

INTRODUCTION

RECITALS

In 1987 a Sub-Association, or Local Association, of Canyon Lakes was formed – Canyon Lakes Villas – by instrument of Canyon Lakes Villas Covenants, Conditions, and Restrictions recorded on December 11, 1987, Benton County Washington Auditor’s File No. 87-19098 (Vol. 498 Pages 695-740) and subsequently amended and recorded November 13, 1989, Benton County Auditors File No. 89-16751 (Vol 524, Pages 604-649; Recorded October 7, 1991, Benton County Washington Auditor’s File No 91-18351 (Vol 549 Pages 3251-3272; and Benton County Auditor’s File No. 2020-046537 recorded on November 19, 2020.

Since 2009, the Canyon Lakes Community has expanded due to several annexations. Additionally, the Association's experience during the intervening years in administering these covenants revealed a number of areas where clarification or supplementation was desired in order for the covenants to better serve the needs of the community. Further, Washington State Law governing Community Associations of Common Interest has changed and will change again in 2028 (Revised Code of Washington (RCW), Title 64, Chapter 64.90).

To address these issues, it was determined appropriate to adopt an amended and restated master declaration in the form and substance of this Master Declaration of Covenants, Conditions and Restrictions for the Community of Canyon Lakes. This declaration fully replaces and supersedes all prior declarations pertaining to the Canyon Lakes Community, including specifically those described above.

SECTION 1. DEFINITIONS.

When used herein the following terms shall have the following meanings:

1.1 "Architectural Review Committee" shall mean the committee appointed pursuant to the provisions of Section 8.

1.2 "Association" shall mean the Canyon Lakes Property Owners' Association, a Washington Non-Profit Corporation organized pursuant to the provisions of Section 9.

1.3 "Board" shall mean the Board of Directors of the Association.

1.4 "Common Area" shall mean and refer to any real estate within the Property that is owned or leased by the Association.

1.5 "Community Rules and Regulations" shall mean the rules, regulations and restrictions promulgated by the Board pursuant to Section 6 of this Declaration.

1.6 "Declaration" shall mean and refer to this Amended and Restated Master Declaration of Covenants, Conditions and Restrictions for the Community of Canyon Lakes dated ____.

1.7 "Improvements" shall mean any positive and permanent change which enhances a property's value.

1.8 "Local Association" shall mean any Sub-Association organized by members consisting of all owners of Units within one or more but less than all the subdivisions identified in Appendix A.

1.9 "Property" shall mean and refer to those real estate parcels described in Appendix A attached hereto. The term "Community" or "Community of Canyon Lakes" shall be synonymous with the term "Property".

1.10 “Quorum”: Manner of Acting. The presence at any meeting in person, by mail, by electronic transmission or by proxy of members representing more than twenty percent (20%) of the total voting power of the Association shall constitute a quorum at a meeting of members. If a quorum is present, the affirmative vote of a majority of the voting power represented at the meeting and entitled to vote on the subject matter shall be the act of the members, unless the vote of a greater number is required by statute, any covenants, conditions or restrictions of record, or the articles of incorporation for the Association.

1.11 “Services” shall mean any labor, work, analysis, or similar activity provided by a contractor to accomplish a specific scope of work.

1.12 “Unit” shall mean all numbered lots, and any improvements thereon, as shown on the plats identified in Appendix A. All Units within the Property shall be used only for construction of, and use as, a single-family dwelling; provided, however, that the Board may approve additional uses upon written application in a form acceptable to the Board.

1.13 “Unit Owner” or “Owner” shall mean the person, persons or entity who holds legal title to any Property or Units as defined in Section 4 below. A contract purchaser shall constitute an Owner.

1.14 “Voting Power” or “Voting Unit” shall mean one vote per Unit Owned.

SECTION 2. PROPERTY SUBJECT TO DECLARATION – SUPPLEMENTAL DECLARATIONS – APPROVAL REQUIRED.

All the Property described in Appendix A is hereby subjected to the covenants, conditions, restrictions, and other provisions of this Declaration. Additional property may be subjected to this Declaration by the recording of a Supplemental Declaration in a form acceptable to and approved in writing by the Association’s Board of Directors. No Supplemental Declaration shall be valid, nor shall it be recorded, until it has been approved in writing by the Board. Upon the recording of a Supplemental Declaration, such additional property shall become a part of the Property and be fully subject to all the terms and conditions of this Declaration, and as it may be amended.

SECTION 3. WITHDRAWAL OF PROPERTY FROM THE PROVISIONS OF THIS DECLARATION – APPROVAL REQUIRED.

Any Local Association of the Property may petition the Board to withdraw from being subjected to this Declaration if all unit owners within the area affected so request. Withdrawal requires approval by a majority of the Board. Withdrawal becomes effective with the recording of an Amendment to this Declaration which removes the affected Property from the Definition of Property subject to the Declaration.

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120 SECTION 4. LAND CLASSIFICATIONS AND USES WITHIN THE PROPERTY.
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122 4.1 Classifications Presently Contemplated. Land classifications presently
123 contemplated within the Property and other areas to be hereafter subjected to the provisions of
124 this Declaration are Units, Common Areas, and public roads and streets. The Association shall
125 hold and retain title to Common Areas, subject, however, to the right of Residents and others to
126 use such areas as herein provided.
127

128 4.2 Units. All numbered lots, as shown on the plats of the real property identified in
129 Appendix A or hereafter platted, shall be classified as Units. All Units within the Property shall
130 be used only for construction and occupancy of a single-family dwelling; provided, however,
131 that the Board may approve additional uses upon written application in a form acceptable to the
132 Board. Rules, regulations and restrictions governing the use of Units shall be adopted as set
133 forth in Section 6 of this Declaration.
134

135 4.3 Common Areas. Subject to the provisions hereof, each Owner is hereby granted a
136 nonexclusive easement to use the Common Areas for such recreational purposes or other
137 purposes and in such manner as may be permitted by the Community Rules and Regulations.
138 Each Owner may permit his or her tenants and guests to use Common Areas for such purposes
139 and in such manner. Common Areas shall not be platted or otherwise divided into parcels for
140 residential use. The Association may develop special recreational or other facilities on portions
141 of the Common Areas for the general use and benefit of all Owners and their guests. The Board
142 may from time-to-time permit Owners to use designated portions of Common Areas for
143 recreational or other uses of benefit to such Owners only, *e.g.*, maintaining a volleyball or
144 badminton court, provided that such permission shall be revocable at any time. The easement
145 and rights herein granted shall be appurtenant and assignable with the Unit with respect to which
146 it is granted but shall not otherwise be assignable. The Board may dedicate Common Areas to
147 the public for park purposes and may use Common Areas for the purpose of location of utilities
148 or other common services thereon or thereunder. The Board may bar any Unit Owner, members
149 of his or her family, his or her guests or his or her lessee, and the family members and guests of
150 such lessee, from using Common Areas during periods in which the Unit Owner's assessments
151 are delinquent. Owners must receive the written permission of the Board prior to making any
152 improvement upon or under any Common Area.
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154
155 SECTION 5. CONSOLIDATION OF LOTS
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157 If a Unit Owner owns all of a lot restricted to single family residential use, together with
158 one or more contiguous lots or contiguous portions thereof also restricted to single family
159 residential use (the "additional lot"), such Unit Owner may consolidate the basic lot and the
160 additional lot, or portion thereof, by a boundary line adjustment processed in accordance with
161 applicable City of Kennewick and Benton County regulations; provided such an application shall
162 first require Board approval to assure that the consolidated lot will be in compliance with this

Declaration. The consolidation shall take effect upon the owner's filing in the records of the Benton County, Washington Auditor a declaration, in a form approved by the Board, stating that the two areas are consolidated. The consolidated areas shall constitute one Unit for all purposes under this Declaration.

SECTION 6. COMMUNITY RULES AND REGULATIONS.

6.1 Rule-Making, Generally. In the exercise of its powers and in the performance of its obligations pursuant to this Declaration, any applicable Supplemental Declaration, or any applicable statute the Board may adopt, amend or repeal rules, regulations and restrictions to be known as the "Community Rules and Regulations" to provide for the manner of use for Units, and Common Areas, and any other areas which Owners or members of the general public are entitled to use.

Rules Notice. Before adopting, amending, or repealing any rule, the Board must give all unit owners notice of:

(a) Its intention to adopt, amend, or repeal a rule and provide the text of the rule or the proposed change; and

(b) A date on which the board will act on the proposed rule or amendment after considering comments from unit owners.

Following adoption, amendment, or repeal of a rule, the association must give notice to the unit owners of its action and provide a copy of any new or revised rule.

6.2 Rule-Making for Units. The Board's authority to make and enforce rules, regulations or restrictions regarding Units shall be limited to reasonable rules, regulations or restrictions regarding the following:

(a) Limiting the nature of the uses permitted to single family residential or other category of use, and prohibiting commercial, retail, manufacturing or business uses or temporary structures not otherwise protected by Washington State Law.

(b) Establishing standards of maintenance, use, and upkeep of lots, including but not limited to controlling vegetation, burning, irrigation, lighting, decoration, fences, rubbish and unsightly or unsanitary conditions.

(c) Preventing and remedying any dangerous or obnoxious conditions, nuisances and other conduct that interferes with the quiet enjoyment of Residents, Owners, or of Canyon Lakes as a whole, including but not limited to discharge of firearms or fireworks, open burning, off-road use of vehicles and motorized transport, and excessive noises.

(d) Limiting the number, nature and manner of signs.

(e) Regulating and limiting the use of roads and streets, parking and storage.

(f) Restricting and regulating the possession and use of animals.

(g) Establishing time limits between the start and completion of improvements upon a unit.

6.3 Administration of Rules. All rules, regulations and restrictions must be applicable on a non-discriminatory basis. However, provisions uniformly applicable to a class of persons, such as children of particular ages, will not be deemed discriminatory. The Community Rules and Regulations shall be interpreted and applied in a manner consistent with applicable city, county, state and federal law.

A copy of the current Community Rules and Regulations shall be always kept on file at the primary office of the Association and published on its website. The Community Rules and Regulations shall have the same force and effect as if set forth herein as part of this Declaration.

A Unit Owner may be held liable, and the association may assess against a unit owner's common annual expenses, including expenses relating to damage to, loss of property, or loss of property value caused by the:

(a) Willful misconduct or gross negligence of the unit owner or the unit owner's tenant, guest, invitee, or occupant;

(b) Negligence of the unit owner or the unit owner's tenant, guest, invitee, or occupant; and

(c) Failure of the unit owner to comply with standards prescribed by this declaration or a Rule, Regulation, or Restriction.

The Association will enforce the Rules and Regulations and, after notice and opportunity to be heard, impose and collect reasonable fines for violations of the governing documents in accordance with a previously established schedule of fines adopted by the board of directors and furnished to the owners pursuant to the requirements for notice as described in Section 6.1.

6.4 Repeal by Unit Owners. Any rule, regulation or restriction enacted by the Board may be amended, modified or repealed by a vote of the majority of the Voting Power constituting a quorum as defined in Section 1 of this document at any meeting of members of the Association pursuant to the procedures set forth in the by-laws of the Association (the "By-laws") for meetings and member voting. Unit owners may request a vote on a specific rule, regulation, or restriction by sending a written request addressed to the entire Board that is signed by at least five (5) members that each represent a single Voting Unit. The request should clearly state the desired amendment, modification, or deletion and reasons why.

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254 SECTION 7. ASSESSMENTS.
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256 7.1 Regular Assessments. The Board shall have the right to impose a regular annual
257 assessment against each Unit Owner for those uses and purposes provided in Section 7.6 below.
258 The assessments shall be based upon a budget adopted in accordance with Section 7.9 below and
259 in an amount to be determined by the Board each year. The regular annual assessments shall be
260 applied uniformly to all Units except in cases where a fine or expenses are added because of
261 negligence or Rules violation as described in Section 6.3. On or before November 30 of each
262 year, the Board shall fix the amount of the regular annual assessment to be imposed during the
263 ensuing year. The Unit Owners shall be notified of the proposed regular annual assessment prior
264 to December 31 of the same year.

265
266 7.2 Payment of Regular Annual Assessments. Any Unit Owner who submits their
267 Annual Meeting ballot along with their regular annual assessment fee prior to or at the Annual
268 Meeting of Association Members each year shall receive a five percent (5%) discount in the
269 regular annual assessment. All regular annual assessments shall be paid no later than April 1
270 each year. After April 1, the regular annual assessment, together with a late charge equal to
271 twenty five percent (25%) of the regular annual assessment, shall bear interest at the rate of
272 twelve percent (12%) per annum.

273
274 7.3 Transfer Assessment. At the time any Unit is sold or otherwise transferred, a
275 transfer assessment in an amount determined by the Board, but not more than one hundred fifty
276 dollars (\$150.00), shall be assessed against the purchaser or other transferee at the time of the
277 closing of the transfer. The Board, in its discretion, may increase the maximum amount of the
278 transfer assessment once every five years to account for inflation and the increased cost of living.
279 The lien provisions set forth above shall also apply to the transfer assessment if it is not paid at
280 the time of closing.

281 7.4 Special - Assessments. The board, at any time, may propose a special assessment.
282 The assessment is effective only if the board follows the procedures for ratification of a budget
283 described in subsection 7.9.1 of this section and the unit owners do not reject the proposed
284 assessment. The board may provide that the special assessment may be due and payable in
285 installments over any period it determines and may provide a discount for early payment. A
286 special assessment shall fall under one of two categories, described as follows:

287 7.4.1 Common Area Goods, Services and Improvements; The Board may
288 propose this category of assessment for budget ratification without any requirement for pre-
289 approval.

290 7.4.2 Goods, Services and Improvements not restricted to Common Areas. For
291 this category, an advisory vote by Unit Owners is required for approval of a preliminary plan
292 before the Board fully develops and proposes a special assessment for budget ratification. The
293 plan shall include a description of the action to be taken, the benefit to the community, and an

estimated cost to the Association. The vote shall follow the procedure for quorum, manner of presence, and voting as defined in Section 1 of this Document. The results of the advisory vote shall be made available to the entire Community and be considered by the Board before proposing a special assessment for budget ratification.

7.5 Use of Assessment Funds. The Board shall keep the monies which it may collect from assessments, together with all other monies which it is required to add to the assessment funds pursuant to the provisions hereof or of any applicable Supplemental Declaration, in a separate fund to be called the “assessment fund” and shall use the monies in the assessment fund only for the following purposes:

(a) Payment of the costs of maintaining and developing (i) Common Areas, (ii) lights, entrances, mailboxes, trash receptacles, dog waste stations, signs, and areas within Local Associations or Private Land for which there is a maintenance agreement; and (iii) special recreational and other facilities on Common Areas which are available for use by all Residents.

(b) Payment of taxes and assessments levied against Common Areas and the improvements thereon.

(c) Payment of the costs of providing patrol services, fire prevention and control services, and garbage and trash disposal, if implemented by the Association.

(d) Payment of the costs of insurance, including insurance protecting the Board, the Architectural Review Committee, other Board-appointed Committees, the Association and any of its officers, directors, employees or agents against liability arising out of their function and activities in the administration of the provisions of this Declaration or any Supplemental Declaration.

(e) Payment of the costs of enforcing the provisions contained in this Declaration, any Supplemental Declaration, the Community Rules and Regulations and the Architectural Review Committee Rules.

(f) Payment of the reasonable expenses and fees of the Architectural Review Committee.

(g) Payment for other Goods or Services which the Board deems to be of general benefit to Residents provided that for any expenditure greater than \$15,000 the Board shall provide notice to all Unit Owners that includes a description of the action to be taken, the benefit to the community, and an estimated cost to the Association at least 30 days prior to incurring the liability.

(h) Payment of the costs incurred in collecting assessments.

(i) Payment of the expenses incurred in organizing or reorganizing the Association and of maintaining the same as a corporation.

(j) Payment of any expense reasonably incurred by the Board in carrying out any function for which it has been given responsibility hereunder, including but not limited to court costs and attorney fees.

(k) Payment for Special Assessment Projects

7.6 Accounting and Records The association shall establish and maintain its accounts and records in a manner that will enable it to credit assessments for common expenses and specially allocated expenses, including allocations to reserves, and other income to the association, and to charge expenditures, to the account of the appropriate units in accordance with the provisions of the declaration. The Board shall conduct an annual reconciliation as provided by RCW 64.90.475 as now enacted or hereafter amended. The Association shall retain financial and business records, including the current budget, detailed records of receipts and expenditures affecting the operation and administration of the association, and other appropriate accounting and business records within the last seven years, as provided by RCW 64.90.495.

The Association shall obtain and update a reserve study pursuant to RCW 64.90.545 and 64.90.550. The Association shall establish one or more accounts for the deposit of funds, if any, for the replacement costs of reserve components. Any reserve account must be an income-earning account maintained under the direct control of the Board, and the Board is responsible for administering the reserve account according to RCW 64.90.540.

7.7 Joint and Several Liability If a Unit Owner comprises more than one person, or one entity, each shall be jointly and severally liable for any assessment, charge, fee, fine or cost.

7.8 Default in Payment of Assessments and Charges; Liens

7.8.1 Each assessment or charge levied or imposed pursuant to this Declaration or any applicable Supplemental Declaration, together with interest thereon, shall be a separate, distinct and personal debt and obligation of the Unit Owner against whom the assessment or charge is levied or imposed or from whom the amount is due.

7.8.2 If the Unit Owner fails to pay any such assessment or charge or any installment thereof when due, the Unit Owner shall be in default and the assessment or charge not paid, together with interest, costs and attorney fees as elsewhere provided for herein, shall automatically become a lien upon the Unit or Units owned by the person from whom the assessment or charge is due.

7.8.3 The Association may confirm the lien by filing in the records of Benton County, Washington a notice of lien setting forth a description of the Unit or Units against which the lien is imposed. Such lien shall be subordinate to any lien of any mortgage upon any Unit which is accepted in good faith and for value and which was recorded prior to the filing of the notice of lien. An additional assessment of one hundred dollars (\$100.00) per year of delinquency shall be imposed against any such Unit, along with the recording costs and any legal

fees associated with the recording of such lien. The Association may commence a proceeding to foreclose the lien in the same form of action as is then provided for the foreclosure of a mortgage on real property by Washington law. Liens will be assessed and enforced according to the procedures specified in RCW 64.90.485.

7.8.4 The Association may also foreclose the lien in a non-judicial proceeding pursuant to the deed of trust foreclosure law as is then provided in Washington law. The Association may also enforce or foreclose the lien in any other manner permitted by Washington law for the enforcement or foreclosure of liens against real property or the sale of property subject to such lien. Upon the sale of a Unit pursuant to this provision, the purchaser thereof shall be entitled to a deed to the Unit and to immediate possession thereof, and said purchaser may apply to a court of competent jurisdiction for a writ of restitution or other relief for the purpose of acquiring such possession. The proceeds of any such sale shall be applied as provided by applicable law. In the absence of any such law, the proceeds shall first be applied to discharge the costs of the sale, including but not limited to court costs, other litigation costs, costs and attorney fees incurred by the Association, all other expenses of the proceedings, interest, late charges, unpaid assessments and other amounts due to the Association, and the balance of the sale proceeds shall be paid to the Unit Owner. The Association shall have the power to bid for the Unit at any sale and to acquire and hold, lease, mortgage or convey the Unit. Notwithstanding any foreclosure of the lien or sale of the Unit, any assessment and other amounts due after application of any sale proceeds shall continue to exist as personal obligations of the defaulting Unit Owner or Unit Owners to the Association.

7.9 Budget Required All assessments must be based upon a budget first adopted by the Board on or before November 30 of each year for the ensuing year.

7.9.1 Within thirty days after adoption of any proposed budget for the common interest community, the Board must provide a copy of the budget to all the Unit Owners and set a date for a meeting of the Unit Owners to consider ratification of the budget not less than fourteen nor more than fifty days after providing the budget. Unless at that meeting the Owners of Units, to which a majority of the votes in the Association are allocated, reject the budget, the budget and the assessments against the Units included in the budget are ratified, whether or not a quorum is present. Quorum and Manner of presence of Unit Owners is defined in Section 1 of this document. If the proposed budget is rejected or the required notice is not given, the periodic budget last ratified by the Unit Owners continues until the Unit Owners ratify a subsequent budget proposed by the Board.

7.9.2 The budget must include:

- (a) The projected income to the Association by category.
- (b) The projected common expenses and any specifically allocated expenses, including those for non-common areas, that are subject to being budgeted, both by category.
- (c) The amount of the assessments per Lot and the date the assessments are due.

(d) The current amount of regular assessments budgeted for contribution to the reserve account.

(e) A statement of whether the Association has a reserve study that meets the requirements of RCW 64.90.550 and, if so, the extent to which the budget meets or deviates from the recommendations of that reserve study; and

(f) The current deficiency or surplus in reserve funding expressed on a per unit basis.

SECTION 8. ARCHITECTURAL REVIEW COMMITTEE.

8.1 Function of Architectural Review Committee. The Architectural Review Committee (the "Committee") shall exercise the functions for which it is given responsibility in this Declaration. The Committee will be responsible for the approval of plans and specifications for the development of Units and for the promulgation and enforcement of its related rules and regulations. All such rules and regulations of the Committee shall be deemed to constitute part of the Community Rules and Regulations; provided that such rules and regulations are first approved by the Board.

8.2 Members. The Committee shall consist of at least three people who shall be appointed by the Board for three (3) year terms. The Board shall determine the total number of people to be appointed to the Committee. Members of the Committee may be removed and replaced at any time by the Board. The Board shall keep on file at its principal office a list of the names and phone numbers, and street and email addresses of the members of the Committee.

8.3 Action. Except as otherwise provided herein, any two (2) members of the Committee shall have the power to act on behalf of the Committee without the necessity of a meeting and without the necessity of consulting the remaining member of the Committee; provided, however, that if the Committee has more than three members, then any number of Committee members constituting a two-thirds (2/3) majority of the membership of the Committee shall have the power to act on behalf of the Committee without the necessity of a meeting and without the necessity of consulting the remaining member of the Committee. The Committee may render its decisions only by written instrument setting forth the action taken by the members consenting thereto.

8.4 Failure to Act. If at any time the Committee shall for any reason fail to function, the Board shall have complete authority to serve as a pro term Architectural Review Committee.

8.5 Duties and Rules. No person shall construct or reconstruct any improvement on any Unit, alter or refinish the exterior of any improvement on any Unit or make any change in any Unit, whether by excavation, fill, alteration of existing drainage, the installation of an outside antenna, or other outside wire visible from the street, on a Unit unless such person has first obtained the approval of the Committee. The Committee shall consider and act upon all matters properly submitted to it pursuant to this Amended and Restated Declaration or any

applicable Supplemental Declaration. In furtherance of these functions of the Committee, the Board may from time to time adopt, amend, and repeal rules and regulations to be known as the “Architectural Review Committee Rules” establishing the Committee’s operating procedures and interpreting, detailing and implementing the provisions of the instruments to which it is charged with responsibility. The Board may establish a reasonable fee to be paid to cover the costs incurred by the Architectural Review Committee in considering and acting upon matters submitted to it. Such fees shall be paid into the Architectural Review Committee fund. A current copy of the Architectural Review Committee Rules shall be always kept on file at the primary office of the Association and published on its website. Such rules and regulations have the same force and effect as if set forth herein as part of this Declaration.

8.6 Non-Waiver. Consent by the Committee to any matter proposed to it or within its jurisdiction shall not be deemed to constitute a precedent or waiver impairing its right to withhold approval as to any similar matter thereafter proposed or submitted to it for consent.

8.7 Estoppel Certificate. Within thirty (30) days after written demand therefor by a Unit Owner, the Committee shall execute and deliver to the Unit Owner requesting the same an estoppel certificate certifying with respect to the Unit of such Unit Owner that, if true, as of the date of the certificate, either (i) all improvements and other work within such Unit comply with the provisions of this Amended and Restated Declaration and any applicable Supplemental Declaration and with all restrictions, rules and regulations adopted in or pursuant thereto, or (ii) that such improvements and work do not so comply for reasons specified in the certificate. Any purchaser or mortgagee of a Unit may rely on such certificate with respect to the matters set forth therein, such matters being conclusive against the Board and all Unit Owners.

8.8 Liabilities. Neither the Committee nor any member thereof shall be liable to any Unit Owner or the Board (or to any other party as a result of any certificate furnished pursuant to Section 8.7 above) for any damage, loss or prejudice suffered or claimed on account of any action or failure to act of the Committee or a member thereof, provided only that the member has acted in good faith. In the event that any person alleges that the Committee or any member thereof is liable for any damage, loss or prejudice suffered or claimed on account of any action or failure to act of the Committee or a member thereof, the Association shall indemnify and hold harmless any such Committee member, including but not limited to the payment of associated court costs, attorney fees and other legal fees, provided that such Committee member has acted in good faith.

SECTION 9. THE ASSOCIATION.

9.1 Organization of the Association. The Association shall be organized as provided herein to represent all Unit Owners. The Association shall be incorporated under the Miscellaneous and Mutual Corporations Act of the State of Washington, RCW 24.06, as now enacted or hereafter amended. The Association shall have Articles of Incorporation (the “Articles”) and By-laws as provided in RCW 24.06.

510 9.2 Duties of the Association. The Association shall be charged with the duties and
511 invested with the powers prescribed by law and set forth in the Articles, By-laws and this
512 Declaration. Neither the Articles nor By-laws shall, for any reason, be amended or otherwise
513 changed or interpreted so as to be inconsistent with this Declaration.

514
515 9.3 Membership. Each Unit Owner, by virtue of being a Unit Owner and for so long
516 as such ownership is maintained, shall be a member of the Association, and no Unit Owner shall
517 have more than one membership in the Association, except as hereinafter set forth with respect to
518 voting. Memberships in the Association shall not be assignable, except to the successor in
519 interest of the Unit Owner, and all memberships in the Association shall be appurtenant to the
520 Unit owned by such Unit Owner. The memberships in the Association shall not be transferred,
521 pledged or alienated in any way except upon the transfer of title to a Unit and then only to the
522 transferee of title to the Unit. Any attempt to make a prohibited membership transfer shall be
523 void and will not be reflected in the books of the Association.

524
525 9.4 Voting Power. All voting power shall be exercised by the members of the
526 Association in accordance with the duly adopted by-laws of the Association. Each Unit Owner
527 shall have one vote for each Unit owned.

528
529 9.5 Board of Directors and Officers. The affairs of the Association shall be
530 conducted by a Board and such officers as the Board may elect or appoint, in accordance with
531 the articles of incorporation or the by-laws, which may be amended as provided therein. In the
532 performance of their duties, officers and board members must exercise the degree of care and
533 loyalty to the association required of an officer or director of a corporation organized, are subject
534 to the conflict of interest rules governing directors and officers, and are entitled to the immunities
535 from liability available to officers and directors under RCW 24.06.

536
537 9.6 Composition of the Board of Directors. The Board shall consist of Unit Owners
538 who have been elected by the Association in accordance with the By-Laws. No more than one
539 Owner per Unit may serve on the Board.

540
541 9.7 Powers of the Board. The powers of the Association shall be exercised by and
542 through the Board. In addition to such other powers as shall be given to or imposed upon the
543 Board by this Declaration or by any applicable Supplemental Declaration, the Board shall have
544 the power to carry out the following:

- 545
546 (a) Maintenance of all Common Areas and the improvements thereon.
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548 (b) Construction of such improvements on or under the Common Areas, as it deems
549 will be of benefit to the Unit Owners.
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551 (c) Enforcement of all covenants, conditions, restrictions and other provisions
552 contained in this Declaration or in any Supplemental Declaration, as now enacted or hereafter
553 amended.
554

(d) Promulgation and enforcement of the Community Rules and Regulations, and enforcement of the Architectural Review Committee Rules and Regulations and the decisions of the Architectural Review Committee

(e) Payment of all taxes and assessments on any of the Common Areas, within the Property.

(f) Provision of such services to Unit Owners as it shall deem to be of benefit.

(g) Procuring and maintaining insurance on all improvements constructed on the Common Areas

(h) Collection of assessments and penalties adopted in accordance with RCW 64.90.

(i) Fixing of fees for use of recreational and service facilities within the Common Areas and for the collection thereof. All such fees shall be paid into the assessment fund.

(j) Borrowing of money on behalf of the Association and in connection therewith, the granting of mortgages, deeds of trust or other security interests with respect to land owned or leased by it and improvements thereon.

(k) Granting of easements along roadways of the Property owned by the Association to owners, occupants and invitees of office, commercial and lodging or other facilities constructed on land within the Property, whether or not subject to this Amended and Restated Declaration, and entering into road maintenance agreements providing for contribution to the cost of maintenance of the entrances to the Property and roadways and related improvements which are subject to easements granted by the Board.

(l) The Board shall have such further powers as permitted or allowed in RCW 24.06.030 and 64.90.405, as now enacted or hereafter amended.

9.8 Limitation of Liability. The Board shall not be liable for failure to carry out any power enumerated in Section 9.2 or 9.6 herein or elsewhere in this Declaration or in any applicable Supplemental Declaration in cases in which there are not sufficient monies in the assessment fund to enable it to carry out its power. The Board shall have sole power to determine for which authorized purposes monies in the assessment fund shall be spent and in what priority, including the power to determine how much shall be held in reserve. Neither the Board, nor the Association, nor any director shall be liable to any Unit Owner on account of any action or failure to act of the Board, provided only that actions are in good faith. In the event that any Unit Owner or other person alleges that the Association, the Board or any director, officer, employee or agent of the Association is liable for any damage, loss or prejudice suffered or claimed on account of any action or failure to act of the Association, the Board, or any director, officer, employee or agent of thereof, the Association shall indemnify and hold harmless any such director, officer, employee or agent, including but not limited to the payment

of associated court costs, attorney fees and other legal fees, provided that such director, officer, employee or agent has acted in good faith.

9.9 Annual Meeting of Association Members. The Association shall hold an annual meeting as set forth in the by-laws of the Association.

SECTION 10. LOCAL ASSOCIATIONS.

10.1 Creation of Local Associations. Any legally platted subdivision subjected to this Amended and Restated Declaration may create and maintain a Local Association or Sub-Association. A Local Association shall determine its own purposes, powers and obligations and shall be responsible for its own governance and internal operation consistent with RCW 64.38 and the provisions of this Declaration. The creation of any Local Association shall be set forth in a Supplemental Declaration recorded in the records of Benton County, Washington.

10.2 Restrictions and Limitations. Local Associations may establish and enforce covenants, conditions, restrictions, rules and regulations in addition to those set forth in or enacted pursuant to this Declaration, provided, however, that any such covenants, conditions, restrictions, rules and regulations which conflict with, are inconsistent with or purport to override any provision of this Declaration or any document executed pursuant to it shall be invalid and of no effect.

SECTION 11. ENFORCEMENT.

11.1 General Provisions. The Board, the Association and any Unit Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, fees, liens and charges now or hereafter imposed by the provisions of this Declaration or any applicable Supplemental Declaration. Failure by any such person to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

11.2 Violation of This Declaration or Supplemental Declaration by Non-Qualifying Improvement. In the event any Unit Owner constructs or permits to be constructed on his or her Unit an improvement contrary to the provisions of this Declaration or any applicable Supplemental Declaration or in the event that a Unit Owner maintains or permits any improvement, condition or item on his or her Unit contrary to the provisions of this Declaration or any Supplemental Declaration, the Board, through its designated representative, may no sooner than thirty (30) days after delivery to such Unit Owner of written notice of the violation, enter upon the Lot of the offending Unit (but not any occupied structure) and remove the cause of such violation, or alter, repair or change the item which is in violation of such Declaration in such manner as to make it conform thereto. The Board may charge such Unit Owner for the entire cost of the work done by it pursuant to this provision. Such amounts shall become payable

upon delivery by the Board to the Unit Owner of notice of the amount due, and shall be paid into the assessment fund to the extent that the costs being reimbursed were paid out of the assessment fund.

11.3 Right of Entry During Construction. A representative of the Board or any member of the Architectural Review Committee authorized by the Board may at any reasonable time, and from time to time at reasonable intervals, enter a Unit during new construction and major alterations for the purpose of determining whether or not such Unit is in compliance with the provisions of this Declaration, any Community and Architectural Rules and Regulations pursuant thereto or any applicable Supplemental Declaration. Such entry shall only be made prior to occupancy and after notification of the Unit owner.

11.4 Interest. Any amount not paid to the Board when due in accordance with the provisions of this Declaration or of any Supplemental Declaration shall bear interest from such date until paid at the rate of twelve percent (12%) per annum.

11.5 Expenses and Attorney Fees. In the event of any suit or action to enforce any provision contained in this Declaration or in an applicable Supplemental Declaration, to collect any money due thereunder or to foreclose any lien, the prevailing party in such suit or action shall be entitled to recover all costs and expenses incurred in connection with such suit or action, including a foreclosure title report, and such amount as the court may determine to be reasonable as attorney fees therein, including attorney fees incurred in connection with any appeal from a decision of the trial court or an intermediate appellate court.

11.6 Non-Exclusiveness and Accumulation of Remedies. Election by the Board or the Association to pursue any remedy provided for herein or in any applicable Supplemental Declaration with respect to any violation of any provision of this Declaration or of any Supplemental Declaration shall not prevent concurrent or subsequent exercise of another remedy permitted herein or in any applicable Supplemental Declaration, or which is permitted by law. The remedies provided in this Declaration and in any applicable Supplemental Declaration are not intended to be exclusive but shall be in addition to all other remedies, including without limitation, actions for damages or suits for injunctions or for specific performance available under applicable law.

SECTION 12. MISCELLANEOUS PROVISIONS.

12.1 Amendment and Repeal.

Any provision of this Declaration or any Supplemental Declaration may be amended or repealed by the Board, provided that the amendment has been approved by the Board following consent by the vote of two-thirds (2/3) of the members of the Association constituting a quorum and voting in accordance with Section 1.9, Section 9.4 and the By-laws.

Unit owners may request a vote on a specific Section of this Declaration by sending a written request addressed to the entire Board that is signed by at least five (5) members that each

represent a single Voting Unit. The request should clearly state the desired amendment, modification, or deletion and reasons why.

Notwithstanding the above, no amendment hereto shall diminish the votes or consent required in respect of any matter for which the number of votes or consenting Unit Owners required is specifically set out herein, unless such amendment has received the consent of Unit Owners having such number of votes (or of such number of Unit Owners, as the case may be). Any amendment or repeal of a provision of this Declaration or additional provisions shall become effective only upon the filing thereof in the records of Benton County, Washington, of a certificate of an officer of the Association setting forth in full the amendment, additional provision or repeal approved as provided in this Section, and certifying that said amendment, additional provision or repeal has been approved in the manner required therefor herein.

12.2 Joint Owners. In any case in which two or more persons share the ownership of any Unit, regardless of the form of ownership, the responsibility of such persons to comply with the provisions of this Declaration and of any applicable Supplemental Declaration shall be a joint and several responsibility. The act or consent of any one or more of such persons shall constitute the act of consent of the entire ownership interests; however, in the event that such persons disagree among themselves as to the manner in which any vote or right of consent held by them shall be exercised with respect to a pending matter, any such person may deliver written notice of such disagreement to the Board, and the vote or right of consent involved shall then be disregarded completely in determining the number or proportion of votes or consents given with respect to such matter.

12.3 Mortgage Protection. Notwithstanding any other provision of this Amended and Restated Declaration, no amendment of this Amended and Restated Declaration or any Supplemental Declaration shall operate to defeat and render invalid the rights to the beneficiary under any first deed of trust upon a Unit made in good faith and for value, and recorded prior to the recordation of such amendment, provided that, after foreclosure of any such first deed of trust, such Unit shall remain subject to this Amended and Restated Declaration, as amended. Notwithstanding any and all provisions of this Amended and Restated Declaration to the contrary, in order to induce the Federal Home Loan Mortgage Corporation ("FHLMC"), the Government National Mortgage Association ("GNMA") and the Federal National Mortgage Association ("FNMA") to participate in the financing of the sale of Units within the Property, to the extent the statutory requirements or regulations of FHLMC, FNMA, GNMA, VA and FHA conflict with any provisions of this Amended and Restated Declaration or any Supplemental Declaration, such statutory requirements or regulations shall control. The Board shall enter into such contracts or agreements on behalf of the Association as are required in order to satisfy the guidelines of the VA, the FHA, the FHLMC, the FNMA or the GNMA or any similar entity, so as to allow for the purchase, guaranty or insurance, as the case may be, by such entities of first mortgage encumbering Units with dwelling units thereon. Each Unit Owner hereby agrees that it will benefit the Association and the membership of the Association, as a class of potential mortgage borrowers and potential sellers of their residential Units, if such agencies approve the Property as a qualifying subdivision under their respective policies, rules and regulations, as

732 adopted from time to time. Mortgage holders are hereby authorized to furnish information to the
733 Board concerning the status of any mortgage encumbering a Unit.

734
735 12.4 Construction; Severability; Number; Captions. This Declaration shall be
736 construed as an entire document to accomplish the purposes stated in the Recitals set forth above.
737 Nevertheless, each provision of this Declaration shall be deemed independent and severable, and
738 the invalidity or partial invalidity of any provision shall not affect the validity or enforceability
739 of the remaining part of that or any other provision. All captions used herein are intended
740 solely for convenience of reference and shall in no way limit any of the provisions hereof.

741
742 12.5 Notices. Any notice permitted or required by this Declaration or by any
743 applicable Supplemental Declaration may be delivered personally, by mail or by electronic
744 transmission, unless a particular provision of this Declaration, any applicable Supplemental
745 Declaration or the law requires otherwise. Delivery by mail shall be deemed to have been
746 accomplished seventy-two (72) hours after the notice has been deposited as certified mail in the
747 United States mail, with postage prepaid. Delivery by electronic transmission shall be deemed
748 complete at the time the transmission is sent. All notices shall be addressed as follows:

749
750 If to the Association, the Architectural Review Committee or the Board:

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752 P.O. Box 7252, Kennewick, Washington 99336

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754 The Board may designate in the By-Laws a different mailing address than that listed
755 above.

756
757 If to a Unit Owner, at the address given by him or her at the time of his or her purchase of
758 a Unit or at the address of his or her Unit.

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760 The address of any person may be changed at any time by notice in writing delivered as
761 provided herein.
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APPENDIX A

The Community of Canyon Lakes includes the following Properties that are described parcels of real property, according to the plats thereof as recorded with the office of the Benton County Auditor:

Canyon Lakes No. 1;
Canyon Lakes No. 2;
Canyon Lakes No. 4;
Canyon Lakes No. 5;
Canyon Lakes No. 7, Phase 1 and Phase 2;
Canyon Lakes No. 8, Phase 1, Phase 2, Phase 3 and Phase 4;
Canyon Lakes No. 9;
Canyon Lakes No. 10;
Canyon Lakes No. 11, Phase 1 and Phase 2;
Canyon Lakes No. 12, Phase 1 and Phase 2;
Canyon Lakes No. 16, Phase 1 and Phase 2;
Canyon Lakes No. 17, Phase 1, Phase 2, Phase 3 and Phase 4;
Canyon Lakes No. 18, Phase 1, Phase 2, Phase 3 and Phase 4;
Canyon Lakes No. 19, Phase 1 and Phase 2;
Canyon Lakes No. 20;
Canyon Lakes No. 21, Phase 1, Phase 2 and Phase 3;
The Heights at Canyon Lakes, Phase 1, Phase 2, Phase 3 and Phase 4;
Canyon Lakes South Hill, Phase 1
Canyon Lakes South Hill, Phase 2;
Canyon Lake Villas, Phase 1, Phase 2 and Phase 3;
Parkside – Canyon Lakes;
The Greens at Canyon Lakes;
Final Plat of Fairwood, Lots 1 through 19; and,
Lot 2, Short Plat 1669, “Volunteer Park”.

These Properties shall be fully subject to all provisions herein.

Plat maps of all Units comprising the Canyon Lakes Community is available at the following URL (web address):_____

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I, _____, Secretary of the Canyon Lakes Property Owner's Association, hereby certify that the foregoing Amended and Restated Master Declaration of Covenants, Conditions and Restrictions for the Community of Canyon Lakes was duly adopted by the Board of Directors of the Canyon Lakes Property Owner's Association on the _____, at a time after the members of the Canyon Lakes Property Owner's Association approved of said instrument on the _____, all of which was pursuant to the then effective provisions of the Master Declaration of Covenants, Conditions and Restrictions for the Community of Canyon Lakes, as amended, and the By-laws of the Canyon Lakes Property Owners' Association.

Secretary