Covenants Conditions and Restrictions Bylaws

Information
Originally Prepared by:
STEWART TITLE
COMPANY
Of Washington, Inc.

SUNNYBROOK PLACE

Henderson Homes

TABLE OF CONTENTS

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICIONS

OF

SUNNY BROOK PLACE

KING COUNTY, WASHINGTON

Descripti	on of The Land	1
ARTICL	E 1 Interpretation	2
1.1	Liberal Construction.	
1.2	Covenant Running with Land.	2
1.3	Declarant is Original Owner.	
1.4	Captions.	2
1.5	Definitions	
1.5.	1 "Association"	2
1.5.	2 "Board"	2
1.5.	3 "Declarant"	2
1.5.	4 "Declaration"	2
1.5.	5 "Home"	2
1.5.	6 "Lot"	3
1.5.	7 "Mortgage"	3
1.5.	8 "Mortgages"	3
1.5.	9 "Owner"	3
1.5.		
1.5.	11 "Property," "Project," or "Premises"	3
1.5.	12 "Plat Map"	3
1.6	Percentage of Mortgagees.	
1.7	Percentage of Owners.	4
ARTICL	E 2 Owners' Association	5
2.1	Establishment	5
2.2	Form of Association.	5
2.3	Membership.	5
2.3.	1 Qualification	5
2.3.	2 Transfer of Membership	5
2.4.	1 Classes of Voting Membership	5
2.4.	Number of Votes	6
2.5	Bylaws of Association	6
ARTICL	E 3 Management of the Association	7
3.1	Administration of the Development	
3.2	Management by Declarant.	
3.3	Management by Elected Board of Directors	
3.4	Authority and Duties of the Board	

3.4.	1 Assessments	7
3.4.	2 Fidelity Bonds	7
3.4.	Maintenance of Rights of Way, etc	8
3.4.	Fences, etc	8
3.4.	Contracting and Payment for Materials, Services, etc	8
3.4.0	6 Attorney-in-Fact	8
3.4.	7 Borrowing of Funds	8
3.4.3	Adoption of Rules and Regulation	8
3.4.9		
ARTICL	E 4 Architectural Control	9
4.1	Construction and Exterior Alteration or Repair.	
4.1.	<u> ±</u>	
4.1.2	y	
4.1.		
4.1.4		
4.1.:		
4.1.0	• 1	
4.1.		
4.1.3	6 11	
4.1.9	-	
4.1.		
4.2	Sales Facilities of Declarant	11
ARTICI	E.5 Use and Maintenance Obligation of Owners	12
	E 5 Use and Maintenance Obligation of Owners	
5.1	Maintenance of Lots.	12
5.1 5.2	Maintenance of Lots	12
5.1 5.2 5.3	Maintenance of Lots. Restrictions on Storage. Common Drives.	12 12
5.1 5.2 5.3 5.4	Maintenance of Lots. Restrictions on Storage. Common Drives. Residential Use.	12 12 12
5.1 5.2 5.3 5.4 5.5	Maintenance of Lots. Restrictions on Storage. Common Drives. Residential Use. Nuisances	12 12 12 12
5.1 5.2 5.3 5.4 5.5 5.6	Maintenance of Lots. Restrictions on Storage. Common Drives. Residential Use. Nuisances Restrictions on Further Subdivision.	12 12 12 12 12
5.1 5.2 5.3 5.4 5.5	Maintenance of Lots. Restrictions on Storage. Common Drives. Residential Use. Nuisances Restrictions on Further Subdivision. Garbage and Trash Removal	12 12 12 12 12 13
5.1 5.2 5.3 5.4 5.5 5.6 5.7	Maintenance of Lots. Restrictions on Storage. Common Drives. Residential Use. Nuisances Restrictions on Further Subdivision. Garbage and Trash Removal. Pets.	12 12 12 12 12 13
5.1 5.2 5.3 5.4 5.5 5.6 5.7 5.8	Maintenance of Lots. Restrictions on Storage. Common Drives. Residential Use. Nuisances Restrictions on Further Subdivision. Garbage and Trash Removal. Pets. Signs.	12 12 12 12 12 13 13
5.1 5.2 5.3 5.4 5.5 5.6 5.7 5.8 5.9	Maintenance of Lots. Restrictions on Storage. Common Drives. Residential Use. Nuisances Restrictions on Further Subdivision. Garbage and Trash Removal Pets. Signs. Rental Lots.	12 12 12 12 13 13
5.1 5.2 5.3 5.4 5.5 5.6 5.7 5.8 5.9 5.10	Maintenance of Lots. Restrictions on Storage. Common Drives. Residential Use. Nuisances Restrictions on Further Subdivision. Garbage and Trash Removal. Pets. Signs. Rental Lots.	12 12 12 12 13 13 13
5.1 5.2 5.3 5.4 5.5 5.6 5.7 5.8 5.9 5.10	Maintenance of Lots. Restrictions on Storage. Common Drives. Residential Use. Nuisances Restrictions on Further Subdivision. Garbage and Trash Removal. Pets. Signs. Rental Lots.	12 12 12 12 12 13 13 13 13
5.1 5.2 5.3 5.4 5.5 5.6 5.7 5.8 5.9 5.10 5.10	Maintenance of Lots. Restrictions on Storage. Common Drives. Residential Use. Nuisances Restrictions on Further Subdivision. Garbage and Trash Removal. Pets. Signs. Rental Lots. 1 With respect to the leasing, renting. 2 If a Lot or Home is rented by it Owner,	12 12 12 12 12 13 13 13 13 13
5.1 5.2 5.3 5.4 5.5 5.6 5.7 5.8 5.9 5.10 5.10 5.11	Maintenance of Lots. Restrictions on Storage. Common Drives. Residential Use. Nuisances Restrictions on Further Subdivision. Garbage and Trash Removal. Pets. Signs. Rental Lots. 1 With respect to the leasing, renting. 2 If a Lot or Home is rented by it Owner, Zoning Regulations.	12 12 12 12 13 13 13 13 14 14
5.1 5.2 5.3 5.4 5.5 5.6 5.7 5.8 5.9 5.10 5.10 5.11 5.12	Maintenance of Lots. Restrictions on Storage. Common Drives. Residential Use. Nuisances Restrictions on Further Subdivision. Garbage and Trash Removal. Pets. Signs. Rental Lots. 1 With respect to the leasing, renting. 2 If a Lot or Home is rented by it Owner, Zoning Regulations. Business Use.	12 12 12 12 12 13 13 13 13 14 14
5.1 5.2 5.3 5.4 5.5 5.6 5.7 5.8 5.9 5.10 5.10 5.11 5.12 5.13	Maintenance of Lots. Restrictions on Storage. Common Drives. Residential Use. Nuisances Restrictions on Further Subdivision. Garbage and Trash Removal Pets. Signs. Rental Lots. 1 With respect to the leasing, renting. 2 If a Lot or Home is rented by it Owner, Zoning Regulations. Business Use. Temporary Residence.	12 12 12 12 13 13 13 13 14 14 14
5.1 5.2 5.3 5.4 5.5 5.6 5.7 5.8 5.9 5.10 5.10 5.11 5.12 5.13 5.14	Maintenance of Lots. Restrictions on Storage. Common Drives. Residential Use. Nuisances Restrictions on Further Subdivision. Garbage and Trash Removal. Pets. Signs. Rental Lots. 1 With respect to the leasing, renting. 2 If a Lot or Home is rented by it Owner, Zoning Regulations. Business Use. Temporary Residence. Antenna, Satellite Dish.	12 12 12 12 13 13 13 13 14 14 14
5.1 5.2 5.3 5.4 5.5 5.6 5.7 5.8 5.9 5.10 5.10 5.11 5.12 5.13 5.14 5.15	Maintenance of Lots. Restrictions on Storage. Common Drives. Residential Use. Nuisances Restrictions on Further Subdivision. Garbage and Trash Removal. Pets. Signs. Rental Lots. 1 With respect to the leasing, renting. 2 If a Lot or Home is rented by it Owner, Zoning Regulations. Business Use. Temporary Residence. Antenna, Satellite Dish. Building Setback Requirements.	12 12 12 12 13 13 13 13 14 14 14 14
5.1 5.2 5.3 5.4 5.5 5.6 5.7 5.8 5.9 5.10 5.10 5.10 5.11 5.12 5.13 5.14 5.15 5.16	Maintenance of Lots. Restrictions on Storage. Common Drives. Residential Use. Nuisances Restrictions on Further Subdivision. Garbage and Trash Removal. Pets. Signs. Rental Lots. 1 With respect to the leasing, renting. 2 If a Lot or Home is rented by it Owner, Zoning Regulations. Business Use. Temporary Residence. Antenna, Satellite Dish. Building Setback Requirements. Oil and Mining Operations.	12 12 12 12 13 13 13 13 14 14 14 14 14

ARTICI	LE 6 Assessments	16
6.1	Creation of the Lien and Personal Obligation of Assessments	16
6.2	Uniform Rate.	
6.3	Limitation on Annual Assessment Amount	16
6.3	.1 Board Authority	16
6.3	.2 Inflationary Increase in Dollar Limit	16
6.3	.3 Owner Approval Required	17
6.3	.4 Effect of Legal Proceedings	17
6.4	Manner and Time of Payment	17
6.5	Accounts.	17
6.6	Lien.	17
6.7	Waiver of Homestead.	18
6.8	Continuing Liability for Assessments	18
6.9	Records; Financial Statements.	18
6.10	Certificate of Assessment	18
6.11	Foreclosure of Assessment Lien; Attorneys' Fees and Costs	18
6.12	Curing of Default.	19
ARTICI	LE 7 Compliance with Declaration	20
7.1	Enforcement	
, , _	.1 Compliance.	
7.1	<u> </u>	
7.1	1	
7.1	No Waiver of Strict Performance.	
7.3	Right of Entry.	
7.4	Remedies Cumulative.	
	LE 8 Limitation of Liability	
8.1	No Personal Liability.	
8.2	Indemnification of Board Members	22
ARTICI	LE 9 Mortgage Protection	23
9.1	Priority of Mortgages	23
9.2	Effect of Declaration Amendments.	23
9.3	Right of Lien Holder	23
9.4	Change in Manner of Architectural Review and Maintenance Within	Project;
Insura	ance and Use of Proceeds	
9.5	Copies of Notices	24
9.6	Furnishing of Documents.	24
ΔΡΤΙΟΙ	LE 10 Easements	25
10.1	Association Functions.	
10.1	Utility Easements.	
10.2	Project Entry Signs.	
	LE 11 Term of Declaration; Abandonment of Subdivision Status	
11.1	Duration of Covenants.	
11.2	Abandonment of Subdivision Status.	26

ARTICL	E 12 Amendment of Declaration, Plat Map	27
12.1	Declaration Amendment.	27
12.2	Plat Map	27
12.3	Amendments to Conform to Construction	28
12.4	Amendments to Conform to Lending Institution Guidelines	28
12.5	Article 14 Amendments.	28
ARTICL	E 13 Insurance	29
ARTICL	E 14 Annexation and Withdrawal of Additional Properties	30
14.1	Annexation by Declarant.	30
14.2	Non-Declarant Annexation.	30
ARTICL	E 15 Miscellaneous	31
15.1	1,002000	
15.1	1.1 Delivery of Notices and Documents	
15.2	Conveyances; Notice Required.	31
15.3	Successor and Assigns.	
15.4	Joint and Several Liability.	32
15.5	Mortgagee's Acceptance.	32
15.5	5.1 Priority of Mortgage.	32
15.5	5.2 Acceptance Upon First Conveyance	32
15.6	Severability.	32
15.7	Effective Date.	32
15.8	VA Approval	32
15.9	Cul-de-sac Landscape Planters.	32
15.10	Ownership, Use and Maintenance of Tract C.	33

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF SUNNY BROOK PLACE

SUNNY BROOK PLACE KING COUNTY, WASHINGTON

THIS DECLARATION is made this **21** day of **December**, 19**89**, by HENDERSON HOMES, INC., hereinafter referred to as "Declarant."

DESCRIPTION OF THE LAND

- A. Declarant owns certain real property located within the State of Washington, which property and improvements are commonly known as SUNNY BROOK PLACE, and is herein referred to as the "Project." As is more particularly provided in Article 14, the Project may be developed in more than one phase with an appropriate amendment to this Declaration (together with a plat map) being recorded as each phase is completed. The first such completed phase is known as SUNNY BROOK PLACE and is located on land more particularly described in Exhibit A attached hereto and incorporated herein.
- B. For the benefit and protection of the Project, to enhance its value and attractiveness, and as an inducement to lenders and investors to make and purchase loans secured by Lots within the Project, Declarant agrees to provide herein for a method of use and architectural control within the Project.

NOW, THEREFORE, Declarant hereby declares that the Lots described herein shall be held, conveyed, encumbered, leased, rented, used, occupied and improved subject to the following uniform covenants, conditions, restrictions, reservations, grants of easement, rights, rights-of-way, liens, charges and equitable servitudes.

Any conveyance, transfer, sale, assignment, lease or sublease of a Lot in the Project, shall and hereby be deemed to incorporate by reference all provisions of this Declaration. The provisions of this Declaration shall be enforceable by Declarant, any Lot Owner, the Association, and any first mortgagee of any lot.

20953M13 - 1 - 09/25/89 (2:36pm)

ARTICLE 1 INTERPRETATION

1.1 Liberal Construction.

The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation and maintenance of the Project.

1.2 Covenant Running with Land.

It is intended that this Declaration shall be operative as a set of covenants running with the land, or equitable servitudes, binding on Declarant, its successors and assigns, all subsequent owners of the Property, administrators, devisees or assigns.

1.3 Declarant is Original Owner.

Declarant is the original Owner of all Lots and Property and will continue to be deemed the Owner thereof except as conveyances or documents changing such ownership regarding specifically described Lots are filed of record.

1.4 Captions.

Captions given to the various articles and sections herein are for convenience only and are not intended to modify or affect the meaning of any of the substantive provisions hereof.

1.5 Definitions.

1.5.1 "Association"

shall mean the association of Lot Owners provided for in Article 2 and its successors and assigns.

1.5.2 "Board"

shall mean the Board of Directors of the Association provided for in Article 3.

1.5.3 "Declarant"

shall mean the undersigned (being the sole Owner of the real property described in said Exhibit A hereof) and its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development and by written instrument in recordable form be specifically assigned the rights and duties of Declarant.

1.5.4 "Declaration"

shall mean this declaration and any amendments thereto.

1.5.5 "Home"

shall mean and refer to any structure located on a Lot, which structure is designed and intended for use and occupancy as a residence by a single family or which is intended for use in connection with such residence.

1.5.6 "Lot"

shall mean and refer to any plot of land shown upon any recorded Plat Map of the Property. Ownership of a Lot shall include ownership of the Home and improvements now or hereafter constructed on such Lot. "Lot" shall not include: any land now or hereafter owned by the Association; any land (other than a plot on which a single family residence may be constructed) owned by two (2) or more of the Lot Owners as tenant-in-common; or any land shown on the Plat Map but dedicated to the public or to a governmental entity.

1.5.7 "Mortgage"

shall mean a recorded mortgage or deed of trust that creates a lien against a Lot and shall also mean a real estate contract for the sale of a Lot.

1.5.8 "Mortgages"

shall mean the beneficial owner, or the designee of the beneficial owner, of an encumbrance on a Lot created by mortgage or deed of trust and shall also mean the vendor, or the designee of a vendor, of a real estate contract for the sale of a Lot.

1.5.9 "Owner"

shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is part of the Property, and, except as may be otherwise expressly provided herein, shall, in the case of a Lot which has been sold pursuant to a real estate contract, include any person of record holding a vendee's interest under such real estate contract, to the exclusion of the vendor thereunder. Any person or entity having such an interest merely as security for the performance of an obligation shall not be considered an owner.

1.5.10 "Person"

shall include natural persons, partnerships, corporations, associations and personal representatives.

1.5.11 "Property," "Project," or "Premises"

shall mean the real estate described in Exhibit A and all improvements and structures thereon, including such additions thereto as may hereafter be brought within the jurisdiction of the Association.

1.5.12 "Plat Map"

shall mean the Plat Maps recorded in conjunction with this Declaration, which Plat Maps depict the layout of the Lots on the Property. The plat of SUNNY BROOK PLACE Division ____ was recorded on 10/10/89, 1989, at Volume 148 of Plats, pages 64 ~ 66, Auditor's File No. 8910100990, records of KING County, Washington.

1.6 Percentage of Mortgagees.

For purposes of determining the percentage of first mortgagees approving a proposed decision or course of action, a mortgagee shall be deemed a separate mortgagee for each Lot on which it holds a mortgage that constitutes a first lien on said lot.

1.7 Percentage of Owners.

For purposes of determining the percentage of Owners approving a proposed decision or course of action, an Owner shall be deemed a separate Owner for each Lot owned.

ARTICLE 2 OWNERS' ASSOCIATION

2.1 Establishment.

There is hereby created an association to be called Sunny Brooks Place Homeowner's Association (referred to hereinafter as the "Association").

2.2 Form of Association.

The Association shall be a nonprofit corporation formed and operated pursuant to Title 24, Revised Code of Washington. In the event of any conflict between this Declaration and the Articles of Incorporation for such nonprofit corporation, the provisions of this Declaration shall prevail.

2.3 Membership.

2.3.1 Qualification.

Each Owner of a Lot in the Project (including Declarant) shall be a member of the Association and shall be entitled to one membership for each Lot so owned. Ownership of a Lot shall be the sole qualification for membership in the Association.

2.3.2 Transfer of Membership.

The Association membership of each Owner (including Declarant) shall be appurtenant to the Lot giving rise to such membership, and shall not be assigned, conveyed, pledged or alienated in any way except upon the transfer of title to said Lot and then only to the transferee of title to such Lot. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Lot shall operate automatically to transfer the membership in the Association appurtenant thereto to the new Owner thereof..4 Voting

2.4.1 Classes of Voting Membership

The Association shall have two classes of voting membership

Class A. Class A members shall be all Owners except the Declarant. Class A members shall be entitled to one vote for each Lot owned.

Class B. The Class B member shall be the Declarant, which shall be entitled to three (3) votes for each Lot owned.

The Class B membership shall cease and be converted to Class A membership on the happening of the first of the following events:

- (a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or
- (b) the date when Declarant's management powers terminate, as provided in Section 3.2.

In determining whether any given proposition shall have been approved by the membership, the total number of Class A and Class B votes shall be combined and the appropriate percentage applied against that combined number.

2.4.2 Number of Votes.

Except as provided above, the total voting power of all Owners shall equal the number of Lots at any given time and the total number of votes available to Owners of any on Lot shall be one vote.

2.5 Bylaws of Association

Bylaws for the administration of the Association and the Property, and to further the intent of this Declaration, shall be adopted or amended by the Owners at a regular of special meeting; provided, that the initial Bylaws shall be adopted by Declarant. In the event of any conflict between this Declaration and any Bylaws, the provisions of this Declaration shall prevail.

ARTICLE 3 MANAGEMENT OF THE ASSOCIATION

3.1 Administration of the Development

The Owners covenant and agree that the administration of the Property shall be in accordance with the provisions of this Declaration and the Bylaws of the Association which are made a part hereof.

3.2 Management by Declarant.

The Property shall be managed by the Declarant until the earlier of: (a) one hundred twenty (120) days after all Class B membership terminates; or (b) the date on which Declarant elects to permanently relinquish all of its authority under this Section 3.2 by written notice to all Owners. Declarant, so long as it is managing the Property, shall have the exclusive power and authority to exercise all the rights, duties and functions of the Board set forth or necessarily implied in the Declaration; provided, however, that the Association may not, however, be bound directly or indirectly to any contracts or leases without the right of termination exercisable without cause and without penalty at any time after transfer of control to the Board elected pursuant to Section 3.3, upon not more than ninety (90) days' notice to the other party to the contract.

3.3 Management by Elected Board of Directors

At the expiration of Declarant's management authority under Section 3.2, administrative power and authority shall vest in a Board of Directors elected from among the Lot Owners. The number of directors shall be specified in the Bylaws and shall be sufficient to adequately handle the affairs of the Association. All Board offices shall be open for election at an organizational meeting. The Board shall elect from among its members a president who shall preside over meetings of the Board and the meetings of the Association.

3.4 Authority and Duties of the Board

On behalf of and acting for the Association, the Board (or the Declarant as provided in Section 3.2 hereof), for the benefit of the Project and the Owners, shall have all powers and authority permitted to the Board under this Declaration, including but not limited to the following:

3.4.1 Assessments.

Levy, collect, and enforce the collection of, assessments, as more particularly set forth in Article 6 hereof, to defray expenses to carrying out the duties and functions of the Association hereunder.

3.4.2 Fidelity Bonds.

Require any officer or employee of the Association handling or responsible for Association funds to furnish adequate fidelity bonds, the premiums on such bonds to be paid by the Association.

3.4.3 Maintenance of Rights of Way, etc.

To the extent deemed advisable by the Board, pay for the costs of maintaining and landscaping rights of way, traffic islands and medians, or other similar areas which are within or adjacent to the Project boundaries, and which are owned by or dedicated to a governmental entity, if said governmental entity fails to do so

3.4.4 Fences, etc.

To the extent deemed advisable by the Board, pay for the cost of maintaining, repairing and replacing (or at its option require a Lot Owner at the Owner's expense to maintain, repair and replace): perimeter fences, if any; and landscaping and improvements on easements, if any, which are located on or across Lots.

3.4.5 Contracting and Payment for Materials, Services, etc.

Contract and pay for any materials, supplies, labor or services which the Board should determine are necessary or proper for the enforcement of this Declaration, including legal, accounting, management or other services; provided that if for any reason any materials, supplies, labor or services are provided for particular Lots or their Owners, the cost thereof shall be specially charge to the Owner of such Lots.

3.4.6 Attorney-in-Fact

Each Owner, by the mere act of becoming an Owner, shall irrevocably appoint the Association as his attorney-in-fact, with full power of substitution, to take such action as reasonably necessary to promptly perform the duties of the Association and Board hereunder, including but not limited to the duties to maintain, repair and improve the Property, to deal with the Property upon damage or destruction, and to secure insurance proceeds.

3.4.7 Borrowing of Funds.

In the discharge of its duties and the exercise of its powers as set forth in Article 6 hereof, but subject to the limitations set forth therein, the Board may borrow funds on behalf of the Association.

3.4.8 Adoption of Rules and Regulation.

When and to the extent deemed advisable by the Board, to adopt reasonable rules and regulations governing the maintenance and use of the Property and other matters of mutual concern to the Lot Owners, which rules and regulations are not inconsistent with this Declaration and the Bylaws and which treat all Owners fairly and on a non-discriminatory basis.

3.4.9 Additional Powers of Association.

In addition to the duties and powers of the Association, as specified herein, and elsewhere in this Declaration, but subject to the provisions of this Declaration, the Association, acting through its Board, shall have the power to do all other things which may be deemed reasonably necessary to carry out its duties and the purposes of this Declaration.

ARTICLE 4 ARCHITECTURAL CONTROL

4.1 Construction and Exterior Alteration or Repair.

4.1.1 All buildings and structures

(including, without limitation, concrete or masonry walls, rockeries, fences, swimming pools, if any, or other structures) to be constructed within the Property, and all exterior alterations and repairs (including, but not limited to, reroofing or repainting) of any buildings or structures on the Property and visible from any public street or other Lot must be approved by the Board of Directors of the Association, or by an Architectural Control Committee (ACC) composed of three (3) or more representatives appointed by the Board; provided, until all Class B membership terminates, Declarant at its option may exercise all of the rights and powers of the Board under Section 4.1 including without limitation the appointment of members of the ACC. References in this Article 4 to the ACC shall be deemed to include the ACC, the Board, or the Declarant, as circumstances may dictate. Complete plans and specifications of all such proposed buildings, structures, and exterior alterations and repairs, together with detailed plans showing the proposed location of the same on the particular building site and other data requested by the ACC, shall be submitted to the ACC before construction, alteration or repair is started. Construction, alteration aor repair shall not be started until written approval thereof is given by the ACC. Any exterior modifications in accordance with plans and specifications developed by the Declarant and filed with the Board of Directors at the time of transfer (pursuant to Article 3.2) will be deemed approved exterior modifications.

4.1.2 The ACC will review submittals

as to the quality of workmanship and materials planned and for conformity and harmony of the external design with proposed or existing structures on neighborhood residential Lots or building sites, and as to location of the building with respect to topography, finish grade elevation and building setback restrictions.

4.1.3 In the event the ACC fails to approve or disapprove

such design and location within thirty (30) days after said plans and specifications have been submitted to it, such approval will not be required.

4.1.4 All plans and specifications for approval by the ACC

must be submitted in duplicate, at least thirty (30) days prior to the proposed construction or exterior alteration or repair starting date. The maximum height of any building shall be established by the ACC as part of the plan approval and shall be given in writing together with the approval.

4.1.5 The ACC may require

that said plans or specifications shall be prepared by an architect or a competent house-designer, approved by he ACC. One complete set of said plans and specifications shall in each case be delivered to and permanently left with the ACC. All buildings or structures shall be erected or constructed, and all exterior alterations or repairs made, by a contractor, house builder or other person or entity approved by the ACC. The ACC shall have the right to refuse to approve any design, plan or color for such improvements, construction, or exterior alteration or repair visible from a public street or other Lot which is not suitable or desirable, in the ACC's reasonable opinion, aesthetic or otherwise.

4.1.6 In so passing upon such design, the ACC shall have the right to

take into consideration the suitability of the proposed building or other structure, and the material of which it is to be built, and the exterior color scheme, to the site upon which it is proposed to erect the same, the harmony thereof with the surroundings, and the effect or impairment that said structures will have on the view or outlook of surrounding building sites, and any and all factors, which, in the ACC's opinion, shall affect the desirability or suitability of such proposed structure, improvements, or exterior alteration or repair.

4.1.7 The ACC shall have the right to disapprove the design

or installation of a swimming pool or any other recreational structure or equipment desirable, in the ACC's reasonable opinion, aesthetic or otherwise. In so passing upon such design or proposes installation, the ACC shall have the right to take into consideration the visual impact of the structure and the noise impact of the related activities upon all of the properties located in close proximity. Any enclosure or cover used in connection with such a recreational structure or equipment, whether temporary, collapsible, seasonal, or whatever, shall be treated as a permanent structure for the purposes of these covenants, and shall be subject to all the conditions, restrictions, and requirements as set forth herein, for all buildings and structures.

4.1.8 The ACC shall have the right to require, at a Lot Owner's expense,

the trimming or topping (or, if deemed necessary by the ACC, removal) of any tree, hedge or shrub on a Lot which the ACC determines is unreasonably blocking or interfering with the view or access to sunlight of another Lot.

4.1.9 The ACC shall have the right to specify precisely

the size, color and style of mailboxes, and of the post or support on which such mailboxes are affixed, and their location within the Project.

4.1.10 Declarant

(including any successor in interest to Declarant's status as Declarant) shall not be subject to the restrictions of this Section 4.1 as to any Lot owned by the Declarant, whether or not any Class b membership exists and whether or not management of the Association has been relinquished by Declarant pursuant to Section 3.2 hereof.

4.2 Sales Facilities of Declarant.

notwithstanding any provision in this Declaration to the contrary, Declarant (its agents, employees and contractors) shall be permitted to maintain during the period of sale of Lots and/or Homes upon such portion of the Property (other than Lots sold by Declarant) as Declarant may choose, such facilities as in the sole opinion of the Declarant may be reasonably required, convenient or incidental to the construction, sale or rental of Lots and Homes, including but on limited to, a business office, storage area, signs, model units, sales office, construction office, and parking areas for all prospective tenants or purchasers of Declarant.

ARTICLE 5 Use and Maintenance Obligation of Owners

5.1 Maintenance of Lots.

Each Owner, at said Owner's sole cost and expense, shall promptly and continuously maintain, repair and restore said Owner's Lot (including the yard and landscaping) and Home and other improvements located thereon, in a good, clean, attractive, safe and sanitary condition and in full compliance with all applicable governmental laws, rules and regulations of the Association.

5.2 Restrictions on Storage.

No Owner shall store or allow any tenant to store any trailers, boats, motor homes, recreational vehicles or any disabled or inoperable motor vehicles on the Premises (other than completely within an enclosed garage, or within such other enclosure as may be approved in advance by the Board of Directors or the Architectural Control Committee) for more that forty-eight (48) consecutive hours. Violations shall subject such vehicles to pubic impound, at the expense and risk of the Owner thereof.

5.3 Common Drives.

Common drives, walks (if any) and paths (if any) shall be used exclusively for normal transit and no obstructions shall be placed thereon or therein except by express written consent of the Board.

5.4 Residential Use.

All Lots and improvements located thereon, shall be used, improved and devoted exclusively to residential use. Nothing herein shall be deemed to prevent the Owner from leasing a Lot and improvements subject to all of the provisions of the Declaration. No structures or buildings of any kind shall be erected, altered, placed or permitted to remain on any Lot other than one detached single-family dwelling for single-family occupancy only, not to exceed two stories and daylight or subterranean basement, and not to exceed 35 feet in height, with a private garage or carport for not more than three standard sized passenger automobiles.

5.5 Nuisances

No nuisance shall be permitted to exist or operate upon any Lot or improvement thereon so as to be detrimental to any other Lot or Property in the vicinity thereof or its occupants.

5.6 Restrictions on Further Subdivision.

No Lot or portion of a Lot in this plat shall be divided and sold or resold, or ownership changed or transferred whereby the ownership of any portion of this plat shall be less than the area required for the use district in which located; provided, the foregoing shall not prohibit deeds of correction, deeds to resolve boundary disputes and similar corrective instruments. Lots may be joined and joined Lots may subsequently be subdivided only into the Lots originally joined.

5.7 Garbage and Trash Removal

No Lot shall be used as a dumping ground for rubbish, trash or garbage. Garbage and trash containers shall be buries or shall be located abutting rear or sides of house and shall be contained within an enclosure. The design and material of said enclosure shall be in keeping with the general appearance of the house and its design must receive prior approval by the association.

5.8 Pets.

No animal, livestock, or poultry of any kind shall be raised, bred, or kept on any Lot, except: that cats, dogs, birds or other household pets may be kept if they are not kept, bred or maintained for an commercial purpose; and that such pets shall not be kept in numbers or under conditions reasonably objectionable in a closely built-up residential community or in violation of the reasonable rules and regulations of the Association.

5.9 Signs.

No signs shall be displayed to the public view on any Lot except one professional sign of not more than one square foot, one sign of not more than five square feet advertising the property for sale or rent, or signs used by Declarant or another home builder to advertise the property during the construction and sales period.

5.10 Rental Lots.

5.10.1 With respect to the leasing, renting

or creation of any kind of tenancy of a Lot and improvements thereon by its Owners, such Owner shall be prohibited from leasing or renting less than the entire Lot or improvements thereon, or (with the exception of a lender in possession of a Lot and improvements thereon following a default in a first mortgage, a foreclosure proceeding or any deed of trust sale or other arrangement in lieu of a foreclosure) for a term of less than thirty (30) days; and all leasing or rental agreements shall be in writing and be subject to the Declaration and Bylaws (with a default of the tenant in complying with the Declaration and Bylaws constituting a default under the lease or rental agreement).

5.10.2 If a Lot or Home is rented by it Owner,

The Board may collect, and the tenant or lessee shall pay over to the Board, so much of the rent for such Lot or Home as is required to pay any amounts due the Association hereunder, plus interest and costs, if the same are in default over thirty (30) days. The renter or lessee shall not have the right to question payment over to the Board, and such payment will discharge the lessee's or renter's duty of payment to the Owner for rent, to the extent such rent is paid to the Association, but will not discharge the liability of the Owner, and the Lot or Home under this Declaration for assessments and charges, or operate as an approval or the lease. The Board shall not exercise this power where a receiver has been appointed with respect to the Lot or its Owner; nor in derogation of any rights which a mortgagee of such Lot may have with respect to such rents. Other than as stated herein there are no restrictions on the right of any Owner to lease or otherwise rent his Home.

5.11 Zoning Regulations.

Zoning regulations, building regulations, environmental regulations and other similar governmental regulations applicable to the Properties subject to this Declaration shall be observed. In the event of any conflict between any provision of such governmental regulations and restrictions of this Declaration, the more restrictive provisions shall apply.

5.12 Business Use.

No business of any kind shall be conducted on any Lot with the exception of (a) the business of Declarant in developing an selling all of the Lots and (b) such home occupation for which a permit may be issued by the appropriate local government.

5.13 Temporary Residence.

No outbuilding, basement, tent, shack, garage, trailer or shed or temporary building of any kind shall be used as a residence either temporarily or permanently, except for a construction shack used by an Owner's construction contractor during the construction period.

5.14 Antenna, Satellite Dish.

No antenna, satellite dish or similar equipment shall be affixed to any exterior wall or roof or otherwise placed on any Lot in such a way as to be visible from any public street, or other Lot without the written approval of the ACC.

5.15 Building Setback Requirements.

All buildings and other Lot improvements shall comply with all applicable governmental requirements, including without limitation minimum setback requirements.

5.16 Oil and Mining Operations.

No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot; nor shall oil wills, tanks, tunnels, mineral excavations or shafts be permitted upon on in any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot.

5.17 Sewage Disposal.

No permanent private water well or septic tank system shall be permitted on any Lot. The cleaning of catch basins, in any, on individual Lots shall be carried out at least once prior to September 15 of each calendar year.

5.18 Lot size.

No residential structure shall be erected or placed on any Lot which has a lot area of less than that required by the governmental entity having appropriate jurisdiction over the Project.

5.19 Completion of Improvements.

Any improvements constructed on any Lot in the Property shall be completed as to external appearance, including finish painting, within six (6) moths from the



ARTICLE 6 ASSESSMENTS

6.1 Creation of the Lien and Personal Obligation of Assessments.

The Declarant, for each Lot owned within the Property, hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association any assessment duly levied by the Association as provided herein. Such assessments, together with interest, costs, late charges and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, late charges and reasonable attorney' fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless the lien for such delinquent assessments had been properly recorded prior to the title transfer or unless expressly assumed by them. Provided, however, that in the case of a sale of any Lot which is charged with the payment of an assessment or assessments payable in installments, the person or entity who is the Owner immediately prior to the date of any such sale shall be personally liable only for the amount of the installments due prior to said date. The new Owner shall be personally liable for installments which become due on and after said date.

6.2 Uniform Rate.

Any assessments which may be levied from time to time pursuant to the authority of the Board as set forth in Section 3.4.1 hereof, shall be fixed at a uniform rate for each Lot, except for assessments levied against an Owner for the purpose of reimbursing the Association for costs incurred in bringing the Owner or his Home and/or Lot into compliance with the provisions of this Declaration. Declarant shall pay any assessment levied against any Lots owned by it. An assessment against a Lot shall be the joint and several personal obligation of all Owners of that Lot.

6.3 Limitation on Annual Assessment Amount.

6.3.1 Board Authority.

The Board shall have the authority, without obtaining prior approval of the Owners to levy assessments in a given calendar year totaling not more than \$75.00 per lot. Assessments included in the foregoing calculation shall not include any assessments which are levied against an Owner for reimbursing the Association for costs incurred in bringing the Owner or his Home and/or Lot into compliance with the provisions of this Declaration.

6.3.2 Inflationary Increase in Dollar Limit.

The dollar amount specified in Section 6.3.1 shall be increased proportionately by the increase in the consumer price index for the City of Seattle, Washington, for All Urban Consumers, prepared by the United States Department of Labor for the base period, January 1, 1987, to adjust for any deflation in the value of the dollar.

6.3.3 Owner Approval Required.

Any assessment to be levied in a given calendar year which would cause the total for all assessments for the year to exceed the sum per Lot permitted by Section 6.3.1 shall require the calling of a meeting of the Association upon notice sent to all members not less that thirty (30) nor more than sixty (60) days in advance of the meeting, and the approval at such meeting of the levy of such assessment by a majority of the Lots represented at such meeting, provided a quorum is present as defined in the Bylaws. In addition, any borrowing by the Association in any amount shall require the approval of the members in the manner set forth herein.

6.3.4 Effect of Legal Proceedings.

In any legal proceeding commenced pursuant to Section 7.1.1, and notwithstanding the assessment limitation provided for in Section 6.3.1 or the majority approval requirement provided for in Section 6.3.3, the court having jurisdiction over such proceeding shall also have jurisdiction and power to cause assessments to be levied and collected on an equal per Lot basis in such amounts as is reasonably necessary to cause the Project to be properly administered in accordance with the provisions of this Declaration and the Bylaws, or to cause the provisions of this Declaration and the Bylaws to be properly applied and enforced.

6.4 Manner and Time of Payment.

Assessments shall be payable in such reasonable manner as the Board shall designate. Any assessment or installment thereof which remains unpaid for at least fifteen (15) days after the due date thereof shall bear interest at the rate of 12% per annum, and the Board may also assess a late charge in an amount not exceeding 25% of any unpaid assessment which has been delinquent for more than fifteen (15) days.

6.5 Accounts.

Any assessments collected by the Association shall be deposited in one or more insured institutional depository accounts established by the Board. The Board shall have exclusive control of such accounts and shall maintain accurate records thereof. No withdrawal shall be made from said accounts except to pay for charges and expenses authorized by this Declaration.

6.6 Lien.

In the event any assessment or installment thereof remains delinquent for more than thirty (30) days, the Board may, upon fifteen (15) days' prior written notice to the Owner of such Lot of the existence of the default, accelerate and demand immediate payment of the entire assessment. The amount of any assessment assessed or charged to any Lot plus interest, costs, late charges and reasonable attorneys' fees, shall be a lien upon such Lot. A Notice of Assessment may be recorded in the office where real estate conveyances are recorded for the county in which this Project is located. Such Notice of Assessment may be filed at any time at least fifteen (15) days following delivery of the notice of default referred to above in this Section 6.6. The lien for payment of such assessments and charges shall have priority over all other liens and encumbrances, recorded or unrecorded, limited as provided in Section 9.1. Suit to recover a money judgment for

unpaid assessments or charges shall be maintainable without foreclosure or waiver of the lien securing the same.

6.7 Waiver of Homestead.

Each Owner hereby waives, to the extent of any liens created pursuant to this Article, the benefit of any homestead or exemption law in effect at the time any assessment or installment thereof becomes delinquent or any lien is imposed pursuant to the terms hereof.

6.8 Continuing Liability for Assessments.

No Owner may exempt himself from liability for his Assessments by abandonment of his Lot.

6.9 Records; Financial Statements.

The Board shall prepare or cause to be prepared, for any calendar year in which the Association levies or collects any assessments, and shall distribute to all Owners, a balance sheet and an operating (income/expense) statement for the Association, which shall include a schedule of assessments received and receivable, identified by the number of the Lot and the name of the Owner so assessed. The Board shall cause detailed and accurate records of the receipts and expenditures of the Association to be kept specifying and itemizing the maintenance, operating, and any other expenses incurred. Such records, copies of this Declaration, the Articles and the Bylaws, and any resolutions authorizing expenditures of Association funds shall be available for examination by any Owner at convenient hours of weekdays.

6.10 Certificate of Assessment

A certificate executed and acknowledged by the treasurer or president of the Board, or an authorized agent thereof if neither the president nor treasurer is available, stating the indebtedness for assessments and charges or lack thereof secured by the assessment lien upon any Lot shall be conclusive upon the Association as to the amount of such indebtedness on the date of the certificate, in favor of all persons who rely thereon in good faith. Such a certificate shall be furnished to any Owner or any encumbrancer of a Lot within a reasonable time after request, in recordable form, at a reasonable fee. Unless otherwise prohibited by law, any encumbrancer holding a lien on a Lot may pay any unpaid assessments or charges with respect to such Lot, and, upon such payment, shall have a lien on such Lot for the amounts paid of the same rank as the lien of his encumbrance.

6.11 Foreclosure of Assessment Lien; Attorneys' Fees and Costs

The Declarant of Board, on behalf of the Association, may initiate action to foreclose the lien of, or collect, any assessment. In any action to foreclose the lien of, or otherwise collect, delinquent assessments or charges, any judgment rendered in favor of the Association shall include a reasonable sum for attorneys' fees and all cost and expenses reasonably incurred in preparation for or in the prosecution of said action, in addition to taxable costs permitted by law.

6.12 Curing of Default.

The Board shall prepare and record a satisfaction and release of the lien for which a Notice of Assessment has been filed and recorded in accordance with this Article upon timely payment or other satisfaction of all delinquent assessments set forth in the Notice, and all other assessments which have become due and payable following the date of such recordation with respect to the Lot as to which such Notice of Assessment was recorded, together with all costs, late charges and interest which have accrued thereon. Fee of twenty-five dollars (\$25.00) covering the cost of preparation and recordation shall be paid to the Association prior to such action. The satisfaction of the lien created by the Notice of Assessment shall be executed by the president or treasurer of the Association or by any authorized representative of the Board. For the purposes of this paragraph, the term "costs" shall include costs and expenses actually incurred or expended by the Association in connection with the cost of preparation and recordation of the Notice of Assessment and in efforts to collect the delinquent assessments secured by the lien and a reasonable sum for attorneys' fees.

ARTICLE 7 COMPLIANCE WITH DECLARATION

7.1 Enforcement.

7.1.1 Compliance.

Each Owner, Board member and the Association shall comply strictly with the provisions of this Declaration and with the Bylaws and administrative rules and regulations adopted by the Association (as the same may be lawfully amended from time to time). Failure to comply shall be grounds for an action to recover sums due for damages, or injunctive relief, or both, maintainable by the Board (acting through it officers on behalf of the Association and the Owners), or by the aggrieved Owner on his own against the party (including an Owner or the Association) failing to comply.

7.1.2 Compliance of Lessee.

Each Owner who shall rent or lease his Lot shall insure that the lease or rental agreement will be in writing and subject to the terms of this Declaration, Articles of Incorporation, if any, and Bylaws. Said agreement shall further provide that failure of any lessee to comply with the provisions of said documents shall be a default under the lease.

7.1.3 Attorneys' Fees.

In any action to enforce the provisions of Section 7.1.1 or 7.1.2 or any other provision of this Declaration, the Articles or the Bylaws, the prevailing party in such legal action shall be entitled to an award for reasonable attorneys' fees and all costs and expenses reasonably incurred in preparation for or prosecution of said action, in addition to taxable costs permitted by law.

7.2 No Waiver of Strict Performance.

The failure of the Board, or Declarant, as applicable, in any one or more instances to insist upon or enforce the strict performance of any of the terms, covenants, conditions or restrictions of this Declaration, or of any Bylaws or administrative rules or regulations, shall not be construed as a waiver or a relinquishment for the future of such term, covenant, condition or restriction, but such term, covenant, condition or restriction shall remain in full force and effect. No waiver by the Board of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Board.

7.3 Right of Entry.

Violation of any of the provisions hereof shall give to Declarant, its successors, or the Association, the right to enter upon the Property as to which such violation exists and to abate, correct and remove, at the expense of the Owner thereof, any erection, thing or condition that may be or exists thereon contrary to the provisions hereof. Such entry shall be made only after three (3) days' notice to said Owner with as little inconvenience to the Owner as possible, and any damage caused thereby shall be repaired by the

Association. Declarant, its successors, or the Association shall not be deemed guilty of any manner of trespass by such entry, abatement or removal.

7.4 Remedies Cumulative.

The remedies provided are cumulative, and the Board may pursue them concurrently, as well as any other remedies which may be available under law although not expressed herein.

ARTICLE 8 LIMITATION OF LIABILITY

8.1 No Personal Liability.

So long as a Board member, Association committee member, Association officer, or Declarant exercising the powers of the Board, has acted in good faith, without willful or intentional misconduct, upon the basis of such information as may be possessed by such person, no such person shall be personally liable to any Owner, or other party, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error, negligence (except gross negligence), any discretionary decision, or failure to make a discretionary decision, by such person in such person's official capacity; PROVIDED, that this section shall not apply where the consequences of such act, omission, error or negligence are covered by insurance or bonds obtained by the Board pursuant to Section 3.4 or Article 13 hereof.

8.2 Indemnification of Board Members.

Each Board member or Association committee member, or Association Officer, or Declarant exercising the powers of the Board, and their respective heirs and successors, shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of being or having held such position at the time such expenses or liabilities are incurred, except in such cases wherein such person is adjudged guilty of intentional misconduct, or gross negligence or a knowing violation of law in the performance of his duties, and except in such cases where such person has participated in a transaction from which said person will personally receive a benefit in money, property, or services to which said person is not legally entitled; PROVIDED, that, in the event of a settlement, the indemnification shall apply only when the Board approves such settlement and reimbursement as being in the best interest of the Association. Nothing contained in this Section 8.2 shall, however, be deemed to obligate the Association to indemnify any Member or Owner of a Lot who is or has been a Board member or officer of the Association with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of the Declaration as a Member or Owner of a Lot covered thereby.

ARTICLE 9 MORTGAGE PROTECTION

9.1 Priority of Mortgages.

Notwithstanding all other provisions hereof, the liens created under this Declaration upon any Lot for assessments shall be subject to tax liens on the Lot in favor of any assessing unit and/or special district and be subject to the rights of the secured party in the case of any indebtedness secured by first lien Mortgages which were made in good faith and for value upon the Lot. Where the Mortgagee of a Lot, or other purchaser of a Lot, obtains possession of a Lot as a result of Mortgage foreclosure or deed in lieu thereof, such possessor and his successors and assigns, shall not be liable for the share of any assessment by the Association chargeable to such Lot which becomes due prior to such possession, but will be liable for any assessment accruing after such possession. Such unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from all of the Lot Owners including such possessor, his successor and assigns. For the purpose of this section, the terms "mortgage" and "mortgagee" shall not mean a real estate contract or the vendor, or the designee of a vendor thereunder, or a mortgage or deed of trust (or mortgagee or beneficiary thereunder) securing a deferred purchase price balance owed with respect to a sale by an individual Lot Owner other than Declarant.

9.2 Effect of Declaration Amendments.

No amendment of this Declaration shall be effective to modify, change, limit or alter the rights expressly conferred upon Mortgagees in this instrument with respect to any unsatisfied mortgage duly recorded unless the amendment shall be consented to in writing by the holder of such mortgage. Any provision of this Article conferring rights upon Mortgagees which is inconsistent with any other provision of this Declaration shall control over such other inconsistent provisions.

9.3 Right of Lien Holder.

A breach of any of the provisions, conditions, restrictions, covenants, easements or reservations herein contained shall not affect or impair the lien or charge of any bona fide Mortgage made in good faith and for value on any Lots; provided, however, that any subsequent Owner of the Lot shall be bound by these provisions whether such Owner's title was acquired by foreclosure or trustee's sale or otherwise.

9.4 Change in Manner of Architectural Review and Maintenance Within Project; Insurance and Use of Proceeds

The Association shall not, without prior written approval of seventy-five percent (75%) of all first Mortgagees (based upon one vote for each first Mortgage owned) or Owners (other than the sponsor, developer or builder) of record by act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of Homes, the driveways, or the upkeep of lawns and plantings in the development, including the provisions of Articles 4 and 5 hereof.

9.5 Copies of Notices.

If the first Mortgagee of any Lot has so requested the Association in writing, the Association shall give written notice to such first Mortgagee that an Owner/mortgagor of a Lot has for more that sixty (60) days failed to meet any obligation under this Declaration. Any first Mortgagee shall, upon written request, also be entitled to receive written notice of all meetings of the Association and be permitted to designate a representative to attend all such meeting.

9.6 Furnishing of Documents.

The Association shall make available to prospective purchasers, Mortgagees, insurers, and guarantors, at their request, current copies of the Declaration, Bylaws, and other rules governing the Project, and the most recent balance sheet and income/expense statement for the Association, if any has been prepared.

ARTICLE 10 EASEMENTS

10.1 Association Functions.

There is hereby reserved to Declarant and the Association, or their duly authorized agents and representatives, such easements as are necessary to perform the duties and obligations of the Association as are set forth in the Declaration, or in the Bylaws, and rules and regulations adopted by the Association.

10.2 Utility Easements.

On each Lot, easements are reserved as provided by the Plat Map and applicable laws, ordinances and other governmental rules and regulations for utility installation and maintenance, including but not limited to, underground electric power, telephone, water, sewer, drainage, gas, and accessory equipment, together with the right to enter upon the Lots at all times for said purposes. Within these easements, no structure, planting, or other material shall be placed or permitted to remain which may damage, interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements; the easement area of each Lot, and all improvements shall be maintained continuously by the Owner of the Lot, except for those improvements for which a public authority or utility company is responsible.

10.3 Project Entry Signs.

On each Lot adjacent to a roadway entrance into the Project, and on such portion of said Lot as determined by Declarant, the Declarant may at any time erect (and the Association as a common expense may thereafter maintain, repair and replace) such Project entry and identification signs (and landscaping, fencing and improvements relating thereto) as Declarant and the Association deem necessary and appropriate.

ARTICLE 11 TERM OF DECLARATION; ABANDONMENT OF SUBDIVISION STATUS

11.1 Duration of Covenants.

The covenants contained herein shall run with and bind the land for a term of twenty (20) years from the date this Declaration is recorded, after which time the covenants shall be automatically extended for successive periods of ten (10) years, unless an instrument executed in accordance with Section 11.2 below shall be recorded, abandoning or terminating this Declaration.

11.2 Abandonment of Subdivision Status.

The Association shall not, without the prior written approval of the governmental entity having jurisdiction over the Project and without prior written approval of one hundred percent (100%) of all first Mortgagees (based upon one vote for each first Mortgage owned) and Owners (other than the sponsor, developer or builder) of record, seek by act or omission to abandon or terminate the subdivision status of the Project as approved by the governmental entity having appropriate jurisdiction over the Project.

ARTICLE 12 AMENDMENT OF DECLARATION, PLAT MAP

12.1 Declaration Amendment.

Amendments to the Declaration shall be made by an instrument in writing entitled "Amendment to Declaration" which sets forth the entire amendment. otherwise specifically provided for in this Declaration, any proposed amendment must be approved by a majority of the Board prior to its adoption by the Owners. Amendments may be adopted at a meeting of the Owners if seventy-five percent (75%) of the Owners vote for such amendment, or without any meeting if all Owners have been duly notified and seventy-five percent (75%) of the Owners consent in writing to such amendment. In all events, the amendment when adopted shall bear the signature of the president of the Association and shall be attested by the secretary, who shall state whether the amendment was properly adopted, and shall be acknowledged by them as officers of the Association. Amendments once properly adopted shall be effective upon recording in the appropriate In addition to the amendments set forth in Article 9, any governmental offices. amendment to a provision of the Declaration establishing, providing for, governing or regulating the following shall require the consent of seventy-five percent (75%) of the Owners and seventy-five percent (75%) of the Mortgagees: voting; assessments, assessment liens or subordination of such liens; insurance or bonds; responsibility for maintenance or repairs; expansion or construction of the Project or the addition, annexation or withdrawal of property to or from the Project; boundaries of Lots; leasing of Lots; provisions for benefit of first Mortgagees, or holders, insurers or guarantors of first Mortgages; or imposition of any right of first refusal or similar restrictions on the right of Owner to sell, transfer or otherwise convey a Lot; provided, that any amendment changing the method of calculating the assessment liability of any Lot must have the prior written approval of all Owners of Lots for which the assessment share is proposed to be changed, and the approval of all first Mortgagees of record of such Lots based on one vote for each first Mortgage owned; and, provided further, that a Mortgagee who fails to respond in writing within thirty (30) days of a written request to approve an amendment shall be deemed to have approved the request. It is specifically covenanted and understood that any amendment to this Declaration properly adopted will be completely effective to amend any or all of the covenants, conditions and restrictions contained herein which may be affected and any or all clauses of this Declaration unless otherwise specifically provided in the section being amended or the amendment itself.

12.2 Plat Map

Except as otherwise provided herein, the Plat Map may be amended by revised versions or revised portions thereof referred to and described as to affect in an amendment to the Declaration adopted as provided for in Section 12.1. Copies of any such proposed amendment to the Plat Map shall be made available for the examination of every Owner. Such amendment to the Plat Map shall be effective, once properly adopted, upon having received any governmental approval required by law and recordation in the appropriate city or county office in conjunction with the Declaration amendment.

12.3 Amendments to Conform to Construction.

Declarant, upon Declarant's sole signature, and as an attorney-in-fact for all Lot Owners with an irrevocable power coupled with an interest, may at any time, until all Lots have been sold by Declarant, file an amendment to the Declaration and to the Plat Map to conform data depicted therein to improvements as actually constructed and to establish, vacate and relocate utility easements and access road easements.

12.4 Amendments to Conform to Lending Institution Guidelines.

So long as Declarant continues to own one or more Lots, Declarant, on his signature alone, and as an attorney-in-fact for all Lot Owners with an irrevocable power coupled with an interest, may file such amendments to the Declaration and Plat Map as are necessary to meet the then requirements of: Federal National Mortgage Association, Veterans Administration, Federal Home Loan Mortgage Corporation, or other agencies, institutions or lenders financing and/or title insuring the purchase of a Lot from the Declarant; or the governmental agencies having jurisdiction over the Project.

12.5 Article 14 Amendments.

Declarant, upon Declarant's sole signature, and as an attorney-in-fact for all Lot Owners with an irrevocable power coupled with an interest, may at any time, until all Lots have been sold by Declarant, file such amendments to the Declaration and Plat Map as are necessary in the exercise of Declarant's powers under Article 14.

ARTICLE 13 INSURANCE

The Board shall have authority in the exercise of its discretion to obtain and maintain from time to time as a common expense bonds of fidelity coverage for Association Board members (including Declarant), officers, employees or agents; and such other insurance as the Board may deem advisable or as may be required by the Federal National Mortgage Association, Federal Home Loan Mortgage Association, Veterans Administration or similar agencies or lending institutions.

ARTICLE 14

ANNEXATION AND WITHDRAWAL OF ADDITIONAL PROPERTIES

14.1 Annexation by Declarant.

Although not obligated to do so, Declarant reserves the right to develop as single family residential subdivisions Additional Lands which would be in addition to and would be nearby the land described in Exhibit "A." At any time within fifteen (15) years of the date of recording of this Declaration, Declarant may cause all or any portion of such Additional Lands to be annexed to the existing Property without the assent of the members of the Association; PROVIDED, however, that the annexation of Additional Lands described in this Section shall be adjacent to the then existing Project and have received the approval required under Section 15.8. Such Additional Lands shall be deemed "adjacent" to the existing Project even if separated therefrom by land which: is owned by Declarant, the Association or the Lot Owners as tenants-in-common; or is owned by or dedicated to the public or a governmental agency or instrumentality; or is available for the use or benefit of the Association or Lot Owners by easement or otherwise. If such annexation shall not have received the approval required under Section 15.8, then such annexation must have the assent of two-thirds (2/3) of the members of the Association in the manner provided in Section 14.2.

14.2 Non-Declarant Annexation.

Annexation of additional properties (other than Declarant annexations provided for in Section 14.1 hereof) shall require the assent of two-thirds (2/3) of the members of the Association, at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days or more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting. At this meeting the presence of members or of proxies entitled to cast sixty percent (60%) of the votes shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called subject to the notice requirement set forth above and the required quorum at such subsequent meeting shall be one-half (1/2) of the required quorum of the proceeding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. In the event two-thirds (2/3) of the members are not present in person or by proxy, members not present may give their written consent to the action taken thereat. Until all Class B membership terminates, annexation of Additional Properties under this Section shall also require the prior written approval of the Declarant.

ARTICLE 15 MISCELLANEOUS

15.1 Notices.

15.1.1 Delivery of Notices and Documents.

Any written notice, or other document as required by this Declaration, may be delivered personally or by mail. If by mail, such notice, unless expressly provided for herein to the contrary with regard to the type of notice being given, shall be deemed to have been delivered and received forty-eight (48) hours after a copy thereof has been deposited in the United States mail, postage prepaid, addressed as follows:

- (a) If to an Owner, other than Declarant, to the registered address of such Owner, as filed in writing with the Board pursuant to the requirements of the Bylaws.
- (b) If to Declarant, whether in its capacity as an Owner, or in any other capacity, the following address (unless Declarant shall have advised the Board in writing of some other address): 2223 112th Avenue N.E., P.O. Box 3866, Bellevue, Washington 98009.
- (c) Prior to the organizational meeting, notices to the Board shall be addressed to the address set forth in (b) above. Thereafter, notices to the Board shall be addressed either to an address to be posted by the Board at all times in a conspicuous place or to the registered office of the Association. In addition, from and after the organizational meeting, notice of the address of the Association shall be given by the Board to each Owner, within a reasonable time after the Board has received actual notice of such Owner's purchase of a Lot.

15.2 Conveyances; Notice Required.

The right of an Owner to sell, transfer, or otherwise convey his Lot shall not be subject to any right of approval, disapproval, first refusal, or similar restriction by the Association or the Board, or anyone acting on their behalf. An Owner intending to sell a Lot shall deliver a written notice to the Board, at least two (2) weeks before closing, specifying: the Lot being sold; the name and address of the purchaser, of the closing agent, and of the title insurance company insuring the purchaser's interest; and the estimated closing date. The failure of an Owner to properly give such notice to the Board shall not invalidate the sale. The Board shall have the right to notify the purchaser, the title insurance company, and the closing agent of the amount of unpaid assessments and charges outstanding against the Lot, whether or not such information is requested.

15.3 Successor and Assigns.

This Declaration shall be binding upon and shall inure to the benefit of the heirs, personal representatives, successors and assigns of Declarant, and the heirs, personal representatives, grantees, lessees, sublessees and assignees of the Owners.

15.4 Joint and Several Liability.

In the case of joint ownership of a Lot, the liability of each of the Owners thereof in connection with the liabilities and obligations of Owners, set forth in or imposed by this Declaration, shall be joint and several.

15.5 Mortgagee's Acceptance.

15.5.1 Priority of Mortgage.

This Declaration shall not initially be binding upon any Mortgagee of record at the time of recording of said Declaration but rather shall be subject and subordinate to said Mortgage.

15.5.2 Acceptance Upon First Conveyance.

Declarant shall not consummate the conveyance of title of any Lot until said Mortgagee shall have accepted the provisions of this Declaration and made appropriate arrangements for partial release of Lots from the lien of said Mortgage. The issuance and recording of the first such partial release by said Mortgagee shall constitute its acceptance of the provisions of this Declaration and the status of the Lots remaining subject to its Mortgage as well as its acknowledgement that such appropriate arrangements for partial release of Lots has been made; provided, that, except as to Lots so released, said Mortgage shall remain in full effect as to the entire Property.

15.6 Severability.

The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability of any other provision hereof.

15.7 Effective Date.

The Declaration shall take effect upon recording.

15.8 VA Approval.

As long as there is a Class B membership, the following actions will require the prior approval of the Veterans Administration: Annexation of additional properties; dedication of Common Area; and amendment of this Declaration of Covenants, Conditions and Restrictions.

15.9 Cul-de-sac Landscape Planters.

The Owners of Lots 5, 6, 7, 8, 9, 10 and 11 shall be jointly responsible for the maintenance of the landscape planters in the cul-de-sac in 118th Court S.E. The owners of Lots 26, 27, 30 and 31 shall be jointly responsible for the maintenance of the landscape planters in the cul-de-sac in 117th Place S.E. The performance of maintenance of the landscape planters in said cul-de-sacs shall be subject to the reasonable rules and regulations of the Association.

15.10 Ownership, Use and Maintenance of Tract C.

Tract C as shown on the Plat shall be owned and, except as provided hereinbelow, maintained by the Owners of Lots 28 and 29 as tenants-in-common. Notwithstanding the foregoing, that portion of Tract C which lies north of the southerly property line of Lot 29 extended in a westerly direction shall be maintained (including landscaping to the extent the Declarant and the Association deem necessary and appropriate) by the Association, as a common expense, as though it were common area. A pedestrian easement is reserved within Tract C for the benefit of all Owners of Lots, for the purpose of providing, and to the extent necessary to provide, pedestrian access from the cul-de-sac bulb of 117th Place S.E. to Tract B, as shown on the Plat.

IN WITNESS WHEREOF, Declarant has executed this Declaration the day and year first hereinabove written.

DECLARANT:

HENDERSON HOMES, INC.

By: <u>Richard L. Shaffer</u>
Its: Manager, Land Development

STATE OF WASHINGTON)

ss.
COUNTY OF KING)

On this **21** day of **December**, 1989, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared <u>Richard L. Shaffer</u>, to me personally known (or proven on the basis of satisfactory evidence) to be the <u>Land Development Manager</u> of HENDERSON HOMES, INC., the corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and on oath stated that <u>He</u> was authorized to execute said instrument and that the seal affixed, if any, is the corporate seal of said corporation.

WITNESS my hand an seal hereto affixed the day and year in this certificate above written.

Sharon L Hutson

NOTARY PUBLIC in and for the State of Washington, residing in <u>BELLEVUE</u>. My commission expires: 1-1-93