

AFTER RECORDING, RETURN TO:

Barker Martin, P.S.
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**AMENDED & RESTATED DECLARATION OF COVENANTS,
CONDITIONS & RESTRICTIONS FOR
DISCOVERY BAY RESORT**

GRANTOR(S):	DISCOVERY BAY RESORT, a Washington nonprofit corporation
GRANTEE(S):	DISCOVERY BAY RESORT; THE GENERAL PUBLIC
ABBREVIATED LEGAL DESCRIPTION:	PARCELS A, B, AND C AS SHOWN ON THAT CERTAIN PLAT RECORDED AT COUNTY AUDITOR'S NO. 391641
TAX PARCEL NOS.:	002353001, 002353002, 002353003
REFERENCE NOS. OF RELATED DOCUMENTS:	391641, 389065, 407677

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AMENDED & RESTATED DECLARATION FOR DISCOVERY BAY RESORT

WHEREAS, a Plat for Discovery Bay Resort was recorded in the real property records of Jefferson County on May 30, 1996, at Recorder's No. 391641; and an instrument entitled "Declaration of Covenants, Conditions and Restrictions for Discovery Bay Resort" was recorded in the real property records of Jefferson County on February 29, 1996, at Recorder's No. 389065 ("Original Declaration"), thereby submitting the real property set forth in the Plat to the covenants, conditions and restrictions set forth in the Original Declaration; and

WHEREAS, while the Original Declaration established the Discovery Bay Leaseholders Association ("Club") for the purposes stated under the laws at the time, it now contains content inconsistent with the Club's intent to operate as a non-profit social club under current state and federal laws, rendering it less than ideal for the Club's purposes; and

WHEREAS, updates and additional provisions consistent with the Club's operation as a nonprofit-social club are in the best interests of the Club; and

WHEREAS, pursuant to Section 17 of the Original Declaration, not less than a majority of the Board of Directors approved the Amended & Restated Declaration herein and, after notice to all of the Members entitled to vote thereon was given, not less than sixty percent (60%) of the voting power in the Club consented to the Declaration amendments herein as evidenced by their written signatures to be permanently kept in the records of the Club if not appended hereto;

NOW THEREFORE, the President of the Club certifies that the Declaration shall be amended in the following particulars:

- A. AMENDED & RESTATED.** *The Original Declaration and all previous amendments thereto, shall be completely replaced by this Amended & Restated Declaration.*
- B. EXHIBITS REPLACED.** *All Exhibits to the Original Declaration shall be replaced by the Exhibits attached to this Amended & Restated Declaration.*
- C. PLAT UNCHANGED.** *The Plat is unchanged hereby and shall remain in effect.*
- D. EFFECTIVE DATE.** *This Amended & Restated Declaration shall take effect upon recording.*

**AMENDED & RESTATED DECLARATION
FOR DISCOVERY BAY RESORT**

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ARTICLE 1. DEFINITIONS

1.1 Words Defined. For the purposes of this Declaration, the following definitions shall apply. The singular form of words shall include the plural and the plural shall include the singular. Masculine, feminine, and gender-neutral pronouns shall be used interchangeably.

1.2 “Articles” shall mean the amended Articles of Incorporation of the Discovery Bay Women’s Club filed with the Washington Secretary of State, as they may be amended.

1.3 “Assessments” shall mean amounts charged to Leaseholders that derive from the Club’s budget, but shall not include Dues, Rent, Fines, or Fees.

1.4 “Assessment Income” shall mean the portion of any budget to be paid by the Leaseholders, calculated as the difference between the estimated Club Expenses and the sum of: (a) any budget surplus; (b) the estimated income from Rent; and (c) the estimated income from Dues paid by Social Members.

1.5 “Board of Directors” or “Board” shall mean the governing body of the Club, elected pursuant to the Club’s Bylaws.

1.6 “Bylaws” shall mean the bylaws of the Club, as amended from time to time.

1.7 “Club” shall mean the non-profit corporation and social club identified in ARTICLE 3, and any successor entity thereof, that is organized to manage the affairs of Discovery Bay Resort consistent with the applicable statutes and the Governing Documents.

1.8 “Club Charges” shall mean all sums chargeable by the Club against a Member or Site, including, without limitation, Assessments, Dues, Rent, Fines, Fees, costs of collecting amounts owed to the Club, including attorneys’ fees, interest, and late fees, and any and all reimbursements for costs incurred by the Club for utilities or enforcement of the Governing Documents as provided in the Governing Documents.

1.9 “Club Expenses” shall mean all expenditures made by the Club or financial liabilities of the Club, including any allocations to reserves, as further described in Section 5.1.

1.10 “Club Records” shall mean records that the Club is required to keep in accordance with the NPCA or the Governing Documents, or that it keeps in the regular course of its business.

1.11 “Common Areas” shall mean all portions of the Property that are not part of the Sites as further described in Section 2.2.2.

1.12 “Declaration” shall mean this Amended & Restated Declaration of Covenants, Conditions and Restrictions for Discovery Bay Resort and any amendments thereto.

1.13 “Director” shall mean a member of the Board of Directors of the Club.

1.14 “Discovery Bay Resort” shall mean the recreational vehicle park development created pursuant to the Plat Map and the Original Declaration, composed of the Property legally described in Exhibit A, to which this Declaration applies.

1.15 “Dues” shall mean the payments made to the Club by Social Members for the privilege of membership.

1.16 “Fees” shall mean amounts charged to Members or Guests for particular uses of the Common Areas and services that are not included in Membership.

1.17 “Fines” shall mean the amounts charged to Members as a consequence of violation of a provision of the Governing Documents as provided in the Club’s Fine Schedule.

1.18 “Good Standing” shall mean that the RV Member is current in the payment of all Club Charges and has no uncured violation of the Governing Documents.

1.19 “Governing Documents” shall mean the collective group of documents that control the governance and administration of Discovery Bay Resort and the Club, consisting of this Declaration, the Bylaws, the Articles, and the Rules, as any of them may be amended from time to time.

1.20 “Guests” shall mean persons who occupy a Site or use the Property at the invitation of an RV Member for thirty (30) or fewer total days in any calendar year, as further described in Section 3.12.

1.21 “Landscape & Architectural Review Committee” or “LARC” shall mean the committee of the Board established in ARTICLE 7 for the purpose of reviewing Leaseholder applications for alterations to Sites.

1.22 “Lease” shall mean the grant of an exclusive right to use or occupy a Site to an RV Member.

1.23 “Lease Assignment Agreement” shall mean an agreement in a form to be determined by the Club pursuant to which a Leaseholder assigns the remainder of the 99-year term to a prospective assignee, as further described in Section 3.8.

1.24 “Leaseholder” shall mean the person or entity who has been approved for membership in the Club as an RV Member and has executed a Site Lease Agreement.

1.25 “Manager” shall mean a person or entity engaged by the Club to assist in administration or management of any portion of the Resort or the Club.

1.26 “Member” shall mean a person or entity that has been approved by the Board for membership in the Club, and shall include both Leaseholders/RV Members and Social Members.

1.27 “Nonprofit Corporations Act” or “NPCA” shall mean the Washington Nonprofit Corporation Act at RCW Chapter 24.03A.

1.28 "Occupants" shall mean persons other than Leaseholders and Renters that occupy Sites for more than thirty (30) days in any twelve-month period, including family members or others cohabitating with Leaseholders and Renters on Sites, but not including Guests or other short-term visitors. Occupants must be Social Members.

1.29 "Officer" shall mean the president, vice-president, secretary, or treasurer of the Club, as elected or appointed by the Directors.

1.30 "Original Declaration" shall mean the "Declaration of Covenants, Conditions and Restrictions for Discovery Bay Resort", recorded in the real property records of Jefferson County on February 29, 1996 at Recorder's No. 389065, and re-recorded on February 9, 1998 at Recorder's No. 407677, and any amendments thereto that were recorded prior to this Declaration.

1.31 "Plat" shall mean the original plat map of Discovery Bay Resort, recorded in the real property records of Jefferson County on May 30, 1996, under recorder's number 391641 as Exhibit A to the Original Declaration, and any amendments thereto.

1.32 "Property" shall mean the real property comprising Discovery Bay Resort, legally described in Exhibit A, including the Sites and Common Areas, all of which is subject to the provisions of this Declaration.

1.33 "Qualified Beneficiary" shall mean the person designated in the Site Lease Agreement as a beneficiary of the Lease and membership rights in case of death of the sole remaining Leaseholder of a Site, as further described in Section 3.5.

1.34 "Recreational Facilities" shall mean improvements upon the Common Areas, including, but not necessarily limited to, tent camping areas, a pool, clubhouse, fitness center, workshop, covered picnic area, business office (including lounge and mail area), laundry facility, and fenced dog run.

1.35 "Recreational Vehicle" or "RV" shall mean: (a) a manufactured vehicle dwelling unit built on or permanently attached to a self-propelled chassis, van, or chassis cab that is an integral part of the complete vehicle; or (b) a manufactured dwelling unit mounted on its own chassis and wheels (including what is commonly referred to as a "park trailer" or "park model" recreational vehicle provided the model does not exceed the recreational vehicle industry standards for width and length and is drawn by a motor vehicle; both of which are intended to provide living quarters for recreational, camping, or travel uses. Recreational Vehicle does not include manufactured or modular homes or tiny houses, except for tiny houses certified as a Recreational Vehicle.

1.36 "Rent" shall mean the recurring periodic charge identified in the Site Lease Agreement for the exclusive use and occupancy of a Site.

1.37 "Renter" shall mean a Social Member who occupies a Site by Sublease, as

further described in Section 3.13. Leaseholders are not Renters.

1.38 "RV Member" shall mean a Member of the Club that is also a current Leaseholder of a Site within the Resort.

1.39 "Resort" shall mean the Property.

1.40 "Rules" shall mean the rules and regulations adopted by the Club pursuant to the Original Declaration or this Declaration, including, but not limited to, house rules, regulations, resolutions, Fine schedules, Fee schedules, collection policies, enforcement policies, and other policies as adopted by the Board and as amended from time to time.

1.41 "Resort Map" shall mean the document attached hereto as Exhibit B that identifies the location of each of the Sites and Common Areas on the Property.

1.42 "Site" shall mean a physical portion of the Property designated for separate and exclusive use by each RV Member, as shown on the Resort Map, and as further identified and described in ARTICLE 6.

1.43 "Site Lease Agreement" shall mean the agreement by which the Club Leases a Site to a Leaseholder, but shall not include the Sublease of a Site by the Leaseholder to Renters.

1.44 "Social Member" shall mean a Member who is not a current Leaseholder.

1.45 "Special Charge" shall mean any Club Charges directly allocated to one or more individual Sites or Leaseholders under this Declaration, as further described in Section 5.6.

1.46 "Sublease" shall mean the lease of a Site from an RV Member to a Social Member, as further described in Section 3.13.

1.47 "Total Voting Power" shall mean the sum of the voting power assigned to the Leaseholders in Good Standing at the time of the final deadline for voting, irrespective of other conditions precedent to voting and regardless of the voting power represented at any meeting.

ARTICLE 2. DESCRIPTION OF CLUB & RESORT

2.1 Establishment & Purpose. In the 1990s, a group of women from an out-of-state chapter of "RVing Women," a nonprofit, tax-exempt organization, purchased an existing recreational vehicle park in Jefferson County, Washington, and created the Discovery Bay Resort to be owned in its entirety by the nonprofit corporation, Discovery Bay Leaseholders Association, which is now known as Discovery Bay Women's Club. The purpose of the Club is to provide its Members with an affordable, private retreat in Washington for social and recreational use, and to provide amenities and services to adult women who have chosen the "RVing" lifestyle. By the adoption and recording of this Declaration, the Club intends to act in all instances as a social and recreational club in accordance with Internal Revenue Code Section

501(c)(7) and to continue the Club's tradition of supporting women living the RVing lifestyle. Because the Club owns all of the Property and only Leases Sites to its Leaseholders, the Club is not a homeowners' association subject to RCW Chapter 64.38 or a common interest community subject to RCW Chapter 64.90, and is not subject to the Fair Housing Act. The Club is also exempt from the provisions of the Landlord-Tenant Act at RCW Chapter 59.18 because its Members do not lease any dwellings, only Sites; Leaseholders occupy Recreational Vehicles owned by the RV Member, not the Club.

2.2 Description of Resort. The Property comprising Discovery Bay Resort is legally described in Exhibit A. The Resort has been operated as a recreational vehicle park since the 1970s and was established as Discovery Bay Resort in the late 1990s consistent with the laws associated with RV parks at that time. The Resort is currently a lawful, non-conforming RV park, not a campground nor manufactured or mobile home park. The Resort comprises 115 Recreational Vehicle Sites and Common Areas as depicted on the Plat and Resort Map.

2.2.1 *Sites.* The Sites are leased to the Club's Leaseholders for their exclusive use and possession. The location of each Site is shown on the Resort Map.

2.2.2 *Common Areas.* Common Areas are all portions of the Resort other than the Sites, including all improvements thereon, and all components of utility delivery systems that serve the Common Areas, wherever located. Common Areas are for the exclusive use of Members of the Club, and their Guests. Typically, and at the time of the recording of this Declaration, the Common Areas include a business office, tent camping area, pool, clubhouse, laundry facility, fitness center, workshop, covered picnic area, storage areas, parking areas, gardens, nature trails and other grounds.

2.3 Membership Qualifications & Classes. Membership in the Club is limited to women over the age of twenty-one (21) as established in the Original Declaration. As a private social club, persons desiring to become Members of the Club must submit an application for membership in a form prescribed by the Board that demonstrates satisfaction of the minimum qualifications herein and any other qualifications as determined by the Board from time to time. Applicants may only become Members if approved for membership by the Board, in its sole discretion. Applicants for membership may be required to pay an application Fee as provided in the Club's Rules. The Club shall have two classes of Members: RV Members, who are Leaseholders with voting rights, and Social Members, who are not Leaseholders and do not have voting rights. All Members shall enter into a membership agreement in a form prescribed by the Board that is deemed to include all provisions of the Governing Documents, whether or not expressly stated therein. Other provisions relating to membership in the Club are as provided in the Bylaws.

ARTICLE 3. SITE LEASES & LEASEHOLD INTERESTS

3.1 Leaseholders. Sites in Discovery Bay Resort may only be Leased to those approved for membership as RV Members. Each Leaseholder shall be entitled to exclusive use and possession of such Site in accordance with the provisions herein and the Member's Site Lease Agreement. Membership shall not extend to or include those other than the Leaseholder who merely hold an interest in a Recreational Vehicle located on a Site. The right to Lease a Site is appurtenant to membership in the Club as an RV Member, and such right shall not be transferred in any way except as provided in this Article. Neither the rights under a Site Lease Agreement nor membership shall extend to the heirs or devisees of a deceased RV Member, except as provided in Section 3.10.

3.2 Site Lease Agreement. Each Lease of a Site shall be in writing in the form of a Site Lease Agreement containing the terms in this Article. If there are multiple Leaseholders associated with a single Site, the Leaseholders shall be jointly and severally responsible for the obligations therein. Site Lease Agreements shall be deemed to contain all provisions of this Declaration and the Bylaws, whether or not expressed in the Site Lease Agreement.

3.3 Term. The Lease of a Site shall be for a term of ninety-nine (99) years, subject to assignment, termination, and a limited right of survivorship as described in this Article and in the Bylaws.

3.4 Rent. The Site Lease Agreement shall obligate the Leaseholders to pay Rent for the Site in the amounts provided in the Site Lease Agreement, which is distinguished from payment of Assessments, Fees, Fines, or other Club Charges.

3.5 Qualified Beneficiary. The Site Lease Agreement shall contain an option to list a Qualified Beneficiary to whom a Site Lease Agreement may be assigned in the event of the sole Leaseholder's death, as further provided in Section 3.10.

3.6 Adding a Leaseholder. Additional persons approved as RV Members may be added to the Site Lease Agreement as Leaseholders by an addendum in the form prescribed by the Club in accordance with the procedures prescribed by the Board in the Rules.

3.7 Expiration of Lease Term; Renewal. Provided the Leaseholder is in Good Standing at the expiration of the term, the Leaseholder shall have the right to enter into a new Site Lease Agreement in the form prescribed by the Club at the time of the expiration of the original Lease term, and upon the payment of any Fee established in the Rules for the renewal of Leases to existing Leaseholders.

3.8 Assignment of Leasehold Interest. Leaseholders may only assign or convey the remainder of their 99-year lease terms to those approved by the Board for membership in the Club as an RV Member as provided in this Section. Sale of an RV, abandonment of a Site, or nonuse of the Common Areas are not sufficient to transfer or terminate the Site Lease Agreement

or the membership appurtenant thereto. Any attempt to assign or transfer rights under the Site Lease Agreement to a non-Member shall be void.

3.8.1 *Notice of Intent to Assign or Convey.* Leaseholders intending to assign or convey their right to Lease a Site shall provide the Board with a written notice of such intent, which shall contain: (a) the name of the current Leaseholder(s); (b) the Site Leased; (c) the estimated amount remaining on the 99-year lease term; (d) the potential purchaser's offer, which shall separately identify the amount being offered for the remainder of the current Leaseholders lease term from the amount being offered for the RV and other personal property located on the Site, if any; and (e) the potential purchaser's completed application for membership. The notice shall be accompanied by submission of any Fees associated with assignment of the Site Lease Agreement, a membership application Fee, or any other Fee required by the Rules.

3.8.2 *Delinquencies.* The Club shall have the right to notify potential purchasers of the amounts of any unpaid Club Charges, whether or not such information is requested, and may require payment of any delinquent amounts as a condition of approving the assignment of the Leasehold interest.

3.8.3 *Nonconformities.* The Club shall have the right to notify potential purchasers of any uncured violations of the Governing Documents or the Site Lease Agreement, whether or not such information is requested, and may require that the Site be brought into compliance as a condition of approving assignment of the Leasehold interest.

3.8.4 *Club Approval.* Within thirty (30) days of receipt of a notice of intent to assign or convey conforming to the requirements of Section 3.8.1, the Board shall confirm the number of years remaining on the Lease term and either approve the transfer, which shall include approving the potential purchaser as an RV Member; disapprove the transfer; or request additional information. Once the assignment has been approved by the Board, the current Leaseholder and purchaser shall execute before a notary an addendum to the Site Lease Agreement in a form to be determined by the Club, that shall identify the remainder of the term being assigned and the date on which the assignment is to become effective. As of the effective date of the assignment, the seller's membership and rights under the Site Lease Agreement shall terminate and the purchaser as named in the addendum shall be the Leaseholder and RV Member.

3.9 Termination. A Leaseholder's Lease may be terminated by the Club during the Leaseholder's lifetime and prior to the expiration of the term only upon termination of the Leaseholder's membership in the Club as an RV Member as provided in the Bylaws.

3.10 Death of Leaseholder. Upon the death of one (1) of multiple Leaseholders of a single Site, the deceased Leaseholder's membership and any Lease rights shall terminate, but

the remaining Leaseholder's membership and rights under the Site Lease Agreement shall not be affected. Upon the death of the sole Leaseholder or all Leaseholders of a Site, the remaining provisions of this Section shall apply:

3.10.1 *Notice of Rights Upon Death of Leaseholder.* Upon learning of the death of the sole or last remaining Leaseholder of a Site, the Club shall send notice to the Qualified Beneficiary, if any; the Leaseholder's emergency contact; or to the person having the legal authority to collect on behalf of the deceased Leaseholder, such as a personal representative, executor, or trustee of the deceased Leaseholder's estate, if known to the Club. The notice shall advise the recipient of the rights and obligations contained in this Section 3.10.

3.10.2 *Termination of Membership.* All membership rights shall terminate upon the death of the sole Leaseholder or all Leaseholders of a single Site.

3.10.3 *Termination of Lease Rights or Transfer to Qualified Beneficiary.* Except for the right to proceeds of any sale or assignment of the remaining Lease term, all rights under the Lease shall terminate upon the death of the sole Leaseholder or last remaining Leaseholder of a single Site unless: (a) the deceased Leaseholder has designated a Qualified Beneficiary in the Site Lease Agreement who meets the minimum qualifications for membership; (b) that Qualified Beneficiary applies for membership within thirty (30) days of the date the Club sent the notice of rights as provided in Section 3.10.1, or such longer period as the Board may allow, in its sole discretion; and (c) the Qualified Beneficiary is thereafter approved for membership in accordance with the provisions of the Bylaws and any Rules applicable thereto. If each of these conditions is satisfied, the Lease rights shall be assigned to the Qualified Beneficiary for the remaining term of the Lease. The Qualified Beneficiary may be required to sign an assignment or other documentation confirming transfer of such rights. Otherwise, such Lease rights of a sole or last remaining Leaseholder of a Site shall not pass to heirs, devisees, descendants, or others, regardless of such designation in a will or other document but shall revert to the Club.

3.11 Disposition of Property. If a Leaseholder's membership is terminated in accordance with the Bylaws or the former Leaseholder's Lease rights revert to the Club as provided in Section 3.10.3, the following provisions shall apply:

3.11.1 *Disposition of Personal Property.* The former Leaseholder (or representative of the former Leaseholder's estate in the case of termination by death) shall remove all personal property, including the RV, from the Site within sixty (60) days of the date of the Club's notice of termination, unless the recipient of the notice and the Club make other arrangements. Failure to remove personal property from the Site within this or other agreed timeframe shall entitle the Club to enter the Site, take possession of any or all of the personal property thereon, and store it in a reasonably secure place for

at least sixty (60) days, after which the Club may sell or destroy the personal property, in its sole discretion. Upon such sale or assignment, the former Leaseholder (or its estate in the case of termination by death of the Leaseholder) shall be entitled to the net proceeds of the sale, as calculated in Section 3.11.3.

3.11.2 *Sale of Remaining Lease Term.* The Club shall make reasonable efforts to convey, sell, or assign the remaining term on the former Leaseholder's Lease. Upon such sale or assignment, the former Leaseholder (or its estate in the case of termination by death of the Leaseholder) shall be entitled to the net proceeds of the sale, as calculated in Section 3.11.3.

3.11.3 *Distribution of Net Proceeds, Club Costs.* The former Leaseholder (or its estate in the case of termination by death of the Leaseholder) shall be entitled to the net proceeds of any sale of the former Leaseholder's personal property or remaining Lease term, after deduction of the following amounts, which may be retained by the Club: (a) any and all costs and fees incurred by the Club associated with or arising out of the termination of the Leaseholder's membership interest or subsequent management of the Site or property thereon, including all costs of removal, storage, or sale of personal property as provided in Section 3.11.1, and all costs associated with or arising out of the sale of the former Leaseholder's remaining Lease term as provided in Section 3.11.2; (b) a reasonable administrative fee to compensate the Club for actions taken under this Section; and (c) any Rent, Assessments, or other Club Charges or other amounts owed to the Club under the Governing Documents up to the time of the occupation of the Site by a subsequent Leaseholder. If the proceeds exceed these amounts, the Club shall pay the net proceeds to the former Leaseholder (or its estate in the case of termination by death of the Leaseholder). If the funds remain unclaimed by the former Leaseholder or estate within one-hundred-eighty (180) days of payment, the surplus shall be considered abandoned and shall be deemed property of the Club. If such proceeds do not exceed the deductions referenced above, the Club shall have a claim against the former Leaseholder (or her estate in the case of termination by death of the Leaseholder) for the deficit.

3.12 Guests. Leaseholders may invite non-Member Guests to use the Property for up to a total of thirty (30) days in any twelve-month period, provided the Leaseholder occupies a Site during Guest visits. Guests occupying a Site or using the Property for more than thirty (30) days must qualify and be approved as Social Members. The Club has the right to deny access to the Common Areas or services to Guests in accordance with any the Club Rules or for any reasonable purpose as determined in the Board's sole discretion.

3.13 Subleases. Leaseholders may only lease their Sites to Social Members approved for membership by the Board prior to entering into a Sublease. Any person applying for membership shall note in their application whether they intend to occupy a Site under a Sublease.

The Sublease shall be in the form provided by the Club and shall provide that any failure by the Renter to comply with the terms of the Governing Documents shall be considered a default under the Sublease. Sites may not be Subleased for hotel or transient purposes, or for fewer than seven (7) consecutive days, and may not be licensed for use through AirBNB, VRBO or other similar short-term or vacation rental services. No less than the entire Site shall be Subleased. During the period of any Sublease, Leaseholders are deemed to have assigned their exclusive rights to use the Site and the associated rights to use the Property to the Renters. The Leaseholder shall provide a copy of a fully executed Sublease to the Club in advance of the Renter's occupation of the Site. Leaseholders may be required to submit a Fee to the Club associated with the Sublease of a Site as provided in the Rules.

ARTICLE 4. CLUB MANAGEMENT

4.1 Management by Board. Except where a vote or approval of the Members is explicitly required pursuant to this Declaration or the Bylaws, the Board shall have exclusive power to act on behalf of the Club in all instances, including, but not limited to, the power and authority contained in this Article or anywhere else in this Declaration, the Bylaws, and any Rules promulgated pursuant thereto.

4.2 Financial Management. The Club, acting through the Board, shall be responsible for the financial management of the Club, including, but not necessarily limited to, the following:

4.2.1 Prepare and propose annual, supplemental, or special budgets for the Club to be approved by the Leaseholders in accordance with the provisions of ARTICLE 5; and assess Leaseholders as provided therein;

4.2.2 Accept donations of cash or real or personal property, provided that an amendment to this Declaration shall be required if the covenants contained herein are intended to extend to any additional real property;

4.2.3 Impose and collect Fees for the exclusive or limited-space use, rental, or operation of the Common Areas by Members;

4.2.4 Impose and collect Fees for services provided to its Members or membership applicants that are not included in the membership;

4.2.5 Establish and administer bank accounts for Club funds;

4.2.6 Establish and administer one or more reserve accounts to fund the repair or replacement of improvements on the Property as they reach the end of their useful lives;

4.2.7 Borrow funds from banks, other financial institutions, lenders, vendors, and/or contractors for any purpose that the Board determines is in the best interests of

the Club, and assign or pledge common funds of the Club, including rights to future income and the right to receive Assessments; provided that if the amount to be borrowed for non-emergency purposes exceeds \$50,000, the Club may only borrow upon the approval of Leaseholders to which at least a majority of the votes in the Club are allocated;

4.2.8 Pay amounts necessary to discharge any lien or encumbrance levied against Discovery Bay Resort;

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

4.2.10 Do any and all things necessary for the prudent financial management of Discovery Bay Resort and the Club.

4.3 Property Management. The Club, acting through the Board, shall have the sole and exclusive authority to manage, control, maintain, and repair the Common Areas and to maintain and repair Sites as provided herein, including but not limited to, the right and authority to:

4.3.1 Manage, control, and regulate the use of the Common Areas and all improvements thereon, including the right to limit the number of Guests using certain Common Areas at any one time, the right to charge reasonable Fees for the exclusive use of any Recreational Facility, and to close or limit access to Recreational Facilities for safety or health reasons;

4.3.2 Maintain, repair, alter, or improve the Common Areas or any improvements thereon; and maintain, repair, alter, improve, or decommission the Recreational Facilities, provided that the Club may not decommission or remove a Recreational Facility unless such action is approved by Leaseholders to which a majority of the votes in the Club are allocated;

4.3.3 Accept, purchase, or lease additional real property for the benefit of the Members, whether or not such real property is subjected to this Declaration;

4.3.4 Sell or convey Common Areas if approved by Leaseholders to which at least sixty-seven percent (67%) of the votes in the Club are allocated;

4.3.5 Subject the Common Areas to a security interest;

4.3.6 Grant easements, leases, licenses, and concessions through or over the Common Areas;

4.3.7 Regulate the appearance of, and the maintenance, repair, and improvement of Sites, as described in ARTICLE 6 and ARTICLE 7; and

4.3.8 Do any and all things necessary for the prudent management of the

Property.

4.4 Contracting Authority. The Club, acting through the Board, shall have broad contracting authority, including, but not limited to, the power and authority to:

4.4.1 Lease Sites to Leaseholders as further described in ARTICLE 3;

4.4.2 Make and assume contracts and incur liabilities in furtherance of any of the duties or obligations contained in the Governing Documents or ancillary thereto, including hiring employees, agents, and independent contractors to provide goods or services to the Club or its Members, such as a Manager, legal counsel, other professionals; and

4.4.3 Institute, defend, or intervene in litigation or administrative proceedings or to participate in mediation, arbitration, or other alternative dispute resolution methods, and to take all actions ancillary thereto, including the compromise or settlement of claims, in its own name, provided the Board determines that such action is in the best interests of the Club.

4.5 Club Bylaws. The Club Bylaws shall contain provisions relating to the Board of Directors, meetings of the Members, and additional provisions relating to membership. The Bylaws shall be interpreted to be consistent with this Declaration, if at all possible, but in case of conflict, the provisions of this Declaration shall control.

4.6 Rules. The Board may, from time to time, adopt and amend reasonable Rules that the Board believes, in its sole discretion, are necessary or advisable to ensure compliance with, clarify, and supplement the Governing Documents, to aid in the administration, governance, or enjoyment of Discovery Bay Resort and the Club, to preserve the appearance and safety of the community, or for any other purpose not inconsistent with the Governing Documents.

4.7 Enforcement. After providing a Member with notice of a violation of the provisions of the Governing Documents and an opportunity to be heard by the Board or designated committee or representative thereof in accordance with such procedures as provided in the Rules, the Club shall have the authority and power to levy reasonable Fines against any

Member in accordance with a previously established schedule thereof adopted by the Board and furnished to the Members as further provided in ARTICLE 8.

4.8 Residual Powers. Unless otherwise specifically provided or qualified herein, the Club may exercise any and all powers conferred by the Governing Documents, and the NPCA, as well as any other powers necessary and proper for the governance and operation of the Club.

ARTICLE 5. CLUB EXPENSES, ASSESSMENTS & DUES

5.1 Club Expenses. Club Expenses shall mean all expenditures made by or financial liabilities of the Club. Club Expenses shall include, but not be limited to, the costs of operation and governance of the Club, costs of maintenance, repair, and replacement of the Common Areas and improvements thereon, including Recreational Facilities; costs of insurance; general reserves for contingencies; reserves to fund major maintenance, repair, or replacement of Common Areas that will require major maintenance, repair, or replacement within thirty (30) years; advancements of amounts to be assessed as Special Charges; insurance deductibles; expenses relating to any obligation or authority under the Governing Documents; and any other expense that the Board determines is necessary or desirable in the best interests of the Club.

5.2 Annual Budget. Not less than sixty (60) days prior to the beginning of each calendar year or other fiscal year adopted by the Board by resolution, the Board shall prepare an annual budget by estimating the Club Expenses and income for the year. Club Expenses shall include all estimated expenses of the Club, including a reasonable contingency for unanticipated expenses and a reasonable contribution to reserves. Estimated income shall include the Rent and Dues to be collected for the year, plus any budget surplus from the prior year. The difference between the estimated Club Expenses and the estimated income and surplus categorized as Assessment Income.

5.3 Supplemental Budget. If, during the course of a year, the Board reasonably determines that the annual budget is insufficient for any reason, including nonpayment of Rent, Assessments, or other charges, the Board may adopt a supplemental budget in the amount of the anticipated shortfall, which shall be subject to ratification as provided in Section 5.4. Once ratified in accordance with Section 5.4, each Leaseholder shall be assessed an equal one hundred fifteenth (115th) share of the estimated Assessment Income.

5.4 Budget Ratification. Within thirty (30) days after the Board's adoption of any proposed budget for the Club, the Board shall provide all RV Members with a copy of the budget and a notice of a meeting to consider ratification of the budget. The meeting shall be not less than twenty (20) nor more than forty-five (45) days after mailing of the budget. Unless, at that meeting, the Leaseholders to which a majority of the Total Voting Power is allocated vote to reject the budget, the budget is ratified, whether or not a quorum is present. In the event the proposed budget is rejected, or the required notice not given, the periodic budget last ratified by

the Leaseholders, and the assessments based upon that budget, shall continue until such time as the Leaseholders approve or ratify a subsequent budget proposed by the Board. Ratification or approval of any budget constitutes ratification or approval of the Assessments levied pursuant thereto.

5.5 Calculation of Assessments. Once ratified in accordance with Section 5.4, the Leaseholders shall be assessed an equal one hundred fifteenth (115th) share of the annual Assessment Income for each Site Leased.

5.6 Special Charges. The following Club Expenses shall, to the extent reasonably ascertainable, be charged exclusively to the Site or Sites benefitted as a Special Charge:

5.6.1 Any expense incurred by the Club to maintain, repair, or replace components of a Site that the Leaseholder has the responsibility to maintain, repair or replace;

5.6.2 Any expense incurred by the Club to enforce any provision of the Governing Documents;

5.6.3 Any expense incurred by the Club associated with the collection of delinquent Assessments or other Club Charges; and

5.6.4 Any Club Expense chargeable to fewer than all Members as provided elsewhere in this Declaration.

5.7 Notice of Assessments. When a budget has been ratified in accordance with Section 5.4, the Board shall levy assessments pursuant thereto by notifying each Leaseholder in writing of the amount of the regular or special assessment owed. Such notice may be given as part of the notice of the budget ratification meeting. Regular and special Assessments shall become due as provided in the notice of assessments, but if no terms are provided, then the Assessments shall become due and payable in monthly installments on the first of the month and shall be considered delinquent if not paid by the 10th of the month.

5.8 Proceeds Belong to Club. All Assessments, Dues, Rent, Fines, Fees, and other amounts received by the Club shall belong to the Club and shall not inure or to the benefit of any Member or be distributed to any Member in consideration of that Member's membership in the Club.

5.9 Surplus Funds. Any surplus funds of the Club remaining after payment of or provision for Club Expenses and reserves for the fiscal year shall be a credit towards the next annual budget.

5.10 Club Accounts. The funds of the Club shall be kept in accounts under the name of the Club. Club funds may not be commingled with the funds of any other person or entity, including any Manager or any other person responsible for the custody of such funds. Club funds

need not be kept in separate accounts so long as separate accounting is observed, except that there shall be a separate account for reserves intended to fund major maintenance, repair, or replacement of Common Areas that will require major maintenance, repair, or replacement within thirty (30) years. The Club may withdraw funds from its reserve account to pay for unforeseen or unbudgeted costs that are unrelated to maintenance, repair or replacement of reserve components, provided that the Board adopts a reasonable repayment schedule and notice of the withdrawal and repayment plan is provided to each Member.

5.11 Financial Records and Audit. The Club shall keep financial records sufficient to enable the Club to fully declare to each Member the true statement of its financial status. At least annually, the Club shall prepare, or cause to be prepared, a financial statement of the Club in accordance with generally accepted accounting principles. The annual financial statement shall be audited at least annually by a certified public accountant who is not a member of the Board or a Member, but such requirement may be waived if sixty-seven percent (67%) of the votes cast by Leaseholders, in person or by proxy, at a meeting of the Club at which a quorum is present, vote each year to waive the audit.

5.12 Assessments are a Personal Obligation. All Assessments shall be the joint and several personal obligations of the Leaseholders when the Assessment or an installment thereof becomes due. In a voluntary conveyance of the Leasehold interest, the grantee shall be jointly and severally liable with the grantor for all unpaid Assessments associated with the Site up to the time of the grantor's conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. A Leaseholder's obligation to pay Assessments is absolute; no Leaseholder may claim diminution, offset, or abatement of Assessments for any reason, including abandonment of the Site.

5.13 Late Fees and Interest. The Club may establish reasonable late charges and a rate of interest to be charged on all delinquent Assessments, installments thereof, or other charges. In the absence of a specified late charge, the charge shall be twenty-five dollars (\$25.00). In the absence of another established non-usurious rate, delinquent amounts shall bear interest from the date of delinquency at the maximum rate permitted under RCW 19.52.020.

5.14 Recovery of Costs and Fees. The Club shall be entitled to recover any costs incurred in connection with the collection of delinquent Club Charges, including, but not limited to, administrative costs imposed by the Manager, costs of preparing and serving notices, recording costs, copying, filing fees, and reasonable attorneys' fees, whether or not such collection activities result in suit being commenced or prosecuted to judgment. In addition, the Club shall be entitled to recover costs and reasonable attorneys' fees if it prevails on appeal and in the enforcement of a judgment. These costs and fees shall also be considered Club Charges.

5.15 Certificate of Unpaid Club Charges. Upon written request, the Club shall, within fifteen (15) days, furnish to a Leaseholder a statement signed by an Officer or authorized agent of the Club setting forth the amount of all unpaid Club Charges associated with that Leaseholder

or the Leaseholder's Site. The statement shall be binding on the Club unless and to the extent known by the recipient to be false. The Board may establish a reasonable Fee to be charged for the cost of preparing the certificate, which shall also be considered a cost of collection of the delinquent account.

ARTICLE 6. USE RESTRICTIONS

6.1 Age Restriction. The Original Declaration declared an intent to "create and maintain the Property as a resort solely for the use of adult Lessees and operators of manufactured Recreational Vehicles who are over twenty-one (21) years of age." Occupation and use Sites by minors is prohibited, except that minors may be Guests, as defined in Section 1.20. The Board may promulgate reasonable Rules restricting minor Guests' access to and use of the Common Areas or services provided to Members.

6.2 Sites. All Sites within Discovery Bay Resort are intended for and restricted to recreational use on a Leasehold basis and for social, recreational, and other reasonable activities normally incident to recreational and residential use, regardless of the duration of the occupancy. Each Site shall contain up to one Recreational Vehicle. No Site shall be subdivided or combined with another Site. The Leasing of Sites by the Club to Leaseholders and Subleasing of Sites by Leaseholders to Social Members is as provided in ARTICLE 3. All other leasing, subleasing, or licensing of Sites is prohibited. Site alterations may require the prior, written permission of the Landscape & Architectural Review Committee ("LARC"), as provided in ARTICLE 7.

6.3 Noxious & Offensive Use. No unlawful, noxious, or offensive activities may be carried on in any portion of Discovery Bay Resort, nor shall anything be done therein which shall constitute a nuisance or which shall, in the judgment of the Board, cause unreasonable noise or disturbance to others. Members shall not permit any condition to exist on any Site that tends to induce, breed, or harbor infectious diseases, insects, or vermin.

6.4 Pets. Leaseholders may have up to a total of three (3) animals on any Site, provided such animals are common household pets traditionally kept in residential homes for purposes of companionship rather than commercial purposes. The Board may at any time require the removal of any animal that it finds is a risk or hazard to persons or property, unreasonably disturbing the peace or a nuisance to Members, their Renters, Guests, or occupants, and may exercise this authority for specific animals even though other animals are permitted to remain. Pets shall be carried or kept on a leash and under the direct, physical control of their caretaker when on the Common Areas and are prohibited from entering Common Area buildings, including the covered picnic area. No Member shall permit any pet to relieve itself on another

Member's Site. It shall be the responsibility of the pet's caretaker to immediately remove any pet waste from Common Areas.

6.5 No Impairment of Insurance. Nothing shall be done or kept by any Member or Occupant that will increase the Club's insurance premiums, without the prior, written permission of the Board. No Member shall permit anything to be done or kept that will result in the cancellation of the Club's or the Leaseholder's insurance on any part of the Property.

6.6 Oil and Mineral Activity. No oil exploration, drilling, development or refining operation and no quarrying or mining operations of any kind, including oil, wells, surface tanks, tunnels, or mineral excavations or shafts shall be permitted upon or under any Site. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained, or permitted on any Site.

ARTICLE 7. SITE MAINTENANCE & ALTERATION

7.1 Site Condition & Maintenance. Except as provided in this Article, Leaseholders shall, at their sole expense, maintain, repair, and replace all components of the Sites, including the Recreational Vehicle, all landscaping on the Site, and any other improvements upon Sites in good, sanitary, condition and repair, free of offensive odors and free from insect or vermin infestation. No rubbish or debris of any kind shall be placed or permitted to accumulate upon any Site. Shrubs, trees, grass, and other plantings shall be kept neatly trimmed, properly cultivated, and free of trash, weeds, and other unsightly materials.

7.2 Site Alterations. Any permanent or temporary alteration of a Site visible from another Site or the Common Areas, including, but not necessarily limited to: (a) the placement and appearance of Recreational Vehicles; (b) the placement, installation, construction or alteration of free-standing structures, such as sheds, fences, and screens, or fixtures appurtenant to RVs, such as awnings, skirting, decks, patios, steps, ramps, and the like; (c) the excavation for, placement, installation, construction, alteration of components of utilities, including plumbing, electrical (including generators), water, sewer, propane, heating, and cooling; and (d) any planting or landscaping other than that allowed by Rule; shall require the prior, written approval of the LARC, unless the Site alteration has been exempted from LARC approval by Rule.

7.3 Application Procedures. Requests for LARC approval shall be made in writing, and signed by the Leaseholder. The Leaseholder shall provide the LARC with a description of the project, identification of the licensed and bonded (if required) contractors working on the project, if any, and complete plans and specifications for the project, at least thirty (30) days in advance of any planned work. The Leaseholder must affirmatively state that the plans and specifications comply with the provisions of the Governing Documents, including the Use Restrictions contained in ARTICLE 6, and all applicable laws and codes. The LARC may require

the submission of any other relevant materials including additional plans, drawings, photographs, proof of governmental agency compliance, or other reasonable materials, as a condition of approval. Members requesting LARC approval have an ongoing duty to amend or supplement their LARC applications if any material changes have occurred prior to or after obtaining LARC approval.

7.4 LARC Review. The LARC shall be comprised of any number of Leaseholders as appointed by the Board, provided at least two of the committee members are Directors. In accordance with the NPCA, only the Directors shall be voting members of the LARC, though the Directors are strongly encouraged to vote in accordance with the majority of the LARC members, unless the Directors believe the majority decision to be in violation of the Governing Documents. The LARC shall review applications for Site alterations for compliance with the Governing Documents, including any design or construction standards adopted by the Rule; and may consider the quality of proposed workmanship and materials; the overall aesthetics and harmony with the Resort; and the potential effect of the alteration on the Resort or other Members. The LARC shall notify the Leaseholder within thirty (30) days of the receipt of a complete application whether the project is approved, disapproved, or approved with conditions. Failure of the LARC to request additional information or approve an application within this timeline shall be deemed approval thereof, except that such approval shall not constitute a waiver of any conditions of the project that may violate any provision of the Governing Documents.

7.5 Mandatory Conditions of Approval. All Site alterations subject to LARC review shall conform to the provisions of this Declaration, including the use restrictions contained in ARTICLE 6, and any Design or Construction Standards adopted by the Board. Any approved Site alteration shall progress from commencement to completion in a diligent manner. All such construction, maintenance and repair shall be completed within three (3) months after the commencement of such work. All structures erected or installed upon Sites shall be of new construction or in good condition and repair. All persons or entities performing any Site alteration shall be licensed, bonded, and insured, to the extent required by law.

7.6 LARC Approval No Waiver. Certain Site alterations may require approval from federal, state, or local regulatory agencies. It is the Leaseholder's responsibility to determine if such approval is required; approval by the LARC does not relieve the Leaseholder of the obligation to obtain pre-approval of any regulatory body as may be required; nor does approval of such regulatory body relieve the Leaseholder of the obligation to obtain pre-approval of the LARC as required herein.

7.7 Finality. All decisions of the LARC shall be final and binding. No Member or Occupant shall have recourse against the Club, the LARC, or any Member thereof for the approval or failure to approve any Site alteration. In case of dispute about LARC decision making procedure or decision, the Board shall determine whether the procedure was in accordance with the Governing Documents, and whether further committee action is required.

The decision of the Board shall be final and binding on the applicant, the LARC and all other Members.

7.8 Remedies; Compliance. If any Site alteration to which this Article applies is constructed without such pre-approval, in addition to any other remedies provided for in the Governing Documents, the Leaseholder may be required to modify or remove the structure or return the Site to its original condition within a reasonable amount of time and at the Leaseholder's sole expense. Failure of the Leaseholder to come into compliance after being provided with notice and an opportunity to be heard as provided in ARTICLE 8 shall give the Club the right to enter the Site in accordance with Section 8.5, and alter or remove the alteration, or otherwise bring the Site into compliance, and the costs associated with such correction or removal shall be charged to the Leaseholder as a Special Charge.

ARTICLE 8. ENFORCEMENT

8.1 Strict Compliance. Each Member shall comply strictly with the Governing Documents as they may be lawfully amended from time to time, and the decisions of the Board relating thereto. Members are responsible for the compliance of their Occupants. Failure to comply shall be grounds for imposition of Fines or other action by the Club to obtain compliance, including actions to recover sums due, damages, for injunctive relief, or any or all of them. In order to obtain equitable relief under this Declaration, no showing of irreparable injury or the lack of a remedy at law or the inadequacy of such remedy shall be required; provided, that this covenant shall not preclude a Member or the Club from also seeking monetary damages. Such actions may be prosecuted by the Club or by any aggrieved Member.

8.2 Member Liability for Damage. In the event any portion of the Common Areas damaged or destroyed by a Member, Renter, Guest, or Occupant, the relevant Member shall be given notice and an opportunity to be heard regarding the finding and all costs of such repair, shall be charged to the relevant Member.

8.3 Notice of Violations. Violations of the provisions of the Governing Documents may be noticed by the Board or reported to the Board or Manager by any Member or interested party. If the Board has reason to believe that a violation has been committed and it is in the best interests of the Club to do so, it shall provide the Member with written notice of the violation and a reasonable opportunity to cure the violation, if possible. If the violation continues or repeats, the Board may issue a written notice of violation warning of the imposition of a Fine in accordance with a Fine schedule previously adopted by the Board in accordance with this Declaration. Any notice of violation that includes imposition of a Fine must offer the Member an opportunity to be heard in accordance with Section 8.4.

8.4 Opportunity to Be Heard. Members shall have a reasonable opportunity to be heard by the Board or committee appointed for this purpose, prior to the imposition of any Fine

for violations of the Governing Documents. The Member's failure to request a hearing in accordance with reasonable procedures as stated in the notice of violation shall constitute waiver of the right to be heard or otherwise challenge the violation or imposition of the Fine. The procedures for such hearings shall be provided in the Rules. Within a reasonable time after the hearing, the Board shall provide the Member with its final decision.

8.5 Club's Right to Bring Site Into Compliance. If, after being provided with notice and an opportunity to be heard as prescribed by this Article, any Leaseholder fails or refuses to cure a noticed violation or fails to perform required maintenance, repair, or replacement, the Club may, at the Board's discretion, take any and all action to bring the Site into compliance after providing the Leaseholder with reasonable notice of the entry onto the Site in accordance with this Section. All costs of such entry and compliance shall be charged to the Leaseholder as a Special Charge.

8.6 Supplemental Enforcement Procedures. The Board may, by Rule, create specific enforcement procedures that provide Members with notice and an opportunity to be heard regarding violations of the Governing Documents prior to the imposition of any Fine, which procedures shall be consistent with this Declaration.

8.7 Fine Schedule. The Board shall, by Rule, create a schedule of reasonable Fines for violations of the provisions of the Governing Documents. Such Fines constitute Assessments as defined herein and may be collected as such, including the imposition of interest, and late fees upon failure to pay Fines when due.

8.8 Remedies Cumulative. The remedies provided in this Declaration are cumulative and the Club may pursue any of them, as well as any other remedies that may be available under law although not expressed herein, either concurrently or in any order.

8.9 Costs of Enforcement. In any action to enforce the provisions of the Governing Documents other than the collection of Club Charges, the prevailing party shall be entitled to all costs of enforcement, including reasonable attorneys' fees, incurred after the date by which the Member was required to cure the violation.

8.10 No Waiver. The failure of the Board in any instance to insist upon the strict compliance with the Governing Documents, or to exercise any right contained in such documents, or to serve any notice or to institute any action, shall not be construed as a waiver or a relinquishment for the future of any term, covenant, condition, or restriction. Acceptance of partial payment or payment of Assessments shall not constitute a waiver or ratification of any violation, or an accord and satisfaction. No waiver by the Board of any requirement shall be effective unless expressed in writing and signed by the Board.

ARTICLE 9. INSURANCE

9.1 Property Insurance. The Club shall have the authority to, and shall obtain, insurance on the Property, including Sites and Common Areas, insuring against loss or damage by fire or other hazards commonly insured against in an amount sufficient to cover the full replacement cost of any repair or reconstruction work in the event of damage or destruction from any hazard.

9.2 Liability Insurance. The Club shall obtain comprehensive liability insurance covering all Common Areas, and all damage or injury caused by the negligence of the Club or its agents, which shall include liability coverage for Officers and Directors, in an amount determined by the Board to be in the Club's best interests and considering standard industry practice for Clubs of similar size and amenities.

9.3 Other Insurance. The Board shall have authority in the exercise of its discretion to obtain and maintain, as a Club Expense, such additional policies of insurance and bonds as the Board deems to be in the best interests of the Club, or to meet the requirements of lenders, including, but not limited to, the following coverages to the extent reasonably available: (1) Directors and Officers insurance; (2) worker's compensation insurance to the extent required by applicable laws; and (3) fidelity insurance affording coverage to protect against dishonest acts on the part of Officers, Directors, trustees and employees of the Club, and all other persons who handle or are responsible for handling the funds of or administered by, the Club. The insurance policies and bonds purchased for the Club shall have deductibles and limits as determined in the discretion of the Board and based on the advice and recommendations of insurance agents, accountants, and other professionals as requested by the Board. The insurer(s) shall be financially sound and qualified to conduct business in the State of Washington.

9.4 Reasonably Available. To the extent reasonably available, the Club or its authorized manager shall obtain and maintain insurance coverage as set forth in this Article. If such insurance is not reasonably available, and the Board determines that any insurance described in this Article will not be maintained, the Board shall cause notice of that fact to be given to all Members.

9.5 Leaseholder's Insurance. It shall be the responsibility of each Leaseholder, at its expense, to provide coverage for damage to the Leaseholder's RV and Site, and rented storage/parking and contents, if applicable. Each Leaseholder may, at the Leaseholder's discretion, obtain additional coverage, including additional limits for property insurance, homeowner's liability insurance, theft, and other insurance covering personal property damage and loss. However, no Leaseholder shall maintain insurance coverage in any manner which would decrease the amount which the Board, or any trustee for the Board, on behalf of all the

Members, will realize under any insurance policy which the Board may have in force on the Property at any particular time.

9.6 Use of Insurance Proceeds. Any destruction of or damage to a portion of Discovery Bay Resort that is covered by the Club's insurance shall be repaired or replaced promptly by the Club using insurance proceeds issued for such purpose unless the Leaseholders holding at least sixty-seven percent (67%) of the Total Votes in the Club vote not to replace. Any destruction or damage to a portion of a Site that is covered by a Member's insurance and visible from the Common Areas or public rights of way shall be repaired or replaced promptly by the Member using insurance proceeds.

ARTICLE 10. AMENDMENTS

10.1 Proposed Amendments. Only the Board or a written petition executed by Leaseholders to which twenty percent (20%) of the Total Voting Power is allocated (along with a copy of the proposed amendment) may cause a proposed amendment to be submitted to the members of the Club for their consideration. Notice of a meeting at which an amendment is to be considered, or notice that an amendment is proposed for approval by written ballot, shall include the text of the proposed amendment. However, non-material, formatting, or typographical errors may be corrected after approval is obtained, but prior to recording.

10.2 Vote or Consent Required. This Declaration may be amended only upon obtaining the approval specified in this Section.

10.2.1 Any amendment that would change the voting rights or share of the Assessment Income of any Leaseholder shall be approved by the unanimous vote or consent of the Leaseholders.

10.2.2 Any other amendment shall require the vote or approval of Leaseholders to which at least sixty-seven percent (67%) of the Total Voting Power is allocated.

10.3 Form of Amendment; Recording. Any amendment to this Declaration shall be prepared, executed, and certified on behalf of the Club by any two officers of the Club designated for that purpose or, in the absence of designation, by the president and secretary of the Club. The amendment shall be in writing and shall state the consecutive number of the amendment of the Declaration in the title (e.g., "Fifth Amendment to the Declaration for Discovery Bay Resort"). Every amendment to this Declaration must be recorded in the real property records of Jefferson County and is effective upon recording. Amendments shall be indexed in the name of

Discovery Bay Women's Club and shall contain a cross-reference by recording number to this Declaration and any amendments thereto.

10.4 No Challenge After One (1) Year. No action to challenge the validity of the adoption and approval of this Declaration or any amendments thereto may be brought by any person more than one (1) year after it is recorded.

ARTICLE 11. MISCELLANEOUS

11.1 Creation; Covenants Run With the Land. The original developer created Discovery Bay Resort by recording the Plat and subjecting the Property therein to the Original Declaration. As a result, all Property, including Sites and Common Areas, are and shall be held, used, conveyed, encumbered, leased, occupied, rented and improved subject to the Plat and this Declaration, all contents of which shall be deemed to run with the land and constitute a burden and benefit to all persons who own, hold or acquire an interest in the Property or any part thereof, and their grantees, successors, heirs, executors, administrators, and assigns. By virtue of leasing a Site within Discovery Bay Resort, all Members dedicate the use of all Sites within the Plat and all roadways designated as private roads ("Streets") on said Plat for ingress and egress to, from, and between such Sites and the nearby public roads, and do further dedicate to the use of all said Sites the easements over all areas designated as easement areas on the Plat. The easements generally consist of ten foot (10') wide strips on each side of all platted Streets for the installation, maintenance and operation of utility service systems serving Discovery Bay Resort.

11.2 Liberal Construction. The contents of this Declaration shall be liberally construed to effectuate the purpose of creating a uniform plan for the operation of Discovery Bay Resort consistent with operation as a non-profit social club under the laws of the State of Washington and federal law.

11.3 Easements. Each Site and Common Area, as and where originally located, shall be subject to the following Easements:

11.3.1 *Blanket Utilities on Common Areas.* There is hereby created a blanket easement upon, across, over and under the entire described Property for ingress, egress, installation, replacing, repairing and maintaining all utilities, including but not limited to water, sewer, septic systems, leach fields, gas, telephone, electricity, television antenna and/or cable system, internet, and other communication lines and systems. By virtue of this easement, it shall be expressly permissible for providing the electrical and/or telephone company to erect and maintain the necessary poles and other necessary equipment on said property, and to affix and maintain electrical and/or telephone wires, circuits and conduits on, above, across and under the roofs and exterior walls of any improvements and on or under the surface of the ground. Notwithstanding anything to the contrary contained in this Section, no sewers, septic systems, leach fields, electrical

lines, water lines, gas lines, telephone or internet or other utilities may be installed or relocated on the Property, except as approved by the Board. This easement shall in no way affect any other recorded easements on the Property.

11.3.2 Easement for Encroachments. All of the Property shall be subject to an easement for encroachments by the Common Areas created by construction, settling and overhangs, as designed, constructed or maintained by the original declarant or the Club. A valid easement for said encroachments and for the maintenance of same, so long as they remain, or for the repair or restoration thereof, shall and does exist. In the event any portion of the Common Areas is partially or totally destroyed and rebuilt, minor encroachments due to construction shall be permitted and a valid easement for said encroachment and the maintenance thereof shall exist.

11.3.3 Drainage. The Original Declaration established an easement for drainage across all portions of the Property .

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

11.5 Adjustments for Inflation. Any dollar amounts specified in this Declaration in connection with any proposed action or decision of the Board or Club may, in the discretion of the Board, be increased proportionately by the increase in the consumer price index for the City of Seattle, Washington for All Items, All Urban Consumers, prepared by the United States Department of Labor to adjust for any changes in the value of the dollar after the effective date of this Declaration.

11.6 Rule against Perpetuities. The rule against perpetuities may not be applied to defeat any provision of this Declaration.

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

[Signatures follow]

The undersigned attests and certifies that at least sixty percent (60%) of the Members of the Club have approved this amendment and that a record of the approving Members' signatures, if not attached hereto, shall be permanently kept in the records of the Club.

DISCOVERY BAY WOMEN'S CLUB

By: _____

Tenna Matthews, Its President

STATE OF WASHINGTON)
) ss.
COUNTY OF _____)

On this _____ day of _____, 20__, personally appeared before me, _____ and _____ known to me to be the President and Secretary of the Discovery Bay Women's Club FKA Discovery Bay Leaseholders Association, the non-profit corporation that executed the within and foregoing instrument, and acknowledged the instrument to be the free and voluntary act and deed of the Club, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute the instrument.

DATED this _____ day of _____, 20__.

(Signed)
(Print Name)

Notary Public in and for the State of Washington

My commission expires: _____

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY COMPRISING DISCOVERY BAY RESORT

PARCEL A: THE EAST HALF OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER LYING NORTH OF U.S. HIGHWAY NO 101 IN SECTION 35, TOWNSHIP 30 NORTH, RANGE 2 WEST, W.M., EXCEPT HIGHWAY ALONG THE NORTH LINE

PARCEL B: THE SOUTH 11 ACRES OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER IN SECTION 35, TOWNSHIP 30 NORTH, RANGE 2 WEST, W.M.

PARCEL C: THE NORTH HALF OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER IN SECTION 35, TOWNSHIP 30 NORTH, RANGE 2 WEST, W.M., EXCEPT U.S. HIGHWAY NO. 101.

AMENDED & RESTATED DECLARATION FOR
DISCOVERY BAY WOMEN'S CLUB
EXHIBIT A

EXHIBIT B

MEMBERS, PLEASE NOTE THAT THE RESORT MAP INCLUDED IN THE VOTING PACKET IS SUBSTANTIALLY SIMILAR TO THE ONE THAT WILL BE RECORDED, BUT IT WILL NEED TO BE REVISED TO REFLECT THE 115 CURRENT SITES VERSUS THE ORIGINAL 120 SITES AND MAY NEED TO BE REDUCED IN SIZE TO MEET RECORDING REQUIREMENTS. APPROVAL OF THIS AMENDMENT SHALL INCLUDE APPROVAL OF THESE NOTED CHANGES TO EXHIBIT B.