

WHEN RECORDED RETURN TO:

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Document Title: Declaration of Covenants, Conditions and Restrictions of Bridges

Grantor: Kent 160 LLC

Grantee: Plat of Bridges (aka Verdana)

Legal Description:

Abbreviated Legal Description: Parcel A, Kent LLA #LL-2006-15, Rec. #20060921001649

Full Legal Description: See Exhibit A attached.

Assessor's Tax Parcel Nos.: 786700-0046

Reference Nos. of Documents Released or Assigned: N/A

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
BRIDGES
KING COUNTY, WASHINGTON
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- EXHIBIT A – Legal Description of the Project
- EXHIBIT B – Common Fence Design Standards
- EXHIBIT C – Boulevard Lots

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

OF

BRIDGES

KING COUNTY, WASHINGTON

THIS DECLARATION is made this ____ day of December, 2007, by the undersigned, hereinafter collectively referred to as "Declarant."

DESCRIPTION OF THE LAND

A. Declarant owns certain real property and improvements commonly known as **Bridges**, located in King County, Washington, and legally described in attached Exhibit A (the "Project"). All Common Areas of the Project are shown on the Plat Maps recorded in conjunction with this Declaration.

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 is 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 the first mortgagee of any Lot.

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, as applicable, binding on Declarant, its successors and assigns, all subsequent Owners of the Project or any

Lots, together with their grantees, successors, heirs, executors, administrators, devisees or assigns.

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

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 Owners' Association provided for in Article 4 and its successors and assigns.

1.5.2 **"Board"** shall mean the Board of Directors of the Association provided for in Article 5.

1.5.3 **"Bylaws"** shall mean the duly adopted bylaws of the Association.

1.5.4 **"Common Area"** shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the Owners and shall include (unless/until dedicated to a governmental entity): all Common Areas described on the Plat Map including but not limited to Tracts BBB, CCC, DDD, EEE, FFF, GGG, HHH, III, JJJ and KKK (Private Road Tracts), Tracts BB, DD, EE, HH, II, JJ, KK, MM, NN, OO, RR, SS, D, E, F, G, J, JJ, M and P (Landscape Tracts), Tracts A, H, K, Q, R, X, Z, PP, U, UU, WW, YY and ZZ (Recreation Tracts), Tracts LL and XX (Open Space Tracts) and Tract L (Access Tract); Project entry sign(s) and landscaping; planter islands on roads or cul-de-sacs; and mailbox stands serving more than one Lot.

1.5.5 **"DRC"** shall mean the Design Review Committee provided for in Article 6.

1.5.1 **"Declarant"** shall mean the undersigned (being the sole Owner of the real property described in 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.

1.5.7 **"Declarant Control Period"** shall mean the period of time from the date of recording of this Declaration until Eighteen (18) months after the date upon which all of the Lots and any other portion of the Project (excluding Common Areas) that are subject to this Declaration have been sold, or any earlier period as may be agreed to by Declarant. A partial

delegation of authority by Declarant of any of its management duties described in the Declaration shall not terminate the Declarant Control Period.

1.5.8 "Declaration" shall mean this declaration and any amendments thereto.

1.5.9 "Home" shall mean and refer to any structure, or portion of a 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.

1.5.10 "Lot" shall mean and refer to any plot of land shown upon any recorded Plat Map of the Project excluding Common Areas, provided the "Lot" shall not include any land now or hereafter owned by the Association or by all of the Lot Owners as tenants in common, nor include any land shown on a Plat Map but dedicated to the public or to a governmental entity.

1.5.11 "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.

1.5.12 "Mortgagee" shall mean the beneficial holder, or the designee of the beneficial holder, 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.

1.5.13 "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 a part of the Project, 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.

1.5.14 "Person" shall include natural persons, partnerships, limited liability companies, corporations, associations and personal representatives.

1.5.15 "Project" 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.

1.5.16 "Plat Map" shall mean the Plat Map(s) approved by the appropriate governmental entity and recorded in conjunction with or subsequent to this Declaration, which Plat Maps depict the layout of the Lots on the Project.

1.6 **Percentage of Mortgages.** For purposes of determining the percentage of first Mortgages 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 by such Owner.

ARTICLE 2: OWNERSHIP OF COMMON AREA

2.1 **Ownership of Common Area.** The Common Areas, if any, within any Additional Lands (as defined in Article 16) will be deemed to be conveyed to the Association upon the recording of an amendment to this Declaration incorporating such Additional Lands within the Project and will be depicted on the Plat Map recorded in conjunction with such amendment. The Common Area shall exclude those portions of common areas (and improvements thereto) which have been or may hereafter be, dedicated to and owned by the public or a governmental entity. The Common Area shall for all purposes be under the control, management and administration of the Declarant during the Declarant Control Period, and under the control, management and administration of the Association thereafter. The Association (and the Owners who are members thereof) has the responsibility and obligation to maintain, repair and administer the Common Area in a clean, attractive, sanitary and safe condition and in full compliance with applicable, governmental laws, rules and regulations and the provisions of this Declaration.

2.2 **Bonds Affecting Common Areas.** In connection with the improvement and governmental approval of the Project and the recording of the Plat Map, Declarant may from time to time procure one or more maintenance, improvement, performance or other bonds for the benefit of one or more governmental authorities or private parties. Declarant reserves to itself for the duration of the period for which any such bond is required to be maintained (whether during or after the Declarant Control Period), all rights necessary or convenient to allow Declarant, its agents and contractors to take such action with respect to the property and/or improvements covered by any such bond as may be required from time to time (i) to comply with the obligations for which the bond was issued, or (ii) by the governmental entity or private party that is the beneficiary or obligee of such bond. Without limiting the foregoing, Declarant, its agents and contractors shall have the right to enter upon any and all Common Areas or other portion of the Project affected by any such bonds and to abate, correct or remove any circumstance or condition that requires abatement, correction or removal by the beneficiary or obligee of the bond. Declarant, its agents and contractors shall not be deemed guilty of any manner of trespass by any such entry, abatement, correction or removal. The rights reserved under this section with respect to any given bond shall continue through the date on which all obligations required by the governmental entity or private party with respect to such bond are performed, and the bond is surrendered to Declarant. Notwithstanding any term of this Declaration to the contrary, the rights described in this Section 2.2 shall be personal to the undersigned Declarant and shall not transfer to its successors and assigns.

ARTICLE 3: OWNER'S PROPERTY RIGHTS

3.1 **Owner's Rights of Enjoyment.** Every Owner shall have a non-exclusive right and easement, in common with all Owners, of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

3.1.1 The right of the Association to limit access to those portions of the Common Areas, which in the opinion of the Board are dangerous.

3.1.2 The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon any Common Area.

3.1.3 The right of the Association to suspend the voting rights and right to use of the Common Areas by an Owner: for any period during which any assessment against such Owner's Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations.

3.1.4 The rights of the Association to dedicate or transfer all or any part of the Common Area, including easements across said properties, to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members of the Association. After the expiration of the Declarant Control Period, no such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by two-thirds (2/3) of the Owners has been recorded and the provisions of Article 12 hereof have been observed; provided, only a majority of Owners will be necessary to approve dedicating a storm retention pond or similar facility, if any, to a governmental entity which shall maintain such ponds or facilities, and provided further that during the Declarant Control Period, no such Owner approval of any dedication or transfer shall be required.

3.1.5 The right of the Association to limit the number of guests of members.

3.1.6 The right of the Association, in accordance with this Declaration and its Articles of Incorporation and Bylaws, to borrow money for the purpose of improving the Common Area and facilities and in aid thereof to mortgage said property, but the rights of such Mortgagee in said property shall be subordinate to the rights of the Owners hereunder and subject to the provisions of Section 11.5.

3.1.7 The right of the Association to take such steps as are reasonably necessary to protect any property mortgaged in accordance with Section 3.1.6 against foreclosure, including, but not limited to, the right to charge admission and other fees as a condition to continued enjoyment by the Owners and, if necessary, to open the enjoyment of such properties to the public.

3.1.8 The right of the Declarant, at any time during the Declarant Control Period, to reserve to itself or to grant in favor of third parties, rights of entry, licenses, easements, or similar rights to use the Common Areas for the purposes specified in such reservation.

3.1.9 During the Declarant Control Period, the exercise of all of the rights and powers set forth in subsections 3.1.2, 3.1.3, 3.1.4, 3.1.5, 3.1.6 and 3.1.7 shall require the prior written approval of Declarant.

3.2 **Delegation of Use.** Any Owner may delegate (in accordance with the Bylaws), his/her right of enjoyment to the Common Area and facilities to the members of his/her family, or his/her tenants or contract purchasers who reside on the Owner's Lot and (subject to regulation by the Association) to his/her temporary guests.

ARTICLE 4: OWNERS' ASSOCIATION

4.1 **Establishment.** There is hereby created an association to be called LIVING AT BRIDGES HOMEOWNERS ASSOCIATION (referred to hereinafter as the "Association").

4.2 **Form of Association.** The Association shall be a nonprofit corporation formed and operated pursuant to Title 24 and Chapter 64.38, Revised Code of Washington. In the event of any conflict between this Declaration and the Articles of Incorporation or Bylaws for such nonprofit corporation, the provisions of this Declaration shall prevail.

4.3 **Membership.**

4.3.1 **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.

4.3.2 **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 of membership 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.

4.4 **Voting.** 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 one Lot shall be one (1) vote.

4.5 **Bylaws of Association.** Bylaws for the administration of the Association and the Project and to further the intent of this Declaration, may be adopted or amended by the Owners at a regular or special meeting; provided, that the initial Bylaws shall be adopted by Declarant, and during the Declarant Control Period, Declarant shall have the sole right to amend the Bylaws. In the

event of any conflict between this Declaration and any Bylaws, the provisions of this Declaration shall prevail.

4.6 **Declarant Control Period.** During the Declarant Control Period, the Association and the DRC (as defined in Section 6.1 below), together with all Common Areas administered by the Association shall, for all purposes, be under the management and administration of Declarant or its assignees. During the Declarant Control Period, Declarant shall appoint the directors of the Association as provided in the Bylaws. Declarant may appoint any persons Declarant chooses as directors. At the Declarant's sole discretion, Declarant may appoint members of the Association to such committees or positions in the Association, including the DRC, as Declarant deems appropriate, to serve at Declarant's discretion, and Declarant may assign such responsibilities, privileges and duties to the members as Declarant determines, or for such time as Declarant determines. Members appointed by Declarant during the Declarant Control Period may be dismissed at Declarant's discretion.

Declarant's control of the Association during the Declarant Control Period is established in order to insure that the Project and the Association will be adequately administered in the initial phases of development and to insure an orderly transition of Association operations. From and after the end of the Declarant Control Period, the Association shall have the authority and obligation to manage and administer the Common Areas and to enforce this Declaration. Such authority shall include all authority provided for in the Association's articles, bylaws, rules and regulations and this Declaration, together with other duties that may be assigned to the Association in any easement or in the Plat of Bridges. From and after the end of the Declarant Control Period, the Association shall also have the authority and obligation to manage and administer the activities of the DRC and its responsibilities.

ARTICLE 5: MANAGEMENT OF THE ASSOCIATION

5.1 **Administration of the Development.** The Owners covenant and agree that the administration of the Project shall be in accordance with the provisions of this Declaration and the Bylaws of the Association.

5.2 **Management by Declarant.** The Project shall be managed on behalf of the Association by the Declarant during the Declarant Control Period. Declarant may terminate the Declarant Control Period as to all or a part of the Project by giving, or causing the managing agent of the Association appointed under Section 5.3 below to give, written notice of Declarant's election to permanently relinquish all of its authority under this Section 5.2 by written notice to all Owners. So long as Declarant is managing the Project, Declarant or a managing agent selected by Declarant shall have the exclusive power and authority to exercise all the rights, duties and functions of the Board and the Association set forth or necessarily implied in this Declaration; provided, however, that the Association may not be bound directly or indirectly to any unrecorded 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 5.3, upon not more than ninety (90) days notice to the other party to the contract. This termination

right shall not apply to easements, covenants, conditions, restrictions or similar documents executed by Declarant, or by managing agent on behalf of Declarant, during the Declarant Control Period or pursuant to other express grant of authority to Declarant under this Declaration.

5.3 **Management by Elected Board of Directors.** At the expiration of the Declarant Control Period, the Association shall hold an election to elect the Board of Directors. Power and authority shall vest in the 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. The Board may delegate all or any portion of its management duties to a managing agent or officer of the Association as provided for in the Bylaws. 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.

5.4 **Authority and Duties of the Board.** On behalf of and acting for the Association, the Board (or the Declarant or Declarant's managing agent as provided in Section 5.2 hereof), for the benefit of the Project and the Owners, shall have all powers and authority permitted to the Board under this Declaration and any applicable law, including but not limited to the following:

5.4.1 **Assessments.** Establish and collect regular assessments (and to the extent necessary and permitted hereunder, special assessments) to defray expenses attributable to carrying out its duties hereunder and maintain an adequate reserve fund for the maintenance, repair, improvement and replacement of those portions of the Common Area or facilities which must be maintained, repaired or replaced on a periodic basis, which reserve shall be funded by the above assessments. The Association may impose and collect charges for late payments of assessments.

5.4.1.1 **Initial Assessment.** Establish and collect an initial assessment which shall be due to the Association upon the closing of each lot to provide capital to the Association for the performance of its obligations until regular annual assessments are established.

5.4.2 **Service.** Obtain the services of persons or firms as required to properly manage the affairs of the Project to the extent deemed advisable by the Board including legal and accounting services, property management services as well as such other personnel as the Board shall determine are necessary or proper for the operation of the Common Area, whether such personnel are employed directly by the Board or are furnished by the manager or management firm or agent.

5.4.3 **Utilities.** Obtain water, sewer, garbage collection, electrical, telephone, gas and any other necessary utility service, including utility easements and street lighting, as required for the Common Area.

5.4.4 **Insurance.** Obtain and pay for policies of insurance or bonds providing Common Area casualty and liability coverage, and for fidelity of Association officers and other employees, the requirements of which are more fully set forth in Article 15.

5.4.5 **Maintenance and Repair of Common Areas.** Pay for the costs of painting, maintenance, repair and all landscaping and gardening work for all Common Area, and improvements located thereon, so as to keep the Project in a good, clean, attractive, sanitary and safe condition and in full compliance with applicable governmental laws, rules and regulations and the provisions of this Declaration. The foregoing shall include: the cost of maintaining storm retention ponds or similar facilities, such as the maintenance required under Article 17.9; the cost of maintaining, repairing and replacing mailbox stands that serve more than one (1) Lot; and such replacing and repairing of furnishings and equipment, if any, for the Common Area as the Board shall determine are necessary and proper. Notwithstanding the foregoing, during any period when Declarant has procured a bond for the benefit of the Project, which bond affects any portion of the property and/or improvements that constitute the Project and/or any required off-site improvements for the Project, neither the Board, the Association or any Owner shall have any right to disturb, modify, maintain, remove, replace, or repair any portion of such property or improvements that are covered by any such bond or to grant to a third party any license, right of entry, or easement over, under or through any portion of the Project covered by any such bond without the prior written approval of Declarant. Notwithstanding any provision of this Declaration to the contrary, the approval rights described in the prior sentence shall be personal to the undersigned Declarant and shall not transfer to its successors and assigns.

5.4.6 **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; provided, the Lot Owner at the Owner's expense (rather than the Association) shall maintain and landscape such areas as are adjacent to such Owner's Lot. The Association shall be responsible to pay the monthly electricity bills and the costs of repair and maintenance of the private streets and the lighting system on the private streets. The Association shall have the authority and discretion to include these costs in the annual assessments payable by all Owners or by assessments payable by just the Owners of the Lots that benefit from the use of such private streets. This Section 5.4.6 with respect to payment of fees and costs of maintenance and repair of private streets shall not be amended without the prior consent of the City of Kent, not to be unreasonably withheld, conditioned or delayed.

5.4.7 **Fences, Landscaping, Etc.** To the extent deemed advisable by the Board, pay for the cost of constructing, maintaining, repairing and replacing: perimeter and interior fences, if any; and landscaping and improvements on easements, if any, which are located on or across Lots; provided, the Board at its option may require a Lot Owner at the Owner's expense to maintain, repair and replace such fences, landscaping and improvements as are adjacent to such Owner's Lot. All such perimeter and interior fences shall be constructed, maintained, repaired

and replaced in accordance with Common Fence Design Standards to be established and attached hereto as Exhibit B. At such time as the Common Fence Design Standards are established by the DRC or the Declarant, this Declaration will be amended to attach the Common Fence Design Standards hereto as Exhibit B.

5.4.7.1 **Boulevard Lot Landscaping.** The cost of initial planting of trees and installation of yard landscaping required by Declarant for each Lot listed in Exhibit C (hereinafter referred to as the "Boulevard Lots") shall be paid by the initial purchaser of each Boulevard Lot. The cost of maintaining, improving and replacing the front yard landscaping of the Boulevard Lots shall be paid for out of the regular assessment fund. The Board shall also have the authority to collect special assessments to cover the cost of maintenance, improvement and/or replacement of the trees and front yard landscaping when necessary; provided, however, that the cost of maintenance, improvement and/or replacement of Boulevard Lot landscaping on a particular Lot shall be the responsibility of the Owner of such Lot when damage results from such Owner's negligence or neglect.

5.4.8 **Enforce Declaration.** Enforce the applicable provisions of the Declaration for the management and control of the Project.

5.4.9 **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 charged to the Owners of such Lots.

5.4.10 **Attorney -in-Fact.** Each Owner, by the mere act of becoming an Owner, shall irrevocably appoint the Association as his/her 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 Project, to deal with the Project upon damage or destruction, and to secure insurance proceeds.

5.4.11 **Borrowing of Funds.** In the discharge of its duties and the exercise of its powers as set forth herein, but subject to the limitations set forth herein, the Board may borrow funds on behalf of the Association.

5.4.12 **Adoption of Rules and Regulations; Fines.** When and to the extent deemed advisable by the Board, to adopt reasonable rules and regulations governing the maintenance and use of the Project 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. The Board may impose and collect charges for late payments of assessments and, after notice and an opportunity to be heard by the Board or by a representative designated by the Board in accordance with procedures as provided

in the Bylaws or rules and regulations adopted by the Board, levy reasonable fines in accordance with a previously established schedule adopted by the Board and furnished to the Owners for violation of the Bylaws, rules and regulations of the Association.

5.4.13 **Additional Powers of Association.** In addition to the duties and powers of the Association as specified 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 that it may deem reasonably necessary to carry out its duties and the purposes of this Declaration.

ARTICLE 6: DESIGN CONTROL

6.1 Construction and Exterior Alteration or Repair.

6.1.1 All buildings and structures (including, without limitation, concrete or masonry walls, rockeries, fences, sheds, swimming pools, if any, or other structures) to be constructed within the Project, and all exterior alterations and repairs (including, but not limited to, reroofing or repainting) of any buildings or structures on the Project and visible from any public street, Common Area or other Lot must have the prior written approval of the Board, or by a Design Review Committee ("DRC") composed of three (3) or more representatives appointed by the Board, at least two (2) of whom shall be Board members; provided, that during the Declarant Control Period, Declarant at its option may exercise all of the rights and powers of the Board under Section 6.1 including without limitation the appointment of members of the DRC. References in this Article 6 to the DRC shall be deemed to include the DRC, the Board, or the Declarant, as circumstances may dictate. Complete plans and specifications, including colors, 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 DRC, along with a written request for approval signed by the Owner, must be submitted to the DRC prior to any construction. Any exterior modifications in accordance with plans and specifications developed by the Declarant and filed with the Board at the time of transfer (pursuant to Article 5.3) shall be deemed approved exterior modifications.

6.1.2 The DRC shall have the authority to adopt and make available in written form general guidelines, principles and criteria to guide and assist those who are preparing to build, improve or develop their lot. These guidelines shall be an integral part of these covenants and DRC approval shall be limited to those applications that, at a minimum, conform to the guidelines.

6.1.3 The DRC shall have the authority to adopt and make available in written form design review procedures including submittal deadlines.

6.1.4 The DRC will review all requests for approval of construction plans, for adherence with design guidelines and general aesthetic quality. Strict conformity with the design guidelines will not guarantee approval. The DRC shall have the right to refuse to approve any

design, plan or color scheme which does not conform to the design guidelines or is not suitable or desirable in the development, in the DRC's reasonable opinion, for aesthetic or other reasons. In reviewing each submission, the DRC may consider any factors it deems relevant, including, without limitation, harmony of external design and appearance (including color scheme) with surrounding structures and environment, and the effect or impairment that a proposed structure will have on the view or outlook of surrounding building sites. Construction, alteration or repair shall not be started until written approval thereof is given by the DRC.

6.1.5 In the event the DRC fails to approve or disapprove such request within thirty (30) days after all required plans and specifications have been submitted to it, such approval shall be deemed given by the DRC.

6.1.6 The DRC may require that said plans or specifications be prepared by an architect or a competent house designer, approved by the DRC. One complete set of said plans and specifications shall in each case be delivered to and permanently retained by the DRC. All buildings or structures (including but not limited to garden sheds) 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 DRC.

6.1.7 In so passing upon such design, the DRC 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 be erected, the harmony thereof with the surroundings, and any and all factors, which, in the DRC's opinion, could affect the desirability or suitability of such proposed structure, improvements, or exterior alteration or repair.

6.1.8 The DRC shall have the right to disapprove the design or installation of a swimming pool or any other recreational structure or equipment, in the DRC's reasonable opinion, aesthetic or otherwise. In so passing upon such design or proposed installation, the DRC 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 otherwise, 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.

6.1.9 The DRC shall have the right to require, at a Lot Owner's expense, the trimming or topping (or, if deemed necessary by the DRC, removal) of any tree, hedge or shrub on a Lot which the DRC determines is unreasonably blocking or interfering with the view or access to sunlight of another Lot.

6.1.10 The DRC 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, whether or not such mailbox stand is a Common Area.

6.1.11 Approval by the DRC is independent of, in addition to, and not to be construed as a representation as to compliance with, any requirements for a permit, license or other approval by Snohomish County or other applicable governmental or quasi-governmental entity. The Lot Owner is responsible for obtaining any such governmental approvals.

6.1.32 Declarant (including any successor in interest to Declarant's status as Declarant) shall not be subject to the restrictions of this Section 6.1 as to any Lot owned by Declarant, either during or after the Declarant Control Period.

6.2 **Sales Facilities of Declarant and Builders.** Notwithstanding any provision in this Declaration to the contrary, (i) Declarant (and its agents, employees and contractors), and (ii) any Owner who has purchased Lots for the purpose of constructing Homes for sale to the public (and such Owner's agents, employees and contractors), shall each be permitted to maintain during the period of sale of such party's Lots and/or Homes upon such portion of the Project as such party still owns and as such party 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 not limited to, a business office, storage area, signs, model units, sales office, construction office, and parking areas for all prospective tenants or purchasers of such party.

6.3 **Variances.** So long as Declarant owns any Lot, the Board may in its reasonable discretion, upon written request of the Declarant, grant a variance from the requirements of Article 7; thereafter, the Board may, upon written request of an Owner, grant a variance from the requirements of Article 7 only in cases where, because of the physical characteristics of the Lot, strict enforcement would result in an unnecessary hardship. Beginning at such time that Declarant owns no Lots, the Board may only grant a variance from the provisions of Sections 7.11 through 7.17, 7.19 through 7.21, 7.23, 7.29, or 7.36. The Board's authority to grant such a variance shall not be delegated to the DRC. Prior to granting such a variance, the Board shall hold an open hearing at which other Owners may comment. At least fifteen (15) days prior to such hearing, the Board shall give written notice of the nature of the requested variance: to the Owner of each Lot immediately adjacent to the Lot for which the variance is requested; to other Owners that would reasonably be affected by the variance; and by requiring the Owner requesting the variance to post a notice on such Owner's Lot in a form reasonably satisfactory to the Board.

6.4 **Appeals.** Any aggrieved Owner may appeal a decision of the DRC to the Board by written notice within sixty (60) days after the DRC's written decision. The Board will review the DRC decision at the Board's next regularly scheduled meeting (but in any event not later than thirty (30) days after receipt of the notice of appeal). The Board shall give written notice to the appealing Owner of the time and place of such meeting at least five (5) days in advance. During the Declarant Control Period, the Declarant shall perform the role of the Board described in this Section 6.4.

ARTICLE 7: USE AND MAINTENANCE OBLIGATION OF OWNERS

7.1 **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, except as otherwise provided in Section 5.4.7.1 with respect to certain landscaping on Boulevard Lots) and Home and other improvements located thereon, and also such other areas as may be required pursuant to Sections 5.4.6 and 5.4.7, in a good, clean, attractive, safe and sanitary condition and in full compliance with all applicable governmental laws, rules and regulations and the provisions of this Declaration and the rules and regulations of the Association.

7.2 **Residential Use.** Except as provided in Section 7.6, all Lots and improvements located thereon shall be used, improved and devoted exclusively to residential use.

7.3 **Restriction on Further Subdivision.** No Lot or portion of a Lot shall be divided and sold or resold, nor ownership changed or transferred whereby the ownership of any portion of this Project 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.

7.4 **Rental Lots.**

7.4.1 With respect to the leasing, renting, or creating 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 six (6) months; and all leasing or rental agreements shall be in writing, and shall 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).

7.4.2 If a Lot or Home is rented by its Owner, the Board on behalf of the Association 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 challenge 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 or the Lot under this Declaration for assessments and charges, or operate as an approval of 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 in this Article 7 there are no restrictions on the right of any Owner to lease or otherwise rent such Owner's Lot or Home.

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

7.6 **Business Use.** No business of any kind shall be conducted on any Lot with the exception of: (a) the business of Declarant in developing and selling all of the Lots, and of certain Owners in building and selling Homes, all as further described in Section 6.2 above; and (b) such home occupation as may be permitted by the appropriate local government and which is not otherwise in violation of the provisions of this Declaration.

7.7 **Building Setback Requirements.** All buildings and other Lot improvements shall comply with all applicable governmental requirements, including without limitation minimum setback requirements. No building or other structure shall be located within any building setback line shown on the Plat Map.

7.8 **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 wells, tanks, tunnels, mineral excavations or shafts be permitted upon or 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.

7.9 **Catch Basin.** The Owner of each Lot shall ensure the cleaning of all catch basins, if any, located on such Lot at least once prior to September 15 of each calendar year.

7.10 **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 government entity having appropriate jurisdiction over the Project.

7.11 **Garages.** Every Home must have a garage capable of holding at least two full-size cars, but no more than three full-size vehicles (any car, boat, etc. shall be deemed one car for purposes of this limitation). All vehicles must be stored in garages or in a manner which the Board reasonably determines is not offensive when viewed from the street or from the ground level of adjacent Lots or Common Areas. Parking of any recreational vehicle at the Property (including on or adjacent to any Lot) for a period of more than forty-eight (48) consecutive hours shall be prohibited.

7.12 **Square Footage.** Each single family residence must include a minimum of 1,400 square feet for single story Homes and 1,600 square feet for two-story Homes, excluding garage, porches and decks.

7.13 **Mobile or Manufactured Housing.** Custom designs by licensed architects shall be strongly encouraged and any use of repetitive design shall be strongly discouraged and/or prohibited at the discretion of the DRC. The DRC may refuse to approve a plan based on design

or repetitive use of a plan, or for failure to meet the approved criteria as set forth. There shall be no mobile or manufactured housing.

7.14 **Driveway Standards.** All driveways shall be constructed of concrete with a minimum of aggregate finish or other material approved by DRC.

7.15 **Parking.** Unless substantially screened from view from the street or from the ground level of adjacent Lots and Common Area in a manner reasonably approved by the DRC, no recreational vehicles, commercial vehicles, construction or like equipment, motorcycles, or trailers (utility, boat, camping, horse, or otherwise), shall be allowed to be parked or stored on any Lot or street for a cumulative period in excess of fourteen (14) days in any one (1) calendar year. No motor vehicles of any kind shall be parked overnight on any street adjoining any Lot or Common Area; provided that, such vehicles belonging to guests of a Lot Owner may occasionally be so parked so long as such parking will not violate any other provision of this Section 7.15. No motor vehicle of any kind that is inoperative by reason of mechanical failure shall be parked or stored on any Lot or in any right-of-way or street adjoining any Lot or Common Area for more than seventy-two (72) hours. The Board shall have full authority to determine, in its sole discretion, if any vehicle is obnoxious or undesirable to other Lot Owners and to enforce this covenant. Pursuant to Article 9 of this Declaration, the Association may levy fines or have vehicles that are parked in violation of this Section towed and impounded at the Owner's expense.

7.16 **Roof.** The exterior of all roofs shall be composed of materials approved by DRC. All roofs must have a pitch of at least 6/12 (six on twelve), unless approved by the DRC based on considerations regarding a specific Lot. Under no circumstances are flat roofs allowed. Roof material shall be at least thirty (30) year architectural composition asphalt shingle, charcoal color or other color approved by the DRC, and by a manufacturer approved and accepted by DRC.

7.17 **Exterior Finish.** The exterior of each Home shall be designed, built and maintained in such a manner as to blend in with the natural surroundings, existing structures and landscaping of the Project. All exterior materials and all exterior colors must be approved by the DRC in accordance with the provisions of this Declaration. Exterior trim, fences, doors, railing, decks, eaves, gutters and the exterior finish of garages and other accessory buildings (including garden sheds) shall be designed, built and maintained to be compatible with the exterior of the structures they adjoin. Homes and other structures may be finished in vinyl siding if approved by the DRC. In no event shall T-111 panelized type siding be permitted on any Home or other structure.

7.18 **Utilities.** All utilities shall be installed underground. No fuel tank shall be maintained above ground unless properly screened in a manner acceptable to the DRC. All Lots shall be served by public water and sewer. No wells or septic systems shall be constructed or maintained on any Lot.

7.19 **Satellite Dish and Antenna.** No satellite dish or antenna that transmits or receives wireless signals and that is greater than one (1) meter in diameter shall be permitted. Any Owner who wishes to install a satellite dish and/or antenna that transmits or receives wireless signals and that is one (1) meter or less in diameter, and any Owner who wishes to install an antenna designed to receive local television broadcast signals, shall provide written notice of such an installation to the DRC. The notice to the DRC shall indicate the type of dish or antenna to be installed, and the location on such Owner's property where the Owner intends to make the installation. The DRC may impose reasonable conditions or restrictions on the installation of such a dish or antenna, including without limitation: requiring placement in a location that is not visible from the street (provided such placement does not prevent reception of an acceptable quality signal or create an unreasonable expense or delay); requiring that the dish or antenna be painted so that it blends into the background in which it is mounted; and requiring reasonable shielding or screening of the dish, antenna and related equipment, provided that it does not create an unreasonable expense or delay.

7.20 **Fencing.** No fences or site-screening improvements shall be erected without the prior written approval of the DRC. Fences may only be placed along the rear property line, along the front building line, and from the front building line to the rear Lot line, cannot exceed six (6) feet in height above the ground, under no circumstances may obstruct view from any other Lot, must be constructed of wood or other material approved by the DRC, and shall be constructed, maintained, repaired and replaced in accordance with the Common Fence Design Standards contained in attached Exhibit B; provided that the foregoing height limitation shall not apply to site screening approved by the DRC pursuant to Section 7.15. Hedges or other solid screen planting may be used as Lot line barriers subject to the same height restrictions as fences. No chain-link fences shall be permitted on a Lot. No fence, wall or hedge shall be permitted on a Lot any nearer to any street than a building is permitted under Section 7.7, except that nothing shall prevent the erection of a necessary retaining wall, the top of which does not extend more than three (3) feet above the finished grade at the back of said retaining wall.

7.21 **Fireplace Chimneys.** Fireplace chimneys must be constructed with material approved by the DRC and as otherwise required by this Declaration.

7.22 **Garbage and Refuse.** No garbage, refuse, rubbish, cuttings, or debris of any kind shall be deposited on or left upon any Lot unless placed in an attractive container suitably located and screened from view from the street and from the ground level of adjacent Lots and Common Area. Such containers shall be returned to the screened location by the end of each scheduled pick-up day. All equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition. No building material of any kind shall be placed or stored on any property within the Project until the Lot Owner is ready to commence construction, and then such materials shall be placed within the boundary lines of the Lot upon which its use is intended. Garbage cans may only be placed in public view on the day of garbage pick-up. All woodpiles and storage areas must be placed so that they do not obstruct or hamper any other Lot

Owner's view and must be suitably screened from view from the street and from the ground level of adjacent Lots and Common Area.

7.23 **Games and Play Structures.** No deck, platform, dog house, playhouse or structure of a similar kind or nature shall be constructed on any part of a Lot located in front of the rear line of the residence constructed thereon, and any such structure must have prior approval of the DRC.

7.24 **Construction of Significant Recreation Facilities.** The construction of any significant recreational facilities on any Lot including, but not limited to, such items as swimming pools and tennis, badminton or pickle ball courts shall require the approval of the DRC and shall be subject to the requirements adopted by the DRC.

7.25 **Livestock and Poultry.** No animals or reptiles of any kind shall be kept on the Project, except that dogs, cats, and other indoor household pets may be kept provided that they are not kept, bred, or maintained for any commercial purpose. No individual Lot Owner shall keep more than two (2) dogs.

7.26 **Landscaping.** All cleared areas in the front yard, side yards and back yard of each Lot shall be fully landscaped within thirty (30) days, depending on weather conditions, of the time when Home is ready for occupancy.

7.27 **Signs.** No signs of any kind, nor for any uses, shall be erected, posted, painted or displayed on any Lot or Common Area whatsoever, except for public notices by political divisions of the State or County or as required by law. Any builder or the builder's agent may erect and display signs during the period the builder is building and selling property in the Project only with prior approval from DRC. Any Lot Owner or the Lot Owner's agent wishing to sell that Owner's Lot may place one (1) "For Sale" sign on the Lot, provided such sign complies with any rules published by the DRC.

7.28 **Temporary Structures.** No trailer, basement, tent, shack, garage, barn or other outbuildings or any structure of a temporary character erected or placed on the Project shall at any time be used as a residence, even temporarily. No building or structure shall be moved on to the Project from any land outside the Project. A trailer may be placed and occupied by the designated subdivision sales agent with the prior written approval of the DRC. A construction shack may be used by an Owner's construction contractor during the construction period.

7.29 **Completion of Construction.** All construction shall begin within eighteen (18) months of the date of closing of the sale from the Declarant for each Lot. Any dwelling or structure erected or placed on any Lot shall be completed as to external appearance, including finish painting or staining, and shall be connected to sewers within eight (8) months from the date of commencement of construction, unless some longer period of time is approved in writing by the DRC.

7.30 **Easements.** Easements for the installation and maintenance of utilities, drainage and irrigation facilities are reserved as shown on the Plat Map and as described in Article 12. Within these easements no structure, planting or other materials shall be placed or permitted to remain which may damage or interfere with the installation and/or maintenance of such utilities, or which may change the directions of flow of water through a drainage channel in the easement, or which may obstruct or retard the flow of water through drainage channels in the easement. Any easement or portion thereof located on any Lot and all improvements thereon shall be maintained continuously by the Lot Owner.

7.31 **Use During Construction.** Except with the approval of the DRC, no person shall reside in any structure on any Lot until such time as the improvements to be erected thereon in accordance with the plans and specifications approved by the DRC have been completed. Completion shall be considered receipt of a final inspection of the dwelling unit by the Snohomish County Building Department or other applicable government official.

7.32 **Excavations.** Except with the permission of the DRC, or except as may be necessary in connection with the construction of any approved improvement, no excavation shall be made nor shall any dirt be removed from or added to any Lot. Except with permission of DRC, no retaining wall of more than four feet (4) in height (exposed height) may be constructed on any Lot.

7.33 **Nuisances.** No noxious or undesirable thing, or noxious or undesirable use shall be permitted or maintained upon any Lot or upon any other portion of the Project. If the Board determines that a thing or use is undesirable or noxious, that determination shall be conclusive.

7.34 **Clothes Lines, Other Structures.** No clothes lines or other structures of a similar nature shall be visible from any street or the ground level of any adjacent Lot or Common Area.

7.35 **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.

7.36 **Building Height.** Except with the permission of the DRC, no building height shall exceed thirty five (35) feet, as measured from the lowest floor elevation of the house (either garage floor or living area floor) to the maximum point on the roof.

7.37 **Storm Runoff.** Each Lot Owner shall ensure that all roof down spout drains are properly cleaned and maintained, and that the tight line drainage lines or storm infiltration system on each Lot are clean and free of any debris. Due diligence shall be exercised by each Lot Owner to prevent adverse impact of storm runoff onto down stream Lots.

ARTICLE 8: COMMON EXPENSES AND ASSESSMENTS

8.1 **Creation of the Lien and Personal Obligation of Assessments.** The Declarant, for each Lot owned within the Project, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, 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 attorneys' 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 successors in title unless the lien for such delinquent assessments had been properly recorded prior to 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.

8.2 **Uniform Rate.** Any assessments which may be levied from time to time pursuant to the authority of the Board as set forth in Section 5.4.1, 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/her Home and/or Lot into compliance with the provisions of this Declaration. Declarant shall not be obligated to 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.

8.3 **Initial Assessment Amount.** Upon the sale of each Lot by the Declarant (whether to a builder or otherwise), each Lot Owner, at the time of his/her purchase of the Lot, shall pay an initial start-up assessment to the Association in the amount of \$750.00. Such initial assessment shall be in addition to any annual assessment provided for in this Article 8 and shall be for the purpose of reimbursing the Declarant and/or Association for maintenance and operating expenses of and for the Common Areas during the initial development and house sales period. Notwithstanding the provisions set forth above, the Declarant shall not be liable for any initial assessments assessed or due so long as Declarant owns any Lot.

8.4 **Limitation on Annual Assessment Amount.**

8.4.1 **Board Authority.** At any time after the sale of the first Lot by the Declarant (whether to a builder or otherwise), 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 \$2,500 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/her Home and/or Lot into compliance with the provisions of this Declaration nor any

initial assessments provided for in Section 8.3. Notwithstanding the provisions set forth above, the Declarant shall not be liable for any fees or assessments assessed or due so long as Declarant owns any Lot.

8.4.2 **Annual Increase in Dollar Limit.** The maximum dollar amount specified in Section 8.4.1 shall not be increased by more than fifteen percent (15%) without the approval of a majority of the Lot Owners voting at a meeting duly called for such purpose.

8.4.3 **Owner Approval Required.** Any assessment to be levied in a given calendar year which would cause the total of all assessments for the year to exceed the sum per Lot permitted by Sections 8.4.1 and 8.4.2 shall require the calling of a meeting of the Association upon notice sent to all members not less than 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.

8.5 **Manner and Time of Payment.** Assessments shall be payable by each Owner 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 an annual rate equal to the greater of twelve percent (12%) or the Prime Rate plus three percent (3%), and the Board may also assess a late charge in an amount not exceeding twenty-five (25%) of any unpaid assessment which has been delinquent for more than fifteen (15) days. "Prime Rate" means the prime business lending rate, determined and quoted from time to time by U.S. Bank, Seattle Main Branch (or its successor), as the same may be adjusted from time to time. If U.S. Bank ceases to quote a prime rate or a similar rate, the interest rate shall be based upon such similar prime business lending rate as is determined and quoted from time to time by the Wall Street Journal or, if the Wall Street Journal ceases to quote such rate, by a nationally recognized financial publication selected by the Board. If any such prime rate is determined and quoted as a range of rates, the simple average of the high and low rates of such range shall be used.

8.6 **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; provided, however, that the Board may exercise such control through a property manager retained pursuant to Section 5.4.2. No withdrawal shall be made from said accounts except to pay for charges and expenses authorized by this Declaration.

8.7 **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 claim of lien may be recorded in the office where real estate conveyances are recorded for the county in which this Project is located. Such claim of lien may be filed at any time at least fifteen (15) days following delivery of the notice of default referred to above. 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 11.1. Suit to recover a money judgment for unpaid assessments or charges shall be maintainable with or without foreclosure or waiver of the lien securing the same.

8.8 **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.

8.9 **Continuing Liability for Assessments.** No Owner may exempt himself/herself from liability for his/her Assessments by abandonment of his/her Lot.

8.10 **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 reasonably convenient hours.

8.11 **Certificate of Assessment.** A certificate executed and acknowledged by the treasurer or the 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/her encumbrance.

8.12 **Foreclosure of Assessment Lien, Attorneys' Fees and Costs.** The Declarant or 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 costs and expenses reasonably incurred in preparation for or in the prosecution of said action (including in any arbitration, on appeal, and in any bankruptcy proceeding), in addition to taxable costs permitted by law.

8.13 **Curing of Default.** The Board shall prepare and record a satisfaction and release of the lien for which a claim of lien 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 claim of lien was recorded, together with all costs, late charges and interest which have accrued thereon. An additional administrative 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 claim of lien 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 claim of lien and in efforts to collect the delinquent assessments secured by the lien and a reasonable sum for attorneys' fees.

8.14 **Omission of Assessment.** The omission by the Board or the Association to fix the estimate for assessments and charges hereunder for the next year before the expiration of any current year shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of the Owner from the obligation to pay the assessments and charges, or any installment thereof for that or any subsequent year. The assessment and charge fixed for the preceding year shall continue until a new assessment or charge is fixed.

8.15 **Assessment Deposit.** A Lot Owner may be required, by the Board or by the managing agent, from time to time, to make and maintain a deposit of not more than the total of: one (1) annual assessment; plus either one (1) special assessment if special assessments are payable on an annual basis, or three (3) special assessment installments if special assessments are payable on a monthly or other periodic basis. Such deposit may be collected as are other assessments and charges. Such deposit shall be held in a separate fund, be credited to such Owner, and be for the purpose of establishing a working capital fund for the initial Project operations and a reserve for delinquent assessments. Resort may be had thereto at any time when such Owner is ten (10) days or more delinquent in paying his/her assessments and charges, to meet unforeseen expenditures, to acquire additional equipment or services deemed necessary or desirable by the Board, or as a credit against any annual or special assessments to become due from such Owner. Said deposits shall not be considered as advance payments of annual assessments. All or any portion of such deposit may at any time be refunded to the Owner by the Association in the discretion of the Board, such refund being made as a cash refund or a credit against assessments subsequently to become due or a combination thereof.

8.16 **Exempt Property.** The following property subject to this Declaration shall be exempt from the assessments created herein:

8.16.1 All properties dedicated to and accepted by a governmental entity;

8.16.2 All Common Areas; and

8.16.3 All properties owned by a charitable or nonprofit organization or an organization exempt from taxation by the laws of the State of Washington.

However, the land or improvements, which are referred to in Sections 8.16.1, 8.16.2 and 8.16.3 and which are devoted to dwelling use, shall not be exempt from said assessments.

8.17 **Effect of Legal Proceedings.** In any legal proceeding commenced pursuant to Section 9.1.1, and notwithstanding the assessment limitations provided for in this Declaration, 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.

ARTICLE 9: COMPLIANCE WITH DECLARATION

9.1 Enforcement.

9.1.1 **Compliance of Owner.** 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 its officers on behalf of the Association and the Owners), or by the aggrieved Owner on his/her own against the party (including an Owner or the Association) failing to comply. In addition, the Association may impose and collect fines as provided in Section 5.4.12 of this Declaration.

9.1.2 **Compliance of Lessee.** Each Owner who shall rent or lease his/her Lot shall insure that the lease or rental agreement is in writing and subject to the terms of this Declaration, Articles of Incorporation, 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.

9.1.3 **Attorneys' Fees.** In any action to enforce the provisions of this Declaration, the Articles of Incorporation 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 (including in any arbitration, on appeal, or in any bankruptcy proceeding), in addition to taxable costs permitted by law.

9.2 **No Waiver of Strict Performance.** The failure of the Board, or Declarant or Declarant's managing agent, 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.

9.3 **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 Lot 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 and 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.

9.4 **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 10: LIMITATION OF LIABILITY

10.1 **No Personal Liability.** So long as a Board member, Association committee member, Association officer, Association agent, 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 this Declaration.

10.2 **Indemnification of Board Members.** Each Board member or Association committee member, or Association officer, Association agent, 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/she may be a party, or in which he/she 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/her 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 10.2 shall, however, be deemed to obligate the Association to indemnify any 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 an Owner of a Lot covered thereby and not as a Board member or officer of the Association.

ARTICLE 11: MORTGAGEE PROTECTION

11.1 **Priority of Mortgagee.** 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 judicial or nonjudicial foreclosure or deed in lieu thereof, such possessor and its 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, its successor and assigns.

11.2 **Effect of Declaration Amendments.** No amendment to 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 concerning rights of Mortgagees that is inconsistent with any other provision of this Declaration shall control over such other inconsistent provisions.

11.3 **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.

11.4 **Change in Manner of Architectural Review and Maintenance Within Project.** The Association shall not, without prior written approval of seventy-five percent (75%) of all first Mortgagees (based upon one (1) vote for each first Mortgage owned) and seventy-five percent (75%) of all Owners (other than Declarant) 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 exterior maintenance of Homes, maintenance of walkways, fences and driveways, or the upkeep of lawns and plantings in the development, including the provisions of Articles 4 and 5 hereof.

11.5 **Copies of Notices.** If the first Mortgagee of any Lot so requests the Association in writing, the Association shall give written notice to such first Mortgagee if an Owner/Mortgagor of a Lot has for more than sixty (60) days failed to meet any obligation under this Declaration.

11.6 **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 12: EASEMENTS

12.1 **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.

12.2 **Easements Over Common Areas.** The Board, on behalf of the Association and all members thereof, shall have authority to grant (in accordance with applicable governmental laws and regulations) utility, road and similar easements, licenses and permits, under, through or over the Common Area, which easements the Board determines are reasonably necessary to the ongoing development and operation of the Project.

12.3 **Access to Public Streets.** Each Owner and his/her guests and invitees shall have a perpetual, non-exclusive easement across all roadways constructed within the Project, thereby providing access throughout the Project and to public streets.

12.4 **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, and accessory equipment, together with the right to enter upon the Lots at all times for said purposes.

12.5 **Storm Drainage and Maintenance Easements.** A private perpetual, nonexclusive easement for storm drainage, grading, landscaping and maintenance is hereby granted and conveyed to the Lot Owners and the Association under and upon the exterior five (5) feet adjoining each side and rear boundary line of each Lot and Tract. If the boundary line of any Lot or Tract is altered, the easement shall relocate accordingly. The Association shall have the right of ingress and egress and the right to excavate, construct, operate, maintain, repair and/or rebuild: (i) an enclosed or open channel storm water conveyance system and/or other drainage facilities under, upon or through the drainage easement, provided that each Lot Owner shall have the explicit responsibility for maintaining the portion of the system located on the Owner's Lot; and (ii) landscaping, including retaining walls and similar improvements, fencing, and any regrading that the Association deems reasonable to advance the safety, beautification or value of the Project, provided that each Lot Owner shall have the explicit responsibility for maintaining the portion of any such improvements located on the Owner's Lot.

12.6 **Easements Benefiting Adjacent Parcels.** There is hereby reserved to Declarant, and to any entity under the control of, controlled by, or under common control with Declarant (a "Declarant Affiliate"), and their duly authorized agents and contractors, a nonexclusive easement under, through and over the Common Area for underground utilities and for vehicular and pedestrian access, which easement shall benefit of any property that is at any time (whether then or in the future) owned by Declarant or any Declarant Affiliate. Any entity shall be deemed to be

"controlling" or "controlled" if it owns or is owned by an entity with twenty percent (20%) or more of the beneficial ownership of such entity, either directly or indirectly.

ARTICLE 13: TERM OF DECLARATION

13.1 **Duration of Covenants.** The covenants contained herein shall run with and bind the land for a term of thirty (30) years from the date this Declaration is recorded, after which time the covenants shall be automatically extended for successive periods of ten (10) years each, unless an instrument executed in accordance with Section 14.1 below shall be recorded, abandoning or terminating this Declaration.

13.2 **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 (1) vote for each first Mortgage owned) and one hundred percent (100%) of all Owners (other than Declarant) 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 14: AMENDMENT OF DECLARATION, PLAT MAP

14.1 **Declaration Amendment.** Amendments to the Declaration shall be made by an instrument in writing entitled "Amendment to Declaration" which sets forth the entire amendment. Except as 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 all the Owners consent in writing to such amendment. Notwithstanding the foregoing, any 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 all the Owners and seventy-five percent (75%) of all the Mortgagees and the consent of the Declarant (during the Declarant Control Period): voting; assessments, assessment liens or subordination of such liens; reserves for maintenance, repair and replacements of Common Areas; insurance or bonds; use of Common Areas; 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; converting of Lots into Common Areas or vice versa; leasing of Lots; provisions for the benefit of the Declarant; provisions for benefit of first Mortgagees, or holders, insurers or guarantors of first Mortgages; the interests in Common Areas; or imposition of any right of first refusal or similar restrictions on the right of an Owner to sell, transfer or otherwise convey a Lot; provided, 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. 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 governmental offices where real estate conveyances are

recorded for the county in which the Project is located. 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 that may be affected and any or all clauses of this Declaration unless otherwise specifically provided in the section being amended or the amendment itself.

14.2 **Plat Map.** Except as otherwise provided herein, to effect an amendment to the Declaration adopted as provided for in Section 14.1, the Plat Map may be amended by revised versions or revised portions thereof, provided that the revised version or revised portions reference the adopted amendment to this Declaration. 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 conjunction with the Declaration amendment in the appropriate governmental office where real estate conveyances are recorded for the county in which the Project is located.

14.3 **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.

14.4 **Amendments to Conform to Lending Institution Guidelines.** So long as Declarant continues to own one or more Lots, 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 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.

14.5 **Article 16 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 16. Annexations provided for in Article 16 shall be approved and recorded as an amendment to this Declaration as provided in this Article 14.

14.6 **Article 17.9 Amendments.** No amendment to this Declaration shall be effective to modify, change, limit or remove the obligations expressly conferred upon the Association in Article 17.9, with respect to Storm Water Facility Maintenance, unless the amendment shall be consented to in writing by the appropriate governing body with jurisdiction over the Project at the time of the amendment.

14.7 **Amendments During Declarant Control Period.** Notwithstanding anything to the contrary, during the Declarant Control Period, this Declaration may be amended by the Declarant, acting alone by an instrument in writing properly executed and acknowledged and recorded as provided in this Article 14. Any amendment under this Section 14.7 shall not deprive any Owner of its right to use its Lot for the purpose consistent with the Declaration as such Declaration was prior to such amendment. No termination, extension, modification or amendment to or of any provision of this Declaration shall prejudice any then existing lien of any mortgage or deed of trust made and delivered for value, in good faith or the rights of any beneficiary thereunder.

ARTICLE 15: INSURANCE

15.1 **Insurance.** The Board shall have authority in the exercise of its discretion to obtain and maintain at all times as a common expense a policy or policies and bonds of liability insurance and property insurance covering the ownership, use and operation of all of the Common Area (and Common Area improvements), if any, including common personal property and supplies belonging to the Association; 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. In the event of damage to or destruction of any part of the Common Area improvements, the Association shall repair or replace the same from the insurance proceeds available. If such insurance proceeds are insufficient to cover the costs of repair or replacement of the property damaged or destroyed, the Association may make a reconstruction assessment against all Lot Owners to cover the additional cost of repair or replacement not covered by the insurance proceeds, in addition to any other common assessments made against such Lot Owners.

ARTICLE 16: ANNEXATION AND WITHDRAWAL OF ADDITIONAL PROPERTIES

16.1 **Annexation and Withdrawal by Declarant.** Although not obligated to do so, Declarant reserves the right to develop as single family residential subdivisions additional lands that would be in addition to and are nearby the land described in Exhibit A ("Additional Lands"). Declarant may cause all or any portion of such Additional Lands to be annexed to the existing Project without the assent of the members of the Association; PROVIDED, however, that the annexation of Additional Lands described in this Article shall be adjacent to the then existing Project. Such Additional Lands shall be deemed "adjacent" to the existing Project even if separated therefrom by land which: (i) is owned by Declarant (or any entity under common control with Declarant), the Association or the Lot Owners as tenants in common; or (ii) is owned by or dedicated to the public or a governmental agency or instrumentality; or (iii) is available for the use or benefit of the Association or Lot Owners by easement or otherwise; or (iv) is a public or private street, path, bicycle path, railroad track or other improvement or easement for public transportation or utility service. Any Additional Lands shall be added to the Project covered by this Declaration by the filing for record of an amendment to this Declaration. All Lot Owners hereby covenant and

agree to burden the Project and any Additional Lands with all of the duties, responsibilities, costs and expenses related to the management, administration, maintenance and improvement of the Common Areas, and such additional Common Areas as may be included in the Additional Lands. This Declaration does not give the Association or any Lot Owners any rights to any Additional Lands until such Additional Lands are subjected to this Declaration. When any Additional Lands are subjected to the terms of this Declaration, then the Additional Lands shall become part of the Project and the owners of the Additional Lands, including Lot Owners, shall automatically become members of the Association and shall be entitled to all of the rights and benefits, and subject to all of the obligations of, the members of the Association. Although not obligated to do so, Declarant reserves the right to discontinue development of and withdraw from the Project any unplatted land within the Project, including any Additional Lands previously annexed, without the assent of the members of the Association. When any Additional Lands are made subject to this Declaration, they shall also become subject to assessment. Assessments may be adjusted to reflect the total number of Lots obligated to contribute to the Association budget.

16.2 **Non-Declarant Annexations.** Annexation of Additional Lands other than Declarant annexations provided for in Section 16.1 hereof shall require the assent of the Owners, Mortgagees and Declarant as provided in Section 14.1.

16.3 **Common Areas Within Additional Lands.** Common Areas within any Additional Lands subsequently annexed to the existing Project shall be available for the common use of all Owners of Lots within the existing Project as well as within such subsequently annexed Additional Lands. Likewise, Common Areas within the existing Project shall be available for the common use of all Owners of Lots within such subsequently annexed Additional Lands as well as within the existing Project.

ARTICLE 17: MISCELLANEOUS

17.1 **Notices.** 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 first-class mail, postage prepaid, properly 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, to the address which Declarant shall have advised the Board in writing.

(c) During the Declarant Control Period, 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 expiration of the Declarant's management authority,

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.

17.2 **Conveyances, Notice Required.** The right of an Owner to sell, transfer, or otherwise convey his/her 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.

17.3 **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, subleases and assignees of the Owners.

17.4 **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.

17.5 **Mortgagee's Acceptance.**

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

17.5.2 **Acceptance Upon First Conveyance.** Declarant shall not consummate the conveyance of title to any Lot until each Mortgagee of record at the time of recording of this Declaration 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 acknowledgment that this Declaration is binding upon all of the Lots remaining subject to its Mortgage; provided that, except as to Lots so released, said Mortgage shall remain in full effect.

17.6 **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.

17.7 **Effective Date.** The Declaration shall take effect upon recording.

17.8 **Government Right of Access.** Governmental entities shall have rights of access and inspection for the open space area and any drainage facilities contained therein.

17.9 **Storm Water Facility Maintenance.** The Association is obligated to maintain the Project's storm water facilities according to the following standards (as used hereafter "City" shall refer to the appropriate governing body with jurisdiction over the Project). This Paragraph 17.9 shall not be amended or deleted without the express written consent of the City.

a) The private Stormwater Facilities on the Project shall be regularly inspected and maintained/repared in accordance with the standards specified in the City's Construction Standards, as now collectively enacted or hereafter amended, which are incorporated by this reference as if fully set forth herein (the "City Construction Standards").

b) The Stormwater Facilities shall be inspected as often as conditions require, but in any event at least once each year. The Association shall, within four weeks after each inspection, maintain/repair the Stormwater Facilities as required by the City Construction Standards.

c) Each element of the Stormwater Facilities shall be inspected whenever the City's Public Works Director ("Director"), in his/her sole discretion, determines that unacceptable conditions exist within or adjoining to the Stormwater Facilities. Similarly, the Director, in his/her sole discretion, may require the Association to complete the maintenance/repair of the Stormwater Facilities within a shorter time period than allowed in Section 2, above.

d) The Association, in effecting this maintenance/repair, shall restore the Stormwater Facilities to like new condition, or if that is not practical, to an acceptable condition to the extent listed and/or described in the City Construction Standards.

EXHIBIT A

Legal Description

THAT PORTION OF THE WEST HALF OF SECTION 4, TOWNSHIP 21 NORTH, RANGE 5 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON, AND THAT PORTION OF THE SOUND TRUSTEE COMPANY'S THIRD ADDITION, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 13 OF PLATS, PAGE 100, IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTH QUARTER CORNER OF SAID SECTION 4;
THENCE NORTH 88°58'11" WEST ALONG THE NORTH LINE OF GOVERNMENT LOT 3 IN SAID SECTION 4, 285.00 FEET TO THE TRUE POINT OF BEGINNING OF THE HEREIN DESCRIBED PARCEL;
THENCE SOUTH 01°38'46" WEST, PARALLEL WITH THE EAST LINE OF SAID WEST HALF, 272.00 FEET;
THENCE SOUTH 88°58'11" EAST, PARALLEL WITH THE NORTH LINE OF SAID GOVERNMENT LOT 3, 100.00 FEET;
THENCE SOUTH 01°38'46" WEST, PARALLEL WITH THE EAST LINE OF SAID WEST HALF, 114.00 FEET;
THENCE SOUTH 88°58'11" EAST, PARALLEL WITH THE NORTH LINE OF SAID GOVERNMENT LOT 3, 155.00 FEET TO THE WEST LINE OF THE EAST 30.00 FEET OF THE NORTH HALF OF SAID WEST HALF, SAID WEST LINE ALSO BEING THE WESTERLY MARGIN OF 124TH AVENUE SOUTHEAST;
THENCE SOUTH 01°38'46" WEST, ALONG SAID WEST LINE AND SAID WESTERLY MARGIN, 1,996.88 FEET;
THENCE SOUTH 01°39'29" WEST, ALONG THE WEST LINE OF THE EAST 30.00 FEET OF THE SOUTH HALF OF SAID WEST HALF, LAST SAID WEST LINE ALSO BEING SAID WESTERLY MARGIN OF 124TH AVENUE SOUTHEAST, 1,785.92 FEET;
THENCE NORTH 88°20'31" WEST 147.00 FEET;
THENCE NORTH 01°39'29" EAST 210.32 FEET;
THENCE NORTH 53°55'59" WEST 404.34 FEET;
THENCE SOUTH 68°48'00" WEST 211.91 FEET;
THENCE SOUTH 21°12'00" EAST 459.70 FEET;
THENCE SOUTH 09°46'13" EAST 210.08 FEET;
THENCE SOUTH 61°13'34" WEST 199.59 FEET;
THENCE SOUTH 01°49'08" EAST 173.32 FEET;
THENCE SOUTH 35°58'13" EAST 333.21 FEET TO A POINT ON THE NORTHERLY RIGHT OF WAY MARGIN OF SOUTHEAST 304TH STREET;
THENCE NORTH 87°52'03" WEST, ALONG SAID NORTHERLY RIGHT OF WAY MARGIN, 122.31 FEET TO THE MOST EASTERLY CORNER OF THE PLAT OF CRYSTAL MEADOWS, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 194 OF PLATS, PAGES 66 AND 67, IN KING COUNTY, WASHINGTON;
THENCE NORTH 23°16'08" WEST, ALONG THE MOST EASTERLY LINE OF SAID PLAT, 664.09 FEET;
THENCE NORTH 75°37'53" WEST, ALONG THE MOST NORTHERLY LINE OF SAID PLAT, 472.02 FEET TO THE EAST LINE OF TRACT 11 OF THE PLAT OF THE SOUND TRUSTEE COMPANY'S THIRD ADDITION, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 13 OF PLATS, PAGE 100, IN KING COUNTY, WASHINGTON;
THENCE SOUTH 01°19'04" WEST, ALONG SAID EAST LINE, 20.98 FEET TO A POINT ON SAID EAST LINE THAT IS 50.00 FEET NORTH OF THE SOUTHEAST CORNER OF SAID TRACT WHEN MEASURED ALONG SAID EAST LINE;

THENCE NORTH 24°03'05" WEST 305.93 FEET TO A POINT ON THE NORTH LINE OF THE SOUTH HALF OF SAID TRACT 11, SAID POINT BEING 135.00 FEET WESTERLY OF THE NORTHEAST CORNER OF SAID SOUTH HALF, WHEN MEASURED ALONG SAID NORTH LINE; THENCE NORTH 26°44'01" WEST 377.13 FEET TO A POINT ON THE NORTH LINE OF SAID TRACT 11;

THENCE NORTH 01°30'12" EAST, ALONG THE EAST LINE OF THAT PARCEL CONVEYED TO DAVID V. LAGESSE BY QUIT CLAIM DEED RECORDED UNDER RECORDING NUMBER 20050815002534, 123.86 FEET TO THE NORTH LINE OF SAID PARCEL;

THENCE NORTH 88°01'34" WEST, ALONG SAID NORTH LINE, 316.73 FEET TO THE WEST LINE OF SAID TRACT 10;

THENCE NORTH 01°30'51" EAST, ALONG THE WEST LINE OF TRACTS 10 AND 9 IN SAID PLAT, 1,193.45 FEET TO THE NORTHWEST CORNER OF SAID TRACT 9;

THENCE SOUTH 87°49'18" EAST, ALONG THE NORTH LINE OF SAID TRACT 9, 629.64 FEET TO THE NORTHEAST CORNER OF SAID TRACT 9;

THENCE NORTH 01°53'09" EAST, ALONG THE EAST LINE OF SAID PLAT, 1,323.31 FEET, TO THE NORTHEAST CORNER OF SAID PLAT;

THENCE NORTH 87°37'04" WEST, ALONG THE NORTH LINE OF SAID PLAT, 13.17 FEET TO THE WEST LINE OF GOVERNMENT LOT 3 OF SECTION 4, TOWNSHIP 21 NORTH, RANGE 5 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON;

THENCE NORTH 01°41'41" EAST, ALONG SAID WEST LINE, 1,035.34 FEET TO THE NORTHWEST CORNER OF SAID GOVERNMENT LOT 3;

THENCE SOUTH 88°58'11" EAST, ALONG THE NORTH LINE OF SAID GOVERNMENT LOT 3, 1,030.65 FEET TO THE TRUE POINT OF BEGINNING.

(ALSO KNOWN AS PARCEL A, CITY OF KENT LOT LINE ADJUSTMENT NUMBER LL-2006-15, KIVA #2064220, RECORDED UNDER RECORDING NUMBER 20060921001649).

EXCEPT THAT PORTION THEREOF CONVEYED TO SARA M. MARKS BY DEED RECORDED UNDER RECORDING NUMBER 20070920000680; AND

EXCEPT THOSE PORTIONS CONVEYED TO KING COUNTY BY DEED RECORDED UNDER RECORDING NUMBER 20071015000708.

EXHIBIT B

Common Fence Design Standards

[To be attached]

EXHIBIT C

Boulevard Lots

Front Yard: Lots 65-79; 165-182 and 202-215

Side Yard: Lots 80, 90, 91 and 96

Rear Yard: Lot 82