

RIVIERA COMMUNITY CLUB, INC.
A Nonprofit, Nonstock Corporation

ARTICLES of
INCORPORATION

BYLAWS
Revised September 28, 2013 motion #2013-09-06

COVENANTS

PENALTIES, FINES,
FORFEITURES and CHARGES

SITE DEVELOPMENT



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Articles of Incorporation

We, EDWARD DeFELICE, WILLIAM M. LAY, KATHRYN H. SCUDDER, THOMAS FOSTER and PETER V. GULICK, five individuals, each and all of whom are over twenty-one years of age and citizens of the United States. Do hereby associate themselves for the purpose of forming a nonprofit, nonstock corporation under the provisions of Chapter 24.04 of the Revised Code of Washington, execute in triplicate these articles of incorporation:

ARTICLE I

The name of this corporation shall be Riviera
Community Club, Inc.

ARTICLE II

The corporate purposes are as follows:

- (a) To acquire, own, operate, maintain, encumber, dispose of and construct a system of water supply for its membership and to do such things as may be reasonably necessary and incident thereto including but not limited to the acquisition, ownership of easements, rights of way, permits, franchises, water rights, wells, pipes, pumps, and related equipment, property and property rights.
- (b) To acquire, own and maintain roads and streets and drainage systems appurtenant thereto including but not limited to ownership easements and rights of way necessary and appurtenant thereto.
- (c) To acquire, own, maintain, encumber, construct, repair, dispose of and manage buildings, properties and facilities for the use and enjoyment of its membership with such real property or rights therein as may be necessary or convenient for such purposes.
- (d) To enter into contracts; to mortgage, lease, encumber, sell and dispose of property of the corporation; to borrow money on the credit of the corporation; grant rights, easements and franchises for the use of the corporate property; to do and perform any and all things necessary, proper or convenient to carry out or accomplish these objectives and purposes; and to engage in any other activity incident to or encompassed within the foregoing purposes, provided, however, that this corporation shall not engage in any business, trade, avocation or profession for gain.

BYLAWS

ARTICLE I - NAME AND LOCATION

The name of the corporation is RIVIERA COMMUNITY CLUB, INC., a Washington non-profit corporation, hereinafter referred to as Riviera. The physical location of the corporation shall be located at 11016 Country Club Drive, Anderson Island, Washington 98303, and the mailing address will be the same. The Board of Trustees will designate the location of meetings of the members and trustees.

ARTICLE II - DEFINITIONS

Section 1. "Riviera" shall mean and refer to the RIVIERA COMMUNITY CLUB, a Washington nonprofit corporation, its successors and assigns.

Section 2. "Owner" shall mean:

The person or persons or other legal entity or entities holding an aggregate fee simple interest in a Lot or Lots; and

2. The purchaser of a Lot under an executory contract of sale.

Section 3. "Common Area" shall mean all real property and improvements owned or leased by Riviera, or in which Riviera has an easement (excepting easements for maintaining Lots), for the use and enjoyment of the members.

Section 4. "Lot" shall mean a portion of the Lake Josephine Riviera Subdivision as defined in the covenants, which is a legally described parcel of real property or is designated as a Lot or tract on any recorded Subdivision plat, whether or not improved. Lot shall not include any Common Area or Amenities.

Section 5. "Member" shall mean any person who is a member of the Riviera Community Club, Inc. pursuant to Section 4.06 of the Covenants.

Section 6. "Associate Member" shall mean individuals or corporations who do not own Riviera property and who are otherwise ineligible for membership or voting privileges in the Riviera Community Club, but who have been approved by the Board of Trustees for the SOLE purpose of using and enjoying the Riviera facilities on a yearly basis upon payment of an annual fee as determined and set by the Board of Trustees in connection with the annual budget.

Section 7. "Covenants" shall mean and refer to Declaration of Protective Covenants, Easements, Conditions, and Restrictions, applicable to Riviera as recorded in the Office of Pierce County Auditor, Pierce County, Washington, under Auditor's Fee No. 9907210373.

Section 8. "Lien" shall mean a legal document, substantially in the form of a labor and material lien filed with the County Auditor against a member's Lot or Lots. A lien shall be filed to secure payment in the event any owner fails to pay, within 30 days, all fees and assessments, penalties or charges of Riviera, as further defined, authorized, and set forth in Section 5.04 of the Covenants.

Section 9. "Assessments" Assessments shall mean annual dues, special assessments and fees.

Section 10. "Member in Good Standing" shall mean a member who is neither delinquent in the payment of their assessments as defined above nor been found to be in violation of any of the Covenants, Rules, or Regulations of the Riviera after Notice and Opportunity for a Hearing as set forth in the Covenants.

Section 11. "Manager" shall mean the General Manager employed by the Riviera.

ARTICLE III - MEMBERSHIP

Section 1. Members. Every Owner of a Lot within the Lake Josephine Riviera Subdivision and every Owners spouse or state registered domestic partner defined in RCW 26.60.030 shall be a member of Riviera. Membership shall be appurtenant to and may not be separated from Ownership of any Lot. Ownership of a Lot shall be the sole qualification for membership.

Section 2. Associate Members. Individuals or corporations, as defined in Article II, Section 6, not otherwise qualifying as a member, who seek the use and enjoyment of the Riviera facilities and Common Area, must make application to the Riviera Board of Trustees. In addition, applicants must be sponsored by a current Riviera member in good standing, and otherwise meet the current eligibility criteria set by the Board in its Policies and Procedures manual. Approval by the Board must be recorded in the Corporate Minutes and such membership will continue annually upon payment of the annual fee related thereto or until terminated by either party on thirty (30) days written notice. Associate Members shall have the right to use all Riviera Common areas and facilities, including but not limited to the right to purchase annual golf memberships on the same terms as offered to members. Associate members do NOT have voting rights and the total membership hereunder shall not exceed seventy (70). There shall be prorating of the fee for first time associate members only.

Section 3. Members Right to Use Common Area. Members and associate members in good standing, their family, and their guests shall have the right and a nonexclusive easement of enjoyment in and to the Common Area, and Amenities, and for ingress and egress over and through the Common Area. A member may assign to a renter of the member's lot the member's right to use and enjoy Riviera common areas and facilities, including but not limited to the right to purchase annual golf, campground and/or marina memberships on the same terms as other members. A member may not assign their right to vote. Renters may use the Common Areas and amenities only if released in writing by the Owner/Member to do so. Owners who release their right to renters no longer have rights to use the Common Area themselves in connection with that Lot. To be effective, an assignment of a member's rights to a renter must be made in writing with a copy of the assignment instrument delivered to the General Manager.

Section 4. Right to a Fair Hearing. A member reasonably believed by a majority of the Board of Trustees to be in violation of any provision of the Covenants, Bylaws, Rules, Regulations or Procedures of the Riviera, (excluding the payment of any assessment), shall be given notice of the alleged violation. The member shall have the opportunity for a hearing as set forth in Article I of the Covenants prior to the commencement of any enforcement action or the imposition of any penalty. All such notices must be in writing and all findings of a violation must be supported by a preponderance of the evidence (See Article 1 of the Covenants.)

Section 5. Lots with Multiple Owners. In the event more than one person or entity owns a lot, it shall be the responsibility of said owners to designate which party shall exercise the vote for the lot.

Section 6. Lots Owned by a Corporation or Partnership. In the event that a corporation or partnership owns a lot or lots, then the entity shall have the right to designate in writing to the Riviera for each such lot it owns, not more than three (3) persons each of whom shall be entitled to all of the rights and privileges of member, provided, however, only one vote is permitted for each lot.

ARTICLE IV - MEETING OF MEMBERS

Section 1. Annual meeting of Members. Riviera shall hold an annual meeting each year pursuant to Section 4.02 of the Covenants.

Section 2. Special Meetings of the Members. Special meetings shall be called upon the request of the President, a majority of the Trustees or upon a written request for the same signed by the Owners of 10% of the Lots.

Section 3. Notice of Meetings of the Members. Written notice of each annual or special meeting of the Members shall be sent by or at the direction of the Secretary or other appointee authorized to call the meeting to all Members in good standing. Notice of all meetings shall describe the date, time, location, and purpose of the meeting. Each

written notice shall be mailed to the Members in good standing at their address as shown on the corporate records, no more than 60 days and not less than 14 days prior to the date fixed for the meeting.

Section 4. Quorum. Ten percent (10%) of all Lots represented either in person or by proxy at any annual or special membership meeting shall constitute a quorum.

Section 5. Proxies. At all meetings of the members, each member in good standing may vote in person or by proxy. All proxies shall be in writing and filed with the Corporate Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot.

Section 6. Parliamentary Procedures. At all meetings of this Corporation, where not otherwise specified in the Bylaws or Procedures, Robert's Rules of Order, Revised, will be used. A parliamentarian shall be in attendance at each annual meeting.

ARTICLE V - BOARD OF TRUSTEES, SELECTION, TERM OF OFFICE

Section 1. Number. The Board of Trustees, consisting of no more than five (5) members, shall govern Riviera. Three (3) Trustees shall constitute a quorum on all Board matters. In the event of a vacancy on the Board of Trustees, the remaining Trustees shall fill the Board vacancy by the appointment of a new member or members within thirty (30) days from resumes requested from and submitted by the membership. Appointed Board members shall serve until the next general Board election. In the event the number of Board members shall fall to less than three (3) a special election shall be held to add additional Board members using the procedures set forth for the election of Trustees at an annual meeting.

Section 2. Term of Office. Each Trustee shall hold office for two (2) years. If any Trustee is unable or unwilling to complete their term, said Trustee's term shall be filled by a majority vote of the remaining Trustees, and said appointee shall serve until the next election. No trustee may serve more than two consecutive terms. The terms shall be staggered so that not more than three (3) trustee positions are voted on at each annual meeting of the members of Riviera. To maintain the stagger, if necessary, the candidate receiving the least number of votes shall serve a term of one (1) year. Under no circumstances shall a member serve as trustee for more than five consecutive years.

Section 3. Removal by members. Any Trustee may be removed from the Board, with or without cause, by a majority vote of the members in good standing present in person or by proxy at an annual or special meeting called for that purpose at which a quorum is present. A member of the Board NOT in good standing shall automatically be considered to have vacated his position without necessity for a formal vote to be taken for his/her removal.

- A. A Trustee against whom a removal action has been brought shall not participate in any part of the removal meeting procedure, including giving notice of the meeting and/or counting the votes cast at the meeting. The Trustee, however, may attend the meeting, vote at the meeting and speak to the Members present at the meeting.
- B. Proxies used to vote on a motion for removal of the Trustee shall be in writing and shall be delivered to a neutral Member in Good Standing selected by the Board of Trustees and approved by the person or persons requesting the removal action.
- C. The voting procedure in any removal action shall substantially conform to the procedure used for the Election of Trustees and set forth in Article VI Section 3.

Section 4. Compensation. No Trustee shall receive compensation for any service they may render Riviera. However, any Trustee may be reimbursed for their actual out-of-pocket expenses incurred in the performance of their duties.

Section 5. Action Taken Without a Meeting. The Trustees shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Trustees. Any action so approved shall have the same effect as though taken at a meeting of the Trustees.

Section 6. Ineligibility of Employees. No Riviera employee or their immediate family shall serve as a Riviera Trustee.

Section 7. Ineligibility of Related Parties. Only one member of a family related by blood or sharing the same household shall be eligible to seek election for or serve as a Trustee at the same time.

ARTICLE VI - ELECTION OF TRUSTEES

Section 1. Election to the Board of Trustees shall be by secret written ballot. At such election, the members in good standing or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Covenants. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Section 2. No member shall be eligible to run for election to the Board of Trustees who is delinquent in the payment of his assessments, fees, penalties, and other charges; or who is not otherwise a member in good standing.

Section 3. The procedure to be used to conduct a vote of the Members at any annual or special meeting of the Members, including but not limited to a meeting to elect members of the Board of Trustees, shall be as follows:

- A. The Board of Trustees shall appoint a nominating committee to solicit candidates to run for the Board of Trustees, if applicable, and to conduct the balloting at the meeting. The following persons shall not be a member of the nominating committee.
 1. A current Trustee
 2. A candidate running for the Board of Trustees
 3. An employee of Riviera or
 4. Any immediate family member of 1, 2, or 3 above.
- B. The Board of Trustees shall select a Chair of the nominating committee from the committee members appointed and may delegate to the Chair the power to select some or all of the nominating committee members.
- C. The election committee, under the direction of the Chair, shall be responsible for the registration of all Members in Good Standing that intend to the vote at the meeting.
- D. The Board of Trustees shall appoint an election committee to solicit candidates to run for the Board of Trustees, if applicable, and to conduct the balloting at the meeting. The following persons shall not be a member of the election committee.
 1. A current Trustee
 2. A candidate running for the Board of Trustees
 3. An employee of Riviera; or
 4. Any immediate family member of 1, 2 or 3 above
- E. The committee, under the direction of the Chair, shall be responsible to collect and tabulate all ballots and proxies submitted for the election.
- F. All decisions concerning the validity of any ballot or proxy or the tabulation of votes shall be made by the Chair of the committee. In making a decision regarding the validity of a ballot due to a ballot error or ambiguity, the Chair shall use a standard that prefers allowing votes eligibility if the voter's intent can be reasonably determined.
- G. The Chair of the Election Committee shall certify to the presiding officer at the meeting that a quorum of Members in Good Standing was present at the meeting and the results of the balloting. At the close of the meeting the Chair shall file a full report with the Secretary certifying the following:
 1. The number of lots entitled to cast one vote at the meeting.
 2. The number of lots present in person or by proxy at the meeting and the percentage that number represents of the total number of lots entitled to vote at the meeting.
 3. The results of the election or vote held, and a complete tabulation of the votes on each matter under consideration.
 4. A full report on any procedural challenges or other matters brought to the attention of the Chair during the voting process, including a description of the challenge made, the evidence considered, and the action taken by the Chair.

ARTICLE VII - MEETING OF TRUSTEES

Section 1. Corporate Meetings. Corporate meetings of the Board of Trustees shall be held at such place and hour as may be fixed from time to time by a resolution of the Board. A minimum of one corporate meeting a month will be scheduled, except in December, to transact business by the Board of Trustees. Board members may participate in any meeting of the Board by telephone or by any other reasonable means of electronic participation.

Section 2. Special Meetings. Special meetings of the Board of Trustees shall be held when called by the President of Riviera or by the majority of Trustees, after not less than three (3) days oral or written notice to each Trustee.

Section 3. Quorum. A majority of the number of Trustees shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Trustees present at a duly held, and properly scheduled, meeting at which a quorum is present shall be regarded as the act of the Board.

Section 4. Minutes. Official minutes of all meetings shall be kept by, or under the direct oversight of the Secretary. Minutes shall reflect therein all official actions taken through Motions made and approved or rejected by a majority of the Trustees. Minutes shall be typed and available for review and acceptance by the Trustees prior to the next scheduled Board meeting; and shall be appropriately posted for membership review immediately thereafter. Meeting minutes that discuss Riviera personnel shall be appropriately redacted before posting for membership review. All corporate meetings of the Board of Trustees shall be tape recorded. Additionally, written minutes of all meetings of the Board of Trustees shall be prepared, identified by date and signed by all Trustees in attendance at the meeting. A Board member may approve the minutes of any meeting by email, facsimile or other similar form of confirmation. Written meeting minutes shall be maintained permanently.

Section 5. Voting. All Board members present at a Board meeting shall cast a vote on all issues before the Board, unless the Board member is recused from considering the issue due to conflict of interest in which case the Board member shall abstain. The vote of any Board member on any motion made may be submitted or approved by email, facsimile or other similar form of confirmation

ARTICLE VIII - POWERS & DUTIES OF THE BOARD OF TRUSTEES

Section 1. Powers. The Board of Trustees shall have power to:

Adopt and publish rules and regulations governing the use of the Common Area and Amenities and the personal conduct of the Members, Associate Members and their guests thereon, and to establish penalties for the infraction thereof as set forth in Section 6.04 of the Covenants;

After Notice and Opportunity for a Hearing for violating the published rules and regulations, suspend all members' and / or renters right to use the Common areas Amenities, for their family and guests.

After Notice and Opportunity for a Hearing, suspend the voting rights of a Member that is delinquent on any lot for non-payment of all annual or special dues, expenses, assessments, penalties or other charges that may be levied against that Lot from time to time by Riviera until their account is fully paid.

All members found to be in violation after a Hearing shall be notified in writing that their rights have been suspended and / or that they are no longer considered members in good standing so long as their violation remains unabated or uncorrected;

Exercise for Riviera all powers, duties and authority vested in or delegated to Riviera as set forth in the Covenants and not otherwise reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation or the Covenants;

Declare the office of a member of the Board of Trustees to be vacant in the event such Trustee shall either:

Be absent from any two (2) of the eleven (11) required monthly, properly scheduled, Corporate meetings of the Board of Trustees; or

Have a member of his/her immediate family be or remain in the employ of the Riviera in contravention of Article V, Section 6. 10

Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties and authority to delegate responsibility to employees of Riviera. The Trustees shall delegate to the manager the authority to manage all employees of Riviera, co-sign checks within preset limits, and to manage the day to day operations of Riviera, all under the ultimate direction of the Board of Trustees, and;

Designate those members of the Board, who may borrow funds, draw and sign checks, sign notes, execute contracts and convey property on behalf of the corporation.

Section 2. Duties. The Board of Trustees shall have the power and duty to:

Keep record of 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 ten percent(10%) of the members entitled to vote;

Oversee the development and maintenance of all Riviera policy, procedure and operational manuals which duty may be delegated to the Manager at the Board's discretion. The Board shall annually review all legal and governing documents of Riviera.

Supervise all Officers, Agents, Committees, and the Manager of Riviera and to see that their duties are properly performed;

As more fully provided in the Covenants and any amendments thereto, determine the level of annual and special assessments and fees necessary to pay the current operational expenses of Riviera;

- (a) Pay for the maintenance, improvement, reconstruction and repair of the Common Areas, the Water and Water Drainage Systems, the Office Building, Clubhouse, Golf Course, Restaurant, Lakes, Marina and other Park and Recreational Amenities and Facilities made available to the Membership;
- (b) Fund a Reserve Account. The Reserve Account may be established for purpose of meeting the cost of major repairs to, or replacement of, existing Capital Assets of the Common areas and amenities;
- (c) Levy and collect water usage and water standby fees;

Fix the amount of the annual Assessment against each Lot Owner in accordance with the annual budget approved by the membership at least (30 days in advance of each Assessment period;

Send written notice of each Assessment to every Lot Owner subject thereto no earlier than October 1st of each annual assessment period;

Secure any annual and special delinquent unpaid Assessments with a Lien that continues upon the property against which the Assessment is made per Section 5.4 of the Covenants;

Foreclose the Lien as provided in the covenants against any property for which assessments remain unpaid or to bring an action of law against the Lot Owner personally obligated to pay the same;

Issue, or cause an appropriate office to issue, upon demand by any person, a certificate setting forth whether or not any Assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an Assessment has been paid, such certificate shall be conclusive evidence of such payment;

10. Procure and maintain adequate liability and hazard insurance on property owned by Riviera;

Ensure that the Common Areas, Water System and other Amenities as set forth in the Covenants are maintained;

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Present to the membership an annual budget and any required special budget for Riviera and mail a summary of the same to all Owners at their last address as shown on the Riviera records. Within thirty (30) days after adoption by the Board of Trustees of any proposed annual or special budget, the Board shall set a date for a meeting of the Owners to consider ratification of the budget not less than fourteen (14) nor more than sixty (60) days after the mailing of the summary. The budget shall be approved unless changed by the members as set forth herein. The proposed budget may be changed by a vote of sixty percent (60%) of a quorum of members present in person or by proxy at the meeting called for that purpose of the review of the budget. In the event the proposed budget is rejected or the required notice is not given, the periodic budget last ratified by the members shall be continued until a newly presented budget is duly ratified;

Spend not more than the total amount of the budget, but shall not be obligated to the allocation of funds and expenses provided for therein; provided, however, if the Trustees unanimously determine a bona fide emergency exists, they may make additional expenditures as they deem necessary to meet such emergencies.

The Board of Trustees are charged with overseeing the responsibilities entrusted to them by the Covenants and the Bylaws herein set forth.

Management is employed at the Board's will, but must be given the latitude to function as a manager in order to better serve the Riviera as a whole. And that they are responsible at all times to:

- (a) Act like a professional Board: in an organized, business-like manner with integrity, dignity and respect for the position they hold and the membership they both serve and lead
- (b) Establish or maintain goals and mission statements for the Riviera
- (c) Establish and maintain standards of behavior for the board, management and staff
- (d) Ensure a smooth flow of communication between the Board and Manager
- (e) Recognize the Manager and Staff when they do well

Section 3. Trustees shall NOT:

Vote on an issue on which he/she has a conflict of interest. A Trustee who has a conflict of interest on any issue before the Board shall disclose the nature of the conflict of interest prior to a vote on that issue at the Board Meeting and the minutes of that meeting shall record the fact that a disclosure was made and that the member did abstain from voting.

Attempt to manage Riviera directly themselves without the services of a General Manager. In the event there is a vacancy occurring in the position of Manager for whatever reason, the trustees shall appoint an acting Interim Manager to assume the Managers duties the day the vacancy occurs, if possible, otherwise as soon thereafter as is reasonably practical under the circumstances, to serve until a General Manager is employed.

Interfere with the manager's relationship with the employees he is responsible for managing or ignore the chain of command in this regard except in an emergency or as necessary to fulfill the duties of their assigned "officer" positions as set forth in Article IX below.

Fail to remember that their power and responsibilities arise as a member of the Board of Trustees and that, as such: They have authority as a board, not as individual Trustees;

Fail to remember they are obligated to all the owners to see that the Riviera achieves its objectives as economically, efficiently, and as effectively as possible, while at the same time avoiding unacceptable or unfavorable conditions to the maximum extent possible. 12

The Board of Trustees shall not grant to themselves or other members any benefits or alterations of membership which are not available equally to ALL members or use association assets, resources, or employees for their personal benefit or private gain.

ARTICLE IX - OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of Riviera shall be a President, Vice President, Treasurer, and Secretary, who shall at all times be members of the Board of Trustees.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Trustees following each annual meeting of the members.

Section 3. Terms. The officers of Riviera shall be elected annually by the Board and each shall hold office for the period of one year unless they shall sooner resign, be removed, or be otherwise disqualified to serve.

Section 4. Resignation and Removal. Any officer may be removed from office with or without cause by a majority vote of the Board of Trustees. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5. Vacancies. A vacancy in any office may be filled by appointment by the Board. The Trustee appointed to such vacancy shall serve for the remainder of the term of the Trustee he/she replaces.

Section 6. Multiple Offices. No person shall simultaneously hold more than one of the offices.

Section 7. Duties. The duties of the officers are as follows:

PRESIDENT

The president shall preside at all meetings of the membership and of the Board of Trustees; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall cosign all promissory notes, as approved by the Board.

VICE PRESIDENT

The vice president, in the absence of the president, will assume the duties of the president.

SECRETARY

The secretary shall record the votes and shall be responsible for keeping the minutes of all meetings and proceedings of the Board and of the members. The Secretary shall keep the corporate seal of Riviera and affix it on all papers requiring said seal; shall be responsible for serving notice of meetings of the Board and of the members. The Secretary shall oversee the keeping and maintenance of appropriate current records showing the members of Riviera together with their addresses; and shall perform such other duties as required by the Board.

TREASURER

The treasurer shall oversee the receipt and the deposit in appropriate bank accounts of all monies of Riviera and shall oversee the disbursement of such funds as directed by resolution of the Board of Trustees. The Treasurer shall see that the signing of all checks and promissory notes of Riviera are signed by those authorized; shall personally be a party signatory/co-signer to all checks and disbursements of Riviera funds or shall designate an alternate officer or Trustee in his absence;

shall see that proper books of account are kept and bank accounts reconciled monthly. The Treasurer shall cause an annual audit of Riviera books to be made by a public accountant at the completion of each fiscal year or as otherwise required by RCW 64.38.040(3) as now adopted or hereafter amended. The Treasurer shall oversee the General Manager and the budget committee in the preparation of an annual budget and in the monthly preparation of a statement of income and expenditures to be presented to the Board no later than the 20th of the month following the month being reported upon.

ARTICLE X -COMMITTEE

The Board may appoint committees as deemed appropriate in carrying out its purpose(s). Committees are advisory to the Board of Trustees, have no direct command function over personnel, and, except for the Architectural Control Committee (ACC) as otherwise governed by the Covenants, will be organized, chaired, and members selected in a manner appropriate for the purpose for which the Committee is being established and in accordance with the Riviera Policies and Procedures Manual. All members so appointed must be, and must remain, members in good standing throughout the term of their appointment.

ARTICLE XI -BOOKS AND RECORDS

The books and records of the Riviera shall at all times, during reasonable business hours, be subject to inspection by any member as provided in RCW 64.38 et seq. The Covenants, the Articles of Incorporation and the Bylaws of the Riviera shall be available for inspection by any member. Copies may be purchased at reasonable cost.

ARTICLE XII - AMENDMENTS

Section 1. These Bylaws may be amended by a vote of sixty percent (60%) of a quorum of members present in person or by proxy at the Annual meeting or at a special meeting of the members called for that purpose.

Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in case of any conflict between the Covenants and these Bylaws, the Covenants shall control; and in the case of any conflict between the Articles of Incorporation and the Covenants, the Covenants shall control.

ARTICLE XIII - DISSOLUTION

The Corporation may be dissolved and its affairs wound up voluntarily by the written request of sixty percent (60%) of the members, addressed to the Trustees, specifying reasons why the winding up of the affairs of the Corporation is deemed advisable, and naming three persons who are entitled to the rights and privileges of membership to act in liquidation. The request shall be filed with the Trustees, the Secretary of State and the County Auditor where the principal place of business of the Corporation is located. Thereupon the power of the Trustees shall cease and the persons appointed shall proceed to wind up the Corporation, realize upon its assets, pay its debts, and divide the residue of the money among its membership in equal proportions. The request shall state the time for completing the winding up and dissolution during which time these matters shall be completed unless further time is granted by writing signed by sixty percent (60%) of the members and filed as required by law.

ARTICLE XIV - ADDITIONAL POWERS AND DUTIES

Incorporated by reference herein are the provisions of the laws of the State of Washington as applicable to Homeowner Associations (RCW 64.38) and Non-Profit Corporations as specifically set forth in the Washington Non-profit Corporation Act, 1967, c235 (RCW 24.03). The Trustees shall carry out their duties and/or have such additional powers as specified in, and in full compliance at all times with, the provisions of these Acts and other applicable laws related thereto.

ARTICLE XV - MISCELLANEOUS

Section 1. Except as to contracts entered into prior to enactment of this document, or as allowed by exception as described below, nothing in these Bylaws shall be construed as authorizing either the Corporation or its Board of Trustees to sell, convey, assign, or otherwise transfer any portion of its water rights or to sell, provide, distribute, or

supply water in any manner from its water system to non-members or to any party, member or non-member, outside the boundaries of the Riviera Community Club, Inc. Because of the limited supply of pure water, the uncertainty in acquiring additional water rights from the State in the future, and the need to preserve our water supply for existing nonresident lot owners/members desiring to move to the Riviera at some point in the future, such right over the Riviera water supply is reserved solely to the Membership to be exercised prospectively in the manner prescribed in the Covenants for the amendment of the Covenants.

Section 2. Access to the water system will be permitted on a case-by-case basis to not-for-profit organizations outside of the Riviera for the sole purpose of fire suppression. Residential dwellings outside the Riviera are excluded from this access. Such systems shall only be used in case of emergency or during required annual testing as required by the Fire Department, County, State or any other governing entity. Costs and government written approval associated with connection to or use of the water system for said fire suppression system shall be the responsibility of the organization. Access granted by this exception shall be surrendered upon written direction for the Riviera Water Distribution Manager or appropriate government agency.

Section 3. The Riviera shall, to the fullest extent permitted by law, indemnify any person (the “indemnitee”) who is or was involved in any manner (including, without limitation, as a party or a witness) in any threatened, pending, or completed investigation, claim, action, suit, or proceeding (a “proceeding”) by reason of the fact that the indemnitee is or was a director, officer, or employee or committee member of the corporation, against all liabilities and expenses (including attorney fees) actually and reasonably incurred by the indemnitee in connection with such proceeding, excluding only any proceeding which may be brought by Riviera against said director, officer, employee, or committee member.

Section 4. The fiscal year of Riviera shall begin on the first day of October and end on the 30th day of September of every year.

Adopted this 28th day of September 2013.

Phyllis Zander-Brown, President
John Baird, Secretary

**Recorded with Pierce County, Washington
November 2013**

Covenants

WHEREAS, Anderson Island and the Lake Josephine Riviera Subdivision (hereinafter "Subdivision") is an area of great natural beauty which includes distinctive terrain, a unique island biological, botanical and geological ecosystem, forests, open spaces, fresh water lakes and streams, and salt water exposure, all of which combine to form a natural habitat for plants and animals and a unique recreational and residential community; and,

WHEREAS, The Subdivision Owners desire to maintain and perpetuate the planned and platted development for residential use, and to preserve its natural beauty for the enjoyment and convenience of the property Owners and persons living therein so as to maintain property values and to enhance their quality of life; to provide necessary community services; and to enforce the Rules, conditions, restrictions, and easements (hereinafter "Covenants") established by these Declarations to secure such objectives; and,

WHEREAS, Riviera Community Club, Inc., (hereinafter "Riviera"), a Washington non-profit corporation, has been duly incorporated to carry out these Covenants and to do and perform all other things permitted and required by these Covenants, according to the laws of the State of Washington;

NOW, THEREFORE, the Owners of the Subdivision property legally described on Exhibit "A" attached hereto and incorporated herein, hereby declare that the Subdivision, and each and every parcel of property therein, is and shall be held, conveyed, encumbered, leased and used subject to the following amended and revised uniform Covenants in order to enhance the value, desirability and attractiveness of the Subdivision property. These Covenants shall supersede and amend in full the Covenants, Conditions, Restrictions and Easements dated May 17, 1967, as originally recorded under Pierce County Auditors file No. 2146774, and as subsequently amended.

ARTICLE I - DEFINITIONS

Unless the context otherwise specifies or requires, the following words and phrases when used in these Covenants shall have the meaning hereinafter specified.

AMENITIES shall mean all of the lands, facilities and services within the Subdivision or provided by Riviera for the common benefit of the owners, including but not necessarily limited to parks, campgrounds, playgrounds, lakes access, marina, docks, golf course, domestic water service and other services for the use and enjoyment of its Owner Members.

ARTICLES OF INCORPORATION and "Articles" shall mean a governing document or formal written instrument by which Riviera Community Club has the authority to exercise any of the powers provided and to manage, maintain, or otherwise affect the property under its jurisdiction and which has been recorded with the Secretary of State. It further means the original articles of incorporation and all amendments thereto, and includes articles of merger and restated articles.

COMMON AREA shall mean all real property and improvements owned or leased by Riviera, or in which Riviera has an easement (excepting easements for maintaining Lots), for the use and enjoyment of the members.

LOT shall mean a portion of the Subdivision, which is a legally described parcel of real property or is designated as a Lot or Tract on any recorded Subdivision plat, whether or not improved. Lot shall not include any Common Area or Amenities.

MEMBER shall mean any person who is a member of the Riviera Community Club, Inc. pursuant to Section 4.06 below and as defined in the Bylaws.

NOTICE AND OPPORTUNITY FOR A HEARING shall mean no less than five (5) days written notice together with opportunity for a scheduled public hearing before the Trustees or a duly designated hearing officer or a hearing committee or subcommittee at which the Owner concerned shall have an opportunity to be heard in person or by counsel at Owner's expense. If the hearing should be before a hearing officer, committee or subcommittee, the Owner shall have the right to appeal to the Trustees on written notice within seven (7) days of the hearing.

OWNER shall mean: (1) the person or persons or other legal entity or entities holding an aggregate fee simple interest in a Lot or parcel; and (2) the purchaser of a Lot under an executory contract of sale.

RIVIERA shall mean the Riviera Community Club, Inc., a Washington non-profit, non-stock corporation.

RULE(S) shall mean any Rule or set of Rules, regulations or requirements approved by the Trustees and the Owners pursuant to the authority granted by these Covenants for the use of common areas, land use and development of individually owned property, and for government of the members.

SUBDIVISION shall mean all that certain real property identified and described on the several plats of Lake Josephine Riviera filed of record in the office of the County Auditor of Pierce County, State of Washington, as the same now exists and as legally described in exhibit "A" attached hereto and incorporated herein, or as may be amended from time to time.

TRUSTEES shall mean the Board of Trustees of Riviera Community Club, Inc., a Washington non-profit corporation.

ARTICLE II - TERM

SECTION 2.01. Term. These Covenants shall run until December 31, 2019, unless amended as herein provided. After December 31, 2019, these Covenants shall be automatically extended for successive periods often (10) years each, unless amended as provided herein or until they shall be extinguished by a written instrument executed by at least three-fourths of the Members of Riviera, and the recordation of such written instrument with the Pierce County, Washington, Auditor.

ARTICLE III - APPLICATION AND AUTHORITY

SECTION 3.01. Application and Enforcement of Covenants. The Covenants and Rules provided for herein shall be covenants running with all of the real property included within the Subdivision, and shall be binding upon such real property and any and all parts thereof, and upon all persons having or acquiring any interest in such real property or any part thereof. The Covenants and Rules provided for herein shall inure to the benefit of and shall be enforceable by the Owners of any Lot within the subdivision, their heirs, assigns, personal representatives and successors in interest, and/or by Riviera.

SECTION 3.02. Binding Agreement. Accepting an interest in and to any portion of the real property within the Subdivision shall constitute an agreement by every person, entity, or corporation accepting such interest, that they and each of them intend and agree to be bound by and subject to the provisions hereof.

ARTICLE IV - RIVIERA COMMUNITY CLUB

SECTION 4.01. Organization Riviera Community Club ("Riviera") is organized in the form of a Washington nonprofit corporation, and is vested with the duties, powers and obligations set forth herein. Riviera shall operate according to its Articles of Incorporation, Bylaws, these Covenants, and any Rules adopted hereunder. Neither the Articles nor Bylaws shall for any reason be amended or otherwise changed or interpreted so as to be inconsistent with these Covenants.

SECTION 4.02. Annual and Special Membership Meetings. Riviera shall hold an annual meeting of the members in September of each year. Riviera shall also call special meetings upon the request of the President,

majority of the Trustees, or upon presentation of a writing requesting the same signed by the Owner(s) of 10% of the Lots. Notice of all meetings of members shall be sent by Riviera to all Lot Owners. Notice of all meetings shall describe the date, time, location, and purpose of the meeting. Minutes shall be kept of each meeting, which shall include a record of all votes taken.

SECTION 4.03. Quorum Ten percent (10%) of all Lots represented either in person or by proxy at any annual or special membership meetings shall constitute a quorum.

SECTION 4.04. Board of Trustees. Riviera shall be governed by a Board of Trustees consisting of no more than five (5) members. Each Trustee shall hold office for two (2) years. The Trustees are limited to two (2) consecutive terms and shall not be employees of Riviera. The terms shall be staggered so that not more than three (3) positions are voted on at each annual meeting of the members of Riviera. If any Trustee is unable or unwilling to complete their term, said Trustee's position shall be filled by a majority vote of the remaining Trustees and said appointee shall serve until the next election. Trustees may schedule and conduct such business meetings as they determine necessary to administer the affairs of Riviera.

SECTION 4.05. Officers. The Board of Trustees shall appoint individuals to serve as President, Treasurer and Secretary. Each officer shall also be a Trustee. The term of each officer shall be one year. Officers may be elected to consecutive terms. The Board of Trustees may create such other officers and committees, as it shall deem necessary.

SECTION 4.06. Membership. Every Owner of a Lot shall be a member of Riviera. Membership shall be appurtenant to and may not be separated from Ownership of any Lot. Ownership of a Lot shall be the sole qualification for membership.

SECTION 4.07. Voting Rights. Lot Ownership shall vest its Owner (s) with one vote on all matters. No Lot shall be entitled to more than one vote. Lots owned jointly by more than one individual or entity shall be entitled to only one vote per Lot. Owners of multiple Lots may cast one vote for each Lot they own. Unless otherwise specifically set forth herein, an affirmative vote shall require the vote of sixty percent (60%) of the Lots represented either in person or by proxy at either an annual or special meeting called for that purpose at which a quorum is established.

SECTION 4.08. Members Right to Use Common Area. Members in good standing, their family, and their guests shall have the right and a nonexclusive easement of enjoyment in and to the Common Area, and Amenities, and for ingress and egress over and through the Common Area. This easement shall be appurtenant to and shall pass with the title to every Lot, subject to the Rules authorized in Section 6.01 hereof. Renters may use the Common Areas and Amenities only if released in writing by the Owner to do so. Owners who release their rights to renters no longer have rights to use the Common Area.

ARTICLE V - ASSESSMENTS, WATER USER FEES & STANDBY CHARGES

SECTION 5.01. Authority to Levy and Collect Annual and Special Assessments. Riviera, through its Trustees, shall levy upon each Lot annual dues and special assessments set from time to time by the Trustees in amounts necessary to: (1) pay the operational expenses of Riviera; and (2) to fund a reserve account, as set forth in an annual ratified budget.

SECTION 5.02. Authority to Levy and Collect Water User and Stand-by Charges. Water user charges and standby water charges shall be set and collected by the Trustees in such amounts as the Trustees shall from time to time determine based upon current engineering and accounting information, in amounts necessary to: (1) pay the operational expenses of Riviera; and (2) to fund a reserve account, as set forth in an annual ratified budget. Such user charges and stand-by water charges shall be paid by each Member for the privilege of receiving water service or the availability of water service by Riviera to the member's Lot. Trustees shall provide for the diligent and timely collection of such charges.

SECTION 5.03. Payment of Assessments. Every Lot Owner is deemed to covenant and agree (whether or not expressed in any deed or conveyance) to pay when due any and all annual or special dues, expenses, assessments, penalties or other charges that may be levied against their Lot from time to time by Riviera in accordance with these Covenants and/or any Rule adopted hereunder. If an owner owns more than one lot, the owner shall pay an assessment for each lot owned.

SECTION 5.04. Liens to Secure Payment. In the event any Owner fails to pay, within 30 days, all fees and assessments, penalties or charges of Riviera, then Riviera may file a lien, substantially in the form of a labor and material lien. The lien shall be a lien against the Lot or Lots of the non-paying party and shall be foreclosable in the same manner as a labor and material lien, without, however, the requirement to file suit within eight (8) months. The lien shall have perpetual existence until paid and shall be released by a recorded lien release. The unpaid balance shall bear interest at 12% until paid and the non-paying party shall be liable for all costs and attorneys fees expended in any collection action including but not limited to the foreclosure of the lien.

SECTION 5.05. Subordination. Any lien allowed or provided by this declaration shall be considered subordinate and inferior to any bona fide first mortgage or first position deed of trust (but not a real estate contract) where the lender under such first mortgage or deed of trust is a bank, savings and loan, FHA, VA, or other institutional lender. If required by such institutional lender, Riviera will execute a standard form subordination agreement to affect the purposes of this provision. This provision shall also apply to refinancing of an existing first position mortgage or deed of trust where the refinancing lender is an institutional lender as above described. This provision shall not apply to any sale of all or part of any Lot where the Lot Owner, subject to an existing lien, carries the sale contractor deed of trust, or otherwise acts as lender to a purchase of the liened Lot. Except as provided above, no lien allowed or provided by this declaration shall be affected by a sale, transfer or refinance of the liened Lot or Lots.

SECTION 5.06 Personal Liability. The personal obligation of each Lot Owner shall not be relieved by sale or transfer of the Lot, and shall not become the personal obligation of the Owner's successors in interest unless expressly assumed by them. The new Owner shall be personally liable for assessments, dues, or other charges, which become due on or after the date of sale or transfer. Provided that, nothing in this section shall relieve the Lot from liability for such dues, assessments, or other charges or lien therefore.

SECTION 5.07 Certificate of Amount Due. Upon demand, Riviera shall furnish a certificate in writing signed by an officer of Riviera stating whether assessments, dues, liens or other charges against a specified Lot have been paid, or the amount due and owing. Such certificate shall be conclusive evidence against the Riviera Community Club as to the amount of any assessment, dues, liens or other charges stated to have been paid. Riviera may charge a reasonable fee for the issuance of such certificate.

ARTICLE VI - RULES AND COMPLIANCE

SECTION 6.01. Trustee's Authority to Adopt and Enforce Regulations Regarding Common Areas. The Riviera Trustees shall have the power and authority to adopt and enforce reasonable Rules for the management and administration of the business affairs of Riviera and for regulating the use and enjoyment of all Common Areas and Amenities within the Subdivision. The Trustees shall also have the power to establish Rules under which persons who are not members of Riviera can use the Common Areas and Amenities.

SECTION 6.02. Trustee's Authority to Recommend for Adoption Rules Regarding Land Use, Architectural Requirements, and Development of Individually Owned Property. The Trustees shall have the power and authority to recommend to the members for adoption reasonable Rules regarding the development, construction, alteration and use of all individually owned real property within the Subdivision, including, but not limited to, Rules regarding the exterior design, materials, color and finish for all improvements.

The minimum standards for these Rules shall be the Pierce County Uniform Building Code (UBC) except where amended by these Covenants. These Rules shall not be inconsistent with these Covenants. Any Rules recommended by the Trustees shall be subject to adoption by a vote of sixty (60) percent of the Lots present or represented by written proxy and entitled to vote at any annual or special meeting of the membership called for that purpose and at which a quorum is present. After the recording of these Covenants, no dwelling shall be constructed or placed on any residential Lot unless it shall comply with these Covenants and the minimum architectural requirements recommended by the Trustees and adopted by the membership as provided herein.

SECTION 6.03. Trustee's Authority to Enforce Rules Regarding Land Use, Architectural Requirements, and Development of Individually Owned Property, and Variances. The Architectural Control Committee (ACC) may recommend, and the Trustees shall have the authority to implement and enforce these Covenants and the Rules as adopted. The Trustees may adopt Rules for the operation of the ACC, which are not inconsistent with these Covenants. The ACC may recommend, and the Trustees shall have the authority to grant a variance to the Rules and Covenants in specific situations upon a showing by the Owner of special need or circumstances, which shall not have been the result of any omission or commission by the Owner.

SECTION 6.04. Trustees Authority to Set and Collect Fines, Penalties and Assessments. The Riviera Trustees shall have the power and authority to adopt and amend a schedule of fixed fines, penalties and assessments (collectively "penalty") which may be imposed for violations of these Covenants or any Rules adopted pursuant to these Covenants. The amount of any penalty, which shall remain unpaid by a member for the period of thirty (30) days after Notice and Opportunity for a Hearing, plus interest at 12% on such penalty, together with reasonable attorneys' fees and all costs of collection, shall be and become a lien against the Member's Lot (s) and may be foreclosed and/or satisfied in the manner set forth in paragraph 5.04. The powers set forth herein are in addition to, and are not a limitation of, the power of Riviera to enforce these covenants through any lawful means, including seeking injunctive relief.

SECTION 6.05. Compliance with Architectural Requirements and Rules. Each Owner shall comply with the Covenants, the Architectural Requirements adopted by the membership, and any Rules adopted by the Riviera Trustees. All Rules, and all additions, deletions and all changes to all Rules, shall be published by the Trustees in the community newsletter. No clearing, excavating or filling of any Lot shall be commenced, and no dwelling, garage, fence, wall, shed, solar collection device, out building or other structure shall be constructed, erected, or located on any Lot, nor shall any exterior addition or alteration be made to any structure on any Lot, nor shall any road or driveway be made or altered, until the construction plans and specifications and a plot plan showing the nature, kind, shape, height, materials, color and location of the same shall have been submitted to and approved by the Trustees or their designees.

1. Any Owner wishing to take any of the actions described above shall submit to the Trustees two (2) sets of plans and specifications with a scale of 1" = 10' for plot plans and 1/4" = 1' for buildings showing the following:
 - (a) The size and dimensions of the improvement or alteration;
 - (b) The exterior design, color scheme, exact location on the Lot;
 - (c) The location of driveways and parking areas;
 - (d) The plan for drainage and grading; and
 - (e) The proposed landscaping and outdoor lighting.
2. No dwelling shall be constructed or placed on any residential Lot unless it shall comply with the minimum architectural requirements recommended by the Trustees and adopted by the membership as provided in Section 6.02 of the Covenants and with the following:
 - (a) The dwelling must be permanently anchored to a county approved concrete or masonry foundation
 - (b) The front entrance of the dwelling must face the street except on Lake Front lots and cul-de-sacs with Finger Parks. The entry must have a roof or overhang of at least 4-feet in width and 2-feet in depth.
 - (c) The roof of the dwelling must have at minimum a 4/12 pitch (rise over run).
 - (d) The roof and exterior siding shall be of materials allowed by the Pierce County building code; provided, however, corrugated roofing and siding is not allowed. All materials shall be new.

- (e) The eaves on all sides of the dwelling must have a depth of not less than 12 inches.
- (f) The master electrical circuit box must be mounted directly on the dwelling and not on a pole.
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- (g) The dwelling unit must be declared to be part of the real property and taxed accordingly.
- (h) Every dwelling shall have a minimum of 1,000 square feet of enclosed year- round living area of which at least 800 square feet shall be on the main floor.
- (i) All exterior construction and landscaping completed within one year following the issuance of the building permit.
- (j) All fences on all lots shall comply with current Pierce County requirements.
- (k) No dwelling shall have more than two floors of living space above grade.
- (l) No home shall exceed 26 feet in height as measured from the highest point of the roof down to the top of the foundation (mud sill).
- (m) No foundation shall be higher than that required for architectural or engineering purposes.

SECTION 6.06. Approval, Adoption, Amendment, Changes or Rescinding of Rules. All Rules adopted under this section shall be subject to modification or change by a vote of sixty (60) percent of the Lots present or represented by written proxy and entitled to vote at any annual or special meeting of the membership called for that purpose and at which a quorum is established.

ARTICLE VII - PROHIBITED USES AND RESTRICTIONS

SECTION 7.01. Business and Use Restrictions. Minor home occupations in compliance with Pierce County "Home Occupation and Cottage Industry" use is permitted. No industry requiring a "special use" permit shall be allowed. All home occupations shall comply with the following:

1. Scale: A minor home occupation may be conducted within a dwelling and shall be clearly incidental to the use of the structure as a dwelling.
2. Character: There shall be no change in the outside appearance of the dwelling or premises or any visible evidence of the conduct of a minor home occupation.
3. Participants: No persons other than residents of the dwelling shall be employed in the conduct of a minor home occupation.
4. Display of Products: There shall be no display of products visible in any manner from the outside of the dwelling.
5. Signs: No advertising or display signs shall be permitted.
6. Parking: The use shall not require additional off-street parking space for clients or customers of the minor home occupation
7. Traffic: The use shall not generate an excessive number of client or customer vehicle trips to and from the property in one day.
8. Noise, equipment, and Processing Restrictions: No equipment or process shall be used in a home occupation, which creates noise, vibration, glare, fumes, or odor detectable to normal senses off the property. No equipment or process shall be used which creates visual or audible electrical interference in any radio or television receiver off the premises or causes fluctuations in line voltage off the premises.

9. The use will not interfere with the existing uses on nearby land or with other uses permitted in the zone in which the property is located.

SECTION 7.02. Maintenance of Structures and Landscape. All structures upon a Lot shall at all times be maintained in good condition and repair and be properly painted, stained or otherwise finished. All trees, hedges, shrubs, gardens and lawns shall be neatly maintained and cultivated so that the Lot is not detrimental to the neighborhood as a whole. Slope banks upon any Lot shall be properly watered and maintained by the Owner thereof.

SECTION 7.03. Garbage, Trash and Noxious or Hazardous Materials. No Lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage and other waste shall not be kept except in sanitary containers properly screened and shielded from adjacent properties. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition. No trash, refuse pile, vehicles, personal property, or other unsightly growth or objects shall be allowed to group, accumulate or remain on any Lot so as to be unsightly, a detriment to the neighborhood, or become a fire hazard, nor noxious or hazardous materials shall be used or stored on any property.

SECTION 7.04. Violations of Sections 7.02 and 7.03. If any Lot Owner is not maintaining their property as set forth in Section 7.02 or has allowed accumulations in violation of Section 7.03, then the Board of Trustees may, upon unanimous vote of the Trustees, give the Lot Owner a Notice and Opportunity for a Hearing setting forth the specific complaint in detail. If after a hearing the Board of Trustees unanimously determines that the Owner's violation is a significant detriment to the community, the Trustees shall issue a notice to the Owner to remedy the situation within 30 days. If the building or grounds are not then placed in a condition satisfactory to the Trustees within a period of thirty (30) days, the Trustees may, upon ten (10) days notice and invitation to the owner to be present, go upon the Lot(s) through its agents or through independent contractors to perform such services and utilize such materials as are necessary to bring the structure and/or grounds into conformance with the decision of the Trustees. The Owner of the property shall be liable for any expenses so incurred by the Trustees, plus interest at 12%, together with reasonable attorney fees. Such amounts shall become a lien on the Lot(s) and may be foreclosed and/or satisfied as set forth in paragraph 5.04.

SECTION 7.05. Pets. No animals or fowl shall be raised, kept or permitted on any Lot, except only domestic dogs, cats, caged birds and aquariums. Dogs and cats shall not run at large and shall not be kept, bred or raised for commercial purposes or in numbers that violate County ordinance or adopted Riviera Rules.

SECTION 7.06. Noxious and Offensive Activity. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done or maintained thereon, which may be or become a nuisance to the neighborhood or detract from its value. A determination by a 51 percent vote of the Owners present in person or by proxy at any annual or special meeting called for that purpose at which a quorum is present that a thing or activity is noxious, offensive, or a nuisance shall be conclusive. The use of fireworks, the use of "go-carts" or other loud vehicles in the streets are deemed a nuisance and are prohibited.

SECTION 7.07. Temporary Residence. No motor home, vehicle, trailer, tent, shack, garage, barn, structure of a temporary character, or any other outbuilding shall be used on any Lot at any time as a residence. A temporary structure may be used for the storage of materials during construction with the prior written consent of the Board of Trustees or the ACC.

SECTION 7.08. Vehicles and Trailers. Each Lot Owner shall be entitled to park not more than one (1) boat and/or one (1) recreation vehicle or other single piece of equipment on his/her lot, providing that such parking shall not restrict any adjacent property owner from ingress or egress to, or from the quiet and peaceful use and enjoyment, of his abutting Lot (s).

1. No Owner of any residential Lot shall permit any vehicle or trailer, whether licensed or not, which is inoperable or otherwise in a state of disrepair, to be abandoned or to remain parked upon any street or upon any Lot within the property for a period in excess of forty-eight (48) hours. Failure to have a current license shall be conclusive proof of in-operability.

2. The Board shall establish a procedure to hear complaints and render decisions and enforce against abandoned or inoperative vehicles, recreation vehicles, boats or other equipment.
3. If an Owner refuses or fails to remove a vehicle, recreation vehicle, boat or other equipment when required by the Board after Notice and Opportunity for a Hearing, the Trustees may remove the vehicle at the Owner's expense and any costs or expenses advanced by the Association for removal of the vehicle or trailer, including interest at 12% and reasonable attorney fees, shall become a lien against the Owner's Lot and may be foreclosed and/or satisfied as set forth in Section 5.04. 22
4. No dismantling, repair or refurbishment of any vehicle or equipment, which continues more than seven (7) days, shall be conducted or permitted on any Lot except within a garage.

SECTION 7.09. Signs. Unless otherwise approved by the Trustees or the ACC, all signs and advertising devices for display to public view are prohibited except for temporary signs, not to exceed four (4) square feet, advertising a home for sale or advertising a garage or yard sale. Nothing herein shall be deemed to prohibit reasonable and tasteful house numbers for addresses, or occupant's names on mailboxes. Except as stated above, no business signs, advertising signs or signs in any way relating to occupation, profession, political offices or the sale of unimproved property shall be allowed. Signs posted in violation of this provision may be removed upon order of the Board of Trustees following Notice and Opportunity for a Hearing.

SECTION 7.10. Clothing Lines. No clothesline shall be located on a Lot so as to be visible from the street.

SECTION 7.11. Fuel Tanks. No fuel tank shall be located above ground on any Lot, except in accordance with Pierce County Regulations, and unless screened from view.

SECTION 7.12. Division of Lots. No Lot shall be divided except that, with the permission of the Trustees and with proper governmental approval, the boundary between Lots may be adjusted or vacated. Provided, however, that no boundary adjustment may leave any Lot in such a state as to prohibit construction of a dwelling in conformance with the requirements of this Declaration.

SECTION 7.13. Firearms. The discharge of firearms within The Subdivision is absolutely prohibited.

SECTION 7.14. Water Systems. Private wells and water supply systems are prohibited.

SECTION 7.15. Tree Removal. Live, standing trees with a diameter of six-inches or more one foot above the ground shall not be removed except according to adopted Rules. In addition to any fine levied according to the adopted Rules, any trees removed in violation of this order shall be replaced at the expense of the property owner.

ARTICLE VIII - MISCELLANEOUS

SECTION 8.01. Severability. If any court shall declare any individual provision of these Rules to be unenforceable, the remaining Rules shall not be affected by that decision and shall remain in full force and effect. The waiver of any breach of any covenant shall not constitute a waiver of any subsequent breach of either the same provision or of any other provision. No right of action shall accrue against Riviera because of its failure to exercise any right or enforce any covenant hereunder. No right of action shall accrue against Riviera for imposing any provision, rule, condition, restriction or covenant, which may ultimately be shown to be unenforceable.

SECTION 8.02. Beneficiary Rights Not Affected by Covenants. Notwithstanding any other provision of these Covenants, no amendment of these Covenants shall operate to defeat and render invalid the rights of a Beneficiary under any recorded Deed of Trust upon a Lot or house made in good faith and for value, provided that after the foreclosure of any such Deed of Trust such Lot or house shall remain subject to these Declarations, as amended.

SECTION 8.03. Notices. Any notice permitted or required to be delivered as provided herein shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered seventy-two (72) hours after a copy of same has been deposited in the United State mail, postage prepaid, addressed to any person at the address given by such person to Riviera for the purpose of service of such notice, or

to the residence of such person if no address has been given to Riviera. Such address may be changed from time to time by notice in writing to Riviera. Any notice given in this manner shall be deemed sufficient.

SECTION 8.04. Interpretation. The provisions of this declaration shall be liberally construed to ensure uniform development of the subdivision as set forth in the preamble. These Rules shall be governed by the laws of the State of Washington.

SECTION 8.05. Captions. All captions and titles used in these Declarations are intended solely for convenience or reference and shall not affect that which is set forth in any of the provisions hereof.

ARTICLE IX - VIOLATIONS, ENFORCEMENT & NON-WAIVER.

SECTION 9.01. Right of Enforcement. Except as otherwise provided herein, Riviera and any Member/Owner of any Lot within the Subdivision shall have the right to enforce any or all of the provisions of the Covenants upon any property within the Subdivision and the Owners thereof.

SECTION 9.02. Violations Declared a Nuisance. Every act or omission whereby any provision of the Covenants and/or Rules are violated in whole or in part is hereby declared to be a nuisance and, in addition to any other penalties or fines, may be enjoined or abated, whether or not the relief sought is for negative or affirmative action by Riviera or any Member or Owners of Lots within the Subdivision.

ARTICLE X - AMENDMENTS

SECTION 10.01. Amendment by Lot Owners. This Declaration can be amended only by a writing approved by the Owners of fifty-one percent (51%) of the Lots. Any such amendment must be recorded with the county auditor.

SECTION 10.02. Amendment by Action. Riviera and/or any Lot Owner shall have the right to seek amendment of these Covenants by way of civil suit wherein the basis for the amendment is for either: (a) satisfaction of governmental requirements; or, (b) manifest unfairness due to substantially changed circumstances beyond the control of the Lot Owner seeking the amendment. In any such court action, the court may exercise its equitable powers to grant such relief as is deemed appropriate.

IN WITNESS WHEREOF, members of the Board of Trustees have authorized these Amended Covenants on this 30th day of June, 1999.

RIVIERA COMMUNITY CLUB, INC., a Washington non-profit, non-stock corporation,

Recorded with Pierce County July 21, 1999

Penalties, Fines, Forfeitures and Charges

for Violation of the Rules and
Regulations of the
Riviera Community Club, Inc.

The following remedies in the form of fines, forfeitures, charges, and penalties are adopted by the Board of Trustees on *September 1, 2000*, pursuant to authority granted to Homeowners Associations in Section 64.38.020(11), Revised Code of Washington for the violation of the Covenants, Bylaws, Rules and Regulations of the Riviera Community Club, Inc. *under Covenant Section 6.03 and Section 6.04.*

Section 1. Schedule of Fines and Penalties. The Trustees hereby establish a schedule of fines of not less than Fifty Dollars (\$50) nor more than *Two Thousand Five Hundred (\$2,500)* per violation and per each month on which the violation continues, together with other penalties for violations of the Covenants, Bylaws, Riviera Rules and the Development Regulations of the Architectural Control Committee, attached hereto as "Schedule A".

Section 2. Levying of Fines and Penalties. Such fines and penalties are to be levied upon any Owner for actions of the Owner, or of family members, or any agent, contractor, licensee, lessee, or invitee acting on behalf of the Owner who shall have been determined by the Board, according to the procedures set forth herein, to have violated the Riviera Covenants, Bylaws, Rules or Regulations.

Section 3. Unpaid Fines or Penalties to Be a Lien Against the Owner's Property. Any fine, penalty or assessment imposed hereunder which remains unpaid for a period of *thirty (30)* days or more shall become a lien upon any or all of the Owner's Lot(s) or property in Riviera upon its inclusion in a Notice of Assessment Lien recorded in the office of the Pierce County Auditor.

Section 4. Continuation of Violations. Riviera need only prove the uninterrupted continuation of the original violation in order to assess continuing fines and/or penalties, and need not separate actions for each separate month of violation in order to sustain such continuing fines and/or penalties.

Section 5. Violation of Riviera Covenants-Penalties. Violations of Covenants, Bylaws, Rules and Regulations shall be pursued diligently and without discrimination as to the violating Owner or resident.

Section 6. Suspension of Membership Privileges and Stop Work Order. A determination by the Trustees that a violation has been committed, shall, in addition to the levying of any other fines or penalties, automatically suspend the right of the violating Owner to use the Riviera Properties under such conditions as the Trustees may specify for a period not to exceed one year for each violation, and, in cases of construction, shall simultaneously direct the General Manager to issue a Stop Work Order for the project, under the approved ACC permit. (See Schedule A)

Section 7. Enforcement Authority. The parties in interest in and to any part of the real property, and the Riviera for the benefit of the Owners of the real property, and each of them, shall have the right and authority to enforce the provisions hereof and, in addition to any other remedy for damages or otherwise, shall have the right to injunctive relief. Except for the foreclosure of the lien provided for in Article 5 Section 5.04 the Covenants, the prevailing party in any action to enforce any provision hereof shall recover a reasonable sum as attorneys' fees together with the reasonable costs of searching and abstracting the public record, which sums shall be paid by the unsuccessful party.

Section 8. Self-help Enforcement. Any other provision to the contrary notwithstanding, only the Riviera, the Trustees, or their duly authorized agents may enforce by self-help any of the provisions of the Riviera Covenants, and only if such self-help is preceded by reasonable written notice to the Owner.

Section 9. Remedies Cumulative. Each remedy provided herein is cumulative and not exclusive.

Section 10. Forfeiture of Value. In instances where no remediation or restitution can be accomplished for the committed act such as, by way of example and not by way of limitation or exclusion, the cutting of mature trees on any lot or property without a permit, damage to a significant waterfront or wetlands, destruction to or demolition of a historic building or artifact, & etc., without A.C.C. approval and permit, the party determined to have committed the prohibited act shall, in addition to any other fines or penalties, forfeit the appraised, commercial value of the act committed or of the consequences of such act which the Trustees may determine in its sole discretion, whichever shall be greater, for each violation.

Section 11. Non waiver. The failure of Riviera to enforce any of the provisions of the Covenants, Rules and Regulations at any time shall not constitute a waiver of the right thereafter to enforce any of the said provisions.

Section 12. Damages. Each Owner shall be liable to the Riviera for any and all damage(s) to Riviera property which may be sustained by reason of the negligence or willful misconduct of said Owner or of his family, or any agent, contractor, licensee, lessee, or invitee, either minor or adult. In the case of joint ownership of a Lot, the liability of such Owners shall be joint and several, except to the extent that Riviera has previously contracted in writing with such joint owners to the contrary. Damages caused by minor children shall be the liability and the financial responsibility of the Owner. The amount of damage shall be an Assessment against the Lot, and may be collected as provided herein for the collection of other assessments or liens.

Section 13. Late Charges. If any charge, levy or assessment shall remain due and owing from any Owner, whether regular, special, or punitive, for thirty (30) days after it is due, the Owner may be required by the Board to pay a late charge of *twelve percent (12%)* of the amount past due or such other amount as the Board may designate from time to time as set forth in these Riviera Rules.

Section 14. Unpaid Assessments as Liens.

Subsection 14.01. The amount of any Assessment, whether regular or special, together with any late payment, fine, penalty or other charge assessed to any Owner, plus interest on such Assessment and charge(s) at a rate of *twelve percent (12%)* per annum simple interest (or such other rate as the Board may designate from time to time and as set forth in these Riviera Rules), together with all costs of collection, including reasonable attorneys' fees, shall become a lien upon such Lot or tract and the improvements thereon, if any there be, upon recordation of a Notice of Assessment Lien by the Pierce County, Washington, Auditor stating the amount of the claim of delinquency, the interest and costs which have accrued thereon, the legal description and street address of the Lot or tract against which it has been assessed, and the name of the record Owner thereof.

Subsection 14.02. Such notice shall be signed and acknowledged by an officer of the Riviera.

Subsection 14.03. Upon recordation such notice shall create a lien upon the Lot or tract described together with the improvements thereon, if any there be, in the amount set forth. Such Assessment lien shall be prior to any declaration of homestead.

Subsection 14.04. The lien shall continue until fully paid or otherwise satisfied.

Subsection 14.05. When the lien has been fully paid or satisfied, a notice releasing the lien shall be recorded.

Subsection 14.06. Such lien may be foreclosed in the same manner as provided by the laws of the State of Washington for the foreclosure of liens on real property and as otherwise provided by law.

Subsection 14.07. A certificate executed and acknowledged by any two members of the Trustees stating the indebtedness secured by the lien(s) upon any Lot or tract created hereunder shall be conclusive upon the Riviera and the Owners as to the amount of such indebtedness as of the date of the certificate, in favor of all persons who rely thereon in good faith, and such certificate shall be furnished to any person upon request at a reasonable fee, not to exceed Ten Dollars (\$10).

Section 15. Right of Enforcement. Except as otherwise provided herein, any Owner of any Lot or house within the Subdivision shall have the right to enforce any or all of the provisions of the Covenants upon any property within the Subdivision and the Owners thereof.

DUE PROCESS PROCEDURE:

Section 1. Upon the discovery or report of an alleged violation, the General Manager of Riviera or his designated agent shall investigate the circumstances to determine if the alleged violation warrants remedial action by Riviera. **Section 2.** If probable cause exists to suggest that a violation has occurred, the General Manager or his designate shall cause a letter to be delivered to the violator stating the nature of the violation and citing the authority which has been violated. (See appropriate Section) The letter shall require that the violation be terminated within five (5) days. The Owner may submit a written request to Riviera for a hearing before the Board of Trustees. Copies of the General Manager's notice letter shall be delivered to each member of the Board of Trustees together with a copy of the Owner's response if such response be timely forthcoming. **Section 3.** In the event that the cited Owner shall agree to rectify the violation within a *thirty (30)* day period, or make suitable arrangements with the General Manager to do so in a timely manner, then such resolution shall be reported to the Trustees and no further action shall be required. **Section 4.** In the event that the Owner desires a hearing before the Trustees, he/she shall submit a request for hearing in writing to Riviera. The President shall call a meeting of the Board of Trustees within five (5) days of the receipt of such request.

Section 5. The matter shall be heard by the Board of Trustees, or by a Hearing Board or Hearings Officer appointed by the Trustees according to any procedure which assures the cited Owner ample opportunity to respond and to present evidence and witnesses on his behalf. The Owner may be accompanied by, and may consult with an agent or legal representative during the hearing but only the Owner shall be permitted to address the Trustee, present evidence, or question witnesses. The Owner shall be permitted to cross-examine witnesses and to review evidence submitted by the Riviera administrative staff. **Section 6.** In the event that the hearing is conducted by a Hearing Board or Hearings Officer, a report and recommendation shall be made to the Trustees within forty-eight (48) hours following the close of the hearing. As soon thereafter as is practicable but in no case more that five (5) days following the hearing, the Board of Trustees shall render its decision regarding the violation.

Section 7. If the Owner is adjudged to be guilty as charged then his/her use of Riviera amenities shall be immediately terminated, a stop work order shall issue, and the penalty set forth in the attached Schedule shall be levied. **Section 8.** The finding of a violation by the Board of Trustees shall constitute an order to the Riviera General Manager or his designate to file an appropriate Notice of Assessment Lien in the proper Washington Court for the amount to be levied with a copy of the said Notice delivered to the Owner.

Section 9. The Board of Trustees may, by specific action, authorize the Riviera Attorney to pursue injunctive relief and request the Architectural Control Committee to rescind their approval of the construction or development project.

Section 10. Subsequent action shall conform to these adopted policies and the appropriate statutes of the State of Washington.

Schedule A.

The following specific circumstances constitute offenses, which are prohibited in Lake Josephine Riviera Subdivision by the Riviera Covenants together with the fines, which shall be levied for specific violations in each category:

Fine Schedule

Non-compliance of Architectural Requirements under Article VI Section 6.05

Stop Work Order

Upon notice of a major violation, the General Manager, with Board consent, shall issue a Stop Work Order for the suspension of the suspected project. This stop order will be effective upon receipt and remain in force until the Board has investigated the alleged violation. Failure of owner or contractor to comply with the Stop Work Order will result in fines or court action to remove the project from the Riviera.

Fines:

Up to \$1,000.00 per month until corrective action has been taken. Failure to take corrective action may result in legal action to remove the project from the Riviera.

Major Violations Section 6.05 Paragraph 2(a) through 2(m)

\$1,000.00 per month.

Article VII Section 7.01 Through Section 7.12

First Violation

\$50.00 per month - Subsequent if continuation \$100.00 per month.

Article VII Section 7.13 through 7.14

***\$2,500.00 and possible prosecution under Washington State Law*

Article VII Section 7.15

** *\$2,500.00 per tree*