

Declarant: DD VINEYARDS A LLC
116 Orchard Place
Orondo, WA 98843

After recording return to:
Dean N. Alterman
Alterman Law Group PC
805 SW Broadway, Suite 1580
Portland, Oregon 97205

**DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
EDGEWATER ESTATES
(A Common Interest Plat Community)**

This Declaration of Covenants, Conditions, and Restrictions (this "Declaration") is made as of May 24, 2021, by DD VINEYARDS A LLC, a Washington limited liability company (the "Declarant"), in connection with a subdivision in Section 12, Township 26 North, Range 21 East of the Willamette Meridian, in Douglas County, Washington, named EDGEWATER ESTATES DIVISION 2 P2020-02, a "common interest plat community" subject to RCW Chapter 64.90. The plat of the subdivision will be recorded immediately following the recording of this Declaration.

The Declarant or affiliates of the Declarant may plat adjoining or nearby property to include up to an additional thirty (30) lots, and may annex those additional lots to this common interest plat community, to be known collectively as "Edgewater Estates." In this Declaration the terms "Property" and "EDGEWATER ESTATES" mean and include the subdivision covered by this Declaration and, when annexed, any future subdivision that is annexed to Edgewater Estates. The Declarant or its affiliates may identify future subdivisions as phases of Edgewater Estates without annexing those subdivisions or phases to EDGEWATER ESTATES, and the use by Declarant or its affiliates of the name "Edgewater Estates" to identify future subdivisions in the vicinity of the Property is not an annexation by implication. The Property will include common property and will be a "common interest community" as defined by RCW 64.90.010(10) and a "plat community" as defined by RCW 64.90.010(37). A legal description of the Property before and after the platting is attached hereto as Exhibit A.

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The Declarant declares and imposes the following covenants, conditions, and restrictions on the lots and tracts within EDGEWATER ESTATES, for its own benefit and the benefit of future owners of lots and tracts within EDGEWATER ESTATES.

RECITALS

A. Declarant has recorded or is about to record a plat of EDGEWATER ESTATES DIVISION 2 ("Division 2"). Division 2 will contain ten (10) numbered lots, numbered from 1 to 10, of which Lots 1 to 9 (each a "Residential Lot" and together the "Residential Lots") are intended for single-family residential use. Lot 10 is intended for use either for single-family residential use or for residential and recreational uses in conjunction with a resort and meeting venue (the "Resort") that affiliates of Declarant intend to build on nearby property, and the definition of "Residential Lot" does not include Lot 10. Division 2 also includes one tract of 0.35 acres lettered as Tract B, intended for agricultural use and ancillary or related uses, or for storm drainage and utilities ("Tract B"). The Property will also include private roads, storm drainage facilities, and utilities over and across access and utility easements as delineated on the plats of the Property.

B. To comply with development restrictions of Douglas County, Declarant is imposing certain of these covenants, conditions, and restrictions to allow the proper maintenance and repair of Tract B, and the private roads, storm drainage facilities, and utilities within EDGEWATER ESTATES.

C. To ensure the harmonious development and use of EDGEWATER ESTATES, the Declarant is imposing other covenants, conditions, and restrictions to regulate the use of the Residential Lots within EDGEWATER ESTATES and the appearance of houses within EDGEWATER ESTATES.

DECLARATION

NOW, THEREFORE, Declarant declares that EDGEWATER ESTATES is a common interest community, and that the Residential Lots and tracts within EDGEWATER ESTATES are held, conveyed, and owned subject to the following covenants, conditions, and restrictions, which run with the land and bind and benefit future owners of property within EDGEWATER ESTATES. These restrictions are not intended to bind, and do not bind or create a power of assessment on, the adjoining property to the east and west currently owned by Declarant's affiliates DD Vineyards B LLC, DD Vineyards C LLC, and Double D Vineyards LLC (the "Adjoining Tracts"), legally described on the attached Exhibit B, but certain provisions in this Declaration are for the benefit of the Adjoining Tracts. Certain of the provisions in this Declaration do not apply to Lot 10 of Division 1 ("Lot 10") because of the potential non-residential use of Lot 10.

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A. Design and use restrictions for the mutual benefit of the Owners

1. Owners' Association. The Declarant is causing a Washington nonprofit corporation to be formed under Chapter 24.03, Revised Code of Washington (RCW), to be named "Edgewater Estates Owners Association" (the "Association"), to be the homeowners' association for EDGEWATER ESTATES as permitted by RCW Chapter 64.90. The Declarant grants to the Association the powers described in RCW 64.90.405, except that the Association may not impose any regulation to prohibit or regulate the uses of Tract B and Lot 10 during the period of Declarant control. Without limiting that restriction, the Association may not adopt any regulation that would restrict or prohibit ordinary agricultural and viticultural practices on Tract B and Lot 10, or that would prohibit hospitality uses of Lot 10, including a hotel and ancillary uses such as a spa and restaurant, a dock for guests of the resort, a potential future wine tasting room, and other similar associated or ancillary uses. All expenses of the Association, and all general and special assessments of the Owners, will be allocated equally by Lot and Tract, with one-eleventh allocated to each of the nine Residential Lots, to Lot 10, and to Tract B. If, during the period of Declarant control, the Declarant or the Declarant's affiliate annexes additional platted land to this common interest plat community, then the Declarant will designate which lots in the annexed land will be Residential Lots under this Declaration, and the allocation of expenses and assessments will be adjusted to reflect the number of lots and tracts added to Edgewater Estates so that they continue to be allocated equally among the owners of the Residential Lots and tracts. At the time of annexation the Declarant will make a reasonable allocation of expenses and assessments to each of the annexed lots that are not Residential Lots based on the expected use of those annexed lots, based on the nature of the Declarant's or its affiliates' intended nonresidential uses of those annexed lots.

In the event the Declarant or an affiliate of the Declarant annexes additional platted land to this common interest plat community during the period of Declarant control, the Declarant makes no assurances regarding the boundaries of such land, or the order in which such land may be subjected to this development right.

2. Allowed Use of Residential Lots and Lot 10; Temporary Sales Office as permitted by RCW 64.90.275. Each Residential Lot may be improved with one single-family dwelling unit, one accessory dwelling unit, an attached and/or detached garage, landscaping, and facilities such as a pool or a tennis court for use by the occupants of the Residential Lot and their guests. The Owner of a Residential Lot may also construct ancillary outbuildings such as a personal workshop, a pool house, or a gazebo, subject to the Association's approval of the design, materials, and location of the outbuildings as being consistent with the character of EDGEWATER ESTATES. No Residential Lot shall be used for the conduct of a business or for the raising or keeping of animals, livestock, or poultry, except that an Owner may keep up to three ordinary domestic indoor household pets. Lot 10 may be improved with one or more structures for residential, vacation, or recreational use or for use in conjunction with the Resort. The Declarant

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or the Declarant's affiliate may use one Residential Lot at a time as a sales office, management office, or model home as permitted by RCW 64.90.275.

3. Architectural Control. No Owner may commence, erect, or maintain any residence, building, structure, fence, landscaping, wall, or improvement of any kind upon a Residential Lot, nor shall any exterior addition, change, or alteration (including a change of color) be made to a structure on a Residential Lot, until the plans and specifications showing the nature, kind, shape, height, color, materials, and location, together with detailed plans showing the proposed location of the same, are submitted to and approved in writing by the Association in accordance with rules that the Board of Directors may adopt in accordance with RCW 64.90.505, including the authority provided to the Association under RCW 64.90.505(3), and by the owner of Lot 10 if the Declarant or the Declarant's affiliate owns Lot 10. The Owner shall provide to the Association and the owner of Lot 10 its construction plans, specifications, a plot plan showing the location of the structure, the driveway, landscaping, fences, exterior lighting, mailboxes, and pools or hot tubs, and a color plan showing the Owner's proposed paint, stain, and materials colors, all for review by the Association and the owner of Lot 10. The Association and the owner of Lot 10 may withhold approval at their discretion. The Association may exercise its powers of architectural review through the Board of Directors, or it may delegate any or all of its powers of architectural review to an Architectural Review Committee, as described in the following section.

4. Architectural Review Committee (ARC). The Declarant, during the period of Declarant control, and the Board of Directors of the Association, from and after the transfer of control of the Association to the Owners, may establish an Architectural Review Committee (ARC) comprising three persons. During the period of Declarant control those persons may be affiliates of the Declarant and need not be Owners. From and after the transfer of control of the Association to the Owners, if the Board of Directors forms an ARC, the three members of the committee must be Owners, whom the Board of Directors will appoint in accordance with the bylaws of the Association.

5. Solar Panels. Owners who install solar panels shall install them only in locations approved by the Association and, during the period of Declarant control, the owner of Lot 10, provided the owner of Lot 10 is the Declarant or an affiliate of the Declarant. As permitted by RCW 64.90.510, neither the Association nor the owner of Lot 10 will unreasonably disapprove an Owner's request to install solar panels below the roofline of the Owner's house if the solar panels conform to the slope of the roof and have a top edge parallel to the ridgeline of the roof, and if the connecting wiring and piping are painted to match the color of the building materials behind them so as to be aesthetically unobtrusive.

6. Floor Area, Exterior Materials, Color Schemes, and Alterations. The primary residence on any Residential Lot must include at least 2500 square feet in finished above-grade floor area, excluding garages, basements, and unfinished attics. In addition to the primary

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residence of at least 2500 square feet, each Residential Lot may contain one accessory dwelling unit of any size up to but not exceeding the size of the primary residence or any lower limit provided by Douglas County code. No structure may be moved onto a Residential Lot from any other location. All residences and outbuildings on the Residential Lots must be built with exterior walls that are principally wood, brick, stone, or stucco. Composition wood product siding, such as channel siding (including the material sometimes called T-111) and plywood, is not permitted. Roofs may be wooden shakes, wooden shingles, ceramic tile, metal, or architectural-quality composition shingles. Metal roofing is permitted; metal siding is not permitted. Fencing is prohibited except in the case that it is mandated by a governmental authority with jurisdiction or to restrict access to a swimming pool.

7. Construction Regulations. To maintain the appearance of EDGEWATER ESTATES at a high standard, each Owner must commence construction to the exterior of the structures on the Residential Lot within thirty-six (36) months from the date that the Owner acquires the Residential Lot, and must complete the shell, exterior finish of the residence, and exterior landscaping on the Residential Lot within twenty-four (24) months after commencing construction. The Declarant may provide reasonable construction rules and regulations for each Owner when an Owner is building, placing, or altering any structure or significant landscaping on a Residential Lot. The Owner shall abide by these rules and regulations, if provided when construction is approved by Declarant or if contained in a recorded document that affects EDGEWATER ESTATES. From and after the time that the Declarant owns no Residential Lots in EDGEWATER ESTATES, the Association may provide construction rules and regulations for the Residential Lots in place of the regulations provided by the Declarant.

8. General Appearance of Lots. Each Owner of a Residential Lot shall maintain the Residential Lot, and any structures or improvements thereon, in good order and repair and in an attractive and neat condition, including but not limited to the following:

8.1. Exterior finishes of structures, in keeping with the general appearance of the Property;

8.2. Yards, which the Owner will attractively landscape in a manner consistent with local terrain and climate and maintain in a neat and orderly manner, free of weeds and debris;

8.3. Driveways and sidewalks, except that the Association will maintain the shared private roadway within the easement area on those Lots that are subject to the access easements;

8.4. Trees, shrubs, and plants, which the Owner shall trim when necessary for appearance and safety; and

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8.5. Removal of litter, waste, or refuse at all times. No Owner may use any part of a Residential Lot as a landfill or waste dump.

8.6. Owners may place furniture and outdoor appliances such as gas-fired grills on the patios and decks of their houses, but not in the yards of their Residential Lots.

8.7. The Owner of Lot 10 will maintain Lot 10 and the improvements on Lot 10 in a good and attractive order, consistent with the non-residential use of Lot 10.

9. Temporary Dwellings. No Owner of a Residential Lot may use, or permit to be used, any motor home, trailer, tent, other outbuilding, or any other temporary structure as a residence.

10. Short-Term Rentals Prohibited. No residence or portion of a residence on any Residential Lot may be leased or rented for any period of less than one continuous month, used as a vacation rental or short-term rental property, advertised as a vacation rental or short-term rental property in any printed medium, or marketed as a vacation rental through any online service or independently by the Owner.

11. Yard Signs. No sign or other advertising device of any character shall be placed on a Residential Lot unless approved in writing by the Declarant, or if after termination of the period of Declarant Control, by the Association. However, an Owner may place a "For Sale" sign on the Owner's Residential Lot when the Owner is offering the Residential Lot for sale. In accordance with RCW 64.90.510, during the 60 days before an election, an Owner may also place signs in support of a political candidate or in support of or opposition to a ballot measure to be voted on at that election.

12. Recreational Vehicles, Commercial Vehicles, Boats, Trailers, Etc. No vehicle designed for sleeping purposes, marked for commercial purposes, or any trailer, camper, coach, canopy, tent, boat, tractor, or lawn mower may be parked or otherwise placed on a Residential Lot, nor on any private road within the EDGEWATER ESTATES subdivision, unless the vehicle or object is parked or stored completely within a fully-enclosed structure. However, the general contractor in charge of constructing a house on a Residential Lot may place a job trailer on the Residential Lot for one period of up to twelve months during the initial construction of the house.

13. Inoperable Vehicles. No inoperable vehicle may be parked or otherwise placed on a Residential Lot, unless the vehicle is parked or stored completely within a fully-enclosed structure. The Association may remove and dispose of any inoperable vehicles that are on a Residential Lot outside of a structure at the expense of the Owner of the Residential Lot.

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14. Parking Requirements; Non-Restricted Vehicles. Each Owner of a Residential Lot who constructs a residence on the Residential Lot will also construct a fully-enclosed attached or detached garage that can accommodate at least two standard vehicles, and will provide a driveway or parking pad capable of accommodating parking for two more standard vehicles. Any vehicle not restricted by Sections 11 or 12 of this Declaration shall be well-maintained and parked only in a fully-enclosed structure or on an approved driveway. The owners of Tract B and the Adjoining Tracts may allow event guests to park along the private roads in EDGEWATER ESTATES in locations that do not obstruct the Owners of the Residential Lots and that do not impede emergency access to the Residential Lots.

15. Fires. No Owner of a Residential Lot may permit any outdoor open fire on the Lot except in compliance with Douglas County Code, any applicable fire safety regulations, and regulations of the Association. This provision does not prohibit Owners from operating outdoor grills fueled by propane or natural gas. The Board of Directors may impose temporary restrictions on outdoor fires as it sees fit.

16. Firearms. No Owner of a Residential Lot may permit the use of firearms, fireworks, or explosives within the EDGEWATER ESTATES subdivision, unless the Owner obtains prior written approval from Declarant, or if after termination of the period of Declarant Control, the Association.

17. No Nuisances; Exemption for Agricultural and Viticultural Activities. No Owner may permit any activity on a Residential Lot that may disturb the peace, quiet, and comfort of the other Owners. The Lots and tracts within EDGEWATER ESTATES and the Adjoining Tract are located within rural zones that allow agricultural and other nonresidential uses, which may include a variety of activities that are not compatible with residential or other type of development for certain periods of limited duration. Such activities may include but are not limited to noise, dust, smoke, odors, and hours of operation resulting from harvesting, planting, fertilizing, spraying, pest control, and other resource-related or recreational activities associated with usual and normal agricultural, viticultural, recreational, and resource management practices which, when performed in accordance with county, state, and federal law, shall not be subject to legal action as public or private nuisances. No provision of this Declaration may be interpreted to prohibit or restrict ordinary agricultural practices, including viticulture, the potential future operation of a tasting room, and potential future outdoor events, from being conducted on Lot 10, Tract B, and the Adjoining Tract, to all of which activities the Owners of Residential Lots are deemed to consent by accepting a deed to a Residential Lot in EDGEWATER ESTATES.

18. Well Protection Restriction. If additional property is annexed to this common interest community and the plat of the additional property identifies the location of a well, then the owner of the lot or tract on which the well is located and the owners of adjoining lots or tracts will

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not construct or install, or permit construction or installation of, any septic or other sewage disposal system within 100 feet of the well.

B. Covenants to comply with Douglas County regulations and the conditions of approval.

19. Natural Drainage. No Owner may change or interfere with the natural drainage of any part of the Property, nor with the drainage facilities on the Property, without first obtaining the unanimous consent of the Owners and any approval from Douglas County that county code may then require.

20. Maintenance of Tract B. The owner of Tract B shall have the exclusive right to use Tract B, subject to the rights of the other Owners to use the portion of the access easement within Tract B for access to and from the Lots of those Owners, and shall each be responsible for maintaining their respective tracts except for the shared private access road.

21. Obligation to Maintain Roads, Storm Water Facilities, Irrigation System and Private Water System. The Owners will as a common expense maintain and repair (and replace when necessary) the private roads within the Property identified on the plat as Edgewater Drive, and Tunnel View Drive, portions of which are on private Lots. From and after the time the Declarant forms the Association to be the homeowners' association for EDGEWATER ESTATES, the owners of the Lots (including the Owners of Lot 10 and Tract B) will each pay to the Association an equal share of the cost of maintenance of the private roads as assessed by the Association. The Declarant may document the maintenance obligation through a separate Operations and Maintenance Agreement in accordance with requirements of Douglas County, which will then bind the Owners as if set forth here. If any lands adjacent to EDGEWATER ESTATES should be developed without being annexed to EDGEWATER ESTATES and put more than an incidental burden on any of the private roads or other facilities of EDGEWATER ESTATES, the Association may enter into an agreement with the owners of the adjacent lands to allocate or share costs of maintaining those private roads or other facilities.

Also as a common expense, the Owners will maintain and repair any well, irrigation system, easement, or storm drainage facility that serves the Lots generally and that is not being maintained by a water district formed for the purpose. The Declarant may document the maintenance obligation through a separate water agreement (however titled) and a Stormwater Operations and Maintenance Agreement in accordance with requirements of Douglas County, which will then bind the Owners as if set forth here.

22. Easements. Easements for access, utilities, irrigation, and drainage are reserved as delineated on the plats of EDGEWATER ESTATES or otherwise placed of record. No Owner may place any structure, planting, or other material which may damage or interfere with the

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installation and maintenance of utilities, or which may change the direction or flow of drainage channels in the drainage easements, or which may obstruct or slow the flow of water through drainage channels in the drainage easements. Each Owner shall maintain any drainage easement area on that Owner's Lot, except for when authority for maintenance is with a public authority or utility company. If the Association enters onto any Residential Lot to maintain, repair, or replace any drainage channel or other stormwater facility, the Owner of the Residential Lot will be responsible to restore the surface and landscaping of the area that the Association disturbs, at the Owner's expense.

23. Further Subdivision and Partition Prohibited. Except as otherwise provided herein with respect to the Special Declarant Rights, no Residential Lot may be further subdivided or partitioned. This provision does not prohibit owners of adjacent Lots from obtaining minor boundary line adjustments between their Lots that do not individually or collectively create an additional building site within the Property, if the affected owners comply with RCW 64.90.260 and any other applicable requirements of law.

24. Douglas County Code. The Owners shall, at all times, ensure that each Lot and the Property remains in compliance with all applicable sections of the Douglas County Code, including, but not limited to, DCC 18.16.046.

C. Water District Formation; Developer Contribution; Assessments; Reserve Fund for Repairs and Replacements.

25. Water Districts; Association to Maintain a Reserve Fund. The Declarant has applied for and obtained the consent of Douglas County to form a water district under Title 57, Revised Code of Washington to provide domestic water to EDGEWATER ESTATES and other property, named "Double D Water District" (the "Water District"), and to construct for the ultimate benefit of the Water District a public domestic water system to serve EDGEWATER ESTATES and other property in the vicinity of EDGEWATER ESTATES. The Declarant has also obtained the consent of Douglas County to form a water district to provide irrigation water to EDGEWATER ESTATES and other property, named "Twin W Irrigation District" (the "Irrigation District"), and to construct for the ultimate benefit of the Irrigation District a system to pump, store, and transport irrigation water to serve EDGEWATER ESTATES and other property in the vicinity of EDGEWATER ESTATES.

26. Declarant Contribution. The Declarant will make an initial contribution to the Water District in the amount of \$28,500, for which the Declarant will be entitled to twenty-seven (27) single-family residential water connections from the Water District for domestic service, or the non-residential equivalent of twenty-seven single-family water connections from the Water District, which the Declarant may use to provide water service to any property within or without EDGEWATER ESTATES, as the Declarant may decide in its sole discretion. The Water District

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will place at least \$19,000 of the Declarant's initial contribution into its reserve fund for repairs, replacements, and capital improvements. The Declarant and the Water District will enter into a contribution agreement in substantially the form attached as Exhibit C.

27. Powers of Assessment; Right to Impose Lien for Unpaid Assessments. To ensure that the Water District will have funds available to make capital repairs to and replacements of the domestic water system, the Association is granted the power to levy assessments on the Owners, to accumulate funds for the eventual repair and replacement of the water system including its pumps, supply lines, and other components, and to pay funds from the repair and replacement reserve to the Water District on the request of the Water District when and as the Water District needs to expend the funds to repair or replace elements of the water system. In addition to its other rights to impose liens on the property within EDGEWATER ESTATES for unpaid assessments, the Association is granted the right to impose liens on the property within EDGEWATER ESTATES for unpaid assessments for the repair and replacement of the domestic water system. If the Association is unable or unwilling to provide a ratable share of the cost to repair and replace the domestic water system, or if the Association has ceased to function, then the Double D Water District may exercise the power of assessment and enforce its assessments by liens on the Lots within EDGEWATER ESTATES. This paragraph is intended to provide a mechanism for the Owners to pay a ratable portion of the cost to repair and replace the facilities of the Water District so that the cost will not fall on Douglas County, and Douglas County is an intended third-party beneficiary of this provision.

28. Lien for Assessments; Priority. The Association has a statutory lien against each Lot for any unpaid Assessment against the Lot from the time such Assessment is due. The lien will accumulate all future Assessments or installments, interest, late fees, penalties, fines, attorney fees (whether or not suit or action is instituted), actual administrative costs, and other appropriate costs properly chargeable to an Owner by the Association, until such amounts are fully paid. Such lien will have priority over all other liens and encumbrances on a Lot except: liens and encumbrances recorded before the recordation of the Declaration; except as otherwise provided in RCW 64.90.485(3), a security interest on the Lot recorded before the date on which the unpaid Assessment became due; liens for real estate taxes and other state or local governmental Assessments or charges against the Lot. A lien under this Section also has priority over the security interests described in RCW 64.90.485(2)(b) to the extent allowed under RCW 64.90.485(3)(a). The lien may be foreclosed at any time in accordance with Washington law.

29. Commencement of Action. The Association may not commence an action to foreclose a lien on a Lot under this Section unless the Owner, at the time the action is commenced, owes a sum equal to at least three months of Common Expense Assessments; and the Board approves commencement of a foreclosure action specifically against that Lot.

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30. Judicial Foreclosure. The lien arising under this Article 7 may be enforced judicially by the Association in the manner set forth in RCW 61.12. The Association shall have the power to purchase the Lot at the foreclosure sale and to acquire, hold, lease, mortgage, or convey the Lot. 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 eight months or as otherwise provided by Washington law. Nothing in this Section shall prohibit the Association from taking a deed in lieu of foreclosure as provided by Washington law.

31. Nonjudicial Foreclosure. If the Association forecloses its lien under this Section nonjudicially pursuant to chapter 61.24 RCW, as provided under RCW 64.90.485(13), the Association is not entitled to the lien priority provided under RCW 64.90.485(3), and is subject to the limitations on deficiency judgments as provided in chapter 61.24 RCW. A lien arising under this Article 7 may be foreclosed non-judicially in the manner set forth in RCW 61.24 for non-judicial foreclosure of deeds of trust.

32. Receiver Pending Foreclosure. From the time of commencement of an action by the Association to foreclose a lien for nonpayment of delinquent Assessments against a Lot that is not occupied by the Owner thereof, the Association shall be entitled to the appointment of a receiver to collect from the lessee thereof the rent for the Lot and/or House as and when due. If the rent is not paid, the receiver may obtain possession of the Lot, refurbish the House for rental up to a reasonable standard, rent the Lot or permit its rental to others, and apply the rents first to the cost of the receivership and attorneys' fees thereof, then to the cost of refurbishing the House, 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 sooner than 90 days after the delinquency. The exercise by the Association of the foregoing rights shall not affect the priority of preexisting liens on the Lot.

33. Foreclosed Lots. While a Lot is owned by the Association following foreclosure: (a) no right to vote may be exercised on its behalf, (b) no Assessments may be levied against it, and (c) each other Lot shall be charged, in addition to its usual Assessment, its pro-rata share of the Assessment that would have been charged against such Lot had it not been acquired by the Association.

34. Personal Liability for Amounts Due. In addition to constituting a lien on the Lot, all sums assessed by the Association chargeable to any Lot, including all charges in this Article 7, shall be the joint and several liabilities of the Owner of the Lot to which the same are assessed at the time the Assessment is due, of the Owner of the Lot until paid in full. Except in a conveyance by foreclosure, or as provided in this Section 7.7, upon transfer of title to a Lot, the transferee shall be jointly and severally liable for any Assessments and other charges due at the time of transfer, without prejudice to grantee's right to recover from grantor amounts paid by grantee, and as

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allowed in RCW 64.90.485. The Association may bring an action for money judgment for unpaid Assessments, fines and charges under this Declaration without foreclosing and without waiving the lien described in Section 7.1. Any recovery on such action shall, however, operate to satisfy the lien, or portion thereof to the extent of such recovery.

35. Extinguishment of Lien and Personal Liability. A lien for unpaid Assessments and the personal liability for payment of Assessments is extinguished unless proceedings to foreclose the lien or collect the debt are instituted within three years after the Assessments sought to be recovered becomes due. The sale or transfer of title to any Lot pursuant to foreclosure of a First Mortgage shall extinguish the lien as to any installments of Assessments due prior to the Mortgagee's foreclosure. The subsequent Owner of the foreclosed Lot shall not be personally liable for any Assessments or installments thereof that became due prior to such transfer of title. Such unpaid Assessments shall be deemed to be Common Expenses collectible from all the Owners, including such Mortgagee or other purchaser of the Lot. Foreclosure of a Mortgage does not relieve the prior Owner of personal liability for Assessments accruing against the Lot prior to the date of such sale.

36. Late Charges and Interest on Delinquent Assessments. The Association may charge late fees and 12% per annum or higher interest, subject to limitations of Washington law, on all delinquent Assessments or installments thereof. Interest shall be computed starting on the date in which the Assessment is due. If an Owner is delinquent in payment of any Assessment or installment on any Assessment, the Association, on not less than 10 days' written notice to the Owner, may accelerate the due date of the full Annual Assessment for that fiscal year and all future installments of any Special Assessments. In the absence of another established nonusurious rate, delinquent Assessments shall bear interest from the date of delinquency at the maximum rate permitted under RCW 19.52.020 on the date on which the Assessments became delinquent.

37. Recovery of Attorneys' Fees and Costs. The Association shall be entitled to recover any costs and reasonable attorneys' fees incurred in connection with the collection of delinquent Assessments, 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 attorneys' fees if it prevails on appeal and in the enforcement of a judgment.

38. Security Deposit. An Owner who has been chronically delinquent in paying monthly Assessments may be required by the Board, from time to time, to make and maintain a security deposit not in excess of three months estimated monthly Assessments, which shall be collected and shall be subject to penalties for nonpayment as are other Assessments. The deposit shall be held in a separate fund, credited to such Owner, and may be resorted to at any time when such Owner is 10 days or more delinquent in paying Assessments.

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39. Remedies Cumulative. The remedies provided herein are cumulative and the Board may pursue them, and any other remedies available under law although not expressly set forth herein, either concurrently or in any order.

40. Exempt Property. The following property is exempt from payment of Assessments: (a) any property dedicated or conveyed to and accepted by any governmental entity or public utility; and (b) any property owned by the Association.

41. Reserve Fund. The Owners will cause the Association to maintain a reserve fund, either through the Association or through the Water District, and will fund the reserve fund with assessments that are reasonably calculated to fund the repair and replacement of major components of the Water District's water system over their useful life.

42. Accounting to the Water District and Douglas County. The Owners will cause the Association to from time to time account to the Water District and Douglas County for the Association's water system repair and replacement reserve fund.

D. Declarant Control and Special Declarant Rights.

43. Declarant Control Period. The Declarant Control Period will expire on the first to occur of the following events: (a) 60 days after conveyance of 75% of the Lots that may be created to Owners other than Declarant; (b) two years after the last conveyance of a Lot, except to a Dealer; (c) two years after any right to add new Lots was last exercised; or (d) the day Declarant, after giving notice in a record to Owners, records an amendment to the Declaration voluntarily surrendering all rights to appoint and remove officers and Board members. Nothing herein shall be construed to limit Declarant's right to assign its interest herein.

44. Management by Interim Board of Directors. Prior to the expiration of the Declarant Control Period, the Association will be governed by an interim Board of Directors, consisting of three to five Board members, appointed by the Declarant from time to time.

45. Transition Meeting. Declarant must call a meeting for the purposes of turning over administrative control of the Association from Declarant to the members (the "Transition Meeting") within 30 days of expiration of the Declarant Control Period or, in the absence of such period, not later than a date that is 60 days after the conveyance of 75% of the Lots that may be created to Owners other than a Declarant, the Board must schedule a Transition Meeting and provide notice to the Owners in accordance with Washington law and the Bylaws. At the Transition Meeting, the Board elected by the Owners must be elected in accordance with Washington law and the Bylaws.

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EDGEWATER ESTATES DIVISION 2**

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46. Special Declarant Rights. Unless otherwise provided herein, all of the Special Declarant Rights (including those of any successor Declarant) shall continue until the expiration of the period of Declarant control, unless otherwise stated.

46.1. Prior to the expiration of the period of Declarant control, the Association will be governed by the interim Board of Directors, consisting of no fewer than three (3) members, appointed by the Declarant from time to time as provided in the Declaration and Bylaws. Declarant reserves the right to appoint the interim Board throughout the period of Declarant Control, subject to the limitations of the Act or this Declaration.

46.2. Declarant reserves for itself and any successor Declarant the right to complete improvements described on the Map, in the Declaration or the Public Offering Statement; create the Community and undertake sales activities, including establishing and maintaining sales offices, management offices, and models in Houses or on Common Elements in the CIC; and maintaining signs in or on Lots owned by Declarant or the Common Elements advertising the CIC and models, all in conjunction with the easements granted pursuant this Declaration. The right to create and undertake sales activities shall expire when the declarant no longer owns a Lot or has a right to create a Lot.

46.3. Declarant reserves the right for itself and any successor Declarant the right to promptly remove any model unit(s). This right shall expire 120 days after the expiration of the rights granted in Section 2.

46.4. Declarant reserves for itself and any successor Declarant to exercise the Development Rights described in the Declaration, Map or Public Offering Statement.

46.5. Declarant, in Declarant's sole discretion, reserves the right to itself and any successor Declarant the right to control any construction, design review, aesthetic standards committee or process.

46.6. Declarant reserves for itself and any successor Declarant the right to not be subject to the restrictions on Lot development as to any Lot owned by Declarant.

46.7. Declarant hereby reserves for itself and any successor Declarant the right to convey Common Elements. In addition, Declarant or any successor Declarant may acquire, hold title to, encumber, lease and convey, with or without consideration, real and personal property and interest therein, including but not limited to easements across all or any portion of the Common Element, and may accept any real or personal property, leasehold or other property interests in the Property as may be reasonably necessary for development of the Community. Notwithstanding the foregoing Special Declarant Rights, after a Lot is conveyed to an Owner other than Declarant, no such conveyance or

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EDGEWATER ESTATES DIVISION 2**

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encumbrance may hinder an Owner's rights of use of any such Common Element or Limited Common Element.

46.8. Declarant hereby reserves to itself the right to use easements through the Common Elements, and to use those easements, for the purpose of making improvements within the Community or within real estate that may be added to the Community. This right shall expire when the Declarant no longer owns any Lots.

46.9. Declarant reserves the right to itself and any successor Declarant to consolidate or subdivide any two or more Lots then owned by it upon receipt of any required approvals from the local municipality, and as allowed under Washington law. No other Owner may consolidate or subdivide any Lots without the prior written approval of the Declarant prior to the expiration of the period of Declarant control and thereafter by the Board of Directors, which may be granted or denied at the sole discretion of the Declarant or the Board, as applicable. Any approved consolidation or subdivision shall be affected by the recording of an amendment to this Declaration stating that the affected Lots are consolidated or subdivided, which amendment shall be executed by the Owner(s) of the affected Lots and by the president of the Association.

46.10. In addition to the Declarant's reserved right to annex to EDGEWATER ESTATES all or part of the Adjoining Tract (the lands described on the attached Exhibit B), the Declarant reserves the right to add other real estate to the plat community for a period of five years after the date on which this Declaration is recorded.

46.11. As allowed by Washington law, Property may be withdrawn from the CIC by duly adopted amendment to this Declaration, except that Declarant reserves to itself and any successor Declarant the right to withdraw all or a portion of the Property, subject to the prior approval of the local municipality. Such withdrawal shall be by an amendment executed by Declarant and recorded in the deed records of Douglas County, Washington. If a portion of the Property is withdrawn, all voting rights otherwise allocated to Lots being withdrawn shall be eliminated, and the Voting Rights and the Common Expenses shall be reallocated among the remaining Lots on a pro rata basis among the Owners. Such right of withdrawal shall not expire except upon sale of the first Lot within the applicable phase of the Property as described above.

46.12. The Declarant reserves to itself and any successor Declarant the right to grant easements over, across, and through the Property for the benefit of the Declarant and its successors and assigns for ingress to and egress over the roadways and parking lots and sidewalks of the Community or to have access to and to tie into and use any water, sanitary sewer, storm sewer, electricity, gas, telephone, cable, television, or other utility facilities now or hereafter established in the Community, or as otherwise

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EDGEWATER ESTATES DIVISION 2**

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reasonably necessary for the development of the Community. The easements reserved hereby shall not be exercised in a manner that will overload or materially impair the use and enjoyment of the roadways, pathways, and utilities by Owners or the present and future Owners of any Development Rights. This right shall expire when the Declarant no longer owns any Lots.

46.13. Notwithstanding any provision apparently to the contrary, Declarant is not obligated to build any improvements described herein. Declarant hereby reserves the right to build any improvement(s) not described in the Declaration as may reasonably be needed for the development of the Property.

46.14. Until any particular Declarant right has expired, Declarant may transfer all or any portion of that right to any Person who owns all or any portion of the Property. Any transfer must be memorialized in an instrument executed by the Declarant, or the Declarant's successor, and the transferee and recorded in the county where the Community is located. This right shall expire when the Declarant no longer owns any Lots.

46.15. Declarant reserves to itself and any successor Declarant the right to attend meetings of the Owners and, except during an executive session, the Board, so long as Declarant continues to hold any Special Declarant Rights.

46.16. Declarant reserves to itself and any successor Declarant the right to have access to the records of the Association to the same extent as an Owner.

46.17. Declarant reserves the right to delay the commencement of Assessment for some or all Common Expenses or Specially Allocated Expenses, in which event Declarant must pay all of the Common Expenses or Specially Allocated Expenses that have been delayed.

47. Declarant Consent. A provision in the Declaration creating Special Declarant Rights that have not expired may not be amended without the consent of the Declarant.

E. Mortgagee Protections.

48. The following provisions are for the benefit of holders of First Mortgages on Lots in the Community. The provisions of this Section apply to both this Declaration and to the Bylaws, notwithstanding any other provisions contained therein.

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EDGEWATER ESTATES DIVISION 2**

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48.1. Notices of Action. An Eligible Mortgagee, who provides a written request to the Association, will be entitled to timely written notice of:

48.2. Any condemnation loss or any casualty loss which affects a material portion of the Community or which affects any Lot on which there is a held, insured or guaranteed by such eligible holder;

48.3. Any delinquency in the payment of Assessments or charges owed by an Owner of a Lot subject to the Mortgage of such Eligible Mortgagee, where such delinquency has continued for a period of 60 days; provided, however, any holder of a First Mortgage, upon request, is entitled to written notice from the Association of any default in the performance by the Owner of the encumbered Lot of any obligation under the Declaration or Bylaws of the Association which is not cured within 60 days;

48.4. Any lapse, cancellation or material modification of any insurance policy maintained by the Association.

48.5. No provision of this Declaration or the Bylaws gives or shall be construed as giving any Owner or other party priority over any rights of the First Mortgagee of any Lot in the case of distribution of such Owner of insurance proceeds or condemnation awards for losses to or taking of the Common Elements.

48.6. Upon request, each Lot Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Lot.

48.7. Nothing contained in this Section shall be construed to reduce the percentage vote that may otherwise be required under the Declaration, Bylaws or Washington law for any of the acts set out in this Section.

F. General Provisions.

49. Attorneys' Fees. In the event that Declarant or the Association employs an attorney to enforce these CC&Rs, the Declarant or the Association (as applicable) shall be entitled to recover its reasonable attorneys' fees and costs at trial and on appeal from any Owner who is violating the CC&Rs. In any action by any other Owner to enforce these CC&Rs, each party will pay his, her, or its own attorney fees.

50. Expiration of Covenants. These CC&Rs shall not expire, and shall run perpetually, except by unanimous vote of the Owners in EDGEWATER ESTATES subdivision.

**17 - DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
EDGEWATER ESTATES DIVISION 2**

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51. Additional Restrictions Permitted; Limitation on Amendment. The Owners may by unanimous written agreement adopt other or additional covenants, conditions, and restrictions to govern the Property that do not conflict with or make meaningless any of the covenants, conditions, and restrictions in this Declaration.

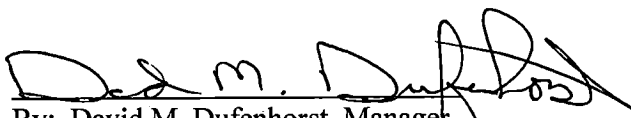
52. Heirs and Assigns. The covenants, conditions, and restrictions in this Declaration and the provisions herein shall bind and inure to the benefit of the Declarant, the Owners, and their successors, heirs, and assigns. The right of the Declarant under this Declaration to maintain and enforce architectural control of the Residential Lots passes to future owners of Tract A and not to the Association.

53. Enforcement. The Declarant, the Association, and any Owner may enforce the covenants, conditions, and restrictions in this Declaration by bringing an appropriate action in the state courts of Douglas County, Washington to specifically enforce the covenants, conditions, and restrictions.

Dated this 24 day of May, 2021.

DD VINEYARDS A LLC:

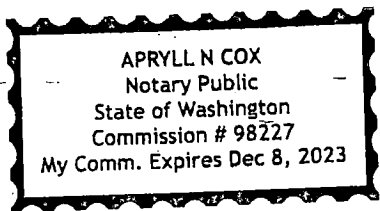
By its manager, DOUBLE D VINEYARDS LLC:

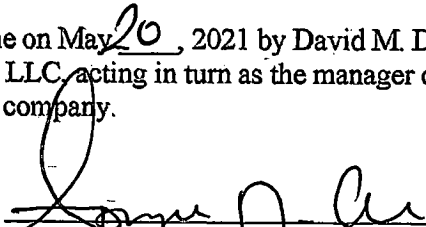

By: David M. Dufenhorst, Manager

[Acknowledgment on next page]

State of Washington)
County of Douglas)

This instrument was acknowledged before me on May 20, 2021 by David M. Dufenhorst, in his capacity as Manager of Double D Vineyards LLC, acting in turn as the manager of DD Vineyards A LLC, as his voluntary act on behalf of the company.





Notary Public for Washington
My commission expires: 12/8/22

EXHIBIT A

Legal Description of Property

Before subdivision:

Parcel E of Boundary Line Adjustment BLA 2020-03, recorded April 24, 2020 under Auditor's file No. 3229688, Douglas County, Washington.
APN: 26-21-12-300-04

After subdivision:

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, and 10, and Tract B, EDGEWATER ESTATES DIVISION 2, a subdivision located in Township 26 North, Range 21 East of the Willamette Meridian, in Douglas County, Washington.

EXHIBIT B

Legal Description of the Adjoining Tract

Parcel D of Boundary Line Adjustment BLA 2020-03, recorded April 24, 2020 under Auditor's file No. 3229688, Douglas County, Washington (owned by DD Vineyards D LLC).
APN: 26-21-12-30026

And

Parcel C of Boundary Line Adjustment BLA 2020-03, recorded April 24, 2020 under Auditor's File No. 3229688, Douglas County, Washington (owned by DD Vineyards C LLC)
[APN 26-21-12-30025]

And

Parcel B of Boundary Line Adjustment BLA 2020-03, recorded April 24, 2020 under Auditor's File No. 3229688, Douglas County, Washington (owned by DD Vineyards B LLC),
[APN 26-21-12-30024]

And

Lot 4, FUJI SHORT PLAT #03-17, as amended #03-17B
[APN 26-21-12-10031]

And

Lot 4, GALA SHORT PLAT #03-20
[APN 26-21-12-10035]

All in Section 12, Township 26 North, Range 21 East of the Willamette Meridian, in Douglas County, Washington.

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EDGEWATER ESTATES DIVISION 2**

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EXHIBIT C

Form of Contribution Agreement (see Section 25 of the Declaration)

CONTRIBUTION AGREEMENT

This Contribution Agreement (this "Agreement") is made as of _____, 2021 by DOUBLE D WATER DISTRICT, a municipal corporation of the State of Washington ("District"), and DD VINEYARDS A LLC, a Washington limited liability company ("Declarant"), in connection with the formation and initial funding of the District.

RECITALS

A. Declarant and entities under common-ownership with Declarant own substantially all the real property within the District, including in particular the real property described on the attached Exhibit 1, incorporated herein by this reference.

B. Declarant has asked Douglas County to form the District in order to serve a subdivision that Declarant has platted or is about to plat, known as EDGEWATER ESTATES DIVISION 2 P2020-02, and to serve nearby property (the "Adjoining Tract") owned by Declarant's affiliates or related parties. The Adjoining Tract is described on the attached Exhibit 2.

C. Douglas County has agreed to form the District to provide domestic water service to the property within the District, if Declarant contributes funds as initial capital for the District, including reserves for repairs and replacements of the District's facilities.

D. Declarant is willing to contribute funds as initial capital for the District if the District designates a portion of the funds for the District's reserves for repairs and replacements of its facilities, and if the District treats the funds as being for the purchase of water service connections, on substantially the same basis as for the District's other customers.

NOW, THEREFORE, DECLARANT AND DISTRICT AGREE:

1. The recitals above are true and correct and are part of this Agreement.
2. Declarant agrees to contribute \$28,500 to the District within 30 days after the District becomes a legal entity capable of operating.
3. In exchange for Declarant's contributions, District agrees to:
 - a. Allocate at least \$19,000 of Declarant's contribution to its reserve fund for repairs and replacements of its facilities; and
 - b. Credit Declarant or Declarant's designee with twenty-seven fully-paid connections for domestic water service for single-family homes, or with the equivalent domestic

22 – CONTRIBUTION AGREEMENT

(Exhibit C to Declaration of Covenants, Conditions, and Restrictions)

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water service for non-residential uses that Declarant or its affiliates or assigns may construct anywhere within the District, as Declarant may determine in its sole discretion. "Equivalent domestic water service" means service to nonresidential users that the District rates at 27 Equivalent Residential Units (ERUs), as defined by Chapter 246-290, Washington Administrative Code. Declarant may assign this power to designate the tracts, parcels, or lots to receive the water service from these fully-paid connections in whole or part to any affiliate of Declarant, whether or not that affiliate owns land within the District, or to any future owner of any one specified lot or tract, to run with the land.

DD VINEYARDS A LLC:

By its manager, DOUBLE D VINEYARDS LLC:

By: David M. Dufenhorst, Manager

DOUBLE D WATER DISTRICT:

By _____
Its _____

[Acknowledgments on next page]

ACKNOWLEDGMENTS

State of Washington)
County of Douglas)

This Contribution Agreement was acknowledged before me on April __, 2021 by David M. Dufenhorst, in his capacity as Manager of Double D Vineyards LLC, acting in turn as the manager of DD Vineyards A LLC, a Washington limited liability company, as his voluntary act on behalf of the company.

Notary Public for Washington
My commission expires: _____

State of Washington)
County of Douglas)

This Contribution Agreement was acknowledged before me on April __, 2021 by _____ as the _____ of Double D Water District, a Washington municipal corporation, as his or her voluntary act on behalf of the district.

Notary Public for Washington
My commission expires: _____

Exhibits:

- Exhibit 1 Legal Description of Declarant's property
- Exhibit 2 Legal Description of the Adjoining Tract

**EXHIBIT 1 to Contribution Agreement
Legal Description of Declarant's Property**

A parcel owned by DD Vineyards C LLC:

Parcel B of BPR-2021-08, as recorded in the records of Douglas County, Washington on March 3, 2021 as Auditor's File No. 3240687.

A parcel owned by DD Vineyards D LLC:

Parcel A of BPR-2021-08, as recorded in the records of Douglas County, Washington on March 3, 2021 as Auditor's File No. 3240687.

[NOTE: Declarant owns Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, and 10, and Tract B, EDGEWATER ESTATES DIVISION 2, Subdivision P 2020-002 (formerly Parcel E of BLA 2020-003 before being subdivided), and Declarant's affiliate DD Vineyards B LLC owns Parcel B of BLA 2020-003, as recorded in the records of Douglas County, Washington on April 24, 2020 as Auditor's File No. 3229688, both located in Township 26 North, Range 21 East of the Willamette Meridian, in Douglas County, Washington, which are within the boundaries of the District, but these lots are not the lots to which the prepaid water service connections are applicable.]

**EXHIBIT 2 to Contribution Agreement
Legal Description of the Adjoining Tract**

Parcel C of Boundary Line Adjustment BLA 2020-03, recorded April 24, 2020 under Auditor's File No. 3229688, Douglas County, Washington (owned by DD Vineyards C LLC)
[APN 26-21-12-30025]

And

Parcel B of Boundary Line Adjustment BLA 2020-03, recorded April 24, 2020 under Auditor's File No. 3229688, Douglas County, Washington (owned by DD Vineyards B LLC),
[APN 26-21-12-30024]

And

Lot 4, FUJI SHORT PLAT #03-17, as amended #03-17B
[APN 26-21-12-10031]

And

Lot 4, GALA SHORT PLAT #03-20
[APN 26-21-12-10035]

All in Section 12, Township 26 North, Range 21 East of the Willamette Meridian, in Douglas County, Washington.