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Document Title: COVENANTS, CONDITIONS, RESTRICTIONS,  
EASEMENTS AND RESERVATIONS

Grantor: Panorama West, LLC

Grantee: Panorama West, LLC

Legal Description (Abbreviated: i.e., lot, block, plat; or section, township, range):  
Section 5, Township 19 N, Range 5E of W.M.

This Document was recorded on 12/8/2006 under the Pierce County Auditor's Recording No. 200612081713.

The Final Plat of Panorama West was recorded on 12/8/2006 under the Pierce County Auditor's Recording No. 200612085002.

The Notice of Retaining Wall Reinforcing Fabric Locations & Building Setbacks from the Retaining Walls was recorded on 12/8/2006 under the Pierce County Auditor's Recording No. 200612081712.

**COVENANTS, CONDITIONS, RESTRICTIONS,  
EASEMENTS AND RESERVATIONS  
OF  
PANORAMA WEST**

**THIS DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, EASEMENTS AND RESERVATIONS** (the “Declaration”) is made by Panorama West, LLC, by and through Kent Wong, Managing Member (the “Declarant”) this 7th day of December 2006.

**ARTICLE 1. DECLARATION.**

Section 1.1 Declarant is the owner and developer of that certain real property (the “Property”) in Bonney Lake, Pierce County, Washington recorded as the PANORAMA WEST Residential Subdivision under Pierce County Auditor No. 200612085002 and legally described on the face of the plat (the “Plat”).

Section 1.2. Declarant wishes to subject the Property to this Declaration.

Section 1.3. Declarant declares that the Property is hereby made subject to, and shall be held, conveyed and occupied subject to the covenants, conditions, restrictions, easements, assessments and liens set forth herein in addition to any set forth on the recorded Plat. The matters set forth herein are for the purpose of enhancing the value and desirability of the Property, and shall be deemed to be covenants running with the land, and shall be binding upon Declarant and all Declarant’s guarantees, assigns and successors, until the expiration of this Declaration.

**ARTICLE 2. COMMON AREAS, IMPROVEMENTS AND EASEMENTS.**

Section 2.1. Common Areas and Common Area Improvements.

Section 2.1.1. “Common Areas” shall mean and include any and all areas reserved for easements benefiting the Association and/or all of the Owners, as set forth, described or depicted in the Plat or otherwise reserved by Declarant, including without limitation, access easements and any and all other private tracts including the wetland and wetland buffer tracts as set forth on the face of the Final Plat.

Section 2.1.2. “Common Area Improvements” shall mean and include all improvements and facilities installed upon any of the Common Area, including without limitation private roadways, landscaping, jogging or other paths (if any), sprinkler system (if any), play ground equipment (if any) and all other amenities.

Section 2.2. Ownership and Control. The Declarant shall convey and quit claim the Common Areas to the Association, and the control and management of the Common Areas shall thereupon vest in the Association. After the conveyance by the Declarant to the Association, title to the Common Areas shall be held by the Association as trustee for the common use and enjoyment of the Lot Owners, subject to the rights of any public utilities holding easements to operate and maintain any facilities installed within said easements.

Section 2.3. Lot Owners Easement of Enjoyment. Every Lot Owner shall have a nonexclusive perpetual right and easement of enjoyment in and to the Common Areas (if any) owned by the Association. Such easement shall be appurtenant to and shall be conveyed with the title to or real estate contract purchaser's interest in, every Lot, even though such easement is not expressly mentioned or described in the conveyance or other instrument. Such easement shall be subject to the following:

Section 2.3.1. Rules. The right of Association to adopt rules and regulations governing the Owner's use and enjoyment of the Common Area.

Section 2.3.2. Utilities. The right of the Association, or a public utility, as applicable to exclusive use and management of the Common Areas and Common Area Improvements that provide or contain utility storm drainage lines, sewer lines, water lines, or gas lines, and/or facilities or equipment.

Section 2.3.3. Suspension. The right of the Association to suspend the voting rights and right of use of the Common Areas by an Owner for any period during which any assessment against his Lot remains unpaid, and for a period not to exceed one hundred eighty (180) days for any infraction of its published rules and regulations.

Section 2.3.4. Dedication. The right of the Association to further dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed by the Lot Owners. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by forty percent (40%) of all members of the Association has been recorded.

Section 2.3.5. Miscellaneous. The other restrictions, limitations and reservations contained or provided for in this Declaration and the Articles of Incorporation and Bylaws of the Association.

Section 2.3.6. Road Ownership. The roadway described on the Plat are dedicated to the City of Bonney Lake as public roads.

Section 2.3.7. Common Access Ways. Common Access Ways (if any) shall be used exclusively for driveway and access purposes by Owners of Lots. The Owner of each of the Lots having the exclusive use of a Common Access Way shall be responsible for maintenance of such driveways, the cost of which shall be borne in equal portions by such Owners. Each

such Owner shall have a perpetual easement over the Common Access Way for ingress, egress and the benefits and burdens thereof, including the obligation of maintenance, shall be appurtenant to and run with Lots so benefited or burdened.

Section 2.4. Maintenance of Common Areas and Common Area Improvements. Until the Declarant conveys the Common Area to the Association, the Declarant shall, at its sole cost and expense, maintain and operate the Common Areas and Common Area Improvements. After the Declarant has conveyed the Common Areas to the Association, the Association shall, at its sole cost and expense, maintain and operate the Common Areas and Common Area Improvements.

Section 2.5. No Interference. No Lot Owner shall allow or permit any structure or landscaping to be located, installed or grown upon the area subject to the easement for utilities and drainage which might in any way damage or interfere with the installation and operation of utility lines or drainage facilities. Each Lot Owner shall maintain the area of his Lot subject to any easements for utilities or drainage in a condition which will not interfere with the operation and maintenance of utility line and drainage facilities.

### **ARTICLE 3. CONSTRUCTION ON LOTS AND USE OF LOTS.**

Section 3.1. Uniformity and Use and Appearance. The purposes of this Declaration include assurance within the Property of:

- (1) a uniformity of use and quality of workmanship, materials, designs, maintenance and location of Structures with respect to topography and finish grade elevation, and
- (2) no undue repetition of external designs.

It is in the interest of each Owner that such uniformity of use be maintained as hereinafter provided. Accessory Structures including storage buildings may be approved by the Architectural Control Committee (the "ACC"). Notwithstanding anything herein set forth, the Construction of any Structure shall comply with (a) the terms and conditions of this Declaration and (b) the laws, ordinances and regulations of all governmental entities having jurisdiction over the Property; provided that the most restrictive of any duplicative or inconsistent provisions shall prevail. No Owner, including Declarant and any Participating Builder, may commence Construction on any Structure until said Owner has received the Architectural Control Committee's approval of said Structure in accordance with the terms of this Article 3.

Section 3.2. Submission and Approval of Plans.

Section 3.2.1. Submission. Before commencing Construction of any Structure on any Lot, the Owner shall submit to the Architectural Control Committee one (1) set of detailed building, construction, surface water run-off control and landscaping plans and specifications,

and site plan showing the location of all proposed Structures (the plans, specifications, and site plans are collectively referred to herein as the “Plans”).

Section 3.2.2. Form. The Plans shall be submitted in a form satisfactory to the Architectural Control Committee, which may withhold its approval of the Plans because of its reasonable dissatisfaction with the location of the Structure on the Lot, anticipated tree cutting required, aesthetic design, exterior color scheme, finish, architecture, height, impact on view from another Lot or Lots, appropriateness of the proposed Structure, materials used therein, or because of its reasonable dissatisfaction with any other matter which, in the reasonable judgment of the Architectural Control Committee, would render the proposed Structure inharmonious with the general plan of development of the Property or other Structure’s nearby.

Section 3.2.3. Written Action. The Architectural Control Committee’s approval or disapproval of Plans shall be in writing. Approval shall be evidenced by written endorsement on such Plans, one copy of which shall be delivered to the Owner of the Lot upon which the Structure is to be constructed. If the Architectural Control Committee, or its designated representative, fails to approve or disapprove Plans in writing within fifteen (15) days of submission of Plans, then the Plans shall be deemed approved as submitted. No Plans shall be deemed to be submitted until all of the Plans associated with the development of a Lot have been submitted.

Section 3.2.4. No Alteration without Approval. All Structures Constructed upon a Lot shall be Constructed strictly in accordance with the Plans approved by the Architectural Control Committee. No portion of any Plan shall be altered without the prior written approval of the Architectural Control Committee. No alteration of the color of any structure shall be made without the prior written approval of the Architectural Control Committee.

Section 3.2.5. Enforceability. The Architectural Control Committee’s review and approval or disapproval of Plans shall be absolute and enforceable in any court of competent jurisdiction. The Architectural Control Committee’s approval of any Plans, however, shall not constitute any warranty of representation whatsoever by the Architectural Control Committee or any of its members that such Plans were examined or approved for engineering or structural integrity or sufficiency of compliance with applicable governmental laws, codes, ordinances and regulations. Each Owner hereby releases any and all claims or potential claims against the Architectural Control Committee, each member of the Committee, the Board, each member of the Board, and their heirs, successors and assigns, of any nature whatsoever, based upon engineering or structural integrity or sufficiency of compliance with applicable governmental laws, codes, ordinances and regulations.

#### Section 3.4. Use Restrictions.

Section 3.4.1. Residential Use. Except as provided below, the Lots are intended for and restricted to the use as a family residences only, (except, that each family residence may have an in-home office if permitted unless specifically prohibited by federal, state or local

codes or ordinances) on an ownership, rental or lease basis, and for social, recreational, or other reasonable activities normally incident to such use. Notwithstanding the above, Declarant and Participating Builders may use dwellings owned by them as sales offices and models.

Section 3.4.2. Leases. Any lease or rental agreement between an Owner and a tenant shall provide; (1) that the terms of the tenancy shall be subject in all respects to the provisions of this Declaration, the Articles of Incorporation and Bylaws of the Association and any rules and regulations established by the Board; (2) that any failure by the tenant to comply with the terms of such document shall be a default under the lease. All leases or rental agreements shall be in writing.

Section 3.4.3. Maintenance of Structures and Lots. Each Owner shall, at his sole expense, keep the interior and exterior of every Structure on his Lot, and the Lot, in a clean and sanitary condition, free of rodents and pests, and in good order, condition and repair and shall do all redecorating, painting, landscaping, and maintenance at any time necessary to maintain the good appearance and condition of the Structure and the Lot.

Section 3.4.4. Completion of Construction and Landscaping. Any Structure erected or placed on any Lot shall be completed as to external appearance (including finish painting and landscaping) within six (6) months after the date of commencement of Construction. All Lots shall be maintained in a neat and orderly condition during Construction. The landscaping to be completed includes all areas between the structures of the house and the property lines including the portion of the Right of Way that is adjacent to the property lines. These areas are the front yard, backyard, and side yards. As noted in Section 3.2.1 the landscaping plans must be approved by the Architectural Control Committee, and must include a provision for a minimum of four (4) inches of good quality topsoil.

Section 3.4.5. Parking. No recreation vehicle of any kind including, but not limited to, boats, campers, motor homes, and trailers, (whether operable or not) shall be parked, stored, maintained, constructed on any street or on any Lot unless enclosed by a six (6) foot high fence and approved by the Architectural Control Committee.

No commercial vehicle including, but not limited to, trucks in excess of one (1) ton, tractors and other heavy equipment shall be parked, stored, or maintained on any street or on any Lot without the prior written consent of the Architectural Committee.

Section 3.4.6. Signs. No signs of any kind shall be displayed to the public view on or from any Lot without the prior written consent of the Board, except for street numbers, family name, "For Rent" or "For Sale" signs in a form permitted by rules and regulations of the Board, except for those signs that are required by Washington State Law and/or a Washington State Agencies. In the absence of any such rule or regulation, there may only be placed on each Lot one (1) each of the permitted types of signs. "For Sale" and "For Rent" signs shall not be larger than sixteen (16) square feet. In the event that the City of Bonney Lake has a stricter ordinance or regulation on signs, the City ordinance or regulation shall be followed.

Notwithstanding the above, Declarant and Participating Builder may place such signs on Lots as are necessary to meet the requirements of any law, ordinance or governmental regulation. Violation of signage rules shall carry a \$500.00 per day fine from the first placement of sign to date of removal of sign. The owner in violation shall pay this sum to the Association, in addition to any legal expenses incurred by the Association.

Section 3.4.7. Animals. Animals or fowls may be raised, kept, and permitted on any Lot, except that domestic dogs, cats, and caged birds are kept within the dwelling Structure, provided such dogs, cats and pet birds are not permitted to run at large and are not permitted to be kept, breed, or raised for commercial purposes or in unreasonable numbers. No such household pet which becomes an annoyance or nuisance of the neighborhood shall thereafter be kept on any Lot or in any Structure.

Section 3.4.8. Temporary Structures. No out buildings, basement, tent, shack, garage, trailer or shed or temporary building of any kind shall be used as a residence either temporary or permanently, except for a construction shack used in connection with the Construction of a dwelling Structure.

Section 3.4.9. Fences. Fences, walls, or shrubs 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 (i) the approval of the ACC; and (ii) determination whether such fence, walls, or shrubs would interfere with utility easements, reflected on the face of the Plat and other easements elsewhere recorded. In no event shall any fences be allowed between the front lot line and the front wall (facade) of the primary residence. No barbwire, chain-link except those installed by the Declarant on the slopes, corrugated enclosures may be considered for approval by the ACC upon request. All fences, open and solid, are to meet with the requirements and standards for fencing as adopted by the ACC and any deviation therefrom must be approved by the ACC prior to construction. Chainlink fencing shall also be allowed to enclose retention or open space facilities as required by the City of Bonney Lake.

Section 3.4.10. Safety Fence. The fences installed along the tops of the steep slopes and the retaining walls by Declarant are for the public safety and become the property of Panorama West Homeowners Association. Most of these fences are located within the individual lots. These safety fences are marked by the “No Climbing” signs. No persons, including the homeowners, their relatives, guests, and tenants, are to climb on the fences. These fences shall not be removed, or replaced with other type of fencing by any homebuilders or homeowners without the review and approval of the Homeowners Association. If any portion of the fence is removed or damaged, the responsible homebuilder, homeowner, or other parties shall replace or repair that portion of the fence immediately. For the public safety, a temporary barrier shall be installed immediately and to be removed only after the fence is repaired or replaced. The Homeowners Association shall have an easement and right of entry to enforce such repairs and corrective measures and to provide normal maintenance of the fences.

Section 3.4.11. Dwelling Size. Single story structures exclusive of open porches and garages shall contain not less than 1,800 square feet. Multi-storied structures exclusive of garages and open porches shall contain not less than 2,200 square feet. No dwelling shall exceed three stories in height and not more than one residence shall be constructed on any lot. Garages may be constructed so as to contain more than three vehicles subject to the approval of the ACC.

Section 3.4.12. Building Materials. All homes constructed on each lot shall be built of new materials, with the exception of “decor” items such used brick, weathered planking, and similar items. The ACC will determine if a used material is a “decor” item. In making this determination the ACC will consider whether the material harmonizes with the aesthetic character of the other residences with the subdivision and whether the material would add to the attractive development of the subdivision. All sidings are to be lap, cedar, birch, stone, stucco, metal or equivalent. No panel siding will be allowed except for accessory structures as approved by the A.C.C. Exterior colors must be approved by the ACC. 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.

Section 3.4.13. Geotechnical Requirements. Any excavation or construction on any lot or tract shall be in accordance with the Geotechnical Engineering Report for Panorama West Subdivision by Creative Engineering Options, Inc. dated November 28, 2003 and amended on April 27, 2004, and the Slope Stability Report by Creative Engineering Options, Inc. dated May 19, 2005. The full texts of these two reports and the record of construction soil testing performed by A.A.R. Testing Laboratory, Inc. and CMT are on the website of [www.PanoramaWest.org](http://www.PanoramaWest.org) and on CD disc. Copies of the CD are available from the City of Bonney Lake.

Section 3.4.14. Retaining Walls. There are two types of retaining walls at Panorama West. They are Hilfiker Welded Wire Steepened Slopes and Lock & Load Retaining Walls. The backyards of certain lots and portions of certain tracts have reinforcement fabric supporting these retaining walls. The following Lots and Tracts have the reinforcing fabric in the proximity of the future houses or public streets: Lots 4-6, 10-14, 156, 176, 179-182, 201-212, 215-218, the North portion of Sky Island Drive E. and the portion of West Hill Drive E. adjacent to Tract F.

Horizontal Northing and Easting Coordinates of the front edge of the reinforcement fabric and the elevation of the uppermost layer of the fabric are graphically presented for each of these Lots and Tracts. These drawings are recorded separately under the Pierce County Auditor’s Recording No. 200612081712.

Residential building foundation can be built above the reinforcing fabric; however, no construction activities of any kind shall expose or damage the reinforcement fabric. Prior to constructions, the contractors, subcontractors, their employees, agents and consultants, the homebuilders, homeowners, or City of Bonney Lake officials or staff shall identify the

horizontal and vertical locations of the reinforcement fabric by use of Plat monuments, Pierce County benchmarks and/or licensed land surveyors.

In the event that the reinforcement fabric is exposed or damaged during the construction, all construction activities shall cease immediately. The construction shall resume only after a licensed professional engineer has inspected the fabric and provided guidance on how to proceed.

The above referenced drawings and the engineering calculations of these retaining walls can be found at [www.PanoramaWest.org](http://www.PanoramaWest.org). They are also available on CD disc from the City of Bonney Lake.

Section 3.4.15. Building Setbacks from the Retaining Walls. Minimum building setback from the face of the top of the Lock and Load Walls is five (5) feet. Minimum building setback from the face of the top of the Hilfiker Steepened Slopes is fourteen (14) feet based on 2,000 pound per foot foundation load on 12-inch wide strip footing. Any variation in foundation design or loading exceeding these criteria shall require the written endorsement and approval of the geotechnical engineer. Minimum building setbacks required by the City code of Bonney Lake must also be met.

Both minimum building setbacks from the retaining walls are graphically shown on the recorded document of the Retaining Walls of Section 3.4.14 above. The engineering calculations of the building setbacks from the Lock & load Wall and from the Hilfiker Steepened Slopes are available at [www.PanoramaWest.org](http://www.PanoramaWest.org) and on CD disc from the City of Bonney Lake.

Section 3.4.16. Slope Surface Erosion Protection Mats. Certain areas of certain Lots or Tracts have the slope surface Erosion Protection Mats to protect the steeper slopes. These mats should be protected at all time. In the event that the house foundation construction disrupts or damages the mats, they shall be restored immediately after the foundation construction in strict accordance with the manufacturer's specification and shall be hydroseeded at the earliest suitable weather condition. The Homeowners Association of Panorama West shall be responsible for the normal maintenance of the mats.

Section 3.4.17. Structural Fill. As developed, each lot comprises 70 feet of competent soil measured from the Public Right of Way on which to construct a residential building foundation system. For some of the lots, this 70-foot competent soil consists of the structural compact "fill". For others, the rear portion of this 70-foot competent soil consists of either an approximate 20 feet (horizontal) vs. 10 feet (vertical) "cut" slope or an approximate 20 feet (horizontal) vs. 10 feet (vertical) structural "fill" slope. The foundation built on either of these slopes shall be in accordance with the Geotechnical Engineering Report for Panorama West Subdivision by Creative Engineering Options, Inc. dated November 28, 2003 and amended on April 27, 2004. If a building design extends beyond this 70-foot competent soil, then the geotechnical engineer's assistance is mandatory to determine the foundation and basement wall design.

Section 3.4.18. Roof and Foundation Drain System. The roof and foundation drainage of every lot except Lots 192 and 193 shall utilize the drainage system which is located in the drainage easement shown on the Plat. Homebuilders and homeowners shall not damage, cause to obstruct, or contaminate these drains, and shall repair any damage and correct any obstruction or contamination in a timely manner. The Homeowners Association shall enforce such repairs and corrective measures and shall provide for normal maintenance of this system.

Section 3.4.19. Slope Seepage Drains. There are several interceptor drain systems that collect the shallow groundwater seepage along the toes of several slopes, typically upgrade of the lots. These drains were backfilled with drain rocks. The easement locations of these drainage systems are shown on the Final Plat. Foundation footing can be located within these easements provided the footing is less than 3 feet deep from the exiting surface and provided a licensed structural engineer has taken into consideration of this situation in his/her engineering design for the residential building. Homebuilders and homeowners shall not damage, cause to obstruct, or contaminate these systems and shall repair any damage and correct any obstruction or contamination in a timely manner. The Homeowners Association shall enforce such repairs and corrective measures and shall provide for normal maintenance of the systems

Section 3.4.20. Surface Water Drainage. The finish grade of all lots shall direct the surface water away from the slopes and to the storm drain system in the streets.

Section 3.4.21. Street Trees. Prior to the City issuance of the Certificate of Occupancy to a lot, the Participating Builder are required to plant two (2) street trees in the front yard of the Lot, and for the corner Lot, two (2) street trees in each yard fronting a street. The homeowner shall maintain these street trees. In the event that the homeowner fails to maintain the street trees, the Homeowners Association shall take the necessary action to protect, maintain, or replace the street trees and all expenses incurred shall be the responsibility of the homeowner. The Homeowners Association shall have an easement and right of entry to enforce such action. In the event that the homeowner fails to pay the expenses incurred by the Homeowners Association as a result of its action to maintain or replace the street trees, these expenses shall constitute a lien on the Lot. The amount of the lien shall include all interest and late charges in connection with said unpaid expenses and all cost and expenses, including attorneys' fees, incurred by the Association in the collection of said unpaid expenses. Homeowners Association shall maintain the street trees planted by the Declarant that are within the public Right of Way and that are not fronting any lots.

#### **ARTICLE 4. PANORAMA WEST HOMEOWNERS ASSOCIATION.**

Section 4.1. Form of Association. The Panorama West Homeowners Association shall be a Washington nonprofit corporation. The rights and duties of the members and of the Association shall be governed by the provisions of this Declaration, the Articles of Incorporation and Bylaws of the Association and such other Rules and Regulations as the Association may hereafter adopt.

Section 4.2. Membership. Each Owner of a Lot shall be a member of the Association and shall be entitled to one membership for each Lot owned; provided that, if a Lot has been sold by real estate contract, the contract purchaser shall be the member.

Section 4.2.1. Qualification. Ownership of a Lot shall be the sole qualification for membership in the Association. Membership rights may be suspended in accordance with the terms of the Declaration, the Articles of Incorporation or the Bylaws of the Association.

Section 4.2.2. Transfer of Membership. The Association membership of each Owner (including Declarant) shall be appurtenant to the Lot(s) giving rise to such membership, and shall not be assigned, transferred, pledged, hypothecated, conveyed or alienated in any way, except upon the transfer of title to the Lot, and then only to the transferee of the title to the Lot. Any attempt to make a prohibited transfer shall be void. If a person (including Declarant) owns more than one Lot, he shall have the votes appertaining to each Lot owned.

Section 4.3. Voting. The total voting power of the Association at any given time shall equal the number of Lots included within the Property at that time.

Section 4.3.1. Number of Votes. The Owner or Owners of each Lot within the Property shall be entitled to one (1) vote. If a person (including Declarant) owns more than one Lot, he shall have the votes appertaining to each Lot owned.

Section 4.3.2. Voting Representative. There shall be one (1) voting representative for each Lot. Each member shall designate a voting representative for each Lot he owns by giving written notice to the Board the name of the representative designated. If a member (including Declarant) owns more than one Lot, he may have one or more voting representatives, and each voting representative may exercise the votes appertaining to one or more of the Lots owned, provided that the voting representative or the voting representatives together may not exercise more votes than the number of Lots owned by the member. Voting representatives need not be Owners.

Section 4.3.3. Joint Owner Disputes. The vote of each Lot shall be cast as a single vote; fractional votes shall not be permitted. If joint Owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If more than one (1) vote is cast for a particular Lot, none of the said votes shall be counted and said votes shall be deemed to be void.

Section 4.3.4. Pledged Votes. An Owner may, but shall not be obligated to, pledge his vote on all issues or on certain specific issues to a Mortgagee, provided, however, that if an Owner is in default under a First Mortgage on his Lot for ninety (90) consecutive days or more, the Owner's First Mortgage shall be automatically be authorized to declare at any time thereafter that the Lot Owner has pledged his vote to the Mortgagee on all issues arising after such declaration and during the continuance of the default. If the Board has been notified of any such pledge to a Mortgagee, only the vote of the Mortgagee will be recognized on the issues that are subject to the pledge.

Section 4.4. Meetings and Notice of Meetings.

Section 4.4.1. Annual Meetings. There shall be an annual meeting of the members of the Association in the first quarter of each calendar year at such reasonable place and time as may be designated by written notice from the Board delivered to the members no less than thirty (30) days and no more than fifty (50) days before the meeting. The financial statement for the preceding fiscal year (if any) and the budget the Board has adopted for the pending fiscal year shall be presented at the annual meeting for the information of the members.

Section 4.4.2. Special Meetings. Special meetings of the members of the Association may be called at any time for the purpose of considering matters which require the approval of all members (Owners), or for any other reasonable purpose. Such special meetings shall be called by written notice from the President; his receipt of a request signed by a majority of the Board; or written request of the Owners having at least twenty percent (20%) of the total voting power of the Association. Said notice; shall be given to all Owners not less than three (3) days and no more than five (5) days before the date fixed for the meeting; shall specify the date, time and place of the meeting; and shall include a general statement of the matter to be considered.

Section 4.5. Bylaws. The affairs of the Association shall be administered in accordance with the provisions of the Declaration and the Articles of Incorporation and Bylaws of the Association. The Bylaws shall be deemed to contain provisions identical to those provided in this Declaration and may contain supplementary, not inconsistent, provisions regarding the operation of the Association and the administration of the Common Areas and the Common Area Improvements and the Common Access Ways. In the event that any of the provisions of the Bylaws are inconsistent with the terms of this Declaration, the terms of this Declaration shall control and prevail.

Section 4.6. Books and Records. The Board shall cause to be kept complete detailed and accurate books and records of the receipts and expenditures (if any) of the Association, in a form reasonably approved by the Board. The books and records, authorizations for payment of expenditures, and all contracts, documents, papers and other records of the Association shall be available for examination by the Lot Owners, Mortgagees, and their agents or attorneys or either of them, during normal business hours and at any other reasonable time or times.

**ARTICLE 5. MANAGEMENT OF THE ASSOCIATION.**

As used in this Declaration, the term “Board” include both the initial Board of Directors and the Permanent Board of Directors established in accordance with Section 5.1 and 5.2, respectively.

Section 5.1. Initial Board of Directors. The initial Board of Directors shall be composed of two (2) members appointed by the Declarant. The initial Board of Directors shall govern the affairs of the Association until fifteen (15) days after: (1) Declarant has sold and closed one

hundred percent (100%) of the Lots; or (2) that date on which Declarant elects to permanently relinquish its authority by written notice to all owners, whichever date first occurs (hereinafter sometimes referred to as the term of the Initial Board of Directors). The Declarant hereby appoints Kent Wong and Tuoya Wong as the members of the initial Board of Directors. Declarant shall have the right to remove any member hereby appointed at any time with or without cause. If any of the appointed members dies, becomes unable to serve, resigns or is removed during the term of the Initial Board of Directors, the Declarant shall appoint a successor.

Section 5.2. Permanent Board of Directors. The Permanent Board of Directors shall consist of Three (3) directors elected by the voting representatives of the members of the Association designated in accordance with Section 4.3.2. The Permanent Board of Directors may elect at an annual meeting of the members of the Association if said annual meeting occurs on a date which enable the Permanent Board to be elected before the expiration of the term of the Initial Board of Directors. If not, the Declarant shall call a special meeting of the members of the Association for the purpose of electing the first Permanent Board of Directors. The term of the Directors elected at the meeting shall expire at the first annual meeting, and at each annual meeting of the Association occurring after their election. Commencing at said next occurring annual meeting, and at each annual meeting thereafter, the voting representatives shall elect three (3) directors who will serve for a term of one (1) year, until the next annual meeting of the Association. Directors may be re-elected.

Section 5.3. Removal - Vacancies. Any director serving on the Permanent Board of Directors may be removed from the Board with or without cause by the majority vote of the voting representatives at a special meeting called for that purpose. Any vacancy in the Permanent Board of Directors created or caused by any reason whatsoever, may be filled by an election held at a special meeting of the Association called for that purpose or by the remaining directors, if the special meeting of the Association does not occur within sixty (60) days of the occurrence of the vacancy.

Section 5.4. Action by Board. A majority of the members of the Board shall constitute a quorum. The Board shall act by majority votes of the directors present at any meeting where a quorum exists. Meetings shall be called, held and conducted in accordance with the Bylaws. The Board may delegate all or any portion of its administrative duties to a manager or officer of the Association.

Section 5.5. Officers. The officers of the Association shall be a president, a secretary and a treasurer, who shall be appointed or elected by the Board. The Board may also appoint or elect such other officers as the Board may determine to be appropriate. The term and duties of each officer shall be specified in the Bylaws. Any officer may be removed at any time, with or without cause, by the Board.

Section 5.6. Compensation. The directors and officers of the Association shall serve without compensation.

Section 5.7. Limitation of Liability.

Section 5.7.1. Limitation of Liability. So long as a member of the Architectural Control Committee, a Board member, an Association Officer, an member, or Declarant has acted in good faith, without willful or intentional misconduct, upon the basis of such information as is then possessed by such Person, then no such Person, shall be personally liable to any Owner, or to any other Person, including the Association, for any damages, loss or prejudice suffered or claimed on account of any act, omission, error, or negligence of such Person; provided that this Section 5.7.1 shall not apply to the extent that the consequences of such act, omission, error, or negligence are covered by an insurance actually obtained by the Board.

Section 5.7.2. Indemnifications. Each Board member, member of the Architectural Control Committee or Association officer (including Declarant) who acted within the limits described in Section 5.7.1, shall be indemnified by the Association to the full extent permitted by law, against all expenses and liable and/or liabilities, including attorneys' fees, reasonably incurred by or imposed in connection with any proceeding to which he may be a party, or in which he may be become(s) involved, by reason of holding or having paid such position or any settlement thereof, whether or not he held such position at the time such expenses or liable and/or liabilities are incurred; except to the extent such expenses liabilities are covered by insurance; and except in such cases wherein such Person did not conduct himself in good faith, or he did not reasonably believe his conduct to be in the Association's best interest (in the case of conduct in his own official capacity with the Association), or he did not reasonably believe his conduct to be at least not opposed to the Association's best interest (in cases other than conduct in his own official capacity with the Association), or (in a criminal proceeding) where he had reasonable cause to believe his conduct to be unlawful; provided that no indemnification shall be made in respect to any proceeding in which such Person shall have been adjudged to be liable to the Association. No indemnification may be made unless authorized in the specific case as provided in RCW 23B.08.510 and RCW 23B.08.570 (as now existing or hereafter amended). The Association may purchase and maintain insurance on behalf of any person who is, or was, a director, officer, employee, member of the Architectural Control Committee, or agent, against any liability asserted against him and incurred by him in any capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Section.

Section 5.8. Authority and Responsibility of the Board. The Board shall have the following authority power and duties.

Section 5.8.1. Adoption of Rules and Regulations. The Board is empowered to adopt, amend and revoke on behalf of the Association detailed administrative rules and regulations necessary or convenient from time to time to ensure compliance with the general guidelines of the Declaration to promote the comfortable use and enjoyment of the Property and to govern the operation and procedures of the Association. The rules and regulations shall be binding upon all Owners, occupants and all other Persons claiming any interest in the Property after a

copy has been given to each Owner in the manner prescribed for the giving of notices in Article 12 of this Declaration.

Section 5.8.2. Preservation of Common Areas & Others. The Board may spend such funds and take such actions, as it may from time to time deem necessary, to preserve the Common Areas, Safety Fences, certain street trees, drainage systems, settle claims, or otherwise act in what it considers to be the best interest of the Association.

Section 5.8.3. Assessments. The Board shall determine the amount of any assessment to be collected from the Owners for the common expenses of the Association, and to establish reserves, and shall collect the assessment and enforce the collection of assessments in accordance with the provisions of this Declaration, Bylaws and any applicable laws.

Section 5.8.4. Actions. The Board may institute or defend actions at law, in equity or before administrative bodies to further or protect the interest of the Association or the Owners and may incur such expenses (including expenses for legal counsel) as may be reasonable, necessary or convenient to accomplish such purpose.

Section 5.8.5. Other. The Board may exercise all other rights and perform all other duties as are reasonably necessary or incidental to the use, enjoyment, operation, management or administration of the Association, the Common Areas or the Common Area Improvements.

Section 5.8.6. No Business. Nothing contained in this Declaration shall be construed to authorized the Association to conduct a business for profit. The Association is prohibited from doing any business for a profit.

## **ARTICLE 6. BUDGET AND ASSESSMENT FOR COMMON EXPENSES.**

Section 6.1. Common Expenses. Common expenses include those expenses incurred by the Association in the operation, management and administration of the Association, the Common Areas and Common Area Improvements, Safety Fence, certain street trees, drainage systems, as permitted by the provisions of this Declaration and the Bylaws.

Section 6.2. Fiscal Year. The Board may adopt such fiscal year for the Association as it deems to be convenient. Unless another year is adopted, the fiscal year will be the calendar year.

Section 6.3. Budget. Within sixty (60) days before the beginning of each calendar year, or such other fiscal year as the Board may adopt, the Board shall estimate the charges, including common expenses and any special charges for particular Lots, to be paid during the coming fiscal year; shall make provision for creating, funding and maintaining reasonable reserves for contingencies and operations, as well as maintenance, repair, replacement and acquisition of Common Areas and Common Area Improvements, Safety Fence, certain street trees, drainage systems; and shall take into account any expected income and any surplus available from

prior year's operating fund. The Declarant or the Initial Board of Directors may at any suitable time establish the first such estimate and budget.

Section 6.4. Assessment of Lots.

Section 6.4.1. General Assessments. As soon as the estimate and budget is prepared as set forth in Section 6.3, the Board shall assess each Lot within the Property with its pro rata share, (based upon the number of Lots then within the Property), of such estimated common expenses. The amount of assessment against each Lot shall be equal. The Board, at its election, may require the Lot Owners to pay any amount assessed in equal monthly or quarterly installments or in a single lump sum installment, and unless and until otherwise determined by the Board, the assessment shall be paid in a single lump sum. If the sum estimated and budgeted and being collected and/or already collected at any time proves excessive, the Board may reduce the amount being assessed and/or apply existing funds (in excess of the current needs and require reserves) against future assessments and/or refund such excess funds. Any failure by the Board or the Association to make the budget and assessments hereunder before the expiration of any fiscal year for the ensuing provisions of the Declaration, or a release of the Owners from the obligation to pay assessments during that or any subsequent year, the Assessment amount and payment method established for the preceding fiscal year (if any) shall continue until a new assessment is established.

Section 6.4.2. Special Assessments. If the sum estimated and budgeted by the Board at any time proves to be inadequate for any reason (including non-payment for any reason of any Owner's assessment), the Board may at any time levy a further assessment against all of the Lots. The Board may at any time make special assessments against particular Lots for any amounts (other than general assessments) owed to the Association by the Lot Owner under the terms of this Declaration or the Articles of Incorporation or Bylaws of the Association.

Section 6.4.3. Payment by Declarant. Until the expiration of the term of the Initial Board of Directors as provided in Section 5.1 above, the Declarant shall maintain the Common Areas and Common Area Improvements and pay all cost incident thereto, and all cost of providing the insurance required by this Declaration.

Section 6.4.4. Rate of Assessment. Both annual and special assessments shall be fixed at a uniform rate for all Lots.

Section 6.4.5. Initial Assessment. The initial assessment until changed by action of the Association shall be \$300.00 for each lot and paid by the purchaser of the lot at the escrow closing of the lot transaction regardless of what month they close, which said amount shall be paid to the Association.

Section 6.4.6. Annual Assessment during the Management Period of the Initial Board of Directors. The Annual Assessment during the management period of the Initial Board of Directors shall be \$300.00 per lot and shall be paid by the homeowner, which amount shall be paid to the Association on January 1<sup>st</sup> of each year. The first annual assessment shall be paid

by the homeowner at the time of the escrow closing of the purchase of the house, which amount shall be prorated and paid to the Association..

Section 6.4.6. Purpose. The assessments levied by the Board shall be used exclusively to promote the recreation, health, safety and welfare of the Lot Owners, for the improvement and maintenance of the Common Areas and Common Area Improvements, to maintain certain street trees, the Safety Fences, and the drainage systems, to pay the cost of operating the Association and to pay any other costs that the Board is authorized to incur pursuant to the provisions of this Declaration.

## **ARTICLE 7. LIEN AND COLLECTION OF ASSESSMENTS.**

Section 7.1. Assessments Are a Lien: Priority. All unpaid sums assessed by the Association for the share of the common expenses chargeable to any Lot and any sums specifically assessed to any Lot under the authority of this Declaration shall constitute a lien on the Lot and all of its appurtenances and improvements from the date the assessment becomes due until fully paid. The amount of the lien shall include all interest and late charges in connection with said unpaid assessment and all cost and expenses, including attorneys' fees, incurred by the Association in the collection of said unpaid assessment. The lien for such unpaid assessments shall be subordinate to tax liens on the Lot in favor of any assessing unit and/or special district, and to all sums unpaid on all First Mortgages or record which were made in good faith and for value, but, to the extent permitted by applicable law, shall have priority over all other liens against the Lot. A First Mortgagee that obtains possession through a Mortgage foreclosure or deed of trust sale, or by taking a deed in lieu of foreclosure or sale, or a purchaser at a foreclosure sale, shall take the Lot free of any claims for the share of common expenses or assessments by the Association chargeable to the Lot which became due before such possession, but will be liable for the common expenses and assessments that accrue after the taking of possession. The Lot's past-due share of common expenses or assessments shall become new common expenses chargeable to all of the Lots, including the Lot foreclosed upon. Notwithstanding any of the foregoing, however, the defaulting Owner or real estate contract purchaser shall continue to be personally liable for pass due assessments as provided in Section 7.3. For purposes of this Section, "Mortgage" does not include a real estate contract and "Mortgagee" does not include the vendor or the assignee or designee of a vendor of a real estate contract.

Section 7.2. Lien May be Foreclosed. The lien for delinquent assessments may be foreclosed by suit by the Board, acting on behalf of the Association, in like manner as the foreclosure of a mortgage of real property. The Board acting on behalf of the Association shall have the Power to bid on the Lot at the foreclosure sale and to acquire and hold, lease, mortgage and convey the same.

Section 7.3. Assessments Are Personal Obligations. In addition to constituting a lien on the Lot, all sums assessed by the Association, chargeable to any Lot, together with interest, late charges, costs and attorneys' fees in the event of delinquency, shall be the joint and several personal obligations of the Owner(s) and any contract purchaser of the Lot when the

assessment is made. In connection with the voluntary transfer of a Lot, the grantee shall be jointly and severally liable with the grantor for all unpaid assessments up to the closing date of the transfer, without prejudice to the grantee's right to recover from the grantor the amount paid by the grantee therefore. Suit to recover personal judgment for any delinquent assessment shall be maintainable without foreclosing or waiving the liens securing them.

Section 7.4. Remedies Cumulative. The remedies provided herein are cumulative, and the Board may pursue any or all of them, and any other remedies which may be available under law although not expressed herein, either concurrently or in any order.

## **ARTICLE 8. INSURANCE.**

Section 8.1. Liability Insurance. The Board shall obtain as of the date on which the first Lot is transferred from Declarant or a Participating Builder to an Owner Occupant, and shall maintain at all subsequent time, a general comprehensive liability insurance policy insuring the Board, the Association and the directors and officers of the Association against any liability to the public or to the Owners and their invitees or tenants incident to the ownership or use of the Common Areas or Common Area Improvements. Said insurance shall be in an amount determined by the Board, but shall not be less than \$500,000.00 covering all claims for personal injury or death and/or property damage arising out of a single occurrence.

Section 8.2. Other Insurance. At such times as the Board deems appropriate, the Board shall cause the Association to purchase and maintain as a common expense such other insurance as the Board deems advisable.

## **ARTICLE 9. DAMAGE AND REPAIR OF DAMAGE TO COMMON AREAS.**

Section 9.1. Damage by Particular Owner. Any Lot Owner who causes, or whose family, agents, or invitees cause any damage or destruction to the Common Areas, Common Area Improvements, Safety Fence, drainage systems, or certain street trees shall pay the full cost of repair or restoration, if such repair or restoration is not performed by the Lot Owner, and if such repair or restoration is not paid by any casualty insurance proceeds. The Lot Owner shall pay the same within ten (10) days after receiving from the Board written demand therefore containing documentation of the amount due. If the Lot Owner fails to pay the same within said ten (10) day period, the Board may make a special assessment against said Lot and Owner as provided in Section 6.4.2 in the amount of the cost of repair or restoration, plus interest thereon at the rate of twelve percent (12.0%) per annum from the date of the written demand to the date of the assessment, plus any costs or attorneys' fees incurred by the Board in attempting to collect the amount due before making the assessment.

Section 9.2. Damage Not by Particular Owner. In the event of any casualty, loss or other damage to the Common Areas, Common Area Improvements, Safety Fence, drainage systems, or certain street trees not caused by a particular Lot Owner, his family agents, or invitees, if any insurance proceeds available to the Board for restoration or repair are insufficient to pay the full cost of the same, and if the current assessments, in the opinion of

the Board, are insufficient to pay the remaining cost thereof, the Board may make a special assessment against each Lot within the Property for its pro rata share of the expense to repair and/or restore the same as provided for in Section 6.4.2

Section 9.3. Notice to Owner(s). The Board shall notify each Lot Owner of any special assessment pursuant to Section 9.2 not less than ten (10) days prior to the date such special assessment and the first installment thereon is due and payable, which notice shall be accomplished by a reasonable detailed statement of the Board's estimate of the expense of repairing and/or restoring the Common Area and/or Common Area Improvements.

Section 9.4. Damage to Lot Structures. In the event of damage or destruction to the Structures located upon any Lot, the Owner of said Lot shall repair or restore such damage or destroyed Structures in a good and workmanlike manner in conformance with the original plans and specifications approved by the Architectural Control Committee. The plans and specifications for said damage or destroyed Structures may be modified and the Structures may be reconstructed in accordance with said modified plans and specifications if the Owner of said Lot secures the approval of the Architectural Control Committee as provided in Article 3 of the Declaration. If the Lot Owner fails or refuses to commence such repair or restoration within ninety (90) days after such damage or destruction has occurred, the Association, by and through the Board, is hereby authorized to repair or restore the same in a good workmanlike manner in conformance with the original plans and specifications. The Lot Owner shall repay to the Association the amount actually expended by the Association for such repair or restoration within forty-five (45) days after receiving a written demand therefore. If the Lot Owner fails to pay the full amount due within said forty-five (45) days, the Board may make a special assessment against the Lot and Owner(s) as provided in Section 6.4.2 in the amount of the cost expended for the repair or restoration, plus interest thereon from the date of the written demand to the date of the assessment, plus any cost or attorneys' fees incurred by the Board in attempting to cause the Lot Owner(s) to make repair or restoration and/or in attempting to collect the amount due before making the assessment.

The above Section 9.4 shall not apply to any Lot Owner(s), if the damage was caused by fire, wind storm, earthquake, or any other accidental acts beyond anyone's control regardless of who was at fault, or act of god, or if the Lot Owner(s) are awaiting the insurance companies adjuster review and subsequent payment or settlement for the damage and/or total loss of the dwelling Structure(s), or if the Lot Owner(s) is waiting for any Federal, State, City, or County governmental agency for any reason.

#### **ARTICLE 10.        DURATION.**

The covenants, conditions, and restrictions of this Declaration shall run with, and bind the Property and shall inure to the benefit of, and the enforcement by, the Owners, their respective legal representatives, heirs, successors, and assigns, for a period of Twenty Five (25) years at which time they shall automatically renew for periods of Ten years each unless terminated by the then owners of the lots.

**ARTICLE 11.           AMENDMENTS OF DECLARATION.**

Section 11.1. Amendments by Lot Owners. Any Lot Owner may propose amendments to this Declaration by submitting the proposed amendments to the Board. If a simple majority of the members of the Board approve of a proposed amendment, it shall cause the proposed amendment to be submitted to the members of the Association for their consideration at their next regular or special meeting. If an amendment is proposed by Owners of two (2) or more of the Lots, then, regardless of whether the Board approves of the proposed amendment, it shall be submitted to the members of the Association for their consideration.

Section 11.1.1. Notice of Proposed Amendment. The notice of a meeting at which an amendment is to be considered shall include the entire text of the proposed amendment.

Section 11.1.2. Adoption of Amendments. Except as specifically provided in Sections 11.1.3 and 11.2 (or unless a Article, Section specifically prohibits it from being amended); amendments to this Declaration may be by affirmative vote of sixty percent (60%) of the voting power of the Association at any annual meeting of the Association, any special meeting of the Association called for that purpose, or without a meeting if all Owners have been duly notified and voting representatives representing at least sixty percent (60%) of the members consent in writing to such amendment.

Section 11.1.3. Unanimous Consent for Certain Amendments. The unanimous consent of all Owners shall be required for adoption of either (1) an amendment changing the voting power or portion of assessments appurtenant to each Lot, or (2) an amendment of this Article 11.

Section 11.2. Amendments by Declarant. Until such time as Panorama West, LLC has sold and closed one hundred percent (100%) of the Lots. Panorama West, LLC may amend this Declaration without approval of any Owners, provided that no such amendment may be made which would have the effect of changing the voting power or portion of assessments appurtenant to each Lot or of amending Section 11.1.3.

**ARTICLE 12.           NOTICES.**

All notices required or permitted under the provisions of this Declaration or the Bylaws or rules and regulations of the Association shall be in writing and may be delivered either personally or by U.S. Mail. If delivery is made by U.S. Mail, the notice shall be deemed to have been delivered on the third (3) day of regular mail delivery after a copy has been deposited in the United States mail, first class, postage prepaid, addressed to the Person entitled to such notice at the most recent address known to the Board. Mailing address may be changed by notice in writing to the Board. Notices to the Board may be given to any Board member or mailed to the following address:

Panorama West, LLC  
10403-176<sup>th</sup> Ave E  
Bonney Lake, WA 98391

