association) one of the persons (owning an interest in the Lot) to vote (in person or by proxy) the vote for such Lot.

Class B: Class B member(s) shall be the Declarant (as defined in this Declaration), and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on January 1, 1999. The Declarant shall become a Class A member as to any Lots owned by the Declarant on January 1, 1999.

The voting rights of any Owner may be suspended as provided for either in this Declaration, or in the Articles, or in the Bylaws of the Association. The Declarant, during the development period, or the Association, after the Development period, shall have the right to suspend the voting rights of a member for (i) any period during which any assessment, or any other charge (as defined in Article XVI, Section 6), against the Lot remains unpaid, and (ii) for a period of not to exceed sixty (60) days each for any (and for each separate) infraction of the terms of this Declaration, the Articles or the Bylaws of the Association.

Section 4. Meetings. Meetings shall be conducted in accord with the specifications set forth in the Bylaws of Crystal Ridge Homeowners Association.

ARTICLE XI

MANAGEMENT BY BOARD

Section 1. Expiration of the Development Period. Upon expiration of the Declarant's management authority under Article III, all administrative power and authority shall vest in a Board of three directors who need not be members of the Association. The Association, by amendment of the Bylaws, may increase the number of directors. All Board positions shall be open for election at the first annual meeting after termination of the development period under Article III.

Section 2. Terms. The terms which the Board members will serve are defined in the Bylaws.

Section 3. Powers of the Board. All powers of the Board must be exercised in accord with the specifications which are set forth in the Bylaws. The Board, for the benefit of all the Properties and the Lot Owners, shall enforce the provisions of this Declaration and the Bylaws. In addition to the duties and powers imposed by the Bylaws and any resolution of the Association that may be hereafter adopted, the Board shall have the power and be responsible for the following, in way of explanation but not limitation:

(a) Insurance. Obtain policies of insurance for Common Areas and Common Maintenance Areas.

(b) Legal and Accounting Services. Obtain legal and accounting services if necessary to the administration of Association affairs, administration of the Common Areas and Common Maintenance Areas, or the enforcement of this Declaration.

(c) Maintenance. Pay from Association funds, all costs of maintaining the Common Areas and Common Maintenance Areas.

(d) Maintenance of Lots. Subject to the requirements of Article IX, Section 3, maintain any Lot if such maintenance is reasonably necessary in the judgment of the Board to (1) protect Common Maintenance Areas, or (2) to preserve the appearance and value of the Properties or Lot. The Board may authorize such maintenance activities if the Owner or Owners of the Lot have failed or refused to perform maintenance within a reasonable time after written notice of the necessity of such maintenance has been delivered by the Board to the Owner or Owners of such Lot, provided that the Board shall levy a special assessment against the Owner or Owners of such Lot and the Lot for the cost of such maintenance.

(e) Discharge of Liens. The Board may also pay any amount necessary to discharge any lien or encumbrance levied against the entire Properties or any part thereof which is claimed or may, in the opinion of the Board, constitute a lien against the Properties rather than merely against the interest therein of particular Owners. Where one or more Owners are responsible for the existence of such liens, they shall be jointly and severally liable for the entire cost of discharging the lien(s) and all of any costs or expenses, including reasonable attorney fees and costs of title search incurred by the Board by reason of such lien or liens. Such fees and costs shall be assessed against the Owner or Owners and the Lot(s) responsible to the extent of their responsibility.

(f) Utilities. Pay all utility charges attributable to Common Areas and Common Maintenance Areas.

(g) Security. Pay all costs deemed appropriate by the Board to ensure adequate security for the Lots and Common Areas and Common Maintenance Areas constituting the residential community created on the Properties.

(h) Right to Contract. Have the exclusive right to contract for goods, services, maintenance, and capital improvements provided, however, that such right of contract shall be subject to the provisions of this Declaration.

(i) Improvement of Common Areas and Common Maintenance Areas. Improve the Common Areas and Common Maintenance Areas with capital improvements to such Common Areas and Common Maintenance Areas; provided that for those capital improvements exceeding \$10,000, the addition of such capital improvements to the Common Areas and Common Maintenance Areas must be approved by two-thirds (2/3) of the members of the Association who are voting in person or by proxy at a meeting duly called for this purpose (subject to notice and quorum requirements as set forth in Article VIII Section 5 herein). This approval is not required for the special assessment set forth in Section 4(a).

(j) Right of Entry. Enter any Lot or Residence, when reasonably necessary, in the event of emergencies or in connection with any maintenance, landscaping or construction for which the Board is responsible. Except in cases of emergencies, the Board, its agents or employees shall attempt to give notice to the Owner or occupant of any Lot or Residence 24 hours prior to such entry. Such entry must be made with as little inconvenience to the Owners as practicable, and any damage caused thereby shall be repaired by the Board, at the Association's expense, if the entry was due to an emergency (unless the emergency was caused by the Owner of the Lot entered, in which case the cost shall be specially assessed to the Lot and against the Owner of the Lot). If the repairs or maintenance activities were necessitated by the Owner's neglect of the Lot, the cost of such repair or maintenance activity shall be specially assessed to that Lot and against the Owner of that Lot. If the emergency or the need for maintenance or repair was caused by another Owner of another Lot, the cost thereof shall be specially assessed against the Owner of the other Lot and against the other Lot.

(k) Promulgation of Rules. Adopt and publish any rules and regulations governing the members and their guests and establish penalties for any infraction thereof.

(l) Declaration of Vacancies. Declare the office of a member of the Board to be vacant in the event that a member of the Board is absent from three (3) consecutive regular meetings of the Board.

- (m) Employment of Manager. Employ a manager, as independent contractor, or such other employees as the Board deems necessary and describe the duties of such employees.
- (n) Payment for Goods and Services. Pay for all goods and services required for the proper functioning of the Common Areas and Common Maintenance Areas.
- (o) Impose Assessments. Impose annual and special assessments.
- (p) Bank Account. Open a bank account on behalf of the Association and designate the signatories required.
- (q) Exercise of Powers, Duties and Authority. Exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by other provisions by the Bylaws, Articles of Incorporation, or this Declaration. The Board shall have all powers and authority permitted to it under this Declaration and the Bylaws. However, nothing herein contained shall be construed to give the Board authority to conduct a business for profit on behalf of all the Owners or any of them.

Section 4. This Article XI is subject to the provisions of Article III.

ARTICLE XII

LAND USE RESTRICTIONS

Section 1. All Lots within Crystal Ridge shall be used solely for private single-family residential purposes. Private single-family residences shall consist of no less than one (1) Lot, and no Lot shall ever be further subdivided. No Residence shall be constructed which exceeds the allowable height set forth in the City of Puyallup Zoning Code for this zone, or as set forth in Article XII Section 15. Each Residence must have a private enclosed car shelter for not less than two (2) cars. No single structure shall be altered to provide residence for more than one (1) family.

Minimum area requirements for dwelling sizes will be applicable for all construction in Crystal Ridge. Separate dwelling size limitations shall be applicable to THE ESTATES. Every dwelling constructed on a Lot in Crystal Ridge shall meet or exceed the minimum area limitations set forth below:

	THE ESTATES	All Other Lots in Crystal Ridge
Rambler Style Residence	1,800 square feet	1,350 square feet
Multi-Story Residence	2,200 square feet	1,700 square feet

Qualifying Notes:

1. A basement in a rambler-style house will not qualify as a multi-story residence.
2. Daylight basements for rambler-style houses will not qualify as multi-story residences.

NOTICE: IF THE DOCUMENT IN THIS FRAME IS LESS CLEAR THAN THIS NOTICE IT IS DUE TO THE QUALITY OF THE DOCUMENT.

3. Tri-level residences shall meet the minimum total square footage requirement for multi-story residences.

4. In computing the total square footage of a residence, basements shall not be included, nor shall garages or enclosed decks be included.

Section 2. No Lot shall be used in a fashion which unreasonably interferes with any other Owner's right to use and enjoy the other Owner's Lots. The Board, the Committee designated by it, or the Declarant during the development period, shall determine whether any given use of a Site unreasonably interferes with those rights; such determinations shall be conclusive.

Section 3.

(a) No noxious or offensive activity shall be conducted on any Lot, nor shall anything be done or maintained on the Properties which may become an activity or condition which unreasonably interferes with the rights this Declarant gives other Owners to use and enjoy any part of the Properties. No activity or condition shall be conducted or maintained on any part of the Properties which detracts from the value of the Properties as a residential community. No untidy or unsightly condition shall be maintained on any property. Untidy conditions shall include, but are not limited to, publicly visible storage of wood, boats, trailers, mobile homes, recreational vehicles, disabled vehicles of any kind whatsoever, and landscaping which is not properly maintained.

(b) Notwithstanding anything in Section 3(a) of this Article XII to the contrary, during the development period the Declarant may permit trailers ("temporary trailers") to be placed upon Owner's Lots to facilitate the sale of the Lots and the construction of residences (and residence-associated improvements) upon the Lots. All such temporary trailers shall be placed only upon either (A) a Lot being sold by the Lot's Owner, or (B) the Lot upon which a residence is being constructed by the Lot's Owner. No such temporary trailers shall be placed, without Declarant's permission, on any other portion of the property described on the attached Exhibits "A" and "B" and the adjacent rights-of-way. The Declarant specifically, in the Declarant's sole discretion, may (i) completely deny an Owner permission to place a temporary trailer on the Owner's Lot, (ii) require any temporary trailer placed upon the Lot to be placed in such a location as to minimize view from public rights-of-way or from residences on other Lots, or (iii) impose landscaping requirements which the Declarant, in the Declarant's sole discretion, may require, to improve the appearance of the temporary trailer on the Lot.

Section 4. Fences, walls or hedgerows are permitted on side and rear property lines, up to within the greater of (i) 25 feet of the front property line, or (ii) the distance between the front Lot line and the front wall (facade) of the primary Residence, subject to (1) the approval of the Committee and (2) determination whether such fences, walls or hedgerows would interfere with utility easements reflected on the face of the plat and other easements elsewhere recorded. In no event shall any fences, walls or hedgerows be allowed between the front Lot line and the front wall (facade) of the primary Residence. No barbed wire, chain link, or corrugated fiberglass fences shall be erected on any Lot, except that chain link fencing for sports facility enclosures may be considered for approval by the Committee upon request. All fences, open and solid, are to be consistent with the standards set by the Committee and must be approved by the Committee prior to construction. The Committee may make available a fence design which shall be used by all Owners in a specific division of the plat. The

Committee may also designate the approved colors for fence installations. Any fencing installed in the plat on any Lot which does not meet the standards set forth by the Committee shall be removed at Owner's expense upon demand by the Committee.

For corner Lots or panhandle Lots, fencing closer to the front property line than as otherwise allowed in this section may be approved upon review by the Committee.

Section 5. No mobile or "manufactured" homes, trailers, structures of a temporary character, recreational vehicle, basement, tent, shack, garage, barn, or other out buildings shall be used on any Lot at any time as a Residence, either temporarily or permanently. No vehicles parked in public rights-of-way may be used temporarily or permanently for residential purposes.

Section 6. Mining. No oil drilling, oil development operations, oil refining, quarrying, or mining operation of any kind shall be permitted on or in any Lot, nor shall oil wells, tanks, tunnels, mineral excavation or shafts shall be permitted on or in any Lot, nor shall oil wells, tanks, tunnels, mineral excavation or shafts be permitted on or in any Lot. No derrick or other structures designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot. Oil storage for residential heating purposes is permissible if the storage tank is buried, any necessary permits are obtained, and the storage complies with all applicable environmental laws, rules, and regulations.

Section 7. Building Setbacks. No structures shall be located within 25 feet of the front line or nearer to the front or side street line than minimum dwelling setback lines required by relevant public zoning ordinance. For the purpose of this Covenant, eaves, steps, chimneys, and open porches shall not be considered as part of the dwelling; provided, however, that this shall not be considered to permit any portion of a dwelling on a Lot to encroach upon any required setbacks by local codes, or to encroach upon another Lot or upon any easements indicated on the face of the plat or as otherwise recorded, or upon the Common Areas or Common Maintenance Areas. In no event shall any structures violate any provisions of any applicable building or zoning ordinance, or any specific setbacks as set forth on the recorded plat map, or any setbacks imposed through the establishment of easements for utilities or access. The Declarant, during the development period, reserves the right to require greater front yard setbacks for certain lots in THE ESTATES in order to help preserve views of nearby lots.

Section 8. Signs.

(a) No signs, billboards, or other advertising structures or devices shall be displayed to the public view on any Lot except One (1) sign not to exceed four (4) square feet in area may be placed on a Lot to offer the property for sale or rent. The sign may also be used by a builder to advertise the property during the construction and sale period. Political yard signs, not more than eight (8) square feet in area, of a temporary nature, will be allowed during campaign periods on Lots. Within five (5) days after the date of the election to which the sign refers, such signs must be removed from Lots. This Section 8(a) (including, but not limited to, the restrictions on the number of signs and the sign size limit) shall not apply to signs approved under Section 8(b) of this Article XII by the Declarant during the development period.

(b)(1) The Declarant may, but is not required to, establish, for the duration of the development period, signage guidelines and standards for Lot identification signs, realtor identification signs, "for sale" signs, and other signage that may be placed by Owners or parties other than the Declarant on any part of the Lots within Crystal Ridge, the Common Areas, Common Maintenance Areas, or public rights-of-way. The Declarant may, but is not required to, also develop an overall theme for signage within the project, including specific requirements for physical sign installations and size requirements, which theme will then become part of the established guidelines and standards for signage in Crystal Ridge during the development period. In the event such guidelines are established, the Declarant shall make the signage guidelines and standards available upon request to Lot Owners and their representatives, including both builders and real estate agents of Lot Owners.

(b)(2) During the development period, the Declarant shall have the sole and exclusive right to approve, in the Declarant's sole discretion, any and all signage installations within any part of the real property encompassed within the plat of Crystal Ridge, including the adjacent rights-of-way. Every Owner of a Lot in Crystal Ridge, and any builder or real estate agent on behalf of an Owner, shall submit any proposed signs to the Declarant for approval prior to installation of the signs.

Any signs not specifically approved by the Declarant found anywhere on Lots in Crystal Ridge, the Common Areas, the Common Maintenance Areas, (or any other portion of the property identified on the attached Exhibits "A" and "B"), or on adjacent rights-of-way, may be promptly removed and disposed of by the Declarant. The absolute right of the Declarant to remove unauthorized signs from the Premises specifically includes, but is not limited to, the Declarant's right to remove any and all signs placed by real estate agencies or their representatives, including temporary reader board signs and other signage installations.

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

(b)(3)(i) The Declarant, during the development period, may also require than an Owner install a specific Lot identification sign on the Owner's Lot. All such Lot identification signs shall meet any signage guidelines and standards established by Declarant under this Section 8(b). The Lot identification signs shall be constructed and installed at the sole expense of Owner. The Lot identification sign shall remain on the premises regardless of any transfer of Lot ownership until such time as the Declarant determines that a Lot identification sign is no longer necessary for marketing purposes.

(ii) Notwithstanding anything in Section 8(b)(3)(i) to the contrary, the Declarant will not require an Owner to install a specific Lot identification sign if both (A) the Owner already resides in a completed residence on the Lot, and (B) the Owner does not intend to sell the Lot within the next two (2) years. Any Owner claiming exemption from the specific Lot identification sign requirement of this Section (b) shall, upon request, furnish to Declarant an affidavit under oath confirming that the Owner intends to reside indefinitely in the completed residence on the Lot and does not intend to sell the Lot within two (2) years from the date of the affidavit.

(iii) If an Owner fails to obtain and install a specific Lot identification sign within fourteen (14) days of written request by Declarant, the Declarant may obtain and install a Lot identification sign for the Owner's Lot. During the development period, Owner shall not remove the sign without Declarant's consent. The Owner shall, upon demand, reimburse Declarant for all costs of making and installing the specific Lot identification sign. Declarant's cost of obtaining and installing the sign shall be a lien upon the Owner's Lot, and a personal obligation of the Owner, and shall be an "other charge" for purposes of Article XVI, Section 6. Interest shall accrue pursuant to Article XVI, Section 6, on any unpaid amounts due Declarant under this Section, which interest shall accrue from the date ten (10) days after the Owner's receipt of written demand for repayment.

(c) The Board may cause any sign placed on Properties, in violation of this Article XII, Section 8, to be removed and destroyed without compensation of any kind to anyone including, but not limited to, any persons having an ownership interest in the sign. This Section shall not apply to signage placed by Declarant (see Section 8(d) of this Article XII).

(d)(i) Additional signage may be installed by Declarant during the "development period" to promote the sale of Lots or houses, and to promote Declarant's project and company. Notwithstanding anything in this Section 8 of Article XII to the contrary, signs placed by the Declarant shall not be subject to any sign restrictions, and specifically shall not be subject to the limitation set forth in Section 8(a) of this Article XII on the number of signs and the size of signs. The Declarant shall not be subject to any guidelines or standards established by Declarant for other parties pursuant to this Section 8(b) of Article XII.

(d)(ii) Under no circumstances shall the Declarant be liable for, or be required to pay, for all or any part of the construction, installation, or maintenance of any signs which are placed upon any Lot not owned by the Declarant. This Section shall apply even if Declarant requires an Owner to place a sign pursuant to this Section 8 of Article XII.

(e) The Declarant further reserves the option to include the identification of Novastar Enterprises Inc. on the entry monument signage for the properties at the time of installation of said entry monumentation. This identification shall either be "A Novastar Community" or "Novastar Development Company," at Novastar Enterprises Inc. option. Once installed, the Association shall be responsible to maintain this signage and identification in good condition, along with the plat identification signage for the duration of these Covenants, Conditions and Restrictions as provided for in Article XVI, Section 1, or until such time as Novastar Enterprises Inc. consents or elects to remove this identification. Each owner hereby covenants that this section of the CC&Rs shall not be amended without the express written approval of Novastar Enterprises Inc., even after expiration of the development period.

Section 9. Animals. No animals, except dogs, cats, caged birds, fish and tanks, and other small household pets, will be permitted on Lots. Dogs shall not be allowed to run at large or to create a disturbance for other Owners in the plat. Leashed animals are permitted within rights-of-way when accompanied by their Owners. Efforts shall be made by the person accompanying the animal to exercise "scooping" of animal waste. All pens and enclosures must be approved by the Committee prior to construction and shall be kept clean and odor free at all times. If the investigation of the Board indicates that animals are kept in violation of this Section, the Board will give the Owner ten (10) days' written notice of the violation. Such violation must be remedied by the Owner within ten (10) days. Failure to comply with the written notice will result in a fine of \$25 per day. Any fine imposed by this Section shall be

the personal obligation of the fined Owner and a lien on the Lot of the fined Owner. The Association shall be entitled to attorney fees and costs for any action taken to collect such fines in accordance with the provisions of Article XVI, Section 5.

Section 10. Driveways. All driveways shall be paved with exposed aggregate concrete, unless otherwise approved by the Committee.

Section 11. Delegation of Use and Responsibilities. Any Owner may delegate, to members of his family or his tenants, in accordance with the Bylaws of Crystal Ridge Homeowners Association, the Owner's right of enjoyment of Common Areas and Common Maintenance Areas. In the event an Owner rents or leases his property, a copy of this Declaration, as well as any rules and regulations that may be adopted by the Association, shall be made available by the Owner to the prospective renter at the time of commitment to the rental agreement. Each Owner shall also be responsible for informing guests and service personnel of the contents of this Declaration, as well as any rules and regulations that may be adopted by the Association as they may relate to appropriate community behavior. Each Owner personally, and the Owner's Lot, shall be responsible for any damages to any Common Areas and Common Maintenance Areas (or any other area maintained by the Association) or to any other Association property, whether real or personal, caused by an Owner's family, guest, tenant, agent, workman, contractor or other licensee or invitee. The Association shall have a lien upon the Owner's Lot for the amount of damages.

Section 12. Landscaping Standards. The entire front yard, including up to the edge of the curb in the adjacent right-of-way fronting any Lot within Crystal Ridge shall be landscaped in accordance with the provisions of this Section 12. The landscaping shall be installed within sixty (60) days of the receipt of a Certificate of Occupancy, or within eight (8) months from the date that construction is initiated, whichever date is earlier. If inclement weather conditions prevent the timely installation of said landscaping improvements, the Lot Owner must make application to the Committee for an extension of time until weather conditions sufficiently improve. For corner Lots, the "front yard" shall mean the frontage on both streets, such that both street frontages and yards must be landscaped.

Each Owner within Crystal Ridge shall be required to install a 4-inch round PVC irrigation sleeve 12 inches below grade and 12 inches behind the existing concrete curb under the driveway apron to be constructed for each Lot. This irrigation sleeve shall be extended a minimum of 12 inches beyond the limit of the driveway apron on each side and shall be capped for future use by the Association. This requirement shall apply to all Lot Owners in Crystal Ridge. In the event that this irrigation sleeve is not installed by each Owner at the time of installation of each respective driveway apron, and in the event that the Association installs or contracts for the installation of an irrigation system within the 7.5-foot wide landscape planter strips, each Lot Owner that fails to provide the required irrigation sleeve shall subsequently bear the cost of providing the sleeve at no cost to the Association when requested by the Association to do so.

"Front yard" shall be defined as the Lot area extending from the front property line back to a line measured parallel with the front property line which would coincide with the front wall of the main dwelling on the Lot, exclusive of any garage projections.

The front yard landscaping shall include all of the adjacent street right-of-way along the Lot frontage out to the edge of the curb in the street.

For all Lots in THE ESTATES, the entire Lot shall be landscaped within the time limits set forth in this Section 12, including all side and rear yard areas.

Landscaping on each Lot shall incorporate the use of significant grass sod or seeded areas visible from the adjacent right-of-way. At least 50 percent of the area of every front yard, shall be maintained as lawn area unless otherwise approved by the Committee. Lots with severe grades may be exempt from this requirement, provided a suitable alternative landscape plan is approved by the Committee. For corner Lots with visible back yard areas from the adjacent street right-of-way, landscaping shall be provided on the entire Lot area as set forth in this Section 12, unless otherwise approved by the Committee.

Each Owner shall be required to install landscaping within the 7.5-foot wide planter strip in the street right-of-way fronting every Lot between the curb and sidewalk. This landscaping shall include proper soil preparation, installation of grass sod, and street trees, all in accordance with the approved Crystal Ridge Landscaping Plan prepared by Declarant, approved by the City of Puyallup and on file in the City of Puyallup Planning Department. Each Owner shall contact the Committee to obtain information about where the approved street trees can be purchased, where the sod should be purchased, and what special conditions, if any, may apply to the installation of said improvements. Once each Owner has completed all required landscaping improvements, the Committee shall be notified and an inspection requested. Upon approval of the installation by the Committee, as well as the City of Puyallup, the planter strips and street trees shall thereafter be maintained by each Owner in accordance with this Section 12, except as set forth below. In the event an Owner fails to properly maintain the 7.5-foot wide planter strip, the Association may undertake to perform corrective maintenance, with the costs of said maintenance to be billed to the Owner, which shall then be considered an assessment subject to the provisions of Article VIII, Section 8.

For every Lot in THE ESTATES, a fully automatic underground irrigation system will be installed by the Homeowners Association, with the installation to be paid for through a special assessment to be levied equally against each of the Lots in THE ESTATES as set forth in Article VIII, Section 4(a). This assessment and requirement shall not apply to other Lots in Crystal Ridge. The Committee shall be given sufficient notice, (30 days minimum), as to when the installation of landscaping within the planter strip for each Owner in THE ESTATES is to take place by Owner, so that the Committee can coordinate the installation of the irrigation system mainline improvements within the planter strip, if such improvements have not already been completed by the Committee or Declarant. Each Owner in THE ESTATES shall be responsible for adjusting any irrigation heads, installing new heads, or otherwise making connections to the mainline irrigation system within these 7.5-foot wide planter strips as directed by the Committee so that the completed landscaping will be properly watered with the irrigation improvements to be maintained by the Association within THE ESTATES. Within THE ESTATES, the Association shall be responsible for maintenance and upkeep of the 7.5-foot wide planter strips together with the street trees and irrigation system after each Owner has completed the required landscaping improvements and the Committee has approved of the installation as set forth above. The cost for maintaining the 7.5-foot wide landscape planter strips within THE ESTATES shall be paid for exclusively by Owners of Lots within THE ESTATES through the increased annual assessment as set forth in Article VIII, Section 3.

For all Owners of corner Lots in Crystal Ridge, the Association hereby reserves unto itself the exclusive right to install underground irrigation improvements behind the sidewalk within the front 10 feet of each respective corner Lot for a distance extending 10 feet on each end of the sidewalk radius and including the sidewalk radius. This right shall be for the

purpose of allowing the Association, if necessary, to connect irrigation system improvements within the adjacent 7.5-foot wide landscape planter strips. If any landscaping improvements in this easement area are disturbed by the Association to accomplish the installation of such irrigation improvements, the Association shall be fully responsible for restoring the disturbed yard areas to be in reasonable conformance with pre-existing conditions at the time of construction.

On Lots with native vegetation and significant trees remaining after completion of all plat construction by Declarant, each Owner of said Lots shall be required to retain as many significant trees (trees with a trunk diameter of at least 8 inches measured at a height of 36 inches from the ground level) as possible as part of the final Lot grading and landscaping improvements during and after house construction. Clear cutting of a Lot without prior approval of the Committee is not allowed. Each Owner shall submit a plot plan to the Committee as required in Article XV, Section 8(g), which identifies all significant trees to be removed, subject to approval of the Committee. This section is not intended to prevent any Owner from reasonable use and enjoyment of their Lot, or to prevent any Owner from removing trees to enhance scenic views.

In the event water restrictions or shortages are imposed by the municipal water purveyor, the deadlines for installation of landscaping and certain maintenance requirements directly dependent upon available water supplies as set forth in this section shall be temporarily suspended until such time as the water restrictions are removed. Upon termination of water restrictions by the municipal water purveyor, the suspension of the installation and maintenance requirements of this Section 12 will be terminated as well.

Section 13. Requirement for Masonry Construction on Chimneys (Affects Lots in THE ESTATES Only).

(a) The primary fireplace chimney in each residence in THE ESTATES shall be constructed of masonry brick material approved by the Committee except where both (i) the primary fireplace chimney is located on the back of the house opposite the street frontage, and (ii) the main part of the chimney is not visible from any street (an "approved non-masonry chimney"). For residences with more than one fireplace, only the primary fireplace chimney most visible from the adjacent right-of-way shall, if required by the previous sentence, be required to be of masonry brick construction.

(b) The Committee (or the Declarant, during the development period) shall have sole authority to approve non-masonry fireplace chimneys qualifying for the exemption from masonry construction set forth in Section 13(a) of this Article XII. The Committee shall review the criteria of Section 13(a) of this Article XII prior to approving any residential structure without any brick masonry construction on fireplace chimneys.

(c) No metal flues nor metal chimneys will be allowed on any residences or other buildings constructed on any Lot within the plat of Crystal Ridge unless enclosed within appropriate wood or masonry materials.

(d) Unless otherwise approved by the Committee, residences otherwise qualifying for exemption from the masonry fireplace construction requirement of Section 13(a) shall have "make-up" masonry construction. The "make-up" masonry construction shall be brick masonry construction visible from the adjoining street right-of-way and shall be an amount equal to a minimum of 200 square feet of brick masonry facing, unless otherwise approved by the Committee.

Section 14. Garages. Each Residence in Crystal Ridge shall incorporate a minimum two-car garage designed and constructed as an integral part of said Residence. In special circumstances, a detached garage may be approved by the Committee.

Section 15. Maximum Structure Height Limitations/View Preservation. Certain Lots within THE ESTATES have been designated by the Declarant as potential view Lots, or Lots which require special building restrictions to preserve potential views that may be enjoyed by adjoining or nearby Lots. The decision of which Lots are affected by this consideration has been made in Declarant's sole discretion, and is not intended to represent or warrant in any way that any scenic views will or will not be possible from a specific Lot in the plat of THE ESTATES, whether identified in this list of Lots or not. The Declarant has used its best judgment in identifying certain Lots that have potential for the preservation or enjoyment of certain scenic views, and has imposed specific building height limitations on certain Lots to provide the opportunity to assist in the protection or enhancement of this view potential. These restrictions are in no way intended to guarantee or warrant that views will or will not be available or protected on or from any Lot in THE ESTATES.

The Lots that are specifically subject to building height restrictions are summarized in the following list. Each Lot number includes a reference elevation which represents the maximum elevation height (ridge height) for any manmade structure that can be constructed on said Lot. The maximum height shall apply to the top-most point of any structure. Each elevation listed is referenced to City of Puyallup datum. For purposes of referencing this elevation, an elevation of 392.04 has been established in the top of the monument case placed in the street at the intersection of Crystal Ridge Drive S.E. and Crystal Lane Loop S.E., respectively. All elevations listed in this section are referenced to this specific base elevation, which shall also be known as a "benchmark elevation."

The Committee shall be given the responsibility and shall have the authority to review and approve or disapprove of all proposed plans for construction of residences on Lots in THE ESTATES affected by view limitations set forth in the following list. The acts of the Committee shall be deemed final, and shall be carried out in accordance with Article XV, Section 10, in this Declaration.

THE ESTATES AT CRYSTAL RIDGE
VIEW PROTECTION

<u>LOT NUMBER</u>	<u>MAXIMUM RIDGE HEIGHT*</u>
13	469
14	458
15	457
16	450
17	445
18	445
19	458
20	453
21	453
22	453
23	448
24	438
25	435
26	425
27	420
28	408
32	395
33	390
34	385
43	400
44	410
45	410
61	430
62	450
63	455
64	465
65	470
66	474
67	475

* Vertical height is based on City of Puyallup datum. Monuments in the streets may be utilized for vertical reference.

Section 16. Maintenance of Tree and Plant Height (Affects Lots in THE ESTATES Only). On Lots which have a ridge height limitation as set forth in Section 15 in this Article XII, no trees, shrubs, hedges, or plants of any kind over six (6) feet high may be allowed to block the view of Mount Rainier or The Cascades or the valley floor for those up-slope or adjacent Lots which would be adversely affected by such vegetation. If any tree, plant, hedge, etc., grows above six (6) feet high and partially or completely blocks said views from any of these affected Lots, the Owners of Lots whose view is blocked may, at their expense, trim said trees, plants, etc., down to a level that is not blocking their view, but in any event not less than six (6) feet in height. However, any other damage and/or liability incurred by the trimming and removal of slash from trees or plants shall not be waived. All work must be accomplished in a neat and clean manner by a licensed and bonded contractor and all landscaping returned to its original condition. Furthermore, prior to any such trimming action by the affected Owner, the Owner on whose Lot the vegetation exists shall first be notified in writing, and the timing for the activity shall be coordinated to accommodate each Owner involved. In the event of any dispute, both Owners shall present their case to the Committee, and the Committee shall decide whether the vegetation should be trimmed or not.

ARTICLE XIII

BUILDING RESTRICTIONS

Section 1. Building Materials. All homes constructed on each Lot shall be built of new materials, with the exception of "decor" items such as used brick, weathered planking, and similar items. The Committee will determine whether a used material is a "decor" item. In making this determination, the Committee will consider whether the material harmonizes with the aesthetic character of Crystal Ridge development and whether the material would add to the attractive development of the subdivision.

All roofs are to be of cedar shake, shingle, tile, or "woodruff" type. No asphalt shingles or composition style roofs shall be allowed. For all Lots in THE ESTATES, all siding and trim are to be of resawn wood or "LP"-type siding of a color to be approved by the Committee. For all other Lots in Crystal Ridge, this requirement shall apply for the wall of each structure which faces directly to the adjacent street. For corner Lots, both sides facing the street shall be subject to this requirement. For the remaining sides of each structure not directly facing the street for Lots in Crystal Ridge, except in THE ESTATES, T-111 type plywood siding with consistent vertical or horizontal grooves with the street side wall may be allowed, so long as the color and quality are consistent. All visible masonry shall be new brick or tile. Decorative-type materials simulating masonry may be allowed by the Committee in certain applications, except in THE ESTATES. Decorative-type "used" brick shall be considered an acceptable masonry material for all Lots in Crystal Ridge.

The exterior of all construction on any Lot shall be designed, built, and maintained in such a manner as to blend in with the natural surroundings and landscaping within Crystal Ridge. Exterior colors must be approved by the Committee. Exterior trim, fences, doors, railings, decks, eaves, gutters, and the exterior finish of garages and other accessory buildings shall be designed, built, and maintained to be compatible with the exterior of the structure they adjoin. Generally, colors shall be soft earth tones, beiges, or pastels, and similar shades.

Section 2. Maintenance of Lots During the Construction Period. Each Lot Owner, exclusive of the Declarant shall have a responsibility to generally maintain the Lot in either a natural forested condition prior to any clearing, or in a neat and clean appearance after construction commences for a Residence on said Lot. After clearing of vegetation for construction, the debris from the clearing operation shall be promptly removed from the Lot and disposed of off site in an approved location. In no case shall any vegetation cleared from one Lot be deposited on an adjacent Lot or on any Common Areas or Common Maintenance Areas.

During construction of each Residence, periodic efforts shall be made by the Owner, or the Owner's construction representatives, to pick up scrap materials and other construction debris and to periodically dispose of said materials. No dumping of any such debris or refuse shall be allowed on adjoining Lots or on any Common Areas or Common Maintenance Areas within the plat of Crystal Ridge. Upon completion of the construction on any Lot and prior to the occupancy of the structure, the Lot Owner shall be responsible for keeping the landscaping improvements and the structure itself in a clean and neat appearance. This shall include the responsibility for regular landscape maintenance, watering, trimming, and upkeep to present a finished, manicured appearance of said premises from the adjacent right-of-way. In the event that the Lot Owner, or Owner's construction representative(s), fails to meet the standards set forth in this Section, the Board shall have the right to complete such clean-up activity in accordance with the provisions as set forth in Article IX.

Section 3. Plan Checks/Construction Cleanup Fee. Each Lot Owner shall be required to clean up the Lot within ten (10) days of receiving a Certificate of Occupancy. Such Lot Owners shall, upon application to the Committee for approval of house plans, be required to pay a \$450 fee to the Committee or the Declarant as set forth below, to be used as follows:

(a) \$50 for house plan check to the Committee as provided in Section 9 of Article XV; and

(b)(1) \$250 as a damage deposit to the Declarant until expiration of the development period, then to the Committee, to be held without interest until house construction is complete. The damage deposit will be used in the event the Owner does not comply with all construction standards, clean-up standards, and landscape installation and maintenance standards contained in Articles XII and XIII of this Declaration (the "Completion Standards").

If the Owner does not comply with the Completion Standards, the Committee may handle the clean-up, landscape installation or maintenance, or any other actions required to bring the construction and Lot completion into compliance with this Declaration.

The cost of any actions taken by the Committee pursuant to this section shall be deducted from the \$250 deposit. If the cost of the actions taken by the Committee pursuant to this section exceeds the deposit, the additional expense shall be the personal obligation of the Owner of the Lot, a lien upon the Lot, an "other charge" for purposes of Article XVI, Section 6, and shall be paid to the Association upon demand.

Notwithstanding anything in this section or the Declaration to the contrary, neither the Declarant nor the Committee shall be obligated to take any action required to clean up a Lot, nor to bring a residence, landscaping, or other improvements on a Lot into compliance with the Completion Standards nor with other requirements of this Declaration. The Declarant or the Committee may take such action as the Declarant wishes; however, any

action taken by the Declarant or the Committee shall not impose any requirement on the Declarant or the Committee to initiate or complete any other actions necessary or advisable to clean up the Lot or otherwise bring the construction and landscaping into compliance with the Completed Standards and this Declaration.

(b)(2) Once all of the construction on a specific Lot has been completed by the Owner, including all required landscaping improvements on site and within the adjoining rights-of-way as set forth in this Declaration, the Owner may request a refund of the \$250 damage deposit.

Within thirty (30) days from receiving said notice, the Committee, or designated representative, shall conduct a site inspection to verify that the Owner appears to have met all Completion Standards (as defined in Section 3(b)(1) of this Article XIII). If all Completion Standards appear to have been met, then the damage deposit shall be returned to the Owner within ninety (90) days of the original date of the Committee's receipt of the request for the refund.

Return of all or any portion of the damage deposit shall not under any circumstances constitute a representation or warranty by the Declarant or by the Committee to the Owner, other Lot Owners, the Association, or anyone else, either (A) that the Completion Standards have been met, or (B) that any other requirements of this Declaration has been complied with.

If any part of the deposit may be required to fulfill Completion Standard requirements, then (i) the damage deposit may be applied to the cost of clean-up as set forth in Section (b)(1) immediately above, and (ii) the Committee shall give the Owner written notice specifying the reasons for the denial of the refund. Section (b)(1) above shall also apply if the clean-up costs exceed \$250.

(b)(3) \$150 to be paid to the Declarant during the development period, or to the Committee after expiration of the development period, which shall be a non-refundable street cleaning deposit to be used by the Declarant or the Committee for the purpose of sweeping and cleaning the streets and storm drains within Crystal Ridge while housing construction is underway.

(c) During the development period, Declarant shall have the right to waive these fees at Declarant's sole discretion.

Section 4. Permits. No construction or exterior addition or change or alteration of any structure may be started on any portion of the Properties without the Owner first obtaining a building permit and other necessary permits from the proper local governmental authority, and written approval of such permits from the Board, Committee, or the Declarant, as well as plan check approval as set forth in Article XV, Section 8.

Section 5. Codes. All construction shall conform to the requirements of the state of Washington Rules and Regulations for Installing Electric Wires and Equipment, and Uniform Codes (building, mechanical, plumbing), in force at the commencement of the construction, including the latest revisions thereof.

NOTICE: If the document in this frame is less clear than this notice it is due to the quality of the document.

Section 6. The time of Completion. The exterior of any structures, including painting or other suitable finish and front yard landscaping, shall be completed within eight (8) months of the beginning of construction so as to present a finished appearance when viewed from any angle. The construction area shall be kept reasonably clean during the construction period.

Section 7. Entry for Inspection. Any agent, officer or member of the Board, Committee, or Declarant may, at any reasonable predetermined hour upon twenty-four (24) hour notice during construction or exterior remodeling, enter and inspect the structure to determine if there has been compliance with the provisions of this Declaration. The above recited individuals shall not be deemed guilty of trespass for such entry or inspection. There is created an easement over, upon and across the residential Lots for the purpose of making and carrying out such inspections.

Section 8. Contractor. Without the prior approval of the Committee, no home may be constructed on any Lot other than by a contractor licensed as a general contractor under the statutes of the state of Washington.

ARTICLE XIV

UTILITIES

Section 1. Wiring. The wiring (other than interior wiring) for buildings of any kind shall be underground.

Section 2. Antennae. No radio or television antennae, transmitters or parabolic reflectors (satellite dish antennae) shall be permitted unless approved by the Committee. Any such installations shall be fully screened from public view as a minimum requirement for approval, but such screening shall not guarantee approval by the Committee. Any such installations shall not be approved if, in the sole discretion of the Committee, the installation(s) will detract from the appearance of the Lot or Properties.

Section 3. Utilities - Requirement for Natural Gas Connection. All structures must utilize natural gas for home heating systems unless otherwise approved by the Declarant. A penalty of \$992 will be assessed against any Lot Owner's Lot where natural gas is not utilized for home heating systems unless a specific exemption in writing was first obtained by said Lot Owner from the Declarant. The \$992 penalty shall be a lien upon the Lot or Lots upon which the residence, not using natural gas, is located, and shall also be the personal obligation of the Owner of the Lot(s). Declarant shall have the right to foreclose on said lien if payment is not made by said Lot Owner promptly within 30 days of the request for such payment by Declarant. The \$992 to be paid pursuant to this Section shall be paid to Declarant.

ARTICLE XV

ARCHITECTURAL CONTROL

Section 1. Architectural Control Committee ("Committee"). So long as the Declarant is either a Class A or Class B voting member of the Association, the Declarant shall act as the Architectural Control Committee ("act as the Committee") created by this Article XV (even if the development period has ended) unless the Declarant elects not to act as the Committee. If the Declarant is acting as the Committee, the Declarant shall have all authority and perform all functions given to the Committee by these Declarations and applicable law; all references to "Committee" in this Article XV shall apply to the Declarant while acting as the Committee.

If the Declarant is still a voting member of the Association but elects not to act as the Committee, then (i) if the development period has not ended, Declarant shall appoint a Committee to function as the Committee and (ii) after the development period, the Board shall appoint the Committee. At such time as the Declarant is no longer a voting member of the Association, the Board shall have the authority to appoint the Committee provided for by this Article XV. The Committee, when appointed, shall consist of not less than three (3) and not more than five (5) Members. It is not a requirement that Members of the Committee be (1) Owners or (2) Members of the Association.

Section 2. Jurisdiction and Purpose. The Committee or the Declarant as set forth herein, shall review proposed plans and specifications for Residences, accessory structures, fences, walls, appurtenant recreational facilities (e.g., hot tubs, basketball courts, tennis courts, swimming pools, and bath houses), or other exterior structures to be placed upon the Properties. No exterior addition, structural alteration, or exterior structures of any kind may be made until plans and specifications showing the nature, kind, shape, height, materials and location of the proposed structure or alteration have been submitted to and approved, in writing, by the Committee. The Committee shall also review proposals to change the exterior color of homes in the plat. The Committee shall determine whether the exterior design and location of the proposed structure, alteration, or color change harmonizes with the (1) surrounding structures, (2) surrounding natural and built environment, and (3) aesthetic character of other homes in the plat.

Section 3. Membership. Except as provided in Section 1 of this Article XV, the Committee shall be designated by the Board. An election to fill either a newly created position on the Committee or a vacancy on the Committee requires the vote of the majority of the entire Board. However, the Board is not obliged to fill a vacancy on the Committee unless the membership of the Committee numbers less than three (3) persons.

Section 4. Designation of a Representative. The Committee may unanimously designate one or more of its members or a third party to act on behalf of the Committee with respect to both ministerial matters and discretionary judgments. The decisions of such individuals are subject to review by the entire Committee at the request of any member of the Committee.

Section 5. Donation of Time. No member of the Committee shall be entitled to any compensation for services performed on behalf of the Committee. Committee members shall have no financial liability resulting from Committee actions.

Section 6. Address of the Committee. The address of the Committee shall be at the registered office address of the Association.

Section 7. Voting. Committee decisions shall be determined by a majority vote of the members of the Committee.

Section 8. Submission of Plans. All plans and specifications required to be submitted to the Committee shall be submitted by mail to the address of the Committee in duplicate. The written submission shall contain the name and address of the Owner submitting the plans and specifications, identify the Lot involved, and the following information about the proposed structures:

- (a) The location of the structure upon the Lot;
- (b) The elevation of the structure with reference to the existing and finished Lot grades;
- (c) The general design;
- (d) The interior layout;
- (e) The exterior finish materials and color, including roof materials;
- (f) Other information which may be required in order to determine whether the structure conforms to the standards articulated in this Declaration and the standards employed by the Committee in evaluating development proposals.
- (g) A Plot Plan at a scale of one inch equals 20 feet (1" = 20') shall be required, which shall include topography information if the Lot has a grade difference from one side to another of more than ten (10) feet. The plan shall also include specific details of front and side yard landscaping improvements extending up to the edge of the street paving on the Lot frontage. This plan must also show the approximate location of all significant trees and a notation as to whether or not they will be removed, as set forth in Article XII, Section 12.
- (h) The submittal to the Committee must be accompanied by the information summary sheet attached as Exhibit "C" to this Declaration. All information requested must be included on the summary sheet for the Committee to be able to consider the submittal complete. The time period allowed for review by the Committee as set forth in Section 12 herein shall commence once the submittal is considered complete.

Section 9. Plan Check Fee. All individuals submitting plans to the Committee shall be obliged to pay a reasonable plan check fee to cover the administrative costs of reviewing such development proposals. It will be necessary to pay the plan check fee upon submitting plans and specifications to the Committee. A plan check fee of \$50 will be charged to review plans and specifications for Residences. A fee of \$25 will be charged for the review of other structures. After the development period, the review fees may be changed by vote of a majority of the Board, to cover reasonable review costs.

Section 10. Evaluating Development Proposals. The Committee shall have the authority to establish aesthetic standards for evaluating development proposals. In addition to such standards, in evaluating development proposals, the Committee shall determine whether the external design, color, building materials, appearance, height, configuration, location on the Lot, and landscaping of the proposed structure (the "design elements") harmonize with (1) the various features of the natural and built environment, (2) the aesthetic character of the other

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homes in Crystal Ridge, and (3) any other factors which affect the desirability or suitability of a proposed structure or alteration (collectively the "approval factors"). The Committee shall decline to approve any design in which (1) the design elements fail to harmonize with the approval factors described in the previous sentence or which fail to meet any aesthetic standards promulgated by the Committee, (2) impacts adversely on nearby Properties and Common Areas, or (3) is of a temporary or non-permanent nature. Committee determinations may be amended by a majority vote of Committee members.

The Architectural Control Committee shall have the authority to review and approve or disapprove all plans submitted for construction on the Lots within THE ESTATES with respect to the potential for view obstruction for adjoining or nearby Lots in THE ESTATES based on structure orientation and mass. It is the intent of this paragraph to allow for some control by the Committee to promote the goal that each Lot within THE ESTATES with view potential retains such individual view potential as much as is reasonably possible, while not unreasonably restricting what each Owner desires to build. However, in no case shall the Committee approve any variations to the maximum ridge height elevation of Article XII, Section 15, without first obtaining written approval to do so from every Lot Owner that could be directly affected as to views from their respective residences.

When it deems it is appropriate, the Committee shall require plan modifications to the finished floor elevations relative to the ground surface or to the location or orientation of the structure on each Lot within THE ESTATES so as to protect this view potential on adjoining Lots, if in their sole discretion they determine that the plans submitted can be modified with respect to these features in such a manner as to not unreasonably impact adversely the subject lot's view potential for which the plans were submitted, or the use of that Lot by the Owner. The Architectural Control Committee and its members have no authority or obligation to protect, create, or enhance the view from or to any Lot in THE ESTATES, and shall be held completely harmless from any liability as to its decisions on building placement and/or orientation or elevations.

Section 11. Exclusions. So long as the Declarant is either a Class A or Class B voting member of the Association, the Declarant shall have the right to waive the plans and specifications review for builders in Crystal Ridge. Any such waiver shall not exempt said builder from any of the standards or restrictions articulated in this Declaration, and all structures and improvements shall meet all standards and restrictions contained in these declarations.

Section 12. Approval Procedures. Within fourteen (14) days after the receipt of plans and specifications, the Committee shall approve or disapprove the proposed structure. The Committee may decline to approve plans and specifications which, in its opinion, do not conform to restrictions articulated in this Declaration and criteria (including those in Section 10 of this Article XV) or to its aesthetic standards. The Committee shall indicate its approval or disapproval on one of the copies of the plans and specifications provided by the applicant and shall return the plans and specifications to the address shown on the plans and specifications. In the event that no disapproval of such plans and specifications is given within fourteen (14) days of submission, then the plans shall be deemed to be approved. In any event, the Association shall hold the Committee members (and the Declarant, if acting as the Committee) harmless from any actions taken (or actions not taken) relative to the approval, disapproval,

or non-action on any plans submitted for review. "Non-action" on the part of the Committee shall not exempt the applicant from any of the provisions of this Declaration or the restrictions articulated herein. By purchasing a Lot in Crystal Ridge, the Owners agree that, to the extent permitted by law, the Declarant shall have no liability to the Owners or the Association for any actions taken, or actions not taken, while acting as the Committee.

Section 13. Compliance with Codes/Environmental Laws.

(a) In all cases, ultimate responsibility for satisfying all local building codes and requirements rests with the Owner and contractor employed by the Owner. The Committee has no responsibility for ensuring that plans and specifications which it reviews comply with local building codes and requirements. The Owner shall hold the Committee members (and Declarant) harmless in the event that a structure which the Committee (or Declarant) authorizes fails to comply with relevant building and zoning requirements or these covenants and restrictions contained herein. No person on the Committee or acting on behalf of the Committee, nor the Declarant acting as the Committee, or anyone acting on behalf of the Declarant, shall be held responsible for any defect in any plans or specifications which are approved by the Committee or Declarant nor shall any member of the Committee or any person acting on behalf of the Committee or Declarant be held responsible for any defect in a structure which was built pursuant to plans and specifications approved by the Committee, or by the Declarant.

(b) Neither the Declarant, the Committee, nor any member of the Committee, nor the Association, nor anyone acting on behalf of the Committee or the Association, shall have any responsibility for compliance by Owner (or any agent, representative, guest, or invitee of Owner) with any environmental laws, regulations, or rules, including, but not limited to, those relating to hazardous waste and placement of underground oil storage tanks.

Section 14. Variation. The Committee shall have the authority to approve plans and specifications which do not conform to these restrictions in order to (1) overcome practical difficulties or (2) prevent undue hardship from being imposed on an Owner as a result of applying these restrictions. However, such variations may only be approved in the event that the variation will not (1) detrimentally impact on the overall appearance of the development, (2) impair the attractive development of the subdivision or (3) adversely affect the character of nearby Lots. Granting such a variation shall not constitute a waiver of the restrictions articulated in this Declaration. Variations shall only be granted if the Committee determines that the variation would further the purposes and intent of these restrictions. Variations shall only be granted in extraordinary circumstances.

Section 15. Enforcement. The Association (including the Declarant on behalf of the Association), Board, or any Owner shall have the right to bring suit for judicial enforcement of a determination of the Committee, or, after the development period, to seek an order requiring the Committee to exercise its authority, and perform its functions, under this Article XV. In any judicial action to enforce a determination of the Committee, the losing party shall pay the prevailing party attorney fees, expert witness fees, and other costs incurred in connection with such a legal action or appeal (see Article XVI, Section 5).

Section 16. Committee/Declarant Liability. The Association shall hold the Committee Members and the Declarant, if acting as the Committee, harmless from any actions taken (or actions not taken) under any previous of this Declaration, including, but not limited to, actions taken (or not taken) under Articles XII, XIII and XV of this Declaration. By purchasing a Lot

in Crystal Ridge, the Owners agree that, to the extent permitted by the law, neither the Declarant (nor any officer, director, or representative of Declarant), nor the Committee (nor any member of the Committee) shall have any liability to the Owners or to the Association for any actions taken, or actions not taken, while acting as the Declarant or the Committee under this Declaration.

"Non-action" on the part of the Committee or the Declarant shall not exempt the applicant from any of the provisions of this Declaration or restrictions contained in this Declaration.

ARTICLE XVI

GENERAL PROVISIONS

Section 1. Covenants Running with the Land. These covenants are to run with the land and be binding on all parties and persons claiming under them for a period of thirty (30) years from the date these covenants are recorded, after which time the covenants shall be automatically extended for successive periods of ten (10) years unless an instrument signed by a majority of the individuals then owning Lots has been recorded which reflects their intent to amend, or remove the covenants in whole or in part.

Section 2. Amendment. The covenants and restrictions articulated in this Declaration shall run with the land and bind the land for a term of thirty (30) years from the date that this Declaration is recorded. After 30 years have expired, the covenants shall be automatically extended in accordance with the provisions set forth in Section 1 of this Article. So long as the Declarant is either a Class A or Class B member of the Association, this Declaration may be amended only if (a) the Declarant gives the Declarant's express written approval of the amendment in writing, and (b) the Owners of at least 51 percent (51%) of the Lots, including those owned by Declarant, sign an instrument (which may be executed in counterparts) approving the amendment. At such time as the Declarant is no longer a Class A or Class B voting member of the Association, this Declaration may be amended if the Owners of at least 75 percent (75%) of the Lots vote to amend particular provisions of this instrument as then in effect (including any prior amendments). In no event shall any provisions expressly referring to the Declarant be amended at any time without the express written approval of the Declarant or the Declarant's successor in interest (unless the Declarant, or Declarant's successor in interest, no longer exists). All amendments must be filed with the office of the Pierce County Auditor.

Section 3. Insurance. The Association shall have no obligation to obtain any insurance on the Lots or the structures located on the Lots except as expressly provided herein.

Section 4. Enforcement. The Association (including the Declarant on behalf of the Association), the Board, or any Owner shall have the right to enforce, by any legal proceeding, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration (including, but not limited to, Article XV, Section 15).

IT IS DUE TO THE QUALITY OF THE DOCUMENT.

Section 5. Attorney Fees. In the event that it is necessary to seek the services of an attorney in order to enforce any (1) provisions of this Declaration, or (2) lien created pursuant to the authority of this Declaration, the individual against whom enforcement is sought shall be personally obligated to pay any attorney fees incurred. If the Owner fails to pay such fees within sixty (60) days, such fees shall become a lien against the Owner's Lot.

In any legal action commenced in order to enforce the provisions of this Declaration, the prevailing party shall be entitled to recover all reasonable attorney fees and expert witness fees incurred in order to enforce the provisions of this Declaration. The prevailing party shall also be entitled to recover all costs.

Section 6. Liens for Other Charges. This Section shall apply to all fees, charges, penalties, interest, costs, attorney fees and other amounts assessed against an Owner or the Owner's Lot (the "other charges") and which are not described in Sections 3 and 4 of Article VIII of this Declaration (the "regular assessments"). Unless otherwise provided in this Declaration, the other charges shall be a personal obligation of the Owner, and also a lien against the Owner's Lot(s) identical to the lien of the regular assessments. The liens upon Lots for other charges may be recorded, collected and foreclosed in the same manner as liens for regular assessments, with the costs (including reasonable attorney fees) of collection or foreclosure, or both, to be additional "other charges" for which the Owner shall be personally liable and which shall be a lien on the Owner's Lot enforceable as provided in this Section.

Section 7. Interest. All assessments, penalties, liens, fines, and other charges (defined in Section 5 of this Article XVI) shall bear interest, if not paid when due, at the rate of 12 percent (12%) per annum until paid in full. The interest shall accrue from the due date.

Section 8. Waiver of Opposition to Continued Development of Crystal Ridge. Each Owner of a Lot in Crystal Ridge, their heirs, successors, and assigns, shall consent to the continued development of Crystal Ridge in accordance with the approved Master Plan on file in the City of Puyallup by Declarant or Declarant's successor. This waiver of opposition shall extend to all construction activity and land use related approvals necessary to accomplish the full development and completion of the Crystal Ridge community so long as such construction and development is consistent with municipal requirements of the City of Puyallup.

Section 9. Successors and Assigns. The covenants, restrictions and conditions articulated in this Declaration shall run with the land and shall accordingly be binding on all successors and assigns.

Section 10. Severability. The invalidity of any one or more phrases, clauses, sentences, paragraphs or sections herein shall not affect the remaining portions of this Declaration or any part thereof. In the event that one or more of the phrases, clauses, sentences, paragraphs or sections contained herein should be invalid, this Declaration shall be construed as if the invalid phrase, clause, sentence paragraph or section had not been inserted.

Section 11. Rule Against Perpetuities. In the event that any provision or provisions of this Declaration violate the rule against perpetuities, such provision or provisions shall be construed as being void and of no effect as of twenty-one (21) years after the death of the last surviving member of the Temporary Board appointed by the Declarant in the Articles of Incorporation for the Association ("First Temporary Board") of the Association or twenty-one

