

CAPITOL CITY GOLF CLUB ESTATES ASSOCIATION
NOTICE OF INTENT TO VOTE BY MAIL

Notice: The Capitol City Golf Club Estates Association Board of Directors (“Board”) hereby provides notice of the Association’s intent to conduct a vote by mail for the matter set forth below.

Subject of Vote: Amended & Restated Declaration for Capitol City Golf Club Estates
Amended & Restated Bylaws for Capitol City Golf Club Estates

Approval Required: In accordance with Section 16.3.2 of the 2021 A&R Declaration, changes to Article 5 shall be approved if the Owners holding at least a majority of commercial lots and sixty-seven percent (67%) of residential lots votes in favor. In accordance with Section 16.3.3 of the 2021 A&R Declaration, all other amendments to the Declaration require the approval of Owners holding at least fifty-one percent (51%) vote in favor of the amendments. In accordance with Section 7.1 of the 2021 A&R Bylaws, the amendment shall be approved if the Owners holding at least fifty-one percent (51%) vote in favor of the amendments.

***Initial Deadline: April 15, 2026**

Procedures: Enclosed in this packet is a copy of the text of the Amendment, a Board Resolution relating to the Amendment, and a Ballot. Please review the Amendment and Resolution, then complete your ballot and return it to the Association by the deadline in one of the methods prescribed on the ballot itself.

Board Statement in Favor of Amendment: The proposed amendment has been approved by the Board and is now submitted to you for approval.

Thank you for your attention to this important matter!

*This deadline may be extended by written resolution of the Board executed prior to expiration of the initial deadline and sent to all Owners.

CAPITOL CITY GOLF CLUB ESTATES
**BOARD OF DIRECTORS RESOLUTION re AMENDED & RESTATED
DECLARATION & BYLAWS FOR CAPITOL CITY GOLF CLUB ESTATES**

At a meeting of the Board of Directors (“Board”) of the Capitol City Golf Club Estates (“Association”) held on August 21, 2025 (date) at 6:00PM (time), at 8617 Martin Way E (VIS Group) (location), the Board resolved as follows:

WHEREAS, Board members were sent proper notice of the meeting referenced above (or by their attendance waived notice), and a quorum of Board members were present either in person or by telephone conference at that meeting; and

WHEREAS, Capitol City Golf Club Estates (“Association”) is the nonprofit corporation established to manage and govern the affairs of the Amended & Restated Declaration for Capitol City Golf Club Estates under the Homeowner Association Act at RCW Chapter 64.38 (“HOA Act”); and

WHEREAS, the Washington Uniform Common Interest Ownership Act at RCW Chapter 64.90 to the extent provided in RCW 64.32.290(2), and the Nonprofit Corporations Act at RCW 24.03A, to the extent not inconsistent with any of the previously mentioned statutes; and

WHEREAS, the Covenants Applicable to Capitol City Golf Club Estates was recorded in the real property records of Thurston County on December 26, 1962 at Recording No. 670754, and an Amended and Restated Declaration for Capitol City Golf Club Estates was recorded in the property records of Thurston County on November 11, 2015 at Recording No. 4897329 (“Declaration”); and

WHEREAS, the Association is also subject to its Capitol City Golf Club Estates Association Amended & Restated Bylaws dated November 22, 2021, which have been amended 0 times (“Bylaws”); and

WHEREAS, in 2024, the Washington legislature passed Senate Bill 5796, known as “WUCIOA for All,” which purports to make WUCIOA applicable to all pre-existing communities, including the Association, effective January 1, 2028; and

WHEREAS, WUCIOA, at RCW 64.90.375, provides that as of January 1, 2028, any provisions in the Association’s governing documents that conflict with the statute are invalid; and

WHEREAS, because the Original Declarations were written to comply with the Homeowners’ Associations Act at RCW Chapter 64.38, and not WUCIOA, they contain numerous provisions that would be invalid as of January 1, 2028; and

WHEREAS, being proactive, the Board believes it is in the best interests of the Association to “opt in” to WUCIOA prior to January 1, 2028 to avoid a period in which a significant portion of its governing documents conflict with WUCIOA; and

WHEREAS, due to the likely invalidation of a significant portion of the Original Declarations, the Board has opted to propose an Amended & Restated Declaration designed to be consistent with WUCIOA, which would normally require the approval of Owners holding at least fifty-one percent (51%) of the total voting power, or sixty-seven percent (67%) for amendments to Article 5; and

WHEREAS, in accordance with Section 7.1 of the Bylaws, amendments to the Bylaws must be approved by Owners holding not less than fifty-one percent (51%); and

WHEREAS, RCW 64.90.370 provides that a pre-existing common interest community may opt into WUCIOA by amendment to the Declaration by providing a copy of the Board-approved amendment to all Owners at least thirty (30) days prior to a special Owners' meeting to discuss the proposed amendment, after which the Association may submit the amendment to the Owners for approval by ballot, and if Owners holding at least thirty percent (30%) of the votes in the Association participate in the vote, the amendment shall pass if approved by Owners holding at least sixty-seven percent (67%) of the Owners who voted; and

WHEREAS, the Board has been working with the Association's attorney to prepare the amended and restated documents for a variety of additional purposes, including:

1. to resolve existing conflicts between the documents and the NPCA, which was completely restated in 2021;
2. to resolve existing conflicts with other applicable statutes regarding notice and voting;
3. to remove or clarify internal conflicts within a single document;
4. to remove or clarify conflicts between the documents;
5. to clarify ambiguous language that tends to cause interpretive disputes;
6. to add modern concepts and authority that reflect best industry practices; and
7. to opt into and ensure compliance with WUCIOA.

WHEREAS, the Board finds that the following actions are in the Association's best interests;

NOW THEREFORE, the Board, after consideration and deliberation regarding the matters set forth herein, **RESOLVES** as follows:

1. The Board approves the proposed amendments in substantially the form as attached hereto;
2. The Board approves of the form of the Voting Packet enclosed with this Resolution;
3. In accordance with the governing documents and the statutes referenced above, approval for the amendments shall be requested through a ballot process whereby the voting packet shall be mailed to each Owner (or emailed, but only if the Owner has previously requested, in writing, to receive email notices), with a request that the Ballot be returned to the Association by the Initial Deadline provided on the Ballot, which shall be no less than twenty (20) days from the date of the notice; and
4. The Initial Deadline may be extended by resolution of the Board mailed to the Owners.

CAPITOL CITY GOLF CLUB ESTATES

Larry Dittloff

Larry Dittloff, President

ATTEST: The above resolution was properly adopted.

Natalie Lee

Natalie Lee, Secretary

**CAPITOL CITY GOLF CLUB ESTATES ASSOCIATION
AMENDED & RESTATED BYLAWS**

Effective _____, 2025

WHEREAS, Capitol City Golf Club Estates (“Association”) is the nonprofit corporation established to manage and govern the affairs of Capitol City Golf Club Estates (“Development”) under the Homeowner Association Act at RCW Chapter 64.38 (“HOA Act”); and

WHEREAS, the Association is also subject to the Washington Uniform Common Interest Ownership Act at RCW Chapter 64.90 to the extent provided in RCW 64.38.095(2), and the Nonprofit Corporations Act at RCW 24.03A, to the extent not inconsistent with either of the previously mentioned statutes; and

WHEREAS, the Association and Development is also subject to the “Amended & Restated Declaration for Capitol City Golf Club Estates,” recorded on the November 15, 2021, at Thurston County Auditor’s Recording No. 4897329 (“2021 A&R Declaration”); and

WHEREAS, the Association and the Development are also subject to the Capitol City Golf Club Estates Amended & Restated Bylaws dated November 22, 2021 (“2021 A&R Bylaws”); and

WHEREAS, in 2023, the Washington legislature passed Engrossed Substitute Senate Bill 5796, known as “WUCIOA for All,” which purports to make WUCIOA applicable to all pre-existing communities, including the Association, effective January 1, 2028; and

WHEREAS, RCW 64.90.375 provides that as of January 1, 2028, any provisions in the Association’s governing documents that conflict with the statute are invalid; and

WHEREAS, because the Bylaws were written to comply with the HOA Act rather than WUCIOA, it has numerous provisions that would be invalid as of January 1, 2028; and

WHEREAS, the Board believes it is in the best interests of the Association to “opt in” to WUCIOA prior to January 1, 2028, to avoid a period in which a significant portion of its Governing Documents conflict with WUCIOA; and

WHEREAS, due to the likely invalidation of a significant portion of the Bylaws, the Board has opted to Amend & Restate the Bylaws to be consistent with WUCIOA, which amendment requires the approval of Owners holding at least fifty-one percent (51%) of the Total Voting Power in the Association in accordance with Section 7.1 of the Bylaws; and

WHEREAS, RCW 64.90.370 provides that notwithstanding anything in the Governing Documents to the contrary, a pre-existing common interest community may opt into WUCIOA by amendment to the Declaration by providing a copy of the Board-approved amendment to all Owners at least thirty (30) days prior to a special owners meeting to be held to discuss the proposed amendment, after which the Association may submit the amendment to the Owners for approval by ballot, and if Owners holding at least thirty percent (30%) of the votes in the Association participate in the vote, the amendment shall

pass if approved by Owners holding at least sixty-seven percent (67%) of the Owners who voted;

NOW THEREFORE, the Association officers signing below certify and attest that the Bylaws have been amended as follows:

1. These Amended & Restated Bylaws amend, supersede, and replace the Original Bylaws, and all amendments thereto.
2. Capitalized terms not defined herein shall have the meanings as defined in the Amended & Restated Declaration.

ATTEST: These Amended & Restated Bylaws were lawfully proposed, adopted, and approved as provided herein and shall become effective as of the dated stated thereon.

CAPITOL CITY GOLF CLUB ESTATES ASSOCIATION

Larry Dittloff, President

Date: _____

Natalie Lee, Secretary

Date: _____

**CAPITOL CITY GOLF CLUB ESTATES ASSOCIATION
AMENDED & RESTATED BYLAWS**

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ARTICLE 1. MEMBERSHIP

1.1 Members. The Association shall have one class of members composed of all Owners of Units within the Development, as those terms are defined in the Declaration. Members may be natural persons or Entities.

1.2 Register. The Association shall keep a register identifying each Unit, its current Owners, the address of the Owners for purposes of Notice, and the Unit Voting Power assigned to the Unit. Owners shall advise the Association of any change in ownership. Unless another address is given to the Association for the purpose of receiving Notices, the address of record for the Owner shall be the Unit address. Upon request, Owners are entitled to a copy of this list annually without charge.

1.3 Association Acts. Unless WUCIOA, the Declaration, or these Bylaws provide that a vote or approval of the Owners is required for the Association to take specific action, the Board of Directors shall have the exclusive authority to manage the property and affairs of the Association.

ARTICLE 2. BOARD OF DIRECTORS

2.1 Board Size. The Board shall be composed of five (5), seven (7), or nine (9) Directors, of all of whom shall be Owners. The number of Directors within this range shall be established by Board resolution prior to the request for nominations required by Section 2.7.1, provided that the size of the Board may not be reduced if the effect would be to shorten the term of any elected Director without that Director's consent. The size of the Board shall be used to determine quorum notwithstanding any vacancies on the Board at the time of the Board action.

2.2 Qualifications. If any member is an Entity (corporation, partnership, limited liability company, trust, or other legal entity), that member's directors, officers, partners, trustees, or equivalent managers are qualified to run for election to the Board. Otherwise, only Owners whose names appear on record title to a Unit are qualified to run for election to the Board. Owners who are delinquent in the payment of assessments or any installment thereof, or who have any uncured violations of the Governing Documents after having been provided with Notice and an Opportunity to be heard are not qualified to run for election to the Board.

2.3 Terms. Director terms shall be approximately three (3) years, running from the date of the first organizational meeting of the newly constituted Board referenced in Section 5.1.1 to the date of the same meeting approximately three (3) years later. The terms of the Directors shall be staggered so that fewer than all Directors are elected each year. The Board shall have the power to vary Director terms to ensure the terms are staggered, provided that such power shall not be exercised in a manner that would shorten the term for any elected Director without that Director's consent.

2.4 Powers and Duties. The Board shall have the powers and duties provided for in its Articles of Incorporation, WUCIOA, the Declaration, Bylaws, and any Rules adopted pursuant thereto and consistent therewith, as may be qualified therein, and all other powers necessary for the administration of the property and affairs of the Association. However, the Board may delegate administrative and other tasks to a Manager or other agent in the reasonable discretion of the Board.

2.5 Standard of Care. Directors shall perform their duties in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner such Director believes to be in the best interests of the Association. In discharging their duties, Directors and officers are entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by: (a) One or more officers or employees of the Association whom the Director or officer reasonably believes to be reliable and competent in the matters presented; or (b) legal counsel, public accountants, or other persons as to matters the Director or officer reasonably believes are within the person's professional or expert competence. Directors and officers are not personally liable for any action taken, or any failure to take action, if they performed their duties in compliance with this section.

2.6 Compensation. Directors shall receive no compensation for their services as Directors, except that Directors may be reimbursed for actual expenses incurred in the performance of their duties as officers or Directors.

2.7 Nomination & Election. Election of Directors to the Board shall occur annually either at the annual meeting as generally provided in Section 7.3, or by alternate method as generally provided in Section 7.4, following the nomination process described herein.

2.7.1 Request for Nominations. At least forty-five (45) days prior to the date or deadline for election of Directors, the Association shall provide all Owners with a request for nominations in the form of a Notice that includes: (a) the size of the Board; (b) the number of Director positions to be filled; (c) the term to be served by each person elected to a Director position (which may be less than a full term in the case of election to fill a vacancy); (d) the qualifications for service as a Director as provided in the Declaration or these Bylaws; (e) the method for submitting nominations; and (f) the deadline for submission of nominations, which shall not be less than fifteen (15) days from the date of the request for nominations. Nominations received after the deadline may not be considered unless the Association has received fewer qualified nominations than available Director positions. If Directors are to be elected at or during an Owner meeting, the request for nominations may accompany the Notice of meeting and the deadline may be the date of the meeting.

2.7.2 Nominations. Owners may nominate as many Owners as there are Director positions available, but Owners should determine whether an Owner is willing to serve before submitting a nomination. Owners may nominate themselves and are automatically considered willing to serve if they do so.

2.7.3 Screening. Before the election begins, the Board shall confirm the willingness and eligibility of the nominees to serve on the Board consistent with the requirements of Section 2.2. If the Board determines that any Owner nominee is not qualified to serve, and RCW 64.90.518 so requires, the Association shall promptly provide the ineligible Owner with Notice and an Opportunity to be Heard regarding the disqualification, which shall be considered the nominee's right to appeal the disqualification. If the election occurs during this process and the Owner's appeal is successful, the recently elected Directors shall only serve until a replacement election is conducted, and the Association shall promptly provide notice of a new election to replace the prior results.

2.7.4 Notice of Election. In addition to the requirements for notice of a meeting as described in Section 6.3 or notice of vote by alternate method as described in Section 7.4.1, when an election of Directors is to be held, the Notice or materials accompanying the Notice shall also identify: (a) the number of Director positions available; (b) the time remaining on the term for each Director position (which may be less than the full term for available positions created by a Director vacancy); (c) the names of the nominees eligible for election to the Board; (d) space for a write-in vote, and (e) if voting by alternative method, the deadline by which votes must be submitted, which shall be at least fourteen (14) days after the date of the Notice of vote.

2.7.5 Secret Ballot. If required by RCW 64.90.455, votes shall be cast in secret in accordance with Section 7.5.

2.7.6 Results. Notwithstanding any provision herein to the contrary, Directors are elected by a plurality, which means that the nominees with the most votes fill the available Director positions, even if no nominee receives a majority of the votes cast. The nominee with the most votes shall fill the available Director position with the most time remaining in the term, the nominee with the second-most votes shall fill the position with the next-most time remaining in the term, and so on until all available Director positions are filled. Ballots or votes need not be counted at a meeting, but the results of the election shall be announced to all Owners promptly after the meeting or final deadline for voting.

2.8 Removal of Directors.

2.8.1 By Board. If a Director becomes delinquent in the payment of any Assessments by more than sixty (60) days and fails to cure the delinquency within thirty (30) days after being provided with Notice to do so, that Director may be removed from the Board by majority vote of the remaining Directors, even if they do not constitute a quorum of the Board.

2.8.2 By Owners. Directors may be removed by the Owners pursuant to a vote of the members in accordance with the procedures of this Section. To remove a director, the president, Board, or members holding at least twenty percent (20%) of the Total Voting Power in the Association may demand that a special meeting be called for the purpose of voting to remove one or more Directors, or that removal of one or more

Directors be added to the agenda of any regular Owner meeting. Upon such demand, the secretary shall prepare and send Notice of the Owner meeting to all Owners, which Notice or accompanying materials shall contain the proposal to remove the Director(s) by name. Any Director whose removal has been proposed shall be given a reasonable opportunity to be heard at that meeting prior to the removal vote. If required by RCW 64.90.455, the vote shall be held by secret ballot pursuant to Section 7.5. If, at that meeting, a quorum is established and the number of votes in favor of removal is at least (a) a majority of the Total Voting Power in the Association; or (b) two-thirds (2/3) of the voting power of members in attendance at the meeting, the Director shall be removed. If any Directors are removed, an election to fill the vacancies shall take place at that same meeting.

2.9 Vacancies. Vacancies on the Board may be created by: (a) a lack of qualified nominees when an election is held; (b) resignation of Directors prior to the end of their terms; (c) disqualification if the Director is no longer an Owner or no longer associated with an Entity Owner; (d) Board removal of the Director for assessment delinquency as described in Section 2.8.1; or (d) Owner removal of the Director pursuant to Section 2.8.2. A Director vacancy does not change the size of the Board or the quorum requirement. Vacancies caused by removal of the Director by the Owners shall be filled as provided in Section 2.8.2. Otherwise, the remainder of the Board, even though they may constitute less than a quorum, may elect or appoint an Owner to fill the vacancy. Directors appointed to fill a vacancy under this Section shall serve until the next annual election, at which point, if any portion of the term remains, the position shall be filled by election of the Owners and the newly elected Director shall serve the remainder of the term.

ARTICLE 3. OFFICERS

3.1 Designation. The principal officers of the Association shall be a president, a vice president, a secretary, and a treasurer. Two or more offices may be held by the same Director, except that a Director may not hold the offices of president and secretary simultaneously.

3.2 Election and Removal of Officers. The Board shall elect or appoint Directors to officer positions annually at the first organizational meeting of the Board described in Section 5.1.1. Directors who are not elected or appointed to officer positions shall be considered Directors “at large.” The Board may remove and replace officers at its discretion, but removal of an officer does not constitute removal of a Director, which may only be accomplished in accordance with Section 2.8.

3.3 President. Unless otherwise delegated by the president, the president shall preside at all meetings of the Association and of the Board. The president shall have all powers and duties usually vested in the office of the president and shall have and perform such other duties as may be prescribed by the Board.

3.4 Vice President. The vice president shall perform the duties of the president when the president is absent or unable to act and shall perform such other duties as may be prescribed by the Board.

3.5 Secretary. The secretary shall keep the minutes of all meetings of the Board and of the Association and shall be responsible for the business records of the Board and the Association, other than financial records kept by the treasurer. The secretary shall also perform such other duties as may be prescribed by the Board.

3.6 Treasurer. The treasurer shall have responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. The treasurer shall also perform such other duties as may be prescribed by the Board.

3.7 Agents & Assistants. The Board may delegate duties of one or more officers to other officers of the Association, committees of the Board, advisory committees, agents, or other persons employed to assist the Board or the officers, such as a Manager, provided such delegation is not inconsistent with WUCIOA, the NPCA, the Declaration, these Bylaws, and any Rules adopted pursuant thereto and consistent therewith. The delegation of such duties to others shall not relieve the Board of its ultimate responsibility for the administration and management of the Association, however.

ARTICLE 4. COMMITTEES

4.1 Committees of the Board. The Board may, by resolution, create “committees of the Board” to assist in carrying out the duties of the Board, which shall be comprised of at least two voting Directors and any number of non-voting committee members. Committees of the Board are only authorized to exercise powers reserved to the Board if comprised as required by this Section. The creation of committees of the Board shall not relieve the Board of its ultimate responsibility for the administration and management of the Association. The Board may add or remove committee members from time to time at its sole discretion. If required by RCW 64.90.445, meetings of committees of the Board are subject to the open meeting requirements described in Section 5.4.

4.2 Advisory Committees. The Board may, by resolution, create “advisory committees” to assist the Board in carrying out its duties, and may appoint any number of people to such committees. The resolution establishing the committee shall state the purpose of the committee. Advisory committees may not exercise the authority of the Board in the management of the Association but may only make recommendations to the Board. The Board may create, change, or terminate advisory committees and may add or remove people from such committees from time to time at its discretion.

ARTICLE 5. BOARD MEETINGS & ACTIONS

5.1 Types. Board meetings may be called by the president or a majority of the Directors. The required Notice for the Board meeting depends on the type of meeting as described herein.

5.1.1 Organizational Board Meeting. The first organizational meeting of a newly constituted Board shall be held immediately after adjournment of the meeting in which the election occurred without further Notice. If the election was not held at a meeting, then the organizational Board meeting shall be held within thirty (30) days of the final deadline for return of votes and Notice of the meeting as provided in Section 5.3 is required.

5.1.2 Regular Board Meetings. The Board may choose to have regular Board meetings at specific intervals throughout the year (such as monthly meetings on the 5th of each month or quarterly meetings on the first Tuesday of each quarter, for example). Notice of such regular Board meetings is given by delivering the schedule to the Owners that includes the date, time, and physical or virtual location of each regular meeting. Regular Board meetings held in accordance with the schedule shall not require additional Notice.

5.1.3 Special Board Meetings. Special meetings of the Board may be called by the president of the Association or a majority of the Board and shall be held as provided in the Notice of the special meeting. All special Board meetings require Notice of the meeting as provided in Section 5.3.

5.1.4 Emergency Board Meetings. Emergency Board meetings may be called by the president or the Board to address an imminent: (a) threat to the health or safety of the Owners and residents; (b) threat to the habitability of Units; or (c) risk of substantial economic loss to the Association, or for any other emergency purpose allowed by RCW 64.90.502. Notice of emergency Board meetings may be given in any manner practicable or appropriate under the circumstances and is not required to be given as provided in Section 5.3.

5.2 Location & Virtual Attendance. Board meetings may be held at a physical location convenient to the Owners, or by means of a telephonic, video, online, or other meeting platform that allows attendance by phone and that provides that all persons participating in the meeting can hear and communicate with each other to the same extent as if they were together in a physical location. Attendance in person or by use of such meeting platform shall constitute attendance at the meeting. Proxies are not effective for Board meetings.

5.3 Notice of Board Meetings. Unless otherwise provided in Section 5.1, the following notice is required for all Board meetings.

5.3.1 To Directors. The secretary of the Association or other officer shall provide all Directors with Notice of special Board meetings at least fourteen (14) days in advance of the meeting, which Notice shall include the date, time, place, and agenda

for the special Board meeting. Notice of regular Board meetings held pursuant to a schedule delivered to the Owners as provided in Section 5.2 is not required. Directors may waive their right to receive Notice of a Board meeting at any time, including after the meeting. In addition, attendance of a Director at any Board meeting shall constitute waiver of that Director's right to such Notice and assent to the actions taken unless the Director expressly challenges the Notice when the meeting begins.

5.3.2 To Owners. The secretary of the Association or other officer shall provide all Owners with Notice of Board meetings at least fourteen (14) days in advance of the meeting, which Notice shall include the date, time, place, and agenda for the Board meeting. Shorter notice or notice by an alternative method for Board meetings to address issues that could not reasonably have been foreseen shall be given as provided in RCW 64.90.445. All notices shall be provided and considered delivered as provided in the Declaration.

5.4 Open Meetings. Except as provided in Section 5.5, all Board meetings shall be open for observation by the Owners, but the Board may expel or prohibit attendance by any person who, after warning, disrupts the meeting. In all Board meetings, the Directors shall cast their votes verbally. To the extent required by RCW 64.90.445, Board meetings shall include an Owner comment period during which Owners in attendance shall be given a reasonable opportunity under the circumstances to comment regarding matters affecting the Association. If any Board vote is to be taken at the meeting, the Board shall allow Owners to address the Board prior to any such vote. Otherwise, Owners may only participate in the meeting to the extent approved by the Board. Materials provided to the Board for such meetings shall be made reasonably available to the Owners to the extent required by RCW 64.90.445.

5.5 Executive Session.

5.5.1 Purpose. During any Board meeting, the Board may convene in closed or executive session outside of the presence and hearing of the Owners to discuss matters subject to any legally recognized privilege or privacy right, including, but not necessarily limited to: personnel matters; communications subject to the attorney-client privilege or likely or pending litigation, arbitration, mediation, or other legal matters; matters subject to contractual or statutory confidentiality requirements; leases and other contracts under negotiation, including the review of bids or proposals, if premature general knowledge of those matters would place the Association at a disadvantage; and any other matter, the disclosure of which the Board reasonably believes would violate the privacy rights of any person.

5.5.2 Procedure. Executive session shall be convened during an open Board meeting by motion of a Director that states the specific purpose for the closed session, which motion shall be reflected in the minutes. No action may be taken on matters discussed in executive session unless and until the Board, after adjourning the executive session, votes in open session or recites the votes and actions to be taken as a result of the discussion in executive session, which actions shall be reflected in the minutes of the open meeting.

5.6 Additional Rules of Procedure. The Board of Directors may adopt additional rules of procedure to govern any Board meeting provided such procedures are not inconsistent with WUCIOA, the NPCA, or the Governing Documents.

5.7 Board Meeting Minutes. The secretary or other officer or agent of the Association shall take minutes of all Board meetings. The minutes shall contain: (a) the date, time, and place of the meeting; (b) proof of notice for the meeting; (c) proof of a quorum (if required); (d) a record of each Director's votes on any action to be taken; and (e) a description of the action to be taken. The minutes shall also reflect any motion to convene in executive session as well as any votes of the Directors taken in executive session, but shall not otherwise include any record of the executive session. Board meeting minutes are not intended to be a verbatim report of proceedings and need not identify speakers or include details of any discussions or debates. Draft minutes of any Board meeting shall be distributed to the Board promptly after the meeting for approval. Approved minutes of Board meetings may be distributed to the Owners in any reasonable manner.

5.8 Board Action Without a Meeting. The Board may take certain actions without a meeting if a consent in writing setting forth the action so taken is signed by all Directors, provided that if RCW 64.90.445 so requires, the only such actions that may be taken by unanimous written consent are ministerial actions, actions subject to ratification by the Owners, or actions taken to implement decisions made at a previous meeting of the Board. Unanimous written consent of the Board shall have the same effect as a unanimous vote at a Board meeting, and a record of the consent shall be filed and kept with the minutes of Board meetings.

5.9 Challenges to Board Action. Actions taken by the Board are presumed valid until set aside by a court of law, notwithstanding any failure to comply with the provisions of this Article or the related provisions in WUCIOA. Challenges to the validity of the Board's actions for failure to comply with this Article are waived if not asserted within ninety (90) days after the minutes of the action have been approved or the record of that action is distributed to Unit Owners, whichever is later.

ARTICLE 6. OWNER MEETINGS

6.1 Types of Owner Meetings. The Association shall hold at least one Owner meeting per calendar year but may hold additional meetings as described below.

6.1.1 Annual Meeting. The annual meeting of the members of the Association shall be held in the last quarter of the calendar year at such date, time, and place as the Board shall determine. The Board shall set the agenda for the annual meeting, which may include reports on the Association's past activities, discussion of plans and proposals for the current year, and transaction of any other business as may properly come before the meeting. Directors shall be elected at the annual meeting if not elected by alternative voting method prior to the annual meeting as provided in Section 2.7. Notice of the annual meeting as provided in Section 6.3 is required.

6.1.2 Regular Meetings. The Board may choose to have regular Owner meetings at specific intervals throughout the year (such as monthly or quarterly meetings). Notice of such regular Owner meetings is given by delivering to the Owners the schedule that includes the date, time, and physical or virtual location of each regular meeting. Regular Owner meetings held in accordance with the schedule shall not require additional Notice.

6.1.3 Special Meetings. A special meeting of the members of the Association may be called by the president, a majority of the Board, or by written request of members to which at least twenty percent (20%) of the Total Voting Power in the Association is allocated, which request shall state the purpose of the requested special meeting. If a special meeting is requested by the members as provided herein, the secretary shall deliver Notice of the meeting to all Owners within thirty (30) days of receipt of the request and shall include discussion of the items requested by the members on the agenda. However, a binding vote of the Owners shall not occur unless an Owner vote or approval on that issue is expressly authorized or required by WUCIOA, the Declaration, or these Bylaws.

6.1.4 Budget & Assessment Ratification Meetings. A meeting to approve an Association budget and the assessments to be levied pursuant thereto shall be properly called and noticed as provided in the Declaration. Voting to approve a budget may also occur at the annual meeting. A quorum is not required for a budget ratification meeting.

6.2 Location. Any meeting of the members of the Association may be held at a physical location convenient to the Owners, or by means of telephonic, video, online, or other meeting platform that allows attendance by phone and that provides that all persons participating in the meeting can hear and communicate to the same extent as if they were physically present in the same location. Attendance by such meeting platform shall constitute attendance at the meeting. For meetings held at a physical location, the Board may, at its discretion, provide members with the ability to attend the meeting remotely in this same manner.

6.3 Notice of Owner Meetings. The secretary or other officer of the Association shall provide Owners with Notice of each annual and special meeting of the members, not less than fourteen (14) nor more than fifty (50) days in advance of the meeting. The Notice shall state: (a) the physical location of the meeting and/or instructions on how to attend the meeting remotely as described in Section 6.2; (b) the date and time of the meeting; (c) the purpose of or agenda for the meeting; and (d) the items on the agenda that are to be voted on by the Owners, including the text of any proposed Declaration or Bylaw amendment and any proposal to remove a Director. Notices shall be provided and considered delivered as provided in the Declaration.

6.4 Attendance. Unless attendance by others is approved by the Board prior to any Owner meeting, only Owners, appointed representatives of Entity Owners, or their proxy holders may attend meetings of the Association. Members may attend Owner

meetings in person or, if arranged by the Board, remotely, as described in Section 6.2, both of which shall constitute attendance “in person” at a meeting. Owners may also participate in an Owner meeting by proxy as described in Section 6.5. Owners attending a meeting in person or by proxy shall be counted towards the quorum requirement described in Section 6.6. Attendance at the meeting constitutes a waiver of notice of the meeting unless, prior to or upon commencement of such meeting, the member in attendance expressly disputes proper notice. The Association shall implement reasonable measures to verify the identity of each Owner attending a meeting by any method.

6.5 Proxies. A proxy is a written authorization dated and signed by the Owner that empowers another person (the proxy holder) to vote or act for the Owner (the principal). Proxies that are not dated or purport to be revocable without notice are invalid. No proxy form shall be valid after eleven (11) months from the date of its execution, unless otherwise provided therein. The Association shall implement reasonable measures to verify the identity of the proxy holder, Owner, and authenticity of the proxy form. A proxy may be revoked by the Owner by giving written notice of such revocation to the Association secretary, the person presiding over the meeting, or by delivery of a subsequent proxy form. Proxy forms may be “directed,” identifying how the proxy holder shall cast the principal’s vote, or “general,” giving the proxy holder discretion on whether and how to cast the Owner’s vote. If Directors are to be elected at a meeting, the Association may provide Owners with a directed proxy form with the Notice of the meeting, which shall act as an absentee ballot. Otherwise, the Association may, but is not required to, provide a proxy form for Owner meetings.

6.6 Quorum. A quorum is the minimum number of Owners that must attend a properly called meeting in order to legally “transact business,” which, for Owner meetings, means conducting any binding vote of the members as required by WUCIOA, the Declaration, or these Bylaws, including the election of Directors. A quorum is present throughout any meeting of the Owners if the Owners holding at least ten percent (10%) of the Total Voting Power in the Association attend the meeting in person or by proxy. Once a quorum is established, the members may continue to transact business until adjournment of that meeting notwithstanding the withdrawal of members leaving less than a quorum. If business cannot be conducted due to failure to obtain a quorum, the meeting may be adjourned by vote of a majority of the members in attendance to be reconvened at a later time and place announced at that meeting, which reconvened meeting may be held without further notice, and the business on the original agenda may be conducted if there is a quorum at the reconvened meeting. Notwithstanding anything herein to the contrary, a quorum is not necessary for a budget ratification meeting, or for an informational or social meeting where no binding Owner vote is conducted.

6.7 Additional Rules of Procedure for Owner Meetings. The Board may adopt additional rules of procedure to govern any Owner meeting to the extent not inconsistent with WUCIOA, the Declaration, or these Bylaws.

6.8 Owner Meeting Minutes. The secretary or other officer or agent of the Association shall take minutes of any Owner meeting that shall contain: (a) the date, time,

and physical or virtual location of the meeting; (b) proof of notice for the meeting; (c) proof of a quorum (if required); (d) a record of those in attendance at the meeting (in person or by proxy); and (e) notes regarding the result of any business transacted at the meeting, including the results of any elections or member vote required by WUCIOA, the Declaration, or these Bylaws. The minutes are not intended to be a verbatim report of proceedings and need not include identification of speakers or details of any discussions. Draft minutes shall be provided to all Owners in the form of a Notice and shall be approved by the Owners at the next Owner meeting.

ARTICLE 7. OWNER VOTING

7.1 Occasions for Owner Voting. The Board determines the actions of the Association except to the extent that WUCIOA, the Declaration, or these Bylaws provide that a vote or approval of the Owners is required to take certain actions. Voting to approve budgets and the assessments levied pursuant thereto (including special assessments) must take place at a properly noticed meeting as further provided in Section 6.1.4. Voting to remove Directors must take place at a properly noticed meeting at which a quorum has been obtained, as further provided in Section 2.8. Any other Owner votes or approvals may be obtained at a meeting as described in Section 7.3 or by alternative method as further described in Section 7.4, provided that proper notice has been provided and votes have been returned in sufficient quantity to constitute a quorum. Notwithstanding these provisions, the Board may poll the Owners or conduct advisory votes by any reasonable method, but the results are only informational and non-binding; the Board retains the authority to act regardless of the results of any such unofficial poll or advisory vote.

7.2 Voting Power. Each Unit is assigned a “Unit Voting Power” in the Declaration. While a Unit may have multiple Owners, the Unit Voting Power may only be cast once per Unit per issue and may not be split or cast as fractional votes. Any Owner may cast the vote of the Unit owned, but the Unit Voting Power of the Unit may only be exercised once. Receipt of a subsequent, inconsistent vote or approval from the same Unit shall be considered revocation of the first vote, which shall be replaced by the subsequent vote. If a Unit is sold during the voting period, the vote of the Owner of the Unit at the time the vote is cast shall be counted, unless a subsequent, inconsistent vote or approval is received by the new Unit Owner during the voting period, in which case the new Owner’s vote shall count and the prior Owner’s vote shall be considered revoked. If a Unit is owned by an Entity, the vote may be cast by any officer, director, or trustee of the Entity. Cumulative voting is prohibited. No votes allocated to a Unit owned by the Association may be cast, and in determining the percentage of votes required to act on any matter, the votes allocated to Units owned by the Association shall be disregarded.

7.3 Voting at a Meeting. Except to the extent that a secret ballot is required by RCW 64.90.455, voting at an Owner meeting may be by any method proposed by the Board that is reasonably calculated to accurately determine the number or percentage of votes in favor or against any particular proposal, including, but not limited to, voice voting, show of

hands, standing, submission of written ballots, electronic voting, or otherwise, provided that all votes are submitted during the meeting. No vote taken at an Owner meeting shall be effective unless a quorum has been established. Votes taken at a meeting shall be counted at the meeting or up to forty-eight (48) hours thereafter, and the Board shall promptly notify the members of the results of the vote.

7.4 Alternate Voting Procedures. Whenever a vote or consent of the Owners is required for purposes other than budget approval or removal of Directors, the Association may conduct the vote by written ballot or electronically in accordance with this Section.

7.4.1 Notice. Notice of a vote to be conducted outside of a meeting shall be provided and deemed delivered in the same manner as notice of an Owner meeting. The notice shall include: (a) a statement of the proposed action to be voted upon by the Owners; (b) a statement that members are entitled to vote for or against the proposed action; (c) the quorum requirement; (d) the percentage or number of votes required to approve each proposed action; (e) the methods by which ballots or votes are to be submitted; and (f) the deadline for voting (date and time), which shall be at least fourteen (14) days after the date the notice of vote was sent. The notice shall also be accompanied by a ballot and/or instructions on how to vote electronically, as applicable. Notice of a proposed amendment to the Declaration, Bylaws or Articles shall also include the text of the proposed amendment.

7.4.2 Voting Method. The Association may provide for voting by return of a written ballot or electronically as provided in this section.

7.4.2.1 Written Ballot. If the Association elects to conduct an Owner vote by written ballot, the ballot shall be delivered to Owners with the Notice. The ballot shall require identification of the voting Owner's name, Unit number or address, and shall be signed and dated by the Owner. Written ballots may be returned to the Association or any designated agent thereof by any method specifically designated in the notice or on the ballot, including, but not limited to, mailing, shipping, hand delivery to a designated agent of the Association, deposit in one or more ballot boxes located on Association property, facsimile to a phone number provided, email of a scanned or photographed copy of the ballot to an email address provided, or any similar method. An Owner may revoke a ballot that has been cast prior to the deadline for return of ballots. Revocation is only effective upon actual notice to the Association of the revocation and verification of the identification of the Owner revoking the ballot.

7.4.2.2 Electronic Voting. If the Association elects to conduct the vote electronically, it may only do so if the voting platform (website, app, software program or the like) requires identification of the voting member's number or address, the member's name, the date and time the vote was registered; and provides some method of verifying the identity of each voting member such as an internet protocol ("IP") address or unique voting code; and

each Owner's vote, demonstrating compliance with all of the conditions above, can be reproduced in a tangible medium. Notice that a vote will be conducted electronically must contain clear instructions on how to vote.

7.4.3 Deadline Extension. If the quorum requirement has not been met by the initial voting deadline or sufficient votes have not been received for approval of the proposed action, the Board may, in its discretion, extend the voting deadline for additional periods of time, provided that the initial deadline shall not be extended by more than a total of eleven (11) months. The Board shall promptly provide all members with Notice of any deadline extension. Votes received after the last deadline shall not be effective.

7.4.4 Results. Unless WUCIOA, the Declaration, or these Bylaws require a different approval requirement for the proposed action, the proposed action shall pass if a quorum has been obtained and the proposal has been approved by the affirmative vote of at least a majority of the voting power of members who voted. The Association shall provide Owners with the results of the vote within a reasonable time after the final deadline has passed.

7.5 Secret Ballots. To the extent required by RCW 64.90.455, certain votes of the Owners must be held by secret ballot, including election of Directors, removal of Directors, and approval of amendments. If a secret ballot is required, the Association must employ procedures to ensure the secrecy of each Owner's vote (whether cast by written ballot or electronically) and neither the Association, nor any agent thereof, including any Director, may disclose how any Owner voted, distribute records identifying how any Owner voted, or take any action against Owners based on a vote exercised in secret.

ARTICLE 8. AMENDMENTS

8.1 Procedure. Amendments to these Bylaws may be proposed by the Board, or upon the written request of members holding not less than twenty percent (20%) of the Total Voting Power in the Association. Voting to approve the amendment shall be conducted at a meeting as provided in Section 7.3 or by alternate voting procedure in accordance with Section 7.4. An amendment to these Bylaws shall be approved if members holding at least a majority of the Total Voting Power in the Association approve the amendment.

8.2 Execution. Amendments to these Bylaws shall be executed by the President of the Association and attested by the Secretary or other officer of the Association.

8.3 Effective Date for Amendments. Amendments to the Bylaws shall take effect on the later of the date of approval as provided in Section 8.1 or the date expressly stated in the amended Bylaws.

AFTER RECORDING, RETURN TO:

Community Association Law Group, PLLC
17544 Midvale Ave North, Suite 100
Shoreline, WA 98133

**AMENDED & RESTATED DECLARATION FOR
CAPITOL CITY GOLF CLUB ESTATES**

GRANTOR:	CAPITOL CITY GOLF CLUB ESTATES ASSOCIATION, a Washington nonprofit corporation
GRANTEES:	CAPITOL CITY GOLF CLUB ESTATES ASSOCIATION, a Washington nonprofit corporation; CAPITOL CITY GOLF CLUB ESTATES; THE GENERAL PUBLIC
ABBREVIATED LEGAL DESCRIPTION:	CAPITOL CITY GOLF CLUB ESTATES, VOL 14 OF PLATS, PGS. 50-55, THURSTON COUNTY AUDITOR'S NO. 668071, AS AMENDED OF RECORD
REFERENCE NOS. OF RELATED DOCUMENTS:	670745; 679936; 8703230152; 4897329

2025 AMENDED & RESTATED DECLARATION FOR CAPITOL CITY GOLF CLUB ESTATES

WHEREAS, on December 26, 1962, an instrument titled “Covenants Applicable to Capitol City Golf Club Estates” was recorded in the real property records of Thurston County at Volume 369 of Deeds, Pages 220-232 (as amended by the First, Second and Third Amendments, the “Original Declaration”) and, on December 26, 1962, a Plat Map for Capitol City Golf Club Estates was recorded in the real property records of Thurston County at Volume 14 of Plats, Pages 50-55 (“Original Plat Map”), thereby submitting the real property set forth in the Original Plat Map to the covenants set forth in the Original Declaration; and

WHEREAS, the Original Plat Map was corrected by an instrument recorded on June 18, 1963, at Thurston County Auditor’s No. 679936 and, on March 23, 1987, an instrument titled “Amended Plat of Capitol City Golf Club Estates” was recorded at Volume 23 of Plats, Pages 16-21, Thurston County Auditor’s No. 8703230152; and

WHEREAS, the Original Declaration was amended three (3) times by recorded instruments and then amended and restated on November 15, 2021 at Thurston County Auditor’s No. 4897329; and

WHEREAS, Capitol City Golf Club Estates Association (“Association”) is the nonprofit corporation that was established to manage and govern the affairs of the Estates under the Homeowner Association Act at RCW Chapter 64.38 (“HOA Act”); and

WHEREAS, the Association is also subject to the Washington Uniform Common Interest Ownership Act at RCW Chapter 64.90 to the extent provided in RCW 64.38.095(2), and the Nonprofit Corporations Act at RCW 24.03A, to the extent not inconsistent with either of the previously mentioned statutes; and

WHEREAS, the Association and the Condominium are also subject to the Capitol City Golf Club Estates Association Amended & Restated Bylaws dated November 22, 2011 (“Bylaws”); and

WHEREAS, the City of Lacey owns Lot 60, which is currently a residential Unit that the City wishes to use for the installation, maintenance, and operation of a well and associated structures necessary for pumping and treatment of water, requiring conversion of the unit from residential to commercial and compliance with Article 5, and the City has entered into an agreement with the Association to convert that Unit as part of this amendment; and

WHEREAS, in 2023, the Washington legislature passed Engrossed Substitute Senate Bill 5796, known as “WUCIOA for All,” which purports to make WUCIOA applicable to all pre-existing communities, including the Association, effective January 1, 2028; and

WHEREAS, WUCIOA at RCW 64.90.375 provides that as of January 1, 2028, any provisions in the Association’s governing documents that conflict with the statute are invalid; and

WHEREAS, because the Declaration was written to comply with the HOA Act rather than WUCIOA, it has numerous provisions that would be invalid as of January 1, 2028; and

WHEREAS, being proactive, the Board believes it is in the best interests of the Association to “opt in” to WUCIOA prior to January 1, 2028 to avoid a period in which a significant portion of its governing documents conflict with WUCIOA; and

WHEREAS, RCW 64.90.370 provides that a pre-existing common interest community may opt into WUCIOA by amendment to the Declaration by providing a copy of the Board-approved amendment to all Owners at least thirty (30) days prior to a special owners meeting to discuss the proposed amendment, after which the Association may submit the amendment to the Owners for approval by ballot, and if Owners holding at least thirty percent (30%) of the votes in the Association participate in the vote, the amendment shall pass if approved by Owners holding at least sixty-seven percent (67%) of the Owners who voted; and

WHEREAS, due to the likely invalidation of a significant portion of the Declaration, the Board has opted to propose an Amended & Restated Declaration designed to be consistent with WUCIOA, which would normally require the approval of Owners holding at least fifty-one percent (51%) of the total votes in the Association to approve the amendment in accordance with Declaration Section 16.3.3; and

WHEREAS, while Section 16.3.2 provides that changes to Article 5 require the approval of the Owners holding a majority of the votes associated with commercial lots, as well sixty-seven percent (67%) of the voting power associated with residential lots, the provisions of Article 5 were not changed and therefore, approval was not sought; and

WHEREAS, after notice to all Owners was duly given, these amendments were approved by written ballot by Owners holding not less than _____ of the total votes in the Association;

NOW THEREFORE, the Association Officers signing below certify and attest that the Declaration has been amended in accordance with the applicable statutes and the Association’s governing documents as follows:

- A. AMENDED & RESTATED.** *The Original Declaration, as amended, shall be completely amended and restated by this Amended & Restated Declaration.*
- B. EXHIBITS REPLACED.** *All Exhibits to the Original Declaration, as amended, shall be replaced by the Exhibits attached to this Amended & Restated Declaration.*
- C. PLAT MAPS UNCHANGED.** *The survey maps and plans or other plats establishing the Estates shall remain in full effect, except they shall be referred to as the Plat Maps.*
- D. RECORDING.** *This Amended & Restated Declaration shall take effect upon recording in the real property records of Thurston County.*

**AMENDED & RESTATED DECLARATION FOR
CAPITOL CITY GOLF CLUB ESTATES**

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EXHIBIT B. UNIT DATA AND ALLOCATED INTERESTS

EXHIBIT C. LOT MAP

DO NOT RECORD

AMENDED & RESTATED DECLARATION FOR CAPITOL CITY GOLF CLUB ESTATES

ARTICLE 1. VALIDITY & INTERPRETATION

1.1 Election to be Governed by WUCIOA. The Estates was originally primarily governed by the HOA Act. In 2023, the Washington legislature passed Engrossed Substitute Senate Bill 5796, colloquially known as “WUCIOA for All,” which makes WUCIOA applicable to all pre-existing common interest communities effective January 1, 2028, and which will, at that time, invalidate any provisions of the Governing Documents inconsistent with WUCIOA pursuant to RCW 64.90.365. By approving this Amendment, the Association has elected to opt into the provisions of WUCIOA prior to January 1, 2028, in accordance with RCW 64.90.370. Title to Units and Lots shall not be rendered unmarketable or otherwise affected by reason of an insignificant failure of the Original Declaration, this Declaration, the Plat Maps, or any amendment to any of them, to comply with WUCIOA, as it may be amended from time to time.

1.2 Owners are Bound by the Governing Documents. Unless and until the Estates is terminated, the terms of this Declaration, as may be lawfully amended, including all covenants, conditions, restrictions, easements and reservations stated herein, constitute covenants and/or equitable servitudes, intended to run with the land and bind any Owners thereof, regardless of the manner of any Owner’s acquisition of a Unit or Lot or Lot. The rule against perpetuities may not be applied to defeat any provision of this Declaration. The Association requires that every Owner read the Governing Documents and seek legal advice, if necessary, to aid in understanding the provisions therein. By acquiring a Unit or Lot within the Estates, Owners are deemed to have knowledge of the contents of all operative Governing Documents and agree to be bound thereby. Owners may not reasonably rely upon the written or oral statements of any person as to the contents of the Governing Document that contradict the Governing Documents. The failure of the Association to insist upon strict compliance with the Governing Documents, to exercise any right contained in such documents, or to serve any notice or to institute any action, shall not be construed as a waiver or a relinquishment of any such provision. No covenant, easement or other restriction contained in this Declaration shall be considered void or abandoned except to the extent the provision conflicts with state or federal law. The Association’s acceptance of partial payments of Assessments shall not constitute an accord and satisfaction or any waiver or ratification of any violation of the Governing Documents.

1.3 Anti-Discrimination Statement. The Association does not discriminate on the basis of religion, creed, race, color, national origin, age, marital or familial status, military status, disability, sex, or gender identity. The Association is a housing provider under the Fair Housing Act and may be required to provide reasonable accommodations to persons with disabilities that may include waiver of the right to enforce a provision of the Governing Documents against the disabled person.

1.4 Interpretation & Resolution of Conflicts. The contents of this Declaration shall be liberally construed to effectuate the purpose of creating a uniform plan for the operation of the Estates under WUCIOA. It may not be construed to restrict the Association's power to deal with the Declarant that is more restrictive than its power to deal with any other person. Federal laws and regulations may apply to the Estates and the Association and may supersede state law or Governing Documents inconsistent with the provisions thereof. Both WUCIOA and the NPCA apply, but in the event of a conflict, WUCIOA shall control over the NPCA and the Governing Documents, except to the extent that WUCIOA allows the Governing Documents to vary terms as provided therein. Reference to statutes contained herein are deemed to include reference to any amended thereof, or successor statute. In the event of a conflict between or among the Governing Documents, the provisions of this Declaration shall control over the provisions of all other Governing Documents, including the Plat Maps; the Plat Maps shall control over the remaining Governing Documents, the Articles shall control over the provisions of the Bylaws and Rules, and all Governing Documents other than Rules shall control over the provisions of the Rules, which must be consistent with all Governing Documents. However, the provisions of the Governing Documents are severable, such that if any provision is determined to be invalid or unenforceable, the remainder shall not be affected.

1.5 Severability. The provisions of this Declaration shall be independent and severable, and the unenforceability of any one provision shall not affect the enforceability of any other provision so long as the remaining provision or provisions comply with WUCIOA.

1.6 Adjustments for Inflation. Any dollar amounts specified in WUCIOA or this Declaration shall be adjusted in accordance with RCW 64.90.065 in connection with any proposed action or decision of the Board or Association may, in the discretion of the Board, be deemed increased proportionate to the change increase in the consumer price index for urban wage earners and clerical workers, United States city average, all items 1967 = 100, compiled by the bureau of labor statistics prepared by the United States Department of Labor for the City of Seattle, Washington for All Items, to adjust for any changes in the value of the dollar after the effective date of this Declaration.

1.7 Effective Date. This Declaration shall take effect upon recording.

ARTICLE 2. DEFINITIONS

2.1 Definitions. For the purposes of this Declaration, the following definitions shall apply. The singular form of words shall include the plural and the plural shall include the singular. Efforts have been made to use gender-neutral pronouns, but to the extent any pronoun is considered gendered, it shall signify all persons regardless of gender. The definitions in this Declaration are not intended to limit or contradict the definitions in WUCIOA but may be intended to clarify or supplement those definitions and shall be

interpreted whenever possible to be consistent first with WUCIOA, and then with the applicable provisions of the NCPA.

2.2 “Accessory Building” shall mean any building or structure on a Lot other than the Residence that is intended to be permanent, including detached garages, permanent storage sheds, greenhouses, and outdoor living spaces such as gazebos and other similar structures.

2.3 “Allocated Interest” shall mean the fraction assigned to each Unit or Lot that represents the Owners’ associated Common Expense Liability, and Voting Power, in accordance with the equal interests for all Owners originally determined by the Declarant.

2.4 “Articles of Incorporation” shall mean those certain articles filed with the Washington Secretary of State upon incorporation of the Association as a nonprofit corporation under RCW Chapter 24.03, as repealed and replaced with RCW Chapter 24.03A.

2.5 “Assessments” shall mean all sums chargeable by the Association against a Unit, Lot, or Owner, including, without limitation: (a) annual, Regular and Special Assessments for Common Expenses; (b) Individually Allocated Assessments; (c) fines; (d) fees charged for services rendered to Owners or as otherwise authorized by the Governing Documents; (e) interest and late charges on any delinquent amounts owed to the Association; (f) any and all costs incurred by the Association in connection with the collection of delinquent assessments; and (g) costs incurred by the Association in the enforcement of any provision of the Governing Documents, including attorneys’ fees, as provided in Section 12.1.

2.6 “Association” shall mean Capitol City Golf Club Estates Association, the nonprofit corporation and any successor entity thereof that was organized to manage the Estates, the membership of which is comprised of all Owners, as further described in ARTICLE 10.

2.7 “Association Records” shall mean those records that the Association is required to retain pursuant to RCW 64.90.495(a).

2.8 “Board of Directors” or “Board” shall mean the governing body of the Association that has the authority to manage the Estates and the affairs of the Association.

2.9 “Bylaws” shall mean the corporate bylaws of the Association, as they may be amended from time to time.

2.10 “Capital Addition” shall mean the acquisition of real property or the acquisition, installation, or construction of a significant improvement to the Estates that does not currently exist and that is not being added for the purposes of restoring, repairing, or replacing pre-existing components of any portion of the Estates that the Association is obligated to maintain, repair or replace.

2.11 “Commercial Lot” shall mean a Lot restricted to non-residential use as identified and further described in ARTICLE 5.

2.12 “Common Elements” shall mean all portions of the Estates other than Units and Lots, as further described in ARTICLE 6.

2.13 “Common Expense” shall mean any expense of the Association, including any allocations to reserves, as further described in Section **Error! Reference source not found..**

2.14 “Common Expense Liability” shall mean each Unit or Lot’s share of liability for the Common Expenses, as determined by the Unit or Lot’s Allocated Interest.

2.15 “Condemnation” shall mean any proceeding or procedures by which a public entity or other lawful authority with the power to condemn asserts a right to take private property for public use through the power of eminent domain, and shall include such procedures incident thereto, such as the sale, transfer, dedication, disposition, or creation of any easement or other real property interest under threat of or in avoidance of such a taking.

2.16 “Declarant” shall mean Thurston Development Company, a Washington corporation, as well as any other person or Entity defined as such in the HPRRA and/or WUCIOA.

2.17 “Declaration” shall mean this Amended & Restated Declaration, as it may be amended from time to time.

2.18 “Design Review Committee” or “DRC” shall mean a committee of the Board designated by that name, or, in the absence of such committee, shall mean the Board.

2.19 “Design Standards” shall mean the standards that govern Lot Alterations, whether established by the Declarant or by the Board by Rule, as further provided in Section 9.10.

2.20 “Director” shall mean a member of the Board of Directors of the Association.

2.21 “Electric Vehicle Charging Station” shall mean all equipment that delivers electricity from a source outside an electric vehicle to one or more electric vehicles, which may include several charge points simultaneously connecting several electric vehicles.

2.22 “Eligible Mortgagee” shall mean the holder of a security interest in a Unit or Lot that has filed with the Association a written request to receive notices of any action requiring the consent of Eligible Mortgagees.

2.23 “Entity” shall mean an organization created to have a separate legal existence from any individuals, including, without limitation, a trust, estate, general partnership, limited partnership, non-profit or for-profit corporation, professional corporation, limited liability company, limited liability partnership, government subdivision or agency, and any similar such organization.

2.24 “Estates” shall mean all property comprising the Capitol City Golf Club Estates, created by the recording of the Original Declaration and Plat Maps.

2.25 “Foreclosure Date” shall mean the date of the sheriff’s sale in an action for judicial foreclosure, the date of trustee’s sale in a non-judicial foreclosure, the date of recording of the declaration of forfeiture in a proceeding by the vendor under a real estate contract, or the date of recording of a deed in lieu of foreclosure.

2.26 “Governing Documents” shall mean the collective group of documents that control the governance and administration of the Estates and the Association, consisting of this Declaration, the Plat Maps, any other recorded instrument applicable to the Association or the Estates, the Articles of Incorporation, the Bylaws, and the Rules, as any of them may be amended from time to time.

2.27 “Guest” shall mean any person located within or using any portion of the Estates, who is not an Owner, Occupant, or Tenant, and includes social guests, trespassers, vendors, and other invitees.

2.28 “Horizontal Property Regimes Act” or “HPRA” shall mean RCW Chapter 64.32.

2.29 “Individually Allocated Assessment” shall mean an assessment of certain expenditures or liabilities of the Association that the Association is authorized to levy against fewer than all Units or Lots on a basis other than the Unit or Lot’s Allocated Interest, as further described in Section 11.6.2.

2.30 “Limited Common Elements” shall mean a portion of the Common Elements reserved for the exclusive use of the Owners of one (1) or more, but fewer than all Units and Lots, as further described in ARTICLE 6.

2.31 “Lot” shall mean any parcel of real property within the Estates designated for separate ownership as shown on the Plat Maps or as described in Section 4.2 (Single-Family Lots), Section 4.3 (Multi-Family Lots) and Section 5.1 (Commercial Lots), but shall not include Common Elements.

2.32 “Manager” shall mean a person or Entity engaged by the Association to assist in the administration or management of the Estates and/or the Association.

2.33 “Mortgage” shall mean any recorded agreement that evidences the loan of money in exchange for a legal interest in a Unit or Lot and shall include deeds of trust and real estate installment sales contracts.

2.34 “Mortgagee” shall mean the lender under a Mortgage.

2.35 “Multi-Family Lot” shall mean a Lot intended for multi-family use upon which a multi-family building has been constructed as of November 15, 2021 (the date of the recording of the 2021 amended and restated declaration, as further described in Section 4.3.

2.36 “NPCA” shall mean the Nonprofit Corporations Act at RCW Chapter 24.03A.

2.37 “Notice” shall mean an official notification from the Association to an Owner provided in accordance with RCW 64.90.515, as further described in Section 8.3.1.

2.38 “Notice and an Opportunity to be Heard” shall mean the enforcement procedures pursuant to which Owners are provided with Notice of an alleged violation of the Governing Documents or other finding by the Board, and the method by which the Owner may request a hearing in relation to violation or finding, as further described in Section 13.5.

2.39 “Occupant” shall mean a person who resides in a Unit or Lot with the Owner.

2.40 “Officer” shall mean the president, vice-president, secretary and treasurer of the Association, as elected or appointed by the Board.

2.41 “Operating Account” shall mean a financial account of the Association administered by the Board for a variety of purposes, as further described in Section 11.12.

2.42 “Original Declaration” shall mean the instrument entitled “Covenants Applicable to Capitol City Golf Club Estates,” recorded on December 26, 1962, in the real property records of Thurston County at Thurston County Auditor’s No. 670754, by which the Estates was established, and shall include any amendments thereto recorded prior to this Declaration.

2.43 “Owner” shall mean the person or Entity that owns a Lot or Unit within the Estates (except that the buyer of the Unit or Lot pursuant to a real estate installment sales contract shall be considered the Owner rather than the seller), but shall not include any persons or Entities who hold an interest in the Unit or Lot as security for the performance of an obligation (such as Mortgagees).

2.44 “Passenger Vehicle” shall mean a motor vehicle designed to transport people over land and shall include any motorcycle, car, passenger van, two-axel truck, golf cart, or any other similar type of vehicle as defined in the Rules. “Passenger Vehicle” does not include Recreational Vehicles or commercial vehicles.

2.45 “Plat Maps” shall mean the original plat of “Capitol City Golf Club Estates,” recorded at Thurston County Recording No. 668071, the “correction” recorded at Thurston County Recording No. 669686, the Amended Plat, recorded at Thurston County Recording No. 8703230152, and any recorded amendments, additions, or adjustments thereto.

2.46 “Recreational Vehicle” shall mean a vehicle designed for the purpose of recreation and includes motor homes, campers, RVs, all-terrain vehicles, and trailers (whether or not the trailer is motorized or must be towed), boats or boat trailers, or any other similar type of vehicle as defined in the Rules, but generally does not include commercial vehicles (such as tractors, dump trucks or other large motorized equipment); or portable storage crates or pods.

2.47 “Regular Assessment” shall mean an assessment levied upon Owners pursuant to an annual budget.

2.48 “Resale Certificate” shall mean the document provided by the Owner of a Unit or Lot to a prospective buyer of the Unit or Lot that contains certain disclosures obtained from the Association as required by RCW 64.90.640(2).

2.49 “Reserve Account” shall mean a financial account of the Association administered by the Board for the deposit of reserves, as further described in Section 11.13.

2.50 “Residence” shall mean the enclosed building or physical space intended for human habitation and shall include the single-family residence on any Single-Family Lot, the entire duplex on any Multi-Family Lot, but shall not include any Townhome Condominium Unit.

2.51 “Residential Lot” shall mean a physical portion of the Estates, whether improved or unimproved, designated for residential Estates, including both Multi-Family Lots and Single-Family Lots, as may be shown on the Plat Maps or as more particularly described in ARTICLE 4.

2.52 “Rules” shall mean the rules and regulations adopted by the Board pursuant to and consistent with the WUCIOA, the Declaration, and Bylaws, regardless of name, and may include, without limitation, rules, house rules, regulations, resolutions, restrictions, procedures, fine schedules, fee schedules, collection policies, enforcement policies, and any other policies adopted from time to time, as further provided in Section 8.1.

2.53 “Single-Family Lot” shall mean a Lot intended for single-family use upon which a single Residence has or may be constructed, as further identified and described in Section 4.2.

2.54 “Street” shall mean any of the private roadways within the Estates outside of Lots, as depicted in the Plat Maps.

2.55 “Solar Energy Panel” shall mean a panel, device, system, combination thereof, or equipment by any other name that collects sunlight for use as an energy source for any purpose, including, without limitation, generation of electricity, heating or cooling of a structure; and heating, cooling, or pumping of water for any purpose.

2.56 “Special Assessment” shall mean an assessment levied pursuant to a supplemental, special, or periodic budget other than the annual budget.

2.57 “Tenant” shall mean a natural person, corporation, partnership, limited partnership, limited liability company, trust, governmental subdivision or agency, or other person or entity who occupies a Lot or Residence pursuant to a Lease.

2.58 “Total Voting Power” shall mean the sum of the Voting Power of all Units and Lots, not including any Units or Lots owned by the Association, irrespective of other

conditions precedent to voting, and regardless of the sum of the Voting Power represented by Owners attending any meeting or participating in a vote without a meeting.

2.59 “Townhomes Condominium” shall mean the Capitol City Townhome Condominium, constructed within original Lot 504, established pursuant to the Townhomes Condominium Declaration.

2.60 “Townhomes Condominium Declaration” shall mean that certain instrument entitled “Capitol City Townhome Condominium Association Declaration of Covenants & Bylaws” recorded at Thurston County Recording No. 9508290011, as may be amended.

2.61 “Uninsured Expenses” shall mean the difference between the cost of repairing damage to any portion of the Estates covered by the Association’s insurance and the insurance proceeds received by the Association for such repair, taking into account the sum of any deductibles applicable to the claim, as further described in Section 14.9.

2.62 “Unit” shall mean a unit within the Townhomes Condominium, as defined in the Townhomes Condominium Declaration.

2.63 “Voting Power” shall mean the voting power associated with a Unit or Lot, as determined by the Unit or Lot’s Allocated Interest.

2.64 “WUCIOA” shall mean the Washington Uniform Common Interest Ownership Act at RCW Chapter 64.90, certain sections of which were applicable to the Estates prior to the recording of this Declaration, and all of which shall be applicable to the Estates and the Association as of the date of the recording of this Declaration.

ARTICLE 3. DESCRIPTION OF ESTATES

3.1 Name; Type; Legal Description. Capitol City Golf Club Estates is a plat community, legally described in Exhibit A and reflected in the Plat Maps.

3.2 Description of Buildings & Improvements. Capitol City Golf Club Estates is a mixed-use Estates consisting of Common Elements, twelve (12) Commercial Lots, three hundred ninety-eight (398) Single-Family Lots, seven (7) Multi-Family Lots, and one (1) lot containing the Townhomes Condominium which, in turn, contains eight (8) Units, all as described in this Declaration. At the time of recording of this Declaration, the Common Elements of the Association consist primarily of Streets designated as private roads within the Estates. At the time of the recording of this Amended & Restated Declaration, Lot 505, as shown on the Plat Maps, has been withdrawn from the Estates and its Owner is not a member of the Association. The Lots and their numeric designations are listed in **Exhibit B** and depicted on the Plat Maps and **Exhibit C**.

3.3 Water System and Roadway Dedication & Easements. All Owners dedicate the use of all Lots within the Plat Maps and all Streets on said Plat Maps for ingress and egress to, from, and between such Lots and the nearby public roads, and do further dedicate

to the use of all said Lots the easements over all areas designated as easement areas on the Plat Maps. The easements generally consist of ten-foot (10') wide strips on each side of all platted Streets for the installation, maintenance and operation of utility service systems serving the Estates. All Residential Lots within the Estates are served by the City of Lacey Water Department, and as long as water for said Lots is available through such system, no private water system shall be provided upon or maintained by the Owner of any Residential Lot within the Estates.

3.4 Easements. Easements other than those noted herein, including those in the Plat Maps or other recorded instruments, may exist and may affect an Owner's property rights or use of the Estates. The specific mention or reservation of any easement in this Declaration shall not be interpreted to limit or negate any easements contained in other recorded instruments or otherwise provided by law.

3.4.1 *Owner Access*. Each Unit, Lot, and each Owner has an easement in and through the Common Elements (not including Limited Common Elements) for unrestricted right of ingress and egress to and from such Unit or Lots.

3.4.2 *Association Access*. There is hereby reserved to the Association, or its duly authorized agents and representatives, such easements through the Lots as are necessary to perform the duties and obligations of the Association as are set forth in the Governing Documents.

3.4.3 *Support, Utilities, & Drainage*. The Association, each Lot, and each Owner has an easement in and through each other Lot and the Common Elements for all support elements, utilities, drainage, and related facilities and components, including, but not limited to, plumbing, electricity, gas, heating, ventilation, air conditioning, fire services, cable, telephone service, internal communication systems, internet access, fireplace intake and exhaust, and any and all related components, as required to manage and operate the Estates, and for reasonable access thereto. Utility providers shall have an easement through the Common Elements and each Lot for the installation, construction, maintenance, repair and reconstruction of all utilities associated with any portion of the Estates, including, without limitation, water, sewer, storm drainage, electricity, natural gas, cable television, telephone, internet, and similar services.

ARTICLE 4. RESIDENTIAL LOTS

4.1 Residential Lots. Only Residential Lots are subject to the provisions of this Article. There are now four hundred five (405) Residential Lots in the Estates, including three hundred ninety-eight (398) Single-Family Lots and seven (7) Multi-Family Lots as described herein, listed in **Exhibit B** and the location and configuration of which are depicted on the Plat Maps and **Exhibit C**. All Residential Lots are intended for and restricted to residential use on an ownership, rental, or lease basis and for social,

recreational and other reasonable activities normally incident to residential use. The vertical boundaries of each Lot are identified on the Plat Maps and **Exhibit C** as lot lines, such that all real property and improvements thereon, including Residences, outbuildings, and grounds within the lot lines are part of the Lot and all areas outside of the lot lines are not. There are no horizontal boundaries.

4.2 Single-Family Lots. There are three hundred ninety-eight (398) Single-Family Lots in the Estates, including Lots 1 through 59, 61 through 229, 233 through 278, 284, 287 through 305, 307 through 401, and 403 through 407, inclusive. In addition, although not shown on the Plat Maps as of the recording of this Declaration, but as listed in **Exhibit B** and depicted on **Exhibit C**, Lot 353 has been subdivided, creating an additional Lot referred to as Lot 35301; Lot 501 has been subdivided, creating two (2) additional Single-Family Lots referred to as Lots 50103 and 50104; and Lot 502 has been subdivided, creating an additional Single-Family Lot referred to as Lot 50200. Alteration of Single-Family Lots or visible changes to Residences or other structures on Single-Family Lots are subject to review by the DRC to the extent required by ARTICLE 9.

4.3 Multi-Family Lots. There are seven (7) Multi-Family Lots in the Estates, including Lots 279 through 283, 285, and 286, inclusive, as shown on the Plat Maps, upon each of which has been constructed a duplex. In addition, although not reflected on the Plat Maps as of the date of recording of this Amended & Restated Declaration, but as depicted on **Exhibit C**, the original Lot 504 was subdivided into two (2) parcels, the north parcel of which is a Multi-Family Lot containing the Townhomes. Alteration of Multi-Family Lots or visible changes to Residences on Multi-Family Lots are subject to review by the DRC to the extent required by ARTICLE 9.

4.4 Units. There are eight (8) condominium Units located within the Townhomes Condominium which, in turn, is located on the north parcel of original lot 504. The boundaries of the Units are as provided in the Townhomes Declaration.

4.5 Residences. Other than the Residence, no tent, Accessory Building, Recreational Vehicle, or any other structure, whether permanent or temporary in nature, shall be used as a residence in the Estates.

4.6 Business Use of Residential Lot. No Owner may conduct, or permit any person to conduct, any trade or business of any kind in or from any Residential Lot or Residence, including any occupation, work or activity undertaken on an ongoing basis that involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation or other form of consideration, regardless of whether (a) the activity is engaged in full or part-time, (b) the activity is intended to or does generate a profit, or (c) a license is required to engage in the activity, except as provided in this Section.

4.6.1 An Owner may conduct or permit business activities on a Residential Lot only if:

4.6.1.1 The existence or operation of the business activity within the Lot is not apparent or detectable by sight, sound or smell from anywhere on the Estates outside of the Lot;

4.6.1.2 The business activity conforms to all zoning and other governmental requirements for the Lot and/or the activity;

4.6.1.3 The business activity does not involve customers, vendors, employees or workers, or other persons (other than delivery services, such as Federal Express) who are not Owners or Residents coming onto the Estates in any number or manner which shall be determined by the Board to create or constitute a burden on the Estates or the other Owners;

4.6.1.4 The business activity does not increase the liability or casualty insurance obligation or premium of the Association; and

4.6.1.5 The business activity is consistent with the residential character of the Association and does not constitute a nuisance, annoyance or hazardous or offensive use, as determined in the sole discretion of the Board.

4.6.2 The Board may, by Rule, allow nominal, temporary business on Residential Lots such as garage sales, lemonade stands and the like, or may permit such nominal, temporary business use with the prior, written approval of the Board.

4.7 Timesharing. Units, Residential Lots and Residences may not be used as timeshares as defined in RCW Chapter 64.36.

4.8 Leasing of Residential Lots. Owners may Lease their Residential Lots only as provided in this Section.

4.8.1 *Definition*. For purposes of this Section, "Lease" shall mean the Owner's grant of the exclusive right to occupy a Lot to another person or persons in exchange for money or other items of value. Agreements or arrangements made through vacation- or short-term rental companies are considered Leases. Co-habitation with a Lot's Owner or occupation of a Lot by a first-degree family member of the Owner (parent, child, or sibling) are not considered Leases.

4.8.2 All Leases shall be in writing. No Lease or rental may be for less than an entire Lot for Single-Family Lots, but Owners of Multi-Family Lots may rent one or both of the Residences within the duplex. No Lease shall be for an initial period of fewer than thirty (30) days. Leases shall be in writing and provide that Tenants are subject in all respects to the provisions of the Governing Documents, and that any failure by the Tenant to comply with the terms of the Governing Documents shall be a default under the Lease. Owners are responsible for their Tenants' compliance. Owners shall provide a copy of the Lease to the Board or Managing Agent, provide contact information for the Tenants, and shall be obligated to update the Association as to any material changes in contact information or

occupancy. The Board shall be empowered to adopt Leasing Rules, including such procedures and forms as may be necessary to ensure the restrictions contained herein are administered fairly and effectively. The lease of Units within the Townhomes is as provided in the Townhomes Condominium Declaration.

4.9 Signs. The Association may not prohibit display of indoor or outdoor political signs regarding candidates for public or Association office, or ballot issues, on or within a Unit, Lot or Limited Common element, but the Association may adopt reasonable Rules governing the time, place, size, number, placement and manner of such signs. Owners are responsible for ensuring that such signs are clean and in a good state of repair. Except as provided in this Section, no signs or billboards may be placed upon any Residential Lot.

4.9.1 One temporary real estate sign advertising the Lot for sale or for rent not exceeding twenty-four inches (24") in height and thirty-six inches (36") in length may be erected by the Owner or by a licensed real estate agent when a Lot is placed upon the market for sale or rental; provided that any such temporary real estate sign shall be removed within seven (7) days of the sale or rental of such Lot.

4.9.2 An Owner may place one (1) political sign per candidate or ballot issue on their Lot not earlier than forty-five (45) days before or more than seven (7) days after any general or special election.

4.9.3 An Owner may install security signs, no larger than ten inches by ten inches (10" x 10").

4.9.4 All such signs shall be maintained by the Owner in a neat, clean and orderly condition and state of repair.

4.10 Garbage, Recycling & Yard Waste. The Association may not prohibit an Owner from storing trash, compost, or recycling containers for municipal or private collection within the Lot or within any garage, side yard, or back yard. However, the Association may adopt and enforce reasonable Rules requiring that such receptacles be screened from view and may establish acceptable dates and times that such receptacles may be presented for collection. All trash, recycling, garbage or yard waste shall be regularly removed from a Lot and shall not be allowed to accumulate thereon. Garbage and recycling receptacles and firewood shall be screened from view of the Streets and Lots or stored neatly on the sides or rear of the Owner's Residence or other location approved by the Board. Trash, recycling or yard waste containers placed on or near the Street to be picked up by the disposal service shall be removed from the Street within twenty-four (24) hours of the designated pick-up time. Large items to be disposed of, including, but not limited to, broken or discarded furniture, household wares, appliances, or large personal belongings shall be disposed of by the Owner and shall not be visible on any Lot for more than twenty-four (24) hours. Composting on a Lot requires the prior approval of the DRC

to ensure that such areas are screened from view and odors and vermin attracted to compost are controlled or minimized.

4.11 Alteration of Residential Lots. Visible alterations to Residential Lots may require pre-approval of the Design Review Committee in accordance with ARTICLE 9.

4.12 Residential Lot Subdivision. Residential Lots may not be subdivided, but Owners may adjust the boundary lines of adjacent Lots. Any such adjustment shall be reflected in a recorded boundary line adjustment that references by recording number, this Declaration, the Plat Maps and any amendments thereto.

4.13 Residential Lot Combination. Residential Lots may be combined, but the Owner of any Lots combined shall remain responsible for one share of the Common Expense for each Lot as listed in **Exhibit B** and depicted on **Exhibit C**, and shall have one vote for each such Lot, so that the total number of Lots in the Estates, shares of Common Expenses, and voting rights, shall remain the same.

ARTICLE 5. COMMERCIAL LOTS

5.1 Commercial Lots. Only Commercial Lots are subject to the provisions of this Article. Commercial Lots are not Common Elements; the Declaration does not confer upon any Owner the right to go upon or use such Commercial Lots. Membership in the Association does not grant any Owner membership in the golf club nor any other right to use golf club property. There are now thirteen (13) Commercial Lots in the Estates described as follows:

5.1.1 Lots 230, 231, 232, and 506, as shown on the Plat Maps, are Commercial Lots restricted in their use to a golf course and related recreational and maintenance activities.

5.1.2 Although not shown on the Plat Maps at the time of the recording of this recording of this Declaration, Lot 501 was subdivided into three (3) parcels, the westernmost of which is referred to as Lot 501; Lot 502 was subdivided into two (2) parcels, the larger of which is referred to as Lot 50202; Lot 504 was subdivided into two (2) parcels, the southernmost of which is referred to as Lot 50401; Lot 507 was subdivided into two Lots, referred to as Lot 507 and 50701; and Lot 600 was subdivided into two Lots, referred to as Lot 600 and Lot 60001. Each of these Lots (501, 50202 50401, 507, 50701, 600 and 60001) are Commercial Lots restricted in their use to a golf course and related recreational and maintenance activities. These additional Lots are listed in **Exhibit B** and depicted on **Exhibit C** to this Declaration.

5.1.3 *Lot 503 is a Commercial Lot.* No Residence shall be placed upon Lot 503, unless and until such time as the Aero Plaza Airport, lying directly to the West of Lot 503, ceases operation. At such time, the Owner of Lot 503 may elect to convert the Lot to residential use, subject to approval by the appropriate

governmental jurisdictions, and provided that such Lot Owner shall cause the Association to prepare and record an amendment to this Declaration to reflect the change in use without a vote or approval of the other Owners, the costs of which shall be assessed to the Owner of Lot 503 as an Individually Allocated Assessment, and further provided that the Owner of each Residence to be constructed upon Lot 503 shall become a member of the Association, subject to the provisions of this Declaration, including all voting rights and assessment obligations.

5.1.4 *Lot 60 is a Commercial Lot.* Lot 60 is a Commercial Lot designated for municipal utilities to be installed to increase the diminishing water supply in the area. This Lot is intended for no other purpose than the installation, maintenance, and operation of a well and associated structures necessary for pumping and treatment of water. After the demolition of the existing structures, this Lot is not intended for the construction of a dwelling or any other structures beyond what is necessary for the establishment, maintenance, and operation of a well, pumping and treatment of water, and the movement of water to and from the same.. The Owner of Lot 60 may elect to convert the Lot back to residential use, upon approval of the Board and the appropriate governmental jurisdictions, and all costs to do so will be paid by the Owner of Lot 60.

5.2 Commercial Lot Regulations. The provisions of this Section shall apply to all Commercial Lots and shall be enforceable by the Association or any aggrieved Owner in accordance with ARTICLE 13. Except as necessary to clarify these provisions or to set the amount of reasonable fines associated with violations of this Section, the Board shall have no authority to promulgate Rules restricting the use of Commercial Lots or activity conducted on Commercial Lots except upon the vote or approval of the Owners of the majority of the Commercial Lots, which approval shall be explicitly stated in any such Rule so adopted and attested to by an Officers of the Association.

5.2.1 Commercial Lots shall not be used for the following purposes: a medical laboratory; food processing (other than as incidental for a restaurant); manufacturing activities; wholesale or retail sales of pornographic literature, photographs, movies or the like; card room; dance hall; pool hall; video arcade or other similar form of amusement center; musical school or studio; adult motion picture theater; massage parlor; laundry; dry-cleaner, dyeing or rug cleaning plant; jail; hotel or motel; bar or tavern; package liquor store; marijuana store; taxidermy shop; retail pet shop or animal clinic; work release center; drug rehabilitation center; or social service agency. However, the foregoing restrictions shall not apply to the bar and restaurant located on Lot 506.

5.2.2 Notwithstanding any provision herein to the contrary, and to the extent authorized by state and local subdivision, zoning, and Estates laws and regulations, the Owners of Commercial Lots 600, 50401, 50202, 501, 230, and 231 may construct permanent structures thereon, such as storage buildings, restrooms, and/or

concession facilities, provided: (a) the Owner shall provide notice of the proposed construction to the Board prior to applying for any building permit to allow the Association or any of its members sufficient opportunity to comment on the proposed construction; (b) the structures shall be designed and constructed consistent with the quality and aesthetic of the surrounding Estates; and (c) if any portion of the structure is within fifty feet (50') of a Residential Lot, the Owner shall screen the construction from view of the Residential Lots with landscape or other screening. No temporary structures shall be constructed, installed, or placed upon any Commercial Lot where visible from a Residential Lot except as provided in this Section. Upon at least thirty (30) days' notice to the Association prior to installation, a temporary banquet tent or other outside dining or event structure no larger than forty feet by sixty feet by sixteen feet (40' x 60' x 16') in height may be installed on Lot 506 between April 1st and October 1st (but subject to any time limitations contained in any permits), provided that the Owner has obtained all governmental permits or permissions required for such installation. Portable toilets and related facilities may be placed upon Lot 506 so long as they are screened from view of the Residential Lots.

5.2.3 Except with the prior, written permission of the Board for specific events, Commercial Lots shall maintain quiet hours between 11:00 PM and 6:00 AM during which hours any continuing noise that can be heard from Residential Lots is prohibited. At other times, the Owners of Commercial Lots shall not allow or permit any offensive or obnoxious vibration, noise, or odor to emanate from the Commercial Lots, nor shall the Owner allow or permit any machine or other installation on Commercial Lots to constitute a nuisance or otherwise to unreasonably interfere with the safety or comfort of Owners and shall not permit its occupants, guests or invitees to trespass upon any Residential Lot; provided that temporary construction, remodeling and maintenance of the Commercial Lots and activities reasonably necessary to accomplish the same shall not be considered a violation of this Section. Owners of Commercial Lots are responsible for their guests' and invitees' violations of this provision or other provisions of the Governing Documents. In the event of such a violation, the Commercial Lot Owner shall be provided with Notice and Opportunity to be Heard. This provision is not intended to create third party beneficiaries of this Declaration, nor to apply to any determination of liability except as specifically stated herein.

5.2.4 The delivery or shipment of maintenance equipment, merchandise, supplies, fixtures, and the like, shall be accomplished in a manner that shall not unreasonably interfere with the comfort or security of the other Owners.

5.2.5 Commercial Lots shall be maintained in a neat and attractive manner. Trees, bushes, lawns and other areas of organic growth shall be regularly cared for and trimmed and shall not encroach upon Common Area streets or easements. No garbage, trash, recycling, construction debris, grass cuttings, tree trimmings, yard waste, or the like shall be dumped or allowed to accumulate on any

Lot. All such refuse or debris shall be temporarily stored in designated sanitary receptacles screened from the view of the Street or Residential Lots and the contents of such receptacles disposed of at regular intervals. Compost receptacles shall be regularly tended to avoid odor or attraction of wildlife or vermin. Goods shall not be warehoused or stored in open view from the Street or other Lots. Notwithstanding the foregoing, the Owner of Lot 503 may temporarily store tree trimmings and similar organic materials on Lot 503 provided such materials are placed in an enclosed receptacle or screened from view from the Street or Residential Lots.

5.2.6 Commercial Lot Owners shall not permit any vehicle or structure to be used as a temporary or permanent living space or be occupied and parked overnight. Camping on Commercial Lots is strictly prohibited. Commercial Lot Owners shall be responsible for the removal of unsightly, inoperable or abandoned vehicles from their Lots.

5.2.7 Except with the prior, written approval of the Board, any and all Commercial Lot signage shall be of reasonable size and installed in a reasonable location within the boundaries of the Commercial Lot. Any and all lighting on Commercial Lots shall be of reasonable wattage and shall not unreasonably disturb other Lot Owners.

5.2.8 Commercial Lot Owners shall obtain and maintain any necessary utility services and shall be responsible for any increase in Common Expenses associated with any changes in utilities necessitated by the use of their Commercial Lot.

5.2.9 All Commercial Lot leases or rental agreements shall be in writing, and shall provide that the Tenant is subject in all respects to the provisions of the Governing Documents and that any failure by the Tenant to comply with the terms of the Governing Documents shall be a default under the lease or rental agreement. Owners are responsible for their Tenants' compliance as well as the compliance of Tenants' guests, vendors, and invitees. Owners leasing a Commercial Lot shall provide a copy of the lease or rental agreement to the Board or Managing Agent along with contact information for the Tenant, including contact information for the most senior on-site personnel.

5.2.10 Commercial Lot Owners shall not use, occupy, do, or permit anything to be done to or on Commercial Lots that shall make it impossible for the Association to carry any insurance required by this Declaration or deemed to be necessary by the Board; that shall invalidate or unreasonably increase the cost of any such insurance; constitute a public or private nuisance; or violate any laws, regulations, ordinances or requirements of any other governmental authorities having jurisdiction over the Lots.

5.2.11 Commercial Lot Owners shall obtain and maintain property and liability insurance in commercially reasonable amounts commensurate with the use of the Lot and shall be required to list the Association as an additional insured with respect to incidents occurring on or within the Estates.

ARTICLE 6. COMMON ELEMENTS

6.1 Description. The Common Elements are all portions of the Estates other than the Townhome Condominium and Lots, including, but not necessarily limited to, Streets and easements for the benefit of the Association. The golf course and other amenities on Commercial Lots are not part of the Common Elements. At the time of the recording of this Declaration, the Estates has no Limited Common Elements.

6.2 Use of Common Elements. Subject to the restrictions in WUCIOA, this Declaration, the Bylaws, and any Rules consistent therewith, Owners, their Occupants, Tenants, and Guests shall have the right to use the Common Elements that are not also Limited Common Elements in common with all other Owners in accordance with the purpose for which they were intended, and shall have a right of access over the Common Elements for ingress and egress from the Owner's Unit or Lot. No Owner shall interfere with the Association's maintenance, repair, or operation of the Common Elements, nor shall any Owner store items in, damage, alter, construct in, mount on, or remove fixtures or common property from, the Common Elements, except with the prior, written approval of the Board; provided, however, that if an Owner requests exclusive use of any portion of the Common Elements that are not also Limited Common Elements, the Association may be required to follow the procedures for converting Common Elements to Limited Common Elements as provided in Section 6.4. Users of the golf course who are not Residents shall have a nonexclusive easement to use the Common Area streets for pedestrian and golf cart ingress and egress and for vehicular access to Commercial Lot parking areas.

6.3 Common Element Conveyance or Encumbrance. Portions of the Common Elements that are not Limited Common Elements and that are not necessary for the habitability of any Unit or Lot may be conveyed or subjected to a security interest by the Association only upon the vote or approval of Owners to which at least eighty percent (80%) of the Total Voting Power is allocated. Conveyance or encumbrance of Limited Common Elements requires the approval of the Owner to which the Limited Common Element is assigned or appurtenant, which shall be included within the eighty percent (80%) approval needed. Proceeds of the sale or encumbrance of Common Elements belong to the Association, except that proceeds of the sale or encumbrance of Limited Common Elements shall be distributed to the Owners of the Unit or Lots to which the Limited Common Element is assigned or appurtenant as their interests appear. This Section does not apply to Condemnation proceedings under ARTICLE 17. Agreements to convey or encumber Common Elements shall be recorded in the real property records of Thurston

County in accordance with RCW 64.90.465(3). Such a conveyance does not affect the lien rights of any Mortgagee unless the encumbrance or conveyance was approved by at least eighty percent (80%) of the Eligible Mortgagees, if any.

6.4 Conversion of Common Elements to Limited Common Elements. Owners are not entitled to permanent exclusive use of the Common Elements that are not Limited Common Elements. Except with respect to use of the Limited Common Elements for electric vehicle chargers, Owners wishing to obtain exclusive use of any portion of the Common Elements shall apply to the Board to convert the Common Element to a Limited Common Element, and the Board shall commence procedures to obtain the necessary approval for an amendment to the Declaration as required by RCW 64.90.240, which procedures may include Notice to all Owners, an Owner objection period, a vote of all Owners, and Plat Maps amendment. Owners making such requests shall be assessed for all costs incurred by the Association in preparing, proposing, obtaining Owner approval for, and recording the required amendments, including attorney fees, as Individually Allocated Assessments.

6.5 Conversion of Limited Common Element to Common Element. Conversion of a Limited Common Element to a Common Element requires the vote or approval of Owners to which at least sixty-seven percent (67%) of the Total Voting Power is allocated, including the vote or approval of the Owner or Owners to which the Limited Common Element was assigned or appurtenant. Such incorporation shall be reflected in amendments to this Declaration and, if necessary, the Plat Maps, as provided in Section 18.2.

ARTICLE 7. MAINTENANCE & REPAIR RESPONSIBILITIES

7.1 Association Responsibilities. Except as otherwise provided in this Declaration, the Association shall, as a Common Expense, manage, maintain, repair and replace as necessary, all Common Elements, and may manage, maintain, repair, replace, and remove any improvements thereon in the best interests of the Association.

7.2 Owner Responsibilities. Residential Lots shall be maintained by their Owners at their sole expense, including repair and replacement of all components of the Lots and the Residences and other improvements thereon, as reasonably necessary to keep Lots in a condition that is neat and attractive, and consistent with the aesthetics and style of the community, and shall not hang laundry, or permit other unsightly conditions to exist on Lots that may be visible in or from the Common Elements or other Lots. The Board may, by Rule, further define what constitutes an unsightly condition consistent with this Section and may promulgate Rules containing maintenance or repair requirements consistent with these standards.

7.3 Owner's Failure to Perform. If, in the discretion of the Board, maintenance, repair or replacement of any component of a Lot is necessary to either protect or preserve

the appearance, condition, or value of the Common Elements, or to protect other Lots from damage, and the Owner of said Lot has failed or refused to perform such maintenance or repair within a reasonable time after being provided with Notice and an Opportunity to be Heard as provided in Section 13.5 regarding the necessary maintenance, repair, or replacement, the Board may enter the Lot in accordance with Section 7.5 to perform such maintenance, repair, or replacement. The costs of entry and repair under this Section shall be assessed to the Owner as an Individually Allocated Assessment. This remedy is not exclusive and may be exercised together with any other remedy available to the Association. This Section shall not be interpreted to allow the Association or its agents to enter any Residence except in an emergency as provided in Section 7.5.

7.4 Significant Destruction; Vote not to Restore. If the Estates has been destroyed or significantly damaged to the extent that the Board believes that it might be in the best interests of the Association to terminate the Estates rather than restore it, the Association shall determine the costs of repair in excess of available insurance proceeds and Association funds and call a special meeting of the Association to vote whether to restore the Estates as provided in RCW 64.90.470(8), and whether to terminate the Estates and the Association in accordance with Section ARTICLE 19. In the event that the Association elects not to restore the damaged areas of the Estates and the Estates is not terminated, any insurance proceeds attributable to the damaged Common Elements shall nonetheless be used to restore the damaged area to a condition compatible with the remainder of the Estates, and any insurance proceeds attributable to Units, Lots, or Limited Common Elements that are not rebuilt shall be distributed as provided in RCW 64.90.352(7). If the Owners vote not to rebuild certain Units or Lots, the Allocated Interests associated with the destroyed Units or Lots shall be reallocated as if the Unit or Lot had been condemned under ARTICLE 16, and the Association shall promptly prepare, execute, and record an amendment to this Declaration reflecting the reallocations.

7.5 Entry onto Lots. The Association and its agents may only enter Lots in accordance with this Section for the purpose of exercising the rights or duties enumerated in WUCIOA or this Declaration, including: (a) to maintain, repair or replace any portion of a or Lot as allowed by Section 7.3; (c) to maintain, repair, or replace Common Elements (including Limited Common Elements); (d) to take reasonable action to protect the Common Elements or other Lots from damage; or (e) in the event of an emergency. The Association has an easement through each Unit or Lot for these purposes. The Association may not enter Units except in an emergency. Procedures for the Association's entry upon Lots and Units are as follows:

7.5.1 *Notice of Entry.* Except in the case of an emergency, entry into any Unit or Lot shall require reasonable advance Notice to the Owner and, if Tenant information has been given to the Association by the Owner, to the Tenants of the Unit or Lot in any reasonable manner. The Notice shall include the purpose, date, and time of the proposed entry as well as a statement that Owners who refuse entry after reasonable Notice has been given are in violation of this Section and may be

responsible for all costs incurred by the Association in gaining entry and compliance, including attorneys' fees. Such entry shall be made with as little inconvenience to the occupants as practicable.

7.5.2 *Cost of Entry & Damage.* Any damage caused as a result of entry into a Unit or Lot shall be repaired and paid for by the Association as a Common Expense unless the reason for the entry was the result of an act or omission of the Owner of the Unit or Lot entered, in which case, the costs of repair shall be assessed to the Owner as an Individually Allocated Assessment.

ARTICLE 8. RULES & RESTRICTIONS

8.1 Rules. The Board may, from time to time, adopt and amend reasonable Rules as may be necessary or advisable to ensure compliance with, clarify, and supplement the Governing Documents; to aid in the administration, governance or enjoyment of the Estates; to preserve the appearance of the Estates; and for any other purpose not inconsistent with the other Governing Documents. The Board may, but is not required to, provide Owners with Notice of its intention to adopt, repeal, or amend any Rules prior to their adoption by the Board. A copy of any new or amended Rules adopted by the Board or Notice of the Board's revocation of any Rule, shall be delivered to each Owner in the same manner as Notices of Association meetings. Rules shall become effective and enforceable on the date of delivery or any later date specified in the Notice or Rule.

8.2 Noxious & Offensive Use. No unlawful, noxious, or offensive activities may be carried on in any portion of the Estates, nor shall anything be done therein which shall constitute a nuisance, or which shall, in the judgment of the Board, cause unreasonable noise or disturbance to others. Owners shall not permit any condition to exist that will induce, breed, or harbor infectious diseases, insects, or vermin. Owners shall not permit their occupants, guests or invitees to trespass upon any other Lot.

8.3 Conveyance of Unit or Lots. The right of an Owner to sell or convey a Unit or Lot is not and shall not be subject to any right of approval, disapproval, first refusal, or similar restriction by the Association or the Board, or anyone acting on their behalf. The following provisions apply to the Owners' conveyance of any Unit or Lot:

8.3.1 *Notice to Association.* An Owner intending to convey a Unit or Lot shall deliver written notice to the Association at least two (2) weeks before closing, specifying: (a) the Lot or Unit being sold; (b) the name and address of the purchaser, the closing agent, and the title insurance company insuring the purchaser's interest; and (c) the estimated closing date. New Owners shall also provide their names and contact information to the Association on or before occupation of the Unit or Lot.

8.3.2 *Resale Certificate.* It is the Owners' responsibility to obtain and provide a Resale Certificate to buyers or potential buyers of their Unit or Lots. Resale Certificates may be obtained from the Association for a fee not to exceed

\$275 and may be updated within six (6) months for a fee not to exceed \$100. Within ten (10) days of the request and payment of the fee, whichever is later, the Association shall provide the Owner with a Resale Certificate signed by an Officer or authorized agent of the Association that contains the information required by RCW 64.90.640.

8.4 Sewer/Septic Prohibited. No individual sewer or septic system is permitted on a Residential Lot unless such system has been constructed with the approval of and in accordance with the requirements and standards of the Thurston County Department of Health or other such agency with jurisdiction over such systems. If any such systems exist on a Lot, the Lot's Owner shall be required to observe all applicable health, safety, testing, repair, upkeep and decommissioning regulations.

8.5 Flags. The Association may not prohibit display of the official flag of the United States, or the flag of Washington state, or flag poles associated with either on or within a Unit, Lot or Limited Common Element, but may adopt reasonable restrictions pertaining to the size, time, place, or manner of display. For purposes of this Section, flags do not include representations of flags made of lights or decorative components, but only actual official flags.

8.6 Animals. Customary household pets, such as dogs, cats, and birds, may be kept on a Residential Lot provided they are not raised, kept, or bred for any commercial purpose, and provided further they are not kept in such numbers or in such a manner so as to create a nuisance. No chickens or poultry are allowed. If on a Lot but not within a fenced yard, pets must be under the control of the pet's owner. Dogs must be leashed or under the immediate control of their owners at all times while on Common Elements, excepting only those portions of the Common Elements specifically designated by the Board as off-leash areas, if any. Pet owners must immediately scoop and remove any pet waste from Common Elements, and pet waste on Lots must be removed at regular intervals. Notwithstanding the above, the Board shall retain the right to require removal of a pet that it reasonably considers a danger or nuisance to other Residents or their pets, after providing the Owner with Notice and Opportunity to be Heard. Pet restrictions are subject to federal laws regarding disability, and requests for accommodations relating to service or support animals shall be interpreted consistently therewith.

8.7 Use of Streets; Parking on Streets. No vehicle of any type or other item shall be placed, parked, or kept such that it interferes with the normal flow of traffic, emergency vehicle access, or ingress or egress to any Lot or Common Area. Owners are required to trim, prune, or top any hedge, bush, tree or other planting that extends outside the boundaries of any Lot onto Streets, or that could impede the free flow of traffic or traffic-related sight lines. Streets are to be used for normal ingress and egress; Residents and others using the Streets shall observe all posted signs, including speed limits determined by the Board. In addition to any other remedy available to the Association, any Passenger Vehicle or Recreational Vehicle parked in violation of this Section may be subject to being

towed at the Owner's sole expense. Unless allowed by Rule or by prior written permission of the Board, the following shall also apply:

8.7.1 Up to two (2) guest, service, or commercial vehicles may be temporarily parked on the Street for a period not to exceed twenty-four (24) consecutive hours.

8.7.2 If parking areas on the Lot are temporarily unavailable for use due to occupation by vehicles or other items during construction, Owners may park a vehicle of any type on the Street for a period not to exceed forty-eight (48) hours.

8.8 Parking on Lots. Except with respect to adjacent parking areas and cut-outs already existing at the time of the recording of this Declaration, Owners may establish and construct adjacent parking areas or parking cut-outs only with the prior, written approval of the DRC as provided in Section 9.2. Parking of commercial vehicles on Lots is prohibited without the prior, written approval of the Board. Passenger Vehicles and Recreational Vehicles may be parked on Lots only in garages, on driveways, and on adjacent parking areas or cut-outs as provided in this Section:

8.8.1 Vehicles of any type may be regularly parked in garages.

8.8.2 No more than two (2) Passenger Vehicles or Recreational Vehicles may be regularly kept or parked in any driveway, except that if the Lot has no cut-out or adjacent parking area, up to four (4) Passenger Vehicles or Recreational Vehicles may be regularly parked in any driveway provided that each vehicle is wholly within the driveway and does not protrude into the Street.

8.8.3 Only one (1) Passenger Vehicle or Recreational Vehicle may be regularly kept or parked in a designated adjacent parking area established and constructed with approval of the DRC.

8.8.4 Only one (1) Passenger Vehicle may be regularly kept or parked on a cut-out.

8.8.5 Owner's guests, vendors or other invitees may park on driveways, adjacent parking areas or cut-outs for up to twenty-four (24) consecutive hours.

8.9 Unsightly or Inoperative Vehicles. Unsightly, unlicensed, or inoperative Vehicles may not be kept or parked anywhere on a Lot except in a driveway, and then only if fully covered in a manner prescribed by Rule.

Solar Energy Panels. The Association may not prohibit the installation of a Solar Energy Panel on or within a Unit or Lot so long as it meets applicable health and safety standards and otherwise complies with RCW 64.90.510. However, the Rules may reasonably restrict the location and installation of such Solar Energy Panels as allowed by that statute and may require Owners who install Solar Energy Panels to indemnify or reimburse the Association for loss or damage caused by the installation, maintenance, or use of a Solar

Energy Panel. This section must not be construed to permit installation of a Solar Energy Panel on or in Common Elements without approval of the Board.

8.10 Behavior in Unit or Lots. The Association may not adopt Rules regulating behavior in Units or Lots except to implement or clarify a provision of this Declaration, or to regulate behavior that adversely affects others' use and enjoyment of other Unit or Lots or the Common Elements.

8.11 Landscaping. The Association may not prohibit the installation of non-invasive vegetation adapted to arid or dry conditions, stone, or landscaping rock (known as "drought-resistant landscaping) or non-invasive wildfire-ignition-resistant landscaping. However, the Rules may include reasonable restrictions regarding the placement and aesthetic appearance of such landscaping, provided such restrictions do not render their use unreasonably costly or otherwise infeasible. If the Washington Department of Ecology has issued a drought condition order under RCW 43.83B.405 applicable to the Estates, the Association may not enforce any Rules relating to the watering of lawns or vegetation for the duration of the drought condition order.

8.12 Adult Family Homes. The Association may not prohibit or unreasonably restrict the use of a Lot as an Adult Family Home, as defined in RCW 70.128.010, unless the Lot does not have direct access through public property or the Common Elements used for the purposes of ingress and egress. The Association may, however, enforce Design Standards and other Rules applicable to all other Owners and Lots, as further provided in RCW 64.90.570.

8.13 Electric Vehicle Chargers. The Association may not effectively prohibit or unreasonably restrict the installation or personal use of an electric vehicle charging station within the boundaries of a Lot in compliance with RCW 64.90.513. However, the Association may impose reasonable restrictions on electric vehicle charging stations, including those referenced in RCW 64.90.513. The Association may install an electric vehicle charging station in the Common Elements for the use of all unit owners and if it does so, shall develop appropriate terms of use for the charging station.

8.14 Heat Pumps. The Association may not effectively prohibit or unreasonably restrict the installation or use of a heat pump within a Lot but may require Board or DRC approval to ensure compliance with RCW 64.90.580.

8.15 Effect on Insurance. Owners shall not do or keep anything in any area of the Estates that will increase any of the Association's insurance premiums, or make it impossible for the Association to obtain or maintain the insurance required by this Article without the prior, written approval of the Board, which approval may be conditioned upon the Owner paying the increase in such premiums.

ARTICLE 9. DESIGN REVIEW FOR RESIDENTIAL LOT ALTERATIONS

9.1 Design Review Committee. An advisory Design Review Committee (“DRC”) is established to review applications for Residential Lot alterations referred to as “DRC Projects” as further described in this Article. Commercial Lot Owners are not required to obtain DRC approval for Lot alterations unless specifically required to do so in ARTICLE 5. The DRC shall be composed of any number of committee members as determined by the Board, including non-Owners, and may include design or construction professionals hired by the Board. The DRC shall have no final decision-making authority, but shall make recommendations to the Board, which shall make all final decisions on behalf of the Association. If the DRC has not been constituted, the Board shall perform the functions of the DRC. The Board may supplement provisions relating to the constitution and scope of the DRC by Rule. The DRC shall meet as necessary to properly perform its duties and shall keep and maintain a record of all actions taken at the meetings or otherwise. No committee member shall receive compensation for service on the DRC except that committee members may be reimbursed for expenses incurred as a committee member.

9.2 Lot Alterations Requiring Approval. Owners of Residential Lots shall obtain the prior, written approval of the DRC for the following: (a) the construction of an adjacent parking area or parking cut-out; (b) any project that alters the exterior appearance of a structure on a Residential Lot, including the construction, modification, alteration, installation, or remodel of Residences, Accessory Buildings, or other permanent or temporary structures on Lots (including, but not limited to, garages, decks or patios, sheds, greenhouses, arbors, gazebos, and hot tubs or spas); and (c) any landscaping that has a significant impact on the portions of the Lot visible from the Street, including the installation or construction of concrete or masonry walls, rockeries, driveways, fences, hedges, and adding or removing trees. Approval shall not be required for remodels to the interiors of Units or Residences that do not affect the external appearance of the Residence; or for standard yard maintenance including weeding, mowing, thatching, gardening, or small plantings. In addition, while not prohibited, prior approval from the DRC is required for installation of solar collectors and antennas or satellite dishes to ensure installation in compliance with state and federal laws. Any such alteration is hereinafter referred to as a “DRC Project.” No work may commence on DRC Projects until the Owner has received written approval from the DRC to proceed. Notwithstanding the above, the Board may, by Rule, clarify the scope of DRC Projects requiring approval, or provide that certain identified DRC Projects are pre-approved, which shall qualify as the prior, written approval of the DRC.

9.3 Penalties for Failure to Receive Approval. If any DRC Project proceeds without DRC and Board approval, in addition to any other remedies provided for in the Governing Documents, the Owner may be required to stop work, remove improvements, restore the area to its previous condition, or modify the DRC Project to comply with this

Article. Owners acknowledge that proceeding with any Lot alterations without prior approval of the DRC is a significant risk. Any consequences of stopping work, removal, restoration, or modification shall be at the Owner's sole expense. By purchasing a Lot within the Estates, Owners explicitly acknowledge these requirements and waive any rights to claim economic waste or failure to mitigate damages. In addition to any other remedy available to the Association under WUCIOA or this Declaration, any work done in violation of this Article, without approval of the DRC, or that does not comply with the proposal approved by the DRC, may be corrected or removed by the Board, after providing the Owner with Notice and an Opportunity to be Heard as well as notice of entry onto the Lot in accordance with Section 6.16, and the costs of such correction or removal shall be assessed to the Owner as an Individually Allocated Assessment.

9.4 Application Procedures. Requests for DRC approval shall be made at least forty-five (45) days in advance of any planned work, in writing, in the form required by the Association, if any, and signed by an Owner or Owner's designee. The application shall include a description of the project, identification of the licensed and bonded contractor to perform the work (if any), and complete plans and specifications for the project. The Owner must affirmatively state that the plans and specifications comply with the provisions of this Declaration and all applicable laws and codes. The DRC may require the submission of any other relevant materials including additional plans, drawings, photographs, surveys, proof of governmental agency compliance, or other reasonable materials as a condition to approval.

9.5 Owner's Duty to Amend & Supplement. Owners requesting DRC approval have an ongoing duty to amend or supplement their applications if any material changes have occurred prior to or after obtaining DRC approval for any DRC Project or if the application has lapsed by passage of time stated in notice of approval.

9.6 Standard of Review. The DRC will review submittals for compliance with the Governing Documents, quality of proposed workmanship and materials, location, conformity and harmony with existing Lots, aesthetics, potential effect on neighboring Lots and the Common Elements, and in accordance with any Design Guidelines & Construction Conditions adopted by the Board.

9.7 DRC Decision. The DRC will notify the Owner within thirty (30) days of the receipt of a complete application whether the DRC Project is approved, disapproved, or approved with conditions. Failure of the DRC to request additional information or approve an application within this timeline shall be deemed approval thereof, except that such approval shall not constitute waiver of the Association's right to enforce any provision of the Governing Documents or require compliance therewith.

9.8 Completion & Inspection. Promptly upon completion of any Project, the Owner shall notify the DRC of completion and request an inspection. The DRC shall promptly inspect the DRC Project for conformance with the Project application and the Governing Documents, including the Design Standards. If any Project to which this Article

applies is not constructed or installed in conformance with the approved application or otherwise violates the Governing Documents, in addition to any other remedies provided for in the Governing Documents, the Owner may be required to remove the DRC Project at the Owner's cost or modify the DRC Project to comply with the approval received, after being provided with Notice and an Opportunity to be Heard.

9.9 Permits; DRC Approval No Waiver. Installation or construction of DRC Projects may require permits or other approval from federal, state, or local regulatory agencies. It is the Owner's responsibility to determine if such approval is needed. Approval by a regulatory body other than the DRC does not relieve the Owner of the obligation to obtain pre-approval of the DRC as provided for herein, nor does approval by the DRC relieve the Owner of the obligation to obtain pre-approval of any regulatory body as may be required.

9.10 Design Standards. The Board may, from time to time, adopt and promulgate design and construction standards to be administered by the DRC as part of the Association's Rules, and procedures and forms that Owners requesting DRC approval must complete and return for project consideration. The standards set forth in this Declaration may be supplemented by the Board; provided, however, no such modification shall take effect retroactively.

9.10.1 *Buildings; Quality; Size.* All Residences and structures on Residential Lots shall be built to conform to all applicable building codes, with new material, and shall be constructed in a sound, skillful, workmanlike manner. No permanent structure shall be constructed, erected, placed, altered or permitted to remain on any Single-Family Lot other than one (1) single-family Residence with a private attached garage for not more than three (3) vehicles, and one (1) unattached Accessory Building. The floor area of any single-family Residence, exclusive of open porches and garages, shall be no less than 1,200 square feet. The maximum height of the roof of any single-family Residence shall be not more than twenty-four (24) feet above the highest point of the street grade adjoining the Lot. No structure shall be constructed, erected, placed, altered or permitted to remain on any Multi-Family Lot other than a duplex or one or more multi-unit residential buildings and one (1) unattached Accessory Building.

9.10.2 *Painting; Colors.* Painting or staining of any Residence, Accessory Building, fence, or other improvement or structure on any Lot, including painting of trim, shall require the prior approval of the DRC except that an Owner may touch up or maintain existing paint without changing the color thereof. Residences and Accessory Buildings must be painted the same color. For Residences, Accessory Buildings, and fences, no specific paint or stain colors are specified, but the color must be complementary to the colors of other Residences in the Estates, as determined by the DRC. All sides of the structure must be painted or stained uniformly in the same color; provided, trim may be of a different contrasting color

approved by the DRC. The Board may, by Rule, establish color palettes that will be approved by the Board.

9.10.3 *Driveways.* All garages located upon a Residential Lot shall be connected to the adjacent Street by an asphalt or concrete paved driveway. Changes to driveways shall require the approval of the DRC.

9.10.4 *Setbacks; Easement Area.* Each Residential Lot is subject to a ten-foot (10') utility easement adjacent to the Street. No structure, fences, or significant landscaping shall be allowed within the easement area. No Residence or Accessory Building shall be located within twenty-five feet (25') of any property line abutting the Street, or within ten feet (10') of any property line abutting another Lot. No Residence shall be located within twenty feet (20') of Lot lines adjacent to the Commercial Lots designated for golf course use as provided in Section 5.1, and no Accessory Building shall be located within five feet (5') of the rear or interior Lot lines. No roofline, steps or open porches shall be located within five feet (5') of any Residential Lot line adjacent to any other Lot. In no case shall any portion of a structure on a Lot be permitted to encroach upon another Lot except where Lots have been combined, in which case, all setbacks shall be measured from the outer perimeter of the combined Lots.

9.10.5 *Fences and Walls.* No fence, wall, or screen shall exceed six feet (6') in height except that net or mesh fences designed to protect against injury from errant golf balls may be installed on Lots adjacent to Commercial Lots. No fence or wall shall be erected or placed on any Lot nearer than twenty-five feet (25') to any Street fronting except decorative picket or rail fences, masonry walls, or shrubs not exceeding three and one-half feet (3-½') in height.

9.10.6 *Antennae & Satellite Dishes.* The DRC may require placement that will minimize visibility from the Streets and other Residential Lots so long as such installation complies with regulations and decisions of the Federal Communications Commission ("FCC") regarding Over-the-Air Reception Devices ("OTARD"), 47 C.F.R. § 1.4000, including that the Association shall not (a) unreasonably delay or prevent the installation of a Qualified Reception Device (as that term is defined in the OTARD guidelines), (b) unreasonably increase the cost of installation, maintenance or use thereof, or (c) preclude the reception of an acceptable quality signal thereby. Such restrictions shall be applied to the extent practicable in a nondiscriminatory manner to devices, appurtenances or fixtures other than antennas that are comparable in size and weight and pose a similar or greater safety risk and shall be no more burdensome to affected antenna users than is necessary to achieve the objectives of this Section.

9.10.7 *Completion of Structures.* All construction of any Residence, Accessory Building or other improvement on a Lot, once commenced, shall be completed within one (1) year, unless extended by the Board for good cause. All

landscaping associated with new construction shall be completed within eighteen (18) months after construction is commenced, unless extended by the Board for good cause.

ARTICLE 10. OWNERS' ASSOCIATION

10.1 Name and Form of Association; Registered Agent. The owners' association for the Estates is organized as a nonprofit corporation under the NPCA known as "Capitol City Golf Club Estates Association," or such other official name as stated in the Articles of Incorporation. The registered agent is as provided in the Articles of Incorporation.

10.2 Membership. Each Owner is a member of the Association, the membership shall be composed only of Owners, and ownership of a Unit or Lot shall be the sole qualification for membership. Membership shall be transferred automatically upon transfer of ownership of the Unit or Lot and may not be transferred in any other way; any attempt to make a prohibited transfer is void.

10.3 Notice. Unless otherwise provided herein, when the Association is required by this Declaration or Bylaws to give official "Notice" to an Owner, such notice shall be in writing and may be delivered either personally (by hand delivery), or by U.S. Mail to the Unit or Lot address or to an alternate mailing address if the Owner has provided a written request to the president, secretary, or Manager, that such Notices be delivered to that alternate address. Notices may also be delivered via email if the Owner to whom the notice is addressed has elected, in writing, to receive such Notices by email, or as otherwise provided in RCW 64.32.270. Personal delivery to an Owner is deemed delivered when an Owner is handed such Notice. Mailed Notice to an Owner is deemed delivered upon being properly addressed, postage paid and deposited in the mail. Email or electronic Notice is deemed delivered when transmitted.

10.4 Allocated Interests. Each Lot or Unit's Allocated Interest represents the Unit or Lot's assigned Common Expense Liability and its Voting Power. Allocated Interests were not established in the Original Declaration because Owners do not have a property interest in the Common Elements under the HOA Act, which previously applied to the Estates prior to the recording of this Declaration. However, the Original Declaration assigned equal Common Expense Liability and voting rights to each Lot. Therefore, each Unit or Lot has the same Allocated Interest as every other Unit or Lot: $1/426^{\text{th}}$. The Owners of each Unit or Lot (as listed in **Exhibit B** and depicted on the Plat Maps and **Exhibit C**) shall be entitled to one (1) vote for each Unit or Lot owned. Thus, unless and until Lot 50202 is subdivided, the Total Voting Power in the Association shall be four-hundred twenty-six (426). Notwithstanding any error in the formula, the data used in the formula, calculation of the formula, or other discrepancy, the Allocated Interest as stated herein shall prevail.

10.5 Voting. The Owners of each Lot or Unit (as listed in Exhibit B and depicted on the Plat and Exhibit C) shall be entitled to one (1) vote for each Lot or Unit owned. The Total Voting Power in the Association shall be the sum of the Voting Power of all Lots and Units, excluding any Voting Power assigned to Units or Lots owned by the Association, irrespective of other conditions precedent to voting and regardless of the Voting Power represented at any meeting. Procedures for voting shall be as provided in the Bylaws. Except with respect to the annual meeting, a budget ratification meeting, or a special meeting to remove a Director; any vote, consent, or approval of the Owners required or permitted to be taken at a meeting of the Owners may be taken without a meeting to the extent provided in the Bylaws and in accordance with procedures provided in the Bylaws.

10.6 Bylaws. The Bylaws for the administration of the Association and for other purposes not inconsistent with WUCIOA or this Declaration, shall contain provisions relating to meetings of the Owners, including notice, quorum, voting requirements, and related procedures. The Bylaws shall also contain provisions relating to the Board, including notice, quorum and voting requirements for Board meetings; Director qualifications, powers, duties, and terms of office; requirements and procedures for electing and removing Directors and Officers, and requirements and procedures for filling Director and Officer vacancies. The Bylaws may also contain any other matters permitted by law.

10.7 Management by Board. Except where a vote or approval of the Owners is required under WUCIOA, this Declaration, the Bylaws, or Rules consistent therewith, the Board shall have exclusive power to act on behalf of the Association in all instances. The Board shall be composed of the number of directors as provided in the Bylaws. The Board may delegate certain powers and duties to one or more committees or to its Manager or other agents as provided in the Bylaws.

10.8 Powers of the Association. Subject to the provisions of this Declaration, the Association, acting through the Board, shall have all powers and authority authorized by WUCIOA and the Governing Documents, including, but not necessarily limited to, the right and authority to:

10.8.1 Amend the Declaration subject to any Owner approval required by and in accordance with ARTICLE 18;

10.8.2 Amend the Bylaws subject to Owner approval required by and in accordance with the Bylaws;

10.8.3 Adopt and amend Rules as further provided in Section 8.1.

10.8.4 Adopt and amend budgets for the Association, subject to Owner ratification, and levy assessments pursuant thereto, as further provided in ARTICLE 18;

10.8.5 Levy Individually Allocated Assessments for Specially Allocated

Expenses in accordance with Section 11.7;

10.8.6 Prepare financial statements as provided in RCW 64.90.530; and

10.8.7 Deposit and maintain the funds of the Association as further provided in ARTICLE 11;

10.8.8 Collect Assessments, and take action or suspend certain rights and privileges of Owners for delinquencies as provided in ARTICLE 12;

10.8.9 Acquire, hold, encumber, convey, dispose of, in the Association's name, any right, title, or interest to tangible or intangible personal property;

10.8.10 Convey or subject the Common Elements or real property owned by the Association to a security interest as further provided in Section 6.2;

10.8.11 Borrow funds and pledge collateral as further described in Section 11.16

10.8.12 Apply surplus funds, and make an election in accordance with IRS Revenue Ruling 70-604 as provided in Section 11.8;

10.8.13 Obtain or prepare a reserve study as further provided in Section 11.11, and establish and administer a Reserve Account as further provided in Section 11.13;

10.8.14 Make and assume contracts and incur liabilities, including hiring, contracting with, and discharging managing agents and other employees, agents, and independent contractors;

10.8.15 Institute, defend, or intervene in litigation, arbitration, mediation, administrative proceedings, and any other legal or conflict resolution proceedings as further provided in ARTICLE 15;

10.8.16 Regulate the use, maintenance, repair, replacement, and modification of Common Elements and improvements thereon, as further described in ARTICLE 6, including the authority to petition for or consent to the vacation of streets and alleys and to grant easements, leases, licenses, and concessions through or over the Common Elements, except to the extent limited by RCW 64.90.405(i) and Section 3.4 and;

10.8.17 Cause additional improvements to be made as a part of the Common Elements, subject to Section 3.2;

10.8.18 Impose and collect reasonable fees or charges as further provided in Section 12.1.

10.8.19 Enforce the Governing Documents as further provided in ARTICLE 13;

10.8.20 Obtain and maintain insurance policies for the Association as further provided in ARTICLE 14;

10.8.21 Provide for the indemnification of its Officers and Directors, as further provided in Section 15.5;

10.8.22 Enter into Lots or Units in accordance with Section 7.5;

10.8.23 Pay any amount necessary to discharge any lien or encumbrance levied against the Estates or any part thereof which is claimed to or may, in the opinion of the Board, constitute a lien against any part of the Estates, rather than merely against the interest therein of particular Owners;

10.8.24 Join in a petition for the establishment of a parking and business improvement area encompassing the Estates for activities and projects that benefit the Estates directly or indirectly;

10.8.25 Exercise any other powers conferred by this Declaration or the Bylaws;

10.8.26 Exercise all other powers that may be exercised in this state by a nonprofit corporation under RCW Chapter 24.03A; and

10.8.27 Exercise any other powers necessary and proper for the governance and operation of the Association.

10.9 Association Records.

10.9.1 *Retention of Association Records.* The Association shall retain the records listed in RCW 64.90.495 for the periods of time stated therein. Owners wishing to review Association Records shall request to do so in writing as provided in RCW 64.90.495.

10.9.2 *Record Review Request.* Owners wishing to review Association Records shall submit a written request to the Association at least ten (10) days prior to the proposed date of review that contains the following information: (a) The name and lot address of the owner requesting review; (b) The purpose for the review, which must be reasonably related to the Estates or Association, and which may not be for any commercial purposes; (c) A description of the items sought to be reviewed with sufficient detail to enable the Association to identify and provide the records for review within the requested time; (d) The date and time proposed for such review; and (e) Whether the owner will require copies of any documents reviewed.

10.9.3 *Record Review.* Subject to RCW 64.90.495, the requested records shall be made available for examination and copying by the Owners during business hours at the offices of the Association or its Manager, or other mutually convenient location, within ten (10) days unless the size of the request or the need to redact information reasonably requires a longer time not to exceed 21 days except as

provided in RCW 64.90.495(2). At the Association's option, such records may be produced by the Association in written form or electronically. The Association is not obligated to compile or synthesize information from its records or to respond to Owner interrogatories regarding Association Records.

10.9.4 *Records Protected from Disclosure.* The Association shall withhold or redact certain Association records identified in RCW 64.90.495(3) and (4) to protect any legally cognizable privilege or the privacy interests of its employees or Owners, or as otherwise provided by law.

10.9.5 *Costs of Review.* The Association may charge a reasonable fee for providing copies of records, and for the time taken to review the requested records to protect any privilege and the privacy interests of its Owners, or to otherwise compile, present, or provide the records for review, except that each Owner shall be entitled to an electronic or written copy of an Owner roster containing the names and addresses of current Owners and their Allocated Interests once a year without charge.

ARTICLE 11. ASSOCIATION FINANCIALS

11.1 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.

11.2 Association Funds. All Assessments and other receipts received by the Association on behalf of the Estates shall belong to the Association. The funds of the Association shall be kept in two or more accounts in the name of the Association and administered by the Board, including at least one Operating Account and one Reserve Account, as described in Sections 11.12 and 11.13. Association funds may not be commingled with the funds of any other person, association, or Entity, including any Manager or any other person responsible for the custody of such funds.

11.3 Annual Budget. Prior to the end of the fiscal year, the Board shall prepare and adopt an annual budget for the Association for the coming year by estimating its annual income and expenses and considering any surplus or deficit carried over from the preceding year. The annual budget shall include the following:

11.3.1 The projected annual income to the Association by category;

11.3.2 The projected annual Common Expenses by category;

11.3.3 Any projected expenses to be incurred by the Association that may be assessed as Individually Allocated Assessments, to the extent such costs are reasonably subject to being budgeted, by category;

11.3.4 The amounts to be contributed to the Reserve Accounts;

11.3.5 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 as well as the current deficiency or surplus in reserve funding expressed on a per-Unit/Lot basis;

11.3.6 The amount of the Assessments to be collected from each Unit or Lot if the budget is ratified; and

11.3.7 The date the Assessments or any installments thereof are due.

11.4 Supplemental or Special Budgets. If the Board determines that the annual budget is inadequate for any reason (including, but not limited to, Owner nonpayment of Assessments, unexpected nonrecurring Common Expenses, or any deficiencies in funds for any reason), the Board may propose a supplemental or special budget to cover such expenses. A supplemental or special budget must be proposed and ratified as provided in Section 11.5, except that a supplemental budget may be proposed by the Board at any time, with assessments or installments thereof coming due as determined by the Board and set forth in the Notice described in Section 11.7.

11.5 Budget Ratification. Within thirty (30) days after the Board's adoption of any proposed budget for the Estates, the Board shall provide Owners with a copy of the budget and Notice of a meeting to consider ratification of the budget, which meeting shall be set for not less than fourteen (14) nor more than fifty (50) days after providing the Notice and budget to Owners. Unless at that meeting, the Owners to which a majority of the Total Voting Power is allocated reject the budget, the budget and the resulting Assessments against the Units and Lots are ratified, whether or not a quorum is present. In the event the proposed budget is rejected, or the required Notice not given, the periodic budget last ratified by the Owners and the Assessments based upon that budget, shall continue until such time as the Owners ratify a subsequent budget proposed by the Board. A budget ratified by the Owners in good faith and in substantial compliance with this Section is not invalidated by the Association's insignificant failure to comply with this Article.

11.6 Assessment Calculations. All projected and actual expenses of the Association shall be assessed to the Owners, Units, and Lots in accordance with their Allocated Interests, except that:

11.6.1 Expenses associated with the maintenance, repair, and replacement of a Limited Common Element shall be assessed against the Units or Lots to which the Limited Common Element is assigned or appurtenant.

11.6.2 The following Association expenses shall, to the extent reasonably ascertainable, be assessed exclusively to the Units or Lots identified or benefited as Individually Allocated Assessments after providing the Owner with Notice and an Opportunity to be Heard regarding the Board's finding of the Owner's responsibility therefore, and after deduction of any applicable insurance proceeds received by the Association:

11.6.2.1 Any Uninsured Expense, as further provided in

Section 14.9;

11.6.2.2 Any Common Expense incurred to maintain, repair, or replace components of a Lot that the Owner has the primary responsibility to maintain, repair, or replace under Section 7.3;

11.6.2.3 If the Association provides utility or other services to Lots, the actual or estimated costs shall be assessed to the Owners to which the service is provided in accordance with usage, unless such usage is not reasonably ascertainable; and

11.6.2.4 Any expense chargeable directly to one or more but fewer than all Owners, as provided elsewhere in this Declaration.

11.7 Notice of Assessments. The Board shall levy Regular Assessments as provided in the annual budget and Special Assessments as provided in any supplemental or special assessment budget. No additional Notice of Assessments is necessary. Regular and Special Assessments shall become due as provided in the relevant budget, but if no terms are provided, then the assessments shall become due and payable in equal monthly installments on the first of the month, or other interval (such as quarterly) as may be prescribed by the Board, and shall be considered delinquent if not paid by the 10th of the month, quarter or other interval designated by the Board. The levy of Individually Allocated Assessments shall specify the amount of the Assessment and the when the Assessment or any installment thereof is due.

11.8 Surplus Funds. At the end of the period covered by the annual budget, any surplus funds of the Association remaining after payment of or provision for Common Expenses and prepayment of reserves shall, at the discretion of the Board, either be paid to the Owners at the time the surplus is determined in proportion to their Allocated Interests, or credited to them to reduce future Assessments by accounting for the surplus in the next annual budget. The Board is specifically authorized to make an election in accordance with IRS Revenue Ruling 70-604 for tax purposes.

11.9 Fees. In addition to the levy of Regular, Special, and Individually Allocated Assessments, the Association is authorized to impose and collect reasonable fees as follows:

11.9.1 A fee for the temporary, exclusive use or rental of certain Common Elements (such as rental of a cabana for a private party);

11.9.2 Moving fees covering the costs of the extraordinary use of Common Elements during the process of moving or services provided to Owners as part of moving or transfer of Units or Lots;

11.9.3 The preparation and recording of certain amendments to this Declaration and the Plat Maps as further provided in 18.7; and

11.9.4 The preparation and provision of resale certificates, as provided in

RCW 64.90.640;

11.9.5 The preparation and provision of lender questionnaires and statements of unpaid Assessments as provided in RCW 64.90.405(1)(m);

11.9.6 Late fees for late payments of Assessments as further provided in ARTICLE 11; and

11.9.7 Any other fee authorized elsewhere in this Declaration.

11.10 Owner Ledgers. While not required to segregate Association funds by Unit or Lot, the Association shall establish a record for each Unit or Lot in which payments by Owners are recorded when made, and all Assessments levied upon the Unit or Lot are recorded when due (including Regular Assessments, Special Assessments, Individually Allocated Assessments, late fees, interest, and all other fees and charges constituting Assessments as defined herein).

11.11 Reserve Study. Unless the cost of a reserve study or update exceeds ten percent (10%) of the Association's annual budget, the Association shall obtain, prepare, and periodically update a reserve study prepared in accordance with RCW 64.90.545 and .550. When more than three (3) years have passed since the date of the last professional reserve study, Owners of Units or Lots to which at least twenty percent (20%) of the Total Votes in the Association are allocated may petition the Board, in writing, that the cost of a reserve study be included in the next annual budget and that the study be prepared by the end of that budget year, which petition shall refer to RCW 64.90.555. Upon receipt of such a petition, the Board shall include the cost of a reserve study in the next Annual Budget and if that budget is approved, shall then obtain the reserve study.

11.12 Operating Accounts. All funds received by the Association shall be deposited into the Operating Accounts and Common Expenses shall typically be paid out of the Operating Accounts. Funds designated for deposit into the Reserve Account shall be transferred from the Operating Account periodically.

11.13 Reserve Accounts. At least one Reserve Account segregated from the Operating Accounts shall be maintained for the purpose of funding major maintenance, repair, or replacement of Common Elements or other areas for which the Association has the repair or replacement obligation that will require major maintenance, repair, or replacement within thirty (30) years. All amounts designated as reserves in any budget shall be deposited into the Reserve Accounts, although they may be temporarily deposited into the Operating Accounts before transfer to the Reserve Account. Reserve Accounts shall be income-earning accounts in institutions in which funds are federally insured up to applicable limits.

11.13.1 *Reserve Account Transactions*. Reserve Account transactions, including the issuance of checks, shall require the signature of at least two (2) Directors. Payments for major maintenance, repair, or replacement of the reserve components out of cycle with the reserve study projections or not included in the

reserve study may be made from the Reserve Accounts, provided the funds are used for maintenance, repair, or replacement of reserve components.

11.13.2 *Borrowing from Reserves.* The Association may withdraw funds from its Reserve Accounts to pay for unforeseen or unbudgeted costs that are unrelated to maintenance, repair or replacement of the reserve components, provided that: (a) the Board adopts a repayment schedule that shall not exceed twenty-four (24) months, unless it determines that repayment within that time would impose an unreasonable burden on the Owners; (b) such withdrawal shall be recorded in the minutes of the Board meeting at which the withdrawal was authorized or ratified; and (c) notice of the withdrawal and repayment plan, including a statement of the current deficiency in reserve funding expressed on a per-Unit or Lot basis, along with a copy of the most recent Annual Budget, is provided to each Owner.

11.14 Expenditure Limits; Capital Additions. The Association has the authority to pay all liabilities and expenses as they become due, except that the Board shall not have the authority to acquire, construct, or install any Capital Addition having a total cost of more than one hundred thousand dollars (\$100,000) without obtaining the vote or approval of the Owners to which at least a majority of the Total Voting Power is allocated.

11.15 Financial Statements & Audits. The Association shall keep financial records sufficient to enable it to comply with the audit and resale certificate requirements of WUCIOA. At least annually, the Association shall prepare, or cause to be prepared, a financial statement of the Association in accordance with accrual-based accounting principles. The annual financial statement shall be audited at least annually by a certified public accountant who is not a Director or an Owner, provided that if the Annual Budget for the relevant year is less than \$50,000, the Association may waive the audit requirement upon the approval of Owners holding at least a majority of the voting power in the Association.

11.16 Borrowing. The Association may borrow funds from banks, other financial institutions, lenders, vendors, and/or contractors to pay for maintenance, repair, replacement, reconstruction, alteration, addition, or improvement to the Estates (including Capital Additions), or for any other purposes that the Board determines is in the best interests of the Association without a vote or other approval of the Owners except as provided in this Section. If the loan is to be secured by an assignment of the Association's right to receive future income, the Association shall obtain Owner ratification as follows:

11.16.1 *Notice.* The Association shall send to all Owners a Notice of special Owners meeting that contains: (a) a statement of the Association's intent to borrow; (b) the purpose and maximum amount of the loan; (c) the estimated amount and term of any assessments required to repay the loan; (d) a reasonably detailed projection of how the money will be expended; and (e) the interest rate and term of the loan.

11.16.2 *Owner Vote.* Unless at that meeting, Owners to which a majority of

the Total Votes in the Association reject the proposal to borrow, regardless of quorum, the Association may proceed to borrow the funds in substantial accordance with the terms contained in the Notice.

ARTICLE 12. ASSESSMENT LIENS & COLLECTIONS

12.1 Personal Obligation. All Assessments as defined in this Declaration shall be the joint and several personal obligation of the Owners of the Unit or Lot when the Assessment or an installment thereof becomes due. An Owner's obligation to pay Assessments is absolute; no Owner may claim diminution, offset or abatement of Assessments for any reason other than the failure of the Association to properly assess in accordance with WUCIOA and this Declaration. In a voluntary conveyance, the seller or grantee of a Unit or Lot shall be jointly and severally liable with the buyer or grantor for all unpaid Assessments associated with the Unit or Lot up to the time of the grantor's conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. Foreclosure by a Mortgagee does not relieve the Owner of personal liability for Assessments or installments thereof that became due prior to the Foreclosure Date. Suit to recover personal judgment for any delinquent Assessments shall be maintainable without foreclosing or waiving the liens securing them.

12.2 Failure to Pay Assessments when Due. When an Owner fails to pay any Assessments when due, the Association may exercise any or all of the following remedies without prejudice to its rights to any other remedy contained in the Governing Documents:

12.2.1 *Late Charges.* The Association may establish and impose reasonable late charges and a rate of interest to be charged on all delinquent Assessments or installments thereof. In the absence of another established non-usurious rate, delinquent Assessments shall bear interest from the date of delinquency at the maximum rate permitted under RCW 19.52.020 and shall be subject to a \$25 late charge per month. Such charges shall constitute Assessments as defined herein.

12.2.2 *Notices of Delinquency.* The Association may send one or more Notices of delinquency and, if the Association intends to preserve its right to foreclose on the delinquent assessment lien, shall provide a notice of delinquency in accordance with RCW 64.90.480(21);

12.2.3 *Acceleration.* If any Assessment levied upon a particular Lot or Unit remains delinquent for more than ninety (90) days, the Board may, upon fifteen (15) days' written notice to the Lot or Owner, accelerate and demand immediate payment of all Assessment installments that the Board reasonably determines will become due during the next twelve (12) months with respect to the Lot or Unit. The right of acceleration under this Section is solely for the benefit of the Association. If the Board has exercised its right of acceleration under this Section, it may, in its sole

discretion, reverse the acceleration.

12.2.4 *Third-Party Collections.* The Association may refer a delinquent account for collection by a third-party collection agency or attorney.

12.2.5 *Personal Obligation Lawsuit.* The Association may commence a lawsuit against the Owner to collect the delinquent assessments.

12.2.6 *Foreclosure.* The Association may commence a foreclosure action against the Owner to foreclose the delinquent assessment lien as further provided in Section 13.5;

12.2.7 *Costs and Fees Incurred in Collecting.* The Association shall be entitled to recover any and all costs incurred in connection with the collection of delinquent Assessments, including, but not limited to, administrative costs imposed by the Manager, costs of preparing and serving notices, lien preparation, recording costs, copying, filing fees, and reasonable attorneys' fees, whether or not such collection activities result in suit being commenced or prosecuted to judgment. In addition, the Association shall be entitled to recover costs and reasonable attorney fees if it prevails on appeal and in the enforcement of a judgment.

12.3 Delinquent Assessment Lien. The Association has a statutory, automatically perfecting lien on a Unit or Lot for any unpaid Assessments that arises when the Assessment or an installment thereof becomes due but is unpaid. Recording of the Original Declaration constituted record notice and perfection of the delinquent Assessment lien; however, the Association may, at its election, record a notice of claim of lien in Thurston County specifying the amount owed as of a particular date. Recording of a notice of claim of lien shall not constitute a written notice of delinquency to an Eligible Mortgagee.

12.4 Lien Priority. The Association's statutory Assessment lien described in this Article shall be superior to all other liens and encumbrances on, and interests in, a Unit or Lot except as follows:

12.4.1 Liens and encumbrances recorded before the recording of the Original Declaration are superior to the Association's Assessment lien;

12.4.2 Liens for real property taxes and other governmental assessments or charges against the Unit or Lot are superior to the Association's Assessment lien;

12.4.3 A Mortgage against the Unit or Lot that was recorded prior to the date of the delinquency, except that if the Association provides the Unit or Lot Mortgagee with at least sixty (60) days' written notice of default as required by RCW 64.90.485(3), the Association shall have a six-month "super-priority" Assessment lien for delinquencies that arise after the recording of a Mortgage on a Unit or Lot, along with cost and fees incurred, all as calculated in accordance with RCW 64.90.485(3).

12.5 Lien Survives Sale & Bankruptcy. The Association's lien for unpaid Assessments shall not be affected by the bankruptcy of an Owner, or by sale or transfer of a Unit or Lot, except in the event of foreclosure. A foreclosure or recording of a deed in lieu thereof shall extinguish the Association's delinquent assessment lien for all Assessments or installments that became due prior to the Foreclosure Date, except to the extent of the Association's super-priority lien as provided in Section 12.3. Foreclosure shall not relieve subsequent Owners of the Unit or Lot from paying Assessments or installments coming due after the Foreclosure Date.

12.6 Foreclosure. Subject to the provision of any pre-foreclosure notices of delinquency or the satisfaction of any other prerequisites as may be required by RCW 64.90.485, the Association may foreclose its Assessment lien as follows:

12.6.1 Judicial Foreclosure. The Association's Assessment lien may be enforced judicially by the Association or its authorized representative in the manner set forth in RCW Chapter 61.12. The Association or its authorized representative shall have the power to purchase the Unit or Lot at the foreclosure sale and to acquire, hold, lease, mortgage, or convey the same. Upon an express waiver in the complaint of any right to a deficiency judgment in a judicial foreclosure action, the period of redemption shall be a maximum of eight (8) months. Nothing in this Section shall prohibit the Association from taking a deed in lieu of foreclosure. Except as to the super-priority over Mortgages provided in Section 12.3, the holder of a Mortgage or other purchaser of a Unit or Lot who obtains the right of possession of a Unit or Lot through foreclosure or deed in lieu of foreclosure shall not be liable for any Assessments or installments thereof that became due prior to such right of possession. If deemed uncollectible, such unpaid Assessments shall be deemed Common Expenses. Foreclosure does not relieve the prior Owner of personal liability for Assessments or installments thereof accruing against the Unit or Lot prior to the date of such sale pursuant thereto.

12.6.2 Non-Judicial Foreclosure. The Association shall have the right to foreclose its Assessment lien non-judicially in the manner provided for trustees' sales under the Washington Deed of Trust Act, RCW Chapter 61.24. For such purpose, the Estates is hereby conveyed, transferred, and assigned to Chicago Title Insurance Company, as trustee, in trust with power of sale, for the benefit of the Association as security for the payment of the Assessments levied by the Association when due. Said power of sale may be exercised with respect to any given Unit or Lot upon the failure of the Owner thereof to pay any amounts which are secured by said lien. No portion of the Estates is used principally for agricultural or farming purposes. The Association or its authorized representative shall have the power to purchase the Unit or Lot at the trustee's sale and to acquire, hold, lease, mortgage, or convey the same. If the Association forecloses its lien non-judicially pursuant to this Section, it shall not be entitled to the super-priority over Mortgages described in Section 12.3.

12.7 Receiver. In any action by the Association to collect delinquent Assessments or foreclose the delinquent Assessment lien against a Unit or Lot that is not occupied by an Owner, the Association shall be entitled to the appointment of a receiver to collect the rent for the Unit or Lot from the Tenant, if any, as and when due. If the Unit or Lot is unoccupied, the receiver may obtain possession of the Unit or Lot, refurbish it for rental up to a reasonable standard for rental Unit or Lots in this type of Estates, rent the Unit or Lot or permit its rental to others, and apply the rents first to the cost of the receivership and attorney fees thereof, then to the cost of refurbishing the Unit or Lot, then to applicable charges, then to costs, fees, and charges of the foreclosure action, and then to the payment of the delinquent Assessments. Only a receiver may take possession and collect rents under this Section, and a receiver shall not be appointed less than ninety (90) days after the delinquency. The exercise by the Association of the foregoing rights shall not affect the priority of preexisting liens on the Unit or Lot.

12.8 Statute of Limitations. The Association's Assessment lien and the personal obligation to pay is extinguished unless proceedings to foreclose the lien or collect the debt are commenced within six years after the assessments sought to be recovered became due.

12.9 Certificate of Delinquent Assessments. Within fifteen (15) days of a written request from an Owner or Mortgagee, the Association shall provide a statement signed by an Officer or authorized agent of the Association setting forth the amount of unpaid Assessments associated with the Owner's Unit or Lot, the amount of the super-priority lien described in Section 12.3, or both. The statement shall be binding on the Association unless and to the extent known by the recipient to be false. Owners further consent to the provision of such a certificate to the Mortgagee of its Unit or Lot and any agents thereof. The Board may establish a reasonable fee to be charged for the cost of preparing the certificate, which shall also be considered a cost of collection of the delinquent account.

ARTICLE 13. ENFORCEMENT

13.1 Strict Compliance. Each Owner shall strictly comply with the Governing Documents and the decisions of the Board relating thereto and shall cause their Occupants, Tenants, and Guests to strictly comply. Violations of the Governing Documents committed by Occupants, Tenants, and Guests shall be imputed to the Owners of the Unit or Lot associated with the Occupants, Tenants, or Guests. Each Owner shall comply strictly with the Governing Documents as they may be lawfully amended from time to time, and the decisions of the Board relating thereto. Owners are responsible for the compliance of their Residents. Failure to comply shall be grounds for imposition of fines or other action by the Association to obtain compliance, including actions to recover sums due, damages, for injunctive relief, or any or all of them. In order to obtain equitable relief under this Declaration, no showing of irreparable injury or the lack of a remedy at law or the inadequacy of such remedy shall be required; provided, that this covenant shall not

preclude an Owner or the Association from also seeking monetary damages. Such actions may be prosecuted by the Association or by any aggrieved Owner.

13.2 Decision to Enforce. The Association has no duty to take enforcement action if the Board determines, under the facts and circumstances presented, that (a) the Association's legal position does not justify taking any or further enforcement action; (b) the provision or Rule being enforced is, or is likely to be construed as inconsistent with the law; (c) the violation is not so material as to be objectionable to a reasonable person or justify expending the Association's resources; or (d) it is otherwise not in the best interests of the Association to pursue an enforcement action. The Board's decision not to pursue enforcement in any case does not prevent the Association from taking enforcement action under another set of circumstances, but the decision to enforce or not enforce may not be arbitrary.

13.3 Consequences of Failure to Comply. Failure to comply with the provisions of the Governing Documents shall be grounds for imposition of fines or levy of costs incurred by the Association in gaining compliance, as well as commencement of actions to gain compliance, recover sums due, damages, restraining orders, injunctive relief, or any or all of them. Such actions may be prosecuted by the Association or by any aggrieved Owner. The remedies provided in WUCIOA and in the Governing Documents, including this Article, are cumulative and the Association may pursue any of them, as well as any other remedies that may be available under law although not expressed herein, either concurrently or in any order. These remedies shall be liberally administered to the end that the aggrieved party is put in as good a position as if the other party had fully performed. However, consequential, special, or punitive damages may not be awarded except as specifically provided in this chapter or by other rule of law.

13.4 Assessments for Costs of Compliance. Subject to Notice and an Opportunity to be Heard, the Association has the power and authority to assess individual Units or Lots and Owners for any Association expenses remaining after application of insurance proceeds that relate to damage or loss of property caused by the willful misconduct, gross negligence, or negligence of an Owner, or by that Owner's failure to comply with a maintenance standard prescribed herein. Owners shall also be assessed for any expenses caused by the violation of a maintenance standard contained in a Rule, provided such Rule contains the statement the Owner may be liable for damage or loss caused by failure to comply with the standard.

13.5 Notice and an Opportunity to Be Heard. The Board shall provide Owners with Notice and an Opportunity to be Heard regarding violations of the Governing Documents prior to the imposition of any fine or assessment of any costs of compliance based on a finding by the Board, as described in this Section. The Board may, by Rule, adopt specific procedures for the provision of such Notices, the Owner's request for a hearing, and procedures for hearings consistent with WUCIOA and the Governing

Documents. In the absence of Rules providing such procedures, however, the Association shall provide the Owner with a Notice and an Opportunity to be Heard as follows:

13.5.1 *Notice.* The Notice of violation to the Owner shall include: (a) a general statement of facts comprising the violation; (b) citation to the provision violated; (c) the proposed consequence (fine or imposition of costs of repair); (d) if the noncompliance is ongoing, a description of what the Owner must do to come into compliance along with a statement of a reasonable amount of time to do so before any consequence is imposed; and (e) a statement that the Owner has a right to be heard before the Board or representative of the Board along with instructions on how to request such a hearing within a reasonable amount of time.

13.5.2 *Opportunity to be Heard.* If the Board is threatening to impose a fine or other consequence for the violation, the Board must provide the Owner with a reasonable amount of time to request a hearing before the Board or Board designee regarding the violation.

13.5.3 *Notice of Hearing.* If the Board receives the Owner's request for a hearing within the time stated or other reasonable amount of time as determined in the Board's discretion, the Association shall provide the Owner with Notice of the hearing before the Board or its designee regarding the violation or proposed action. The hearing shall be set not less than ten (10) nor more than thirty (30) days from the receipt of the timely request for hearing, unless the Board and the affected owner otherwise mutually agree upon a date and time for the hearing. The Notice of hearing shall include (a) a general statement of facts comprising the violation or violations to be considered at the hearing; (b) a statement that the proposed fine or consequence will not be imposed until after the hearing; (c) the date, time and place of the hearing, (d) any time limits upon the presentation of evidence; and (e) whether the affected owner may offer a written statement in lieu of appearance.

13.5.4 *Hearing.* The purpose of the hearing is to give the Owner a reasonable amount of time to present evidence or argument to the Board or designee regarding the violation. The Owner may invite other Owners or witnesses to present evidence or argument, but the hearing is not a trial and does not imply a right to interrogate or cross-examine the Directors or the complainants, if any. The Board or designee has the authority to control the hearing to assure minimal due process as well as the prompt and orderly resolution of the issue.

13.5.5 *Decision of the Board.* Within a reasonable time, the Board will meet in executive session to make its decision on whether a violation has been committed and shall endeavor to send the Owner Notice of its decision in writing in the same manner in which the Notice of the meeting was given within thirty (30) days of the hearing. Any fines imposed after a hearing shall become due on the first of the month following Notice of the Board's decision unless the Notice of decision states otherwise.

13.6 Owner Waiver of Right to be Heard. Failure of the Owner to request a hearing within the reasonable period of time stated in the Notice shall result in the Owner's waiver of the right to be heard, but the Association may nonetheless provide the Owner with a hearing in its discretion. Failure to appear at the hearing without reasonable excuse, significant Owner delays in scheduling or rescheduling the hearing, or demands to be heard in a manner unsupported by the Governing Documents may also result in the Owner's waiver of the right to be heard as determined by the Board under the totality of the circumstances. Failure to request or appear at a hearing when the Owner has been given a reasonable opportunity to do so shall be treated as the Owner's failure to exhaust administrative remedies and shall result in the Owner's waiver of any right to challenge the violation in any other action or forum.

13.7 Fine Schedule. The Board shall, by Rule, create a schedule of reasonable fines applicable to specific violations of the provisions of the Governing Documents to be imposed only after providing the Owner with Notice and an Opportunity to be Heard. Fine schedules are effective as of the date sent to each Owner in the manner of sending a Notice of an Owners' meeting or any later date specified therein. Fines included in the schedule may not be imposed for violations occurring prior to the effective date of the fine schedule unless the violation is ongoing and continues after the fine schedule is effective. In the absence of such a fine schedule, this Declaration constitutes record notice that the fine for any violation of the Governing Documents is fifty dollars (\$50). No fine or other consequence may be imposed until after the reasonable period of time for the Owner to request a hearing has lapsed or a hearing has been held.

13.8 Costs of Enforcement & Attorney Fees. The Association shall be entitled to collect from an Owner all costs of enforcement, including attorney fees, that are incurred by the Association after the Owner fails or refuses to come into compliance after being given reasonable Notice and an Opportunity to be Heard. Such costs and fees are Assessments as defined herein.

13.9 No Waiver. The failure of the Board in any instance to insist upon strict compliance with the Governing Documents shall not be construed as a waiver or a relinquishment for the future of any term, covenant, condition, or restriction. Nor shall acceptance of partial payment or payment of Assessments constitute a waiver or ratification of any violation, or an accord and satisfaction. No waiver by the Board of any requirement shall be effective unless expressed in writing and signed by the Board. However, nothing in this Section or the Governing Documents shall be construed to deny persons with disabilities recognized by the federal Fair Housing Act or other similar laws the right to reasonable accommodations that may entitle them to non-enforcement of certain provisions of the Governing Documents against them.

ARTICLE 14. INSURANCE

14.1 Property Insurance. To the extent reasonably available, the Association shall maintain, in its own name, property insurance on the Common Elements of the Estates insuring against all risks of direct physical loss commonly insured against, subject to reasonable deductibles. The total amount of insurance after application of any deductibles shall not be less than one hundred percent (100%) of the replacement cost of the insured property at the time the insurance is purchased and at each renewal date, exclusive of land, excavations, foundations, and other items normally excluded from such property policies.

14.2 Liability Insurance. To the extent reasonably available, the Association shall maintain commercial general liability insurance with policy limits not less than those generally required for projects of similar construction, location, and use. The liability insurance shall cover all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the Common Elements and such other risks as are customarily covered with respect to developments of similar construction, location, and size.

14.3 Specific Property and Liability Insurance Requirements. Policies obtained by the Association pursuant to Sections 14.1 and 14.2 shall also provide, or have the effect of providing, the following provisions or endorsements:

14.3.1 Each Owner is an insured person under the policy with respect to liability arising out of the Owner's interest in the Common Elements or membership in the Association;

14.3.2 The insurer waives its right to subrogation against any Owner or member of the Owner's household;

14.3.3 No act or omission by any Owner will void the policy or be a condition to recovery under the policy, unless that Owner was acting within the scope of the Owner's authority on behalf of the Association;

14.3.4 If, at the time of the loss under the policy, there is other insurance in the name of the Owner covering the same risk covered by the policy, the Association's policy provides primary insurance and the liability of the insurer shall not be affected by, and the insurer shall not claim any right to set off, counterclaim, apportionment, proration, contribution or assessment by reason of any other insurance obtained by or for any Owner or any Mortgagee;

14.3.5 A construction code or similar endorsement or provision covering the cost of compliance with applicable building codes that require changes to undamaged portions of the Estates when only a part of the Estates is damaged or destroyed by an insured hazard;

14.3.6 If reasonably available, agreed amount and inflation guard endorsements.

14.4 Fidelity Insurance. The Association shall maintain, to the extent reasonably available, fidelity insurance or bonds affording coverage for dishonest acts of Association Officers, Directors, trustees, employees, agents, and any and all other persons who handle or are responsible for handling or administering any funds of the Association, with policy limits up to the estimated maximum funds in the custody of the Association, but no less than amounts in the Reserve Account plus three months' aggregate Assessments. The policy shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression. Additionally, the Board may require that any Manager be covered by its own fidelity bond or insurance.

14.5 Other Insurance. The Association may maintain, to the extent reasonably available, such other insurance as the Board deems advisable, including but not limited to a master or blanket policy of flood insurance if the Estates is in a special flood hazard area, or to comply with the requirements of the Federal National Mortgage Association, the Federal Home Loan Mortgage Association, the Department of Housing and Urban Estates ("HUD"), or such other lenders or loan servicers or guarantors.

14.6 Insurance Not Reasonably Available. If the insurance described in this Article is not reasonably available, is cancelled, or not renewed, and the Association is not able to obtain insurance in compliance with this Article, the Association shall promptly notify all Owners of extent to which the insurance obtained, if any, deviates from the requirements of this Article.

14.7 Use of Association Insurance Proceeds. Any insurance proceeds received by the Association must be applied to the repair or restoration of the damaged property for which the proceeds were received unless: (a) the Estates is terminated; (b) repair or replacement would be illegal under any state or local health or safety statute or ordinance; or (c) Owners holding eighty percent (80%) of the Total Voting Power vote not to rebuild. No one other than the Association is entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the damage for which the has been completely repaired or restored or the Estates is terminated. The cost of repair or replacement of damaged areas in excess of insurance proceeds may be assessed to Owners as Individually Allocated Assessments.

14.8 Owner's Insurance. The Association's insurance does not cover damage to Units or Lots. Therefore, each Owner shall obtain and maintain insurance on the Owner's entire Lot extending to the boundaries of the Lot as described in Section 4.1 or to the entire Unit, extending to the boundaries of the Unit as described in the Townhomes Condominium Declaration. No Owner shall maintain insurance coverage that will tend to decrease the amount the Association may realize under any insurance policy it may have in force at any particular time. The Association may, by Rule, require that each Owner deliver a certificate of insurance or other document proving that the Owner has obtained and is maintaining the insurance required by this Section.

14.9 Liability for Uninsured Expenses. Unless the Uninsured Expense is the result of the Association's failure to obtain or sustain the property insurance required by this Article, Uninsured Expenses may be assessed to owners based on determinations by the Board of Directors as provided herein:

14.9.1 *Owner Liability Based on Fault.* If the Board finds that the damage is the result of a negligent or intentional act or omission of an Owner, including the failure to maintain or repair an item that the owner has an obligation to maintain or repair, then that Owner shall be assessed all Uninsured Expenses after being given Notice and an Opportunity to be Heard regarding the Board's finding, as further provided in Section 13.5.

14.9.2 *Cap on Uninsured Expense Assessments.* Notwithstanding the subsections above, where the Uninsured Expense is the result of the Board of Directors' decision that filing an insurance claim for a loss that would typically be covered would not be in the best interests of the Association, the total of all Assessments for Uninsured Expenses shall not exceed the total of the deductibles that would typically apply to the Association's losses.

ARTICLE 15. CLAIMS, LIABILITY & INDEMNIFICATION

15.1 Claims by the Association. The Association may institute, defend, or intervene in litigation, arbitration, mediation, administrative proceedings, and any other legal or conflict resolution proceedings in the discretion of the Board, in its own name on behalf of itself or two (2) or more Owners on matters affecting the Estates.

15.2 Claims Against Declarant & Construction Professionals. Neither the Association nor any Owner except the Declarant is liable for the Declarant's torts or other actions in connection with any part of the Estates that the Declarant has or had the responsibility to maintain. Claims against the Association for acts of the Association during any period of Declarant Control may be brought against the Declarant pursuant to RCW 64.90.460(2)(b), subject to any prerequisites contained therein. Actions against Declarant or any other "construction professional" as defined in RCW 64.50.010 may require a notice of claim or other prerequisites action before commencing the action, as provided in RCW Chapter 64.50.

15.3 Claims by Owners. Each Owner has standing to bring an action against the Association or another Owner to enforce a right granted or obligation imposed under WUCIOA or the Governing Documents. Where WUCIOA or the Governing Documents provide that the Board may or shall exercise its discretion in making certain decisions, and such decisions are made in compliance with the procedures required by WUCIOA or the Governing Documents, those decisions shall not be subject to challenge in the absence of proof of fraud, dishonesty, or incompetence (including failure to exercise reasonable care, skill, and diligence). Neither the Association nor the Board shall be liable for the failure

of any utility or other service to be obtained and paid for by the Board, or for inconvenience or discomfort resulting from any action taken to comply with the Governing Documents, any law, ordinance, or orders of a governmental authority. No diminution or abatement of Assessments shall be claimed or allowed for any such utility or service failure, for such injury or damage, or for such inconvenience or discomfort. Unless the Association has already commenced an action in which the Owner's claim may be alleged, any Owner with a claim against the Association or another Owner relating to the Estates shall provide the Owner or Association with a notice of intent to file a claim along with a demand for mediation at least sixty (60) days prior to initiating any legal action. During that period, the parties shall attempt to resolve the matter in good faith. The defendant in any action commenced in violation of this Section shall be entitled to all costs of defense and dismissal of the action, including reasonable attorneys' fees. This section is intended to apply only to claims between Owners or by an Owner against the Association and shall not be interpreted to require the Association to provide notice of or mediate claims it may have against Owners, whether for collection of Assessments, enforcement of the Governing Documents, or otherwise.

15.4 Claims Against Directors & Owners. An action alleging a wrong done by the Association must be brought against the Association in its own name and not against any Owner or any Officer, Director, or Association committee member. An Owner is not liable, solely by reason of being an Owner, for injury or damage arising out of the condition or use of the common elements. Owner, Officer, or Director defendants in any action commenced in violation of this Section shall be entitled to all costs of defense and dismissal of the action, including reasonable attorneys' fees. So long as an Officer, Director, or committee member has acted in good faith, without willful or intentional misconduct, without personal pecuniary gain, and upon the basis of such information as is then possessed by such person, that person shall not be personally liable to any Owner, or to any other person, including the Association, for any damage, loss, or prejudice suffered or claimed on account of any act, omission, error, or negligence of such person. However, nothing in this section shall be construed to adversely affect an insurer's duty to defend such persons or affect coverage of claims against such persons.

15.5 Indemnity for Directors and Officers. Except as provided in this Section, Directors and Officers of the Association shall be indemnified by the Association against all expenses and liabilities (including attorneys' fees) reasonably incurred by, or imposed in connection with, any proceeding in which such person may become involved, solely by reason of holding or having held such position, regardless of whether or not such person holds such position at the time such expenses or liabilities are incurred, provided that either (a) the Director or Officer was wholly successful, on the merits or otherwise, in the defense of any such proceeding; or (b) the Board determines that they acted in good faith; reasonably believed that their actions conducted in their official capacity as Directors and Officers were in the best interests of the Association or that any other actions were not opposed to the best interests of the Association. Notwithstanding the above, the indemnity

shall not extend to amounts paid in settlement unless the Association is a party to the proceeding or approves such settlement and the Association has no separate obligation to indemnify such persons if such expenses and liabilities are covered by any type of insurance, nor shall Association shall indemnify Directors and Officers in connection with a proceeding in which they are adjudged liable to the Association; where the act or omission constitutes intentional misconduct, knowing violation of the law, or making of unlawful distributions under the NPCA; or for any such transaction in which such persons personally received a benefit to which such persons were not legally entitled. This indemnity and the limits thereof shall be construed as consistent with the authority to indemnify under the Washington Business Corporations Act at RCW 23B.08.500 through .603, to the extent applicable through the NPCA at RCW 24.03A.630.

15.6 Notice to Owners. The Association shall promptly provide Notice to the Owners of any legal proceeding in which the Association is a party other than proceedings involving enforcement of the Governing Documents, or actions to collect unpaid assessments or other sums due the Association.

15.7 Settlement. Notwithstanding anything contained in the Governing Documents to the contrary, the Board shall have the sole authority to compromise or settle any claims made by or against it regardless of whether legal action has been commenced.

15.8 Limitation of Liability for Utility Failure. Except to the extent covered by insurance obtained by the Board, neither the Association nor the Board shall be liable for the failure of any utility or other service to be obtained and paid for by the Board, or for inconvenience or discomfort resulting from any action taken to comply with the Governing Documents, any law, ordinance, or orders of governmental authority. No diminution or abatement of Assessments shall be claimed or allowed for any such utility or service failure, for such injury or damage, or for such inconvenience or discomfort.

ARTICLE 16. DEVELOPMENT & SPECIAL DECLARANT RIGHTS

At the time of the recording of this Declaration, the time to exercise any and all rights reserved to the Declarant, including but not limited to Estates rights, special declarant rights, and the period of declarant control, have either expired pursuant to the terms of the Original Declaration, or by law, or may no longer be exercised due to the occurrence of a condition in the Original Declaration, such as Declarant's sale of all Units and Lots.

ARTICLE 17. CONDEMNATION

17.1 Condemnation Notices. If any portion of the Estates the Estates is made the subject matter of any Condemnation as defined herein, the provisions of this Article shall apply and notice of the proceeding or proposed acquisition shall be promptly given to each Owner whose Unit or Lot or Limited Common Elements assigned or appurtenant to the

Unit or Lot owned is targeted for Condemnation, and to all Owners if the Common Elements that are not also Limited Common Elements are targeted for Condemnation.

17.2 Condemnation of Common Elements. The Association shall represent each of the Owners in any proceeding, negotiation, settlement or agreement regarding Condemnation of the Common Elements, including the Limited Common Elements. the Estates. Each Owner appoints the Association as attorney-in-fact for such purposes. The Board may appoint a trustee to act on behalf of the Owners in carrying out the foregoing functions in lieu of the Association. Should the Association fail to act, the affected Owners may individually or jointly act on their own behalf.

17.3 Condemnation of a Unit or Lot. The Association shall have no authority to represent any Owner in relation to the Condemnation of any portion of a Unit or Lot, or with respect to the Townhomes Condominium. Authority to represent Unit Owners in the case of Condemnation of a Unit or common elements of the Townhomes Condominium is as provided in the Townhomes Condominium Declaration.

17.4 Condemnation Proceeds. If any part of the Common Elements is acquired by Condemnation, the portion of the award attributable to the taking of Common Elements shall be paid to the Association, except that any portion of the award attributable to the acquisition of Limited Common Elements must be equally divided among Owners of the Lots to which those Limited Common Elements were assigned or appurtenant at the time of the acquisition. If a Lot is acquired by Condemnation, or if part of a Lot is acquired by Condemnation leaving the Owner with a remnant of a Lot that may not practically or lawfully be used for any purpose permitted by this Declaration, the award or offer to purchase must compensate the Owner for the Owner's Lot and its applicable Allocated Interest in the Common Elements, whether or not any Common Elements are acquired. If only part of a Lot is acquired by Condemnation, the award must compensate the Owner for the reduction in value of the Lot and its appurtenant Allocated Interest in the Common Elements, whether or not any Common Elements are acquired.

17.5 Reallocation of Allocated Interests. Upon acquisition of a Unit or Lot through Condemnation, unless the settlement or decree provides otherwise, that Unit or Lot's Allocated Interests shall be reallocated to the remaining Unit or Lots in proportion to the appropriate Allocated Interests of those Unit or Lots before the taking, and any remnant of a Unit or Lot that may not practically or lawfully be used for any purpose permitted by this Declaration remaining after part of a Unit or Lot is taken under this Section shall thereafter be characterized as a Common Element. If only part of a Lot is acquired by Condemnation, leaving a habitable remainder, that Lot's Allocated Interests shall be reduced in proportion to the reduction in the square footage of the Lot, and the portion of the Allocated Interests divested from the partially acquired Lot shall be reallocated to that Lot and the remaining Lots in proportion to the respective Allocated Interests of those Lots before the taking, with the partially acquired Lot participating in the reallocation on the basis of its reduced Allocated Interest.

17.6 Distribution of Condemnation Proceeds. Promptly after receipt, the Association shall pay the proceeds from the Condemnation to each Owner entitled to such proceeds as otherwise provided in this Article, along with notice to the Owner that if the Lot is subject to a Mortgage, the Mortgagee may have rights to receipt of those funds and that the Owner is responsible for ensuring payment of its Mortgagees in accordance with the Mortgage provisions.

17.7 Recording Required. The Association shall record the final Condemnation decree, judgment, or any instrument in lieu thereof describing the effect of the taking in the records of Thurston County, which recording shall contain cross-references to this Declaration, the Plat Maps, and any amendments thereto.

ARTICLE 18. AMENDMENT

18.1 Unilateral Amendments by Board. The Board may unilaterally, and without a vote of the Owners or other approval, adopt, execute, and record the following amendments subject to the conditions contained in this Section.

18.1.1 *Discriminatory Restrictions.* Upon thirty (30) days' advance Notice to Owners, the Board may amend any Governing Document to remove any language that the Board determines, in good faith, constitutes a prohibition, restriction, covenant, or condition that purports to interfere with or restrict the transfer, use, or occupancy of a unit on the basis of race, color, religion, national origin, sex, familial status, disability, or other personal characteristics in violation of other state or federal laws. The amendment shall include a conspicuous statement in substantially the following form: "This amendment removes from this deed or other document affecting title to real property an unlawful restriction as defined under RCW 64.90.511 and 64.90.5111. The amendment does not affect the validity or enforceability of a restriction that is not an unlawful restriction."

18.1.2 *Correction Amendments.* Upon thirty (30) days' advance Notice to Owners, and with the approval of two-thirds (2/3) of the Board if required by RCW 64.90.285(10), the Board may amend or supplement the Governing Documents to: (a) correct a mathematical mistake, an inconsistency, or a scrivener's error; (b) to clarify an ambiguity in the Governing Documents with respect to an objectively verifiable fact including, without limitation, recalculating the Allocated Interests; and (c) to effect the removal of language that purports to impose limitations on the power of the Association to deal with the Declarant that are more restrictive than the power to deal with others as provided in RCW 64.90.405(3);

18.1.3 *Costs.* The cost of any amendment under this Section 18.6 shall be a Common Expense.

18.2 Amendments by Board and Certain Owners. The Board and certain Owners may adopt and approve amendments to the Declaration without a vote of the Owners to

relocate Lot boundaries or to combine or subdivide Lots under Section 4.12; to convert a Common Element to a Limited Common Element if there is no Owner objection under Section 6.4, or to convert a Limited Common Element to a Common Element under Section 6.5. All costs of preparing, executing, and recording the amendments required by this Section shall be assessed to the Owner (or prorated to the Owners if multiple Lots are involved) as Individually Allocated Assessments.

18.3 Amendments Requiring a Vote of the Owners. The following provisions apply to amendments other than those referenced in Sections 18.1 and 18.2.

18.3.1 *Board Proposal.* The Board may cause a proposed amendment to the Declaration or Bylaws to be submitted to the Owners for approval. Notice of a meeting at which an amendment is to be considered, or Notice that an amendment is proposed for approval without a meeting, shall include the text of the proposed amendment. Notwithstanding this requirement, non-material terms, typographical errors, formatting, and changes that would not otherwise require the approval of the Owners may be corrected after approval is obtained, but prior to recording or distribution.

18.3.2 *Owner Approval.* All amendments to the Declaration other than those referenced in Sections 18.1 and 18.2 shall require the vote or approval of Owners to which at least sixty-seven percent (67%) of the Total Voting Power is allocated, except that an amendment that changes the Allocated Interests of a Unit or Lot unrelated to Condemnation, subdivision, combination, or relocation of the Unit or Lot boundaries shall require the approval of Owners to which ninety percent (90%) of the Total Voting Power is allocated, including the approval of those Owners whose Allocated Interests would be changed; provided, that if such amendment is approved by Owners to which at least sixty-seven percent (67%) of the Total Voting Power is allocated, no Owner voted against the amendment, and no Owner objects after providing all Owners with sixty (60) days' Notice of intent to proceed with the amendment, the amendment shall be considered approved by the Owners in accordance with RCW 64.90.285(13) and may thereafter be executed and recorded.

18.4 Execution. All amendments shall be executed by an Officer of the Association, who shall certify that the amendment was properly adopted and approved. Amendments shall also be executed by the Owners of the Lots whose Lot boundaries were altered, whose Lots were combined or subdivided, or whose assigned or appurtenant Limited Common Elements were reallocated or converted from Common Elements or vice versa.

18.5 Conveyances. In the case of a conversion of a Common Element to a Limited Common Element, conversion of a Limited Common Element to a Common Element, or Lot boundary relocation, the amendment shall contain words of conveyance between the Association and Owner for conversion of Common Elements, and between the Owners of

Lots whose boundaries are relocated and may need to be reviewed by the county assessor or tax authority prior to recording.

18.6 Costs of Amending. All costs of preparing, executing, and recording Declaration amendments shall be a Common Expense, except that any amendment requiring the execution of an Owner or Owners shall be assessed to such Owners as Individually Allocated Assessments.

18.7 Form of Declaration Amendment; Recording. All Declaration and Plat Maps amendments shall be in writing and shall state the consecutive number of the amendment of the Declaration in the title (e.g., “Fifth Amendment to the Amended & Restated Declaration for Sunset West Estates”). Amendments shall be indexed in the name of the Estates and the Association and shall contain a cross-reference by recording number to this Declaration and any previously recorded amendment thereto. Amendments must be recorded in the real property records of Thurston County and are not effective until recorded.

18.8 Plat Maps Amendment. Plat Maps may be amended by preparation and recording of revised versions or portions thereof, along with an amendment to this Declaration that describes the purpose and effect of the Plat Maps Amendment. Except to the extent expressly permitted or required by other provisions of this Declaration, an amendment to the Plat Maps may be proposed and approved in the same manner as amendments to the Declaration as described in this Article, except that that the Notice of a proposed Plat Maps amendment shall contain either: (a) a copy of the proposed amendment, or (b) if the Board determines it is impractical to provide copies of the amendment, a description of how and where Owners can view the proposed amendment electronically or at a location convenient to Owners. In the absence of other applicable provision, the vote or approval of Owners to which at least sixty percent (60%) of the Total Voting Power is allocated shall be required to amend any Plat Maps. The Plat Maps amendment shall be indexed in the name of the Estates and the Association and shall contain a cross-reference by recording number to the original Plat Maps, the Original Declaration, and any previously recorded amendment to either of them.

18.9 Bylaw Amendments. Amendments to the Bylaws shall be as provided in the Bylaws, but if the Bylaws do not contain such a provision, the Bylaws may be amended either at a meeting or without a meeting upon the vote or approval of Owners to which a majority of the Total Voting Power is allocated.

18.10 No Challenge After One Year. No action to challenge the validity of the adoption and approval of this Declaration or any amendments thereto may be brought by any person more than one (1) year after it is recorded, provided the amendment is not the result of fraud.

ARTICLE 19. TERMINATION

19.1 Termination by Owner Vote. Except in the case of a taking of all of the Unit and Lots by Condemnation as provided in ARTICLE 17, or judicial termination as provided in Section 19.2; the Estates may be terminated only by the vote or approval of Owners to which at least eighty percent (80%) of the Total Voting Power is allocated, along with the approval of fifty-one percent (51%) of the Eligible Mortgagees without regard to the Unit or Lot Voting Power of the Unit or Lots in which the Eligible Mortgages have an interest.

19.2 Judicial Termination. If substantially all of the Units or Lots have been destroyed or abandoned or are uninhabitable and the available methods for giving Owners meeting Notice under RCW 64.90.515 to consider termination under RCW 64.90.290 will not likely result in receipt of the Notice, the Board or any Owner may commence an action in the Superior Court of Thurston County seeking to terminate the Estates and Association as provided in RCW 64.90.325.

19.3 Termination Agreement. If the Association has voted to terminate the Estates as provided in Section 7.4, the Association shall prepare a termination agreement. The termination agreement shall specify a date after which it will be void unless it is recorded before that date; contain a description of the manner in which the creditors of the Association will be paid or provided for; and may provide that some or all of the property formerly comprising the Estates shall be sold following termination, and the proceeds of sale shall be distributed as provided in RCW 64.90.290. The termination agreement shall be executed as required by RCW 64.90.290, notarized, and recorded in the real property records of Thurston County and shall be effective upon recording unless the termination agreement provides otherwise.

19.4 WUCIOA Governs. The provisions of WUCIOA relating to termination the contained in RCW 64.90.290, as may be amended, shall govern the termination of the Estates, including, but not limited to, rights of creditors of the Association, rights of creditors of the Owners, and the disposition and distribution of proceeds from any sale of the real property formerly comprising the Estates.

[Remainder of page intentionally blank. Signatures on next page.]

Exhibit A

A portion of the West three-quarter of the North one-half of Section 4, Township 17 North, Range 1 West, W.M., per that certain plat of Capitol City Golf Club Estates, recorded on December 3, 1962, at Thurston County Auditor's No. 669686, as amended by instruments recorded under Thurston County Auditor's Nos. 669686 and 8703230152.

DO NOT RECORD

Exhibit B

Residential		Commercial
Single-Family Lots	Multi-Family Lots	Commercial Lots
1- 59	279-283	60
61 -229		230-232
233-278	285-286	501
284		50202
287-305		503
307-401	Condominium Units	50401
35301	504-1 to 504-8	506
403-407		507
50103		50701
50104		60001
50200		600
3989 SF Lots	7 MF Lots 8 Condominium Units	123 Commercial Lots

Total Votes in Association: 426

Each Lot or Unit's Common Expense Liability: 1/426th

CAPITOL CITY GOLF CLUB ESTATES ASSOCIATION
BALLOT

Matter For Approval: Amended & Restated Declaration for Capitol City Golf Club Estates and Capitol City Golf Club Estates Amended & Restated Bylaws

Board Position: THE BOARD URGES OWNERS TO APPROVE

Approval Required: Declaration: Changes to article 5 require majority of commercial lots and sixty-seven percent (67%) of residential lots, all other amendments require fifty-one percent (51%)
Bylaws: Amendments require fifty-one percent (51%)

Instructions: Please fill in your unit or lot number or address, print and sign your name, and print the date where indicated. Only one Owner signature, representing the vote of the lot or unit, is required. Return this form as designated below prior to the deadline.

Deadline: **April 15, 2026**

I, the undersigned, being an Owner of record of the lot or unit listed below hereby vote as follows:

I APPROVE of the adoption of the Amended & Restated Declaration for Capitol City Golf Club Estates and Capitol City Golf Club Estates Amended & Restated Bylaws

I DO NOT APPROVE of the adoption of Amended & Restated Declaration for Capitol City Golf Club Estates and Capitol City Golf Club Estates Amended & Restated Bylaws

Unit/Lot No.	Print Name	Signature	Date

Please return this Ballot as follows:

1. Mail to: 8716 Martin Way E, Lacey, WA 98516
2. Scan and email your completed Ballot to info@vismanagement.com with "Amendment Vote" in the subject line

Thank you!

* CONSENT IS GIVEN TO THE AMENDMENT IN SUBSTANTIALLY THE FORM AS PROVIDED; OWNER ACKNOWLEDGES THAT NON-SUBSTANTIVE CHANGES MAY BE MADE FOR RECORDING PURPOSES, TO CORRECT INTERNAL REFERENCES, NUMBERING, & SCRIVENERS' OR GRAMMATICAL ERRORS.