

## From the By-laws

### ARTICLE VII Powers and Duties of Board of Directors

**Section 1. Powers.** The Board of Directors shall have the power to do the following:

- (a) exercise for the Association all powers, duties, and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;
- (b) as necessary to pursue the Association responsibilities, employ an independent contractor, or such other employees as the Board deems necessary, and to prescribe their duties;
- (c) enforce all covenants, restrictions, and conditions of the Declaration as amended (this power does not in any way reduce the power of any member to enforce such covenant, nor does it require enforcement unless the Board of Directors deems such enforcement necessary).
- (d) take such actions and create such rules and regulations as the Board deems reasonably necessary to promote the purpose of enhancing, protecting, preserving, and augmenting the natural environment features of the Property, as well as protecting and preserving the wildlife on the Property in a manner that will benefit the public's interest in the wildlife and yet allow for the orderly development of the Property as a private, wildlife, refuge and natural conservancy. However, the Board shall not amend the Declaration in any manner that requires the vote or approval of the Owners.

**Section 2. Duties.** It shall be the duty of the Board of Directors to do, in their discretion, as follows:

- (a) keep a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by at least 55 % of the members who are entitled to vote;
- (b) supervise all officers, agents, and employees of this Association, and see that their duties are properly performed;
- (c) as more fully provided in the Declaration, to do as follows:
  - (i) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;
  - (ii) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period;
  - (iii) may file a lien if the assessment is not paid within sixty (60) days; and,
  - (iv) when deemed necessary, may foreclose on the lien after thirty (30) days but prior to ten (10) years from date of assessment;
- (d) issue, or to cause an appropriate officer to issue, on demand by any person, a statement signed by the treasurer setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of such statement. If a statement states an assessment has been paid, such statement shall be conclusive evidence of such payment;
- (e) enforce covenants as provided in the Declaration when deemed necessary by a vote of a majority of the Directors (this power of enforcement is in addition to the powers of the enforcement of any individual Owner);
- (f) in the event of Common Areas, procure and maintain adequate liability and hazard insurance on property owned by the Association. If *available* at a reasonable cost and if desired by the Board, maintain earthquake insurance on all Common Areas, and may procure and maintain adequate liability insurance for the Directors of the Board of Directors;
- (g) maintain any Common Areas or Areas as set forth in the Declaration;
- (h) perform any and all other functions which are necessary for maintenance and continuance of the Association and the purposes for River-Run Ranch as set forth in the Declaration;
- (i) within thirty (30) days after adoption of any proposed budget, the Board of Directors shall provide a summary of the budget to all Owners; adopt all rules and regulations deemed reasonably necessary and allowed under the Declaration and these Bylaws for furthering the purposes of the Association and the protective covenants, conditions, and restrictions; and,

- (k) enforce, when approved by a majority of all Directors, all rules, regulations, covenants, conditions, and restrictions of the Association and the Declarations and of the Bylaws for River-Run Ranch and the Association.

## **From the Covenants**

### **ARTICLE III PROPERTY RIGHTS**

**Section 1. Parcel Owner's Easements of Enjoyment.** Each Parcel Owner shall have a right and an easement of enjoyment in and to any easement granted to the Association and in any easement reserved on the plat of the Property as shown on Exhibit "C", or in any other instrument of record, subject to the following provisions:

a. The Association shall have the right to suspend any Parcel Owner's voting rights and right to use any community facilities for any period during which any assessment against the Parcel Owner's Parcel remains unpaid or the Parcel Owner (or its invitee or tenant, etc.) is in material breach of this Declaration.

b. No Parcel Owner shall in any way obstruct, restrict, or limit another Parcel Owner's safe or unhindered use of the roads or any community easements by: i. planting any trees or shrubs etc.; or, ii. parking or storing any vehicle or structure or other item; or, iii. installing and or constructing any building or structure.

c. Any Parcel Owner may delegate, in accordance with this Declaration, that owner's right to enjoyment of the easements and associated facilities to the members of the Parcel Owner's family, invitees, and/or guests, subject to the terms of this Declaration.

### **ARTICLE IV COVENANT FOR MAINTENANCE ASSESSMENTS**

**Section 1. Creation of Lien — Personal Obligation of Assessments.** Each Parcel Owner agrees to pay to the Association annual assessments or charges, and special assessments and emergency assessments. These assessments are to be established and collected from time to time as provided for under this Declaration and the controlling documents of the Association. Any annual, special, and emergency assessments, together with interest, costs, collection costs, and reasonable attorney's fees (including those for appeals) shall be a continuing lien on the Parcel against which any such assessment is made and shall also be the joint and several personal obligation of all persons who hold an ownership interest in such Parcel at the time when the assessment fell due. This provision shall be enforced in accordance with the provisions of Section 10 of this Article. The personal obligation for delinquent assessments shall not pass to a successor in title unless expressly assumed by the successor.

**Section 2. Purpose of Assessments.** The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the Residents in the Property, and for the improvements and maintenance of Association and its easements and rights of way, and for the payment of taxes, insurance, maintenance, and repairs of any Common Area, as well as any other costs incurred by the Association as provided for in this Declaration and the Articles and By-Laws of the Association.

**Section 3. Maximum Annual Assessment.** Until January 1 of the year immediately following the conveyance of the first Parcel to a Parcel Owner, the maximum annual assessment shall be \$ 100 per Parcel. Thereafter, from and after January 1 of the year immediately following the conveyance of the first Parcel to a Parcel Owner, the annual assessment may be increased by the Board of Directors in any year for no more than 10% from the prior year's assessment, or by approval of sixty percent (60%) of the Parcel Owners. However, Declarant shall not be required to pay assessments on any Parcel so long as Declarant is holding any such Parcel for sale, and not as a Parcel to be retained by Seller. If Declarant does retain a Parcel, then Declarant shall pay any assessments for any retained Parcel as would any other Parcel Owner, commencing with Declarant's decision to retain that Parcel.

**Section 4. Determination of Assessments.** The Association shall not be required to return excess assessments for any year over and above actual expenses paid or incurred. Such excesses shall be placed in a reserve account in the Association's name to be used as the Board of Directors sees fit. Written notice of the annual assessment shall be sent to every Parcel Owner. The assessment established for the prior year shall automatically be continued until such time as the Association votes to change the assessment or as provided for in Section 3 above by the Board of Directors. The annual assessments shall be sufficient to meet the obligations imposed by the Declaration and any amendments to the Declaration, and shall be sufficient to establish an adequate reserve fund for the maintenance, repair, and improvement of the roads and any other Common Areas, plus any other costs or fees incurred by the Association.

**Section 5. Paid Assessments.** Paid assessments shall be promptly deposited in a commercial bank account selected by the Board of Directors, which account shall be clearly designated in the name of the Association. The Board of Directors shall be responsible for maintaining the account, giving notice of all assessments, collecting all

assessments, and enforcing all assessments. Any withdrawals from the bank account shall require the signature of the President or Treasurer of the Board of Directors.

**Section 6. Special Assessments.** In case the annual assessment is insufficient for any reason, the Association shall have the authority to levy a special assessment or emergency assessment for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, or unexpected repair or replacement of any road or any Common Area, or to make up the deficiency in the reserve fund. Any special or emergency assessment must be approved by twenty-five percent (25%) of the Parcel Owners.

**Section 7. Notice.** Written notice of any meeting called for the purpose of taking any actions authorized under any section of this Declaration shall be sent to all members not less than ten (10) days and no more than fifty (50) days in advance of the meeting.

**Section 8. Uniform Rate of Assessment.** All annual, special, and emergency assessments must be fixed at a uniform rate for all Parcels and shall be collected on an annual basis (subject to provisions for Declarant as set forth in Section 3 above).

**Section 9. Due Dates of Annual Assessments.** The annual assessments shall be due on the first day of July for each calendar year. A pro-rated initial annual assessment shall be paid by each new Parcel Owner on the close of the sale's escrow for each particular Parcel. Special and emergency assessments shall be paid within thirty (30) days of them mailing of a request to pay the same, unless the Board of Directors establishes a different time period.

**Section 10. Effective Non-Payment of Assessments — Lien Rights — Remedies of the Association.** Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of twelve percent (12%) per annum, or the highest rate allowed by law, whichever is lower. The Board of Directors on behalf of the Association may sue the Parcel Owner personally obligated to pay and/or foreclose a lien against the Parcel in the same manner as a mortgage of real property. If an attorney is retained, the Parcel Owner liable for the assessment shall pay all of the costs and expenses, including reasonable attorney's fees (including those for appeals), all of which shall be secured by the lien.

**Section 11. Subordination of Lien to Mortgages.** The lien of an assessment shall be subordinated to the lien of any First Mortgage. A sale or a transfer of any Parcel shall not effect the assessment lien. However, where the mortgagee of a mortgage of record or other purchaser of a Parcel obtains possession of the Parcel as the result of foreclosure of the mortgage, or by deed or assignment in lieu of foreclosure, such possessor, the successors and assigns, shall not be liable for the share of the common expenses or assessments by the Association chargeable to such Parcel which became due prior to such possession. Such unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from all of the Parcel Owners, including any possessor, successor and/or assign.

## **ARTICLE IX PROTECTIVE COVENANTS**

**Section 1. Recreational/Residential Use.** Parcels shall be used solely for recreational and residential use, except as provided for in this Article. Although Parcel Owners having no permanent residential improvements on their Parcels may use travel trailers, campers, motor homes, or the equivalent, under no circumstances shall any recreational vehicle or tent, etc. be installed in a permanent manner without prior approval of the ACC. No visqueen, plastic, or polyurethane (i.e. blue tarps) shall be used to cover equipment, motor vehicles, firewood or personal property. Any use of tents or tent trailers is limited to the actual time of usage and must be removed during non-use periods.

**Section 2. Mobile/Manufactured Homes.** Only mobile and/or manufactured homes of double-wide configuration or larger are allowed and must include a minimum of 1,200 square feet, exclusive of porches, garages, or carports. All mobile/manufactured homes must be placed on permanent foundations and must be approved by the ACC. Mobile/manufactured homes must also comply with the terms of this Declaration and must look as much as possible like stick-built homes. The ACC, in addition to other terms of this Declaration, shall also consider the condition of the mobile/manufactured home, its age, its color, its siding, its overall appearance, and its location when determining approval.

**Section 3. Residences/Out-buildings.** Each permanent stick-built residence must include a minimum of 900 square feet, exclusive of porches, garages, or carports. The plans for construction or remodeling, adding on and location of all residences, weekend cabins, and outbuildings must be approved by the ACC, prior to commencing construction. As with mobile/manufactured homes, the ACC shall consider the size, shape, color, siding, location, exterior materials and overall appearance when determining approval.

**Section 4. Fences.** Fences must be constructed in a manner and of material so that the natural migration of the Wildlife such as elk and deer shall not be limited. In most circumstances, an electric wire or rail fence shall be

acceptable. Each Parcel Owner must have the ACC review and approve proposals for installation of fences prior to installation. The ACC reserves the right to require the alteration or removal of any fence installed or altered without their prior approval. No fence shall use barbed wire or be of a material that would likely cause harm to Wildlife or neighboring animals. However, fences used to keep out Wildlife may be installed around cultivated garden areas, orchard areas, dog kennels, or play areas for children if shown to be absolutely necessary.

**Section 5. Hunting/Firearms.** All Parcels shall be developed and maintained as a part of a private recreational and residential community. As such, absolutely no hunting shall be allowed on the Property, Similarly, there shall be no discharge or firing of any firearm allowed or use of any other lethal weapon such as a bow and arrow. Hunting or killing of wildlife is absolutely prohibited.

**Section 6. Further Subdivision of Parcels.** No Parcel may be subdivided, nor may boundary line revisions be used, in order to create a new Parcel without the express written consent of the Board of Directors and the ACC.

**Section 7. Animals.** No pigs are allowed on any Parcel. No Parcel Owner shall keep, breed, or maintain pets for commercial purposes. No Parcel Owner shall keep, breed, or maintain any farm animal for commercial purposes without the express written consent of the Board of Directors. All animals must be restrained to remain within each Parcel Owner's Parcel. Furthermore, all dogs belonging to Residents, occupants, guests, or other persons lawfully on the Property must be kenneled, leashed, or, under direct human supervision at all times and not allowed to roam freely outside of the Parcel Owner's Parcel. All animals must be kept off the other Parcels in the Property. Any animal causing a nuisance or unreasonable disturbance or danger to other Residents or the Wildlife shall be permanently removed from the Parcel within ten (10) days notice from the ACC. Any dispute as to the raising or keeping of animals shall be submitted to the ACC, and the decision of the ACC in all such matters shall be final.

**Section 8. Timber Removal.** Parcel Owners shall not remove, or have removed, timber from their Parcel without approval of the ACC, except that Parcel Owners may remove any diseased or dangerous trees, or occasionally thin trees for that Parcel Owner's use on that Parcel for wood burning stoves, fireplaces, etc. Prior to clearing any site for placing any recreational/residential dwelling, driveway, or outbuilding, the removal of the trees must be approved by the ACC.

**Section 9. Commercial Enterprises.** No commercial enterprises are allowed, except as approved by the Board of Directors. And, the Board of Directors shall have no authority to approve any commercial enterprise other than that which would be commensurate with the community of River-Run Ranch under the terms of this Declaration. It is anticipated -that some Parcels may be developed with stables for horses or other animals. However, any such stable may be used only by Residents of that Parcel and their occasional guests. The stables cannot be established or used as guest ranches for the public in general. The authority to limit commercial uses shall lie with the Board of Directors and shall be broad and general.

**Section 10. Rentals.** For any leasing or rental, except for a short term stay, all tenants must sign a copy of this Declaration. Each Parcel Owner hereby grants to the ACC the right to evict any tenant if that tenant is violating any term of this Declaration, or any of the rules or regulations established by the Board of Directors, or the Articles, or the Bylaws of the Association. Although it is the Parcel Owner's duty to evict such a tenant, the ACC may do so if the Parcel Owner fails to do so in a timely manner. Any costs and fees, including attorney fees and costs as well, incurred by the ACC shall be a lien on the Parcel Owner's Parcel and shall be treated as a lien for unpaid assessments.

**Section 11. Construction of Buildings.** All buildings must meet with all zoning and building regulations of the relevant governmental agencies. Furthermore, all construction must be completed within one year of initiation of construction. Also, placement of all buildings must be approved by the ACC prior to initiation of construction. In approving the placement of residences, driveways, and other buildings, the ACC is given broad powers. All building plans must be approved by the ACC prior to construction, as well as prior to clearing for any building site, and also prior to any remodeling or adding on to the exterior of an existing building.

**Section 12. Wildlife.** As set forth in Declarant's Declaration, the purpose of the community is to provide for recreational and residential living, while at the same time protecting and enhancing the preservation of Wildlife and the natural environmental features of the Property. It shall be the responsibility of the Board of Directors and the ACC to promote and enforce this purpose, along with any requirements of a relevant governmental agency. For instance, there shall be no interruption of the flow of any stream located on the Property; fencing and placement of improvements shall be done to minimize any impact on Wildlife migration and habitation; whenever possible, there shall be no disturbance or negative impact on wetlands in order to protect water fowl; and, no noxious or poisonous chemicals, sprays, or noise shall be permitted which would interfere with the protection and enhancement of

Wildlife, as well as the peace and quiet of the Parcel Owners. Noxious noises shall be defined as those which are not compatible with the intent and goal of the community. No illegal activities shall be conducted on any Parcel.

**Section 13. Setbacks.** Setbacks from all rivers and wetlands shall be at least as far as those established by the local governmental agency having jurisdiction over the Property.

**Section 14. Garbage and Refuse.** No garbage, refuse, rubbish, shall be deposited on or left on any Parcel unless placed in a sanitary container and according to local regulations. Where reasonably possible, they should be screened from the view of any other Parcel Owner. All equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition.

**Section 15. Hazardous Materials.** No hazardous materials, other than petroleum-based products used solely by the Parcel Owner (such as oil and gas for consumption on the Property) shall be stored, used, or transported across the Property. All use of any materials identified as hazardous by any local, state, or federal governmental agency or legislation or ordinance shall be included in this paragraph. Each Parcel Owner shall be responsible for clean-up of any contamination or spill in accordance with all governmental regulations. If a Parcel Owner fails to complete any such clean-up, the ACC may do so after giving thirty (30) days written notice (except that no notice is required in emergencies) to the Parcel Owner. The costs and fees associated with any such clean-up shall be a lien against that Parcel Owner's Parcel, and be treated the same as a lien for an unpaid assessment.

**Section 16.** No commercial sign or sign for any kind of advertising may be placed on any Parcel, except as allowed by the ACC or as used by the Declarant in the marketing of the Parcels.

**Section 17. Authority to Adopt Additional Rules and Regulations and Penalties.** The Board of Directors shall have the authority to adopt additional written rules and regulations governing the use of the Property, provided such rules and regulations are consistent with the purposes of the Declaration. The Board of Directors shall also have the authority to establish penalties for violation of those rules and regulations. If rules and regulations are adopted, copies of those, along with the penalties established by the Board of Directors, shall be available to any Member on request. If sixty percent (60%) of the Parcel Owners vote to not accept a rule or regulation, that rule or regulation shall be void. However, the Board of Directors has the authority to have the enforceability and validity of any rule or regulation arbitrated if the Board of Directors deems it important for promoting and preserving the Property as a private, recreational/residential community.

**Section 18. Compliance with Lewis County Zoning and Building Regulations.** All construction must be consistent with and done in compliance with the zoning and building regulations for Lewis County, and any other relevant governmental agency. However, where the terms of this Declaration are more restrictive than those of a relevant governmental agency, this Declaration shall prevail.

**Section 19. Wildlife Harassment/Interference.** All Parcel Owners agree to educate their family members, guests, and tenants against harassment of all Wildlife and about the benefits of non-intrusive Wildlife enjoyment. As a private recreational/residential community, each Parcel Owner agrees to not interfere with the Wildlife migration corridors, natural habitats, or wetlands and streams, and to prevent guests, tenants, and invitees from any such interference.

**Section 20. Waiver of Claims Regarding Wildlife Damage.** All Parcel Owners or other lawful occupants hereby waive any and all damage claims against the Department of Wildlife for the State of Washington for Wildlife damage to the Property. Therefore, Wildlife damage, including but not limited to crop or garden loss or damage to shrubbery, shall be the sole responsibility of the current owner of any Parcel at the time that the damage occurs.

**Section 21. Sewage Disposal.** No individual sewage disposal system shall be permitted on any Parcel unless such system is designed, located, and constructed in accordance with the requirements, standards, and recommendations of the Lewis County Health Department, or other governmental agency of Lewis County, Washington having authority and jurisdiction to approve the same. Furthermore, no individual sewage disposal system shall lie within the set-back areas established in this Declaration.

**Section 22. Motor Vehicles.** No motor vehicles which do not have a current vehicle license and a fully functional and legal muffler system shall be operated at any time on the private roads within the Property. All terrain vehicles, snowmobiles and other recreational vehicles meeting the above requirements shall be operated only on the Parcel Owner's Parcel and dedicated rights-of-way of public and private roads serving the Property, and in accordance with the rules and regulations established by the Board of Directors.

## **ARTICLE X GENERAL PROVISIONS**

**Section 1. Binding Effect.** All present and future Parcel Owners or occupants shall be subject to and shall comply with the provisions of this Declaration, and with any amendments. The acceptance of a deed or conveyance

or the entry into occupancy of any Parcel shall constitute An agreement that the provisions of this Declaration and amendments are accepted and ratified by such Parcel Owner or occupant, and all such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Parcel as though such provisions were recited and stipulated at length n each and every conveyance or lease thereof. Furthermore any violations of the provisions of this Declaration, or any amendments of this Declaration shall constitute:

- a. A default of an Mortgage yet outstanding to the Declarant, and/or,
- b. A violation of a deed restriction of any Parcel affected under this Declaration, thus resulting in the possible forfeiture or foreclosure of such Mortgage and loss of the Parcel.

**Section 2. Enforcement.** Any Parcel Owner, the ACC, and/or the Board shall have the right to enforce, by any proceedings at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now and hereafter imposed by the provisions of this Declaration. Should any Parcel Owner employ counsel to enforce any of the foregoing covenants, conditions, reservations, or restrictions, all costs incurred in such enforcement (whether negotiated, stipulated, arbitrated, or determined by a court), including reasonable attorney's fees and costs (including those for appeals), shall be paid by the non-prevailing Parcel Owner.

**Section 3. Arbitration.** Should any dispute arise as to the terms of this Declaration, the dispute shall be resolved through arbitration according to the rules of Lewis County if Lewis County has a Mandatory Arbitration Program, or through any private arbitration service selected by the Board of Directors. In all circumstances, arbitration shall be final and binding, and the non-prevailing party shall pay all costs and fees, including reasonable attorney's fees and costs, including those for appeals. A copy of any judgment may be recorded in any county.

**Section 4. Failure to Enforce.** No delay or omission on the part of the Declarant, the Board of Directors, the ACC, or any Parcel Owner in exercising any rights, power, or remedy provided for in this Declaration shall be construed as a waiver or acquiescence, and no action shall accrue, nor shall any action be brought or maintained by anyone against the Declarant or the Board of Directors or the ACC for failure to bring any action on account of any breach of these covenants, conditions, reservations, and restrictions, or for imposing restrictions which may be unenforceable by any of the above.