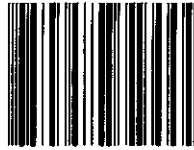


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DOCUMENT TITLE(S): DECLARATION AND COVENANTS, CONDITIONS, RESTRICTIONS AND RESERVATIONS
REFERENCE NUMBER(S) OF DOCUMENTS ASSIGNED OR RELEASED: NONE
GRANTOR(S): EASTGLEN DEVELOPMENT, L.L.C. (DECLARANT)
GRANTEE(S): Eastglen
LEGAL DESCRIPTION (SECTION, TOWNSHIP, RANGE) SECTION <u>36</u> , TOWNSHIP <u>27N</u> , RANGE <u>4E</u> , W.M.
<input checked="" type="checkbox"/> Additional legal is on Exhibit A of the document
ASSESSOR'S PROPERTY TAX PARCEL/ACCOUNT NUMBER <u>3627-042-001-0008</u>
<input type="checkbox"/> Additional legal is on Exhibit A of the document

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
EASTGLEN**

SNOHOMISH COUNTY, WASHINGTON

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
EASTGLEN

SNOHOMISH COUNTY, WASHINGTON

THIS DECLARATION is made this 15th day of May, 1997, by the undersigned, hereinafter referred to as "Declarant."

RECITALS

A. Declarant owns certain real property located within the State of Washington, which property and improvements are commonly known as EASTGLEN, and is located on land more particularly described in Exhibit A attached hereto and incorporated herein.

B. All Common Areas of the Project are to be shown on the Plat Maps recorded in conjunction with, and/or described in, this Declaration.

C. 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 Homes and 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 Homes and 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 Home or 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 Owner, the Association, and any first mortgagee of any Home or 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, binding on Declarant, its successors and assigns, all subsequent owners of the Property, 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 Property and will continue to be deemed the Owner thereof except as conveyances or documents changing such ownership regarding specifically described Lots are filed of record.

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

1.5 Definitions.

1.5.1 **"Assessments"** shall mean the regular and special assessments which the Association may levy against Lots pursuant to the provisions of this Declaration to pay Common Expenses and Home Expenses.

1.5.2 **"Association"** shall mean the association of Owners provided for in Article 4 and its successors and assigns.

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

1.5.4 **"Builder"** shall mean a person or entity who acquires title to one or more Lots for the purpose of, in the ordinary course of business, of constructing Homes for resale.

1.5.5 **"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 all Common Area described on the Plat Map or in this Declaration.

1.5.6 **"Common Expenses"** shall mean those expenses incurred by the Association and paid by Assessments levied against Lots. Common Expenses shall not include Home Expenses.

1.5.7 **"Common Expense Percentage"** shall mean the portion of the Common Expenses which each Lot must pay. The Common Expense Percentage for all Lots shall be an equal amount.

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

1.5.9 **"Declaration"** shall mean this declaration and any amendments thereto.

1.5.10 **"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 or which is intended for use in connection with such residence. Except as otherwise expressly provided in this Declaration, a Home shall be deemed to exist for purposes of voting and Association

membership, both when the dwelling unit has been constructed and as well as the dwelling unit has not been constructed but when the Owner of a Lot has a right to construct a dwelling unit or units on said Lot; and for purposes of assessments, only when the dwelling unit has been constructed as evidenced by the issuance of a certificate of occupancy.

1.5.11 "**Home Expense**" shall mean those expenses incurred by the Association solely relating to or benefiting Homes (and not Common Areas).

1.5.12 "**Lot**" shall mean and refer to any plot of land shown upon any recorded Plat Map of the Property, excluding Common Areas. Ownership of a Lot shall include ownership of the Home and improvements now or hereafter constructed on such Lot. "Lot" shall not include any land now or hereafter owned by the Association or by all of the Lot Owners as tenants-in-common, nor include any land shown on the Plat Map but dedicated to the public or to a governmental entity.

1.5.13 "**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.

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

1.5.15 "**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 Property, and, except as may be otherwise expressly provided herein, shall, in the case of a Lot which has been sold pursuant to a real estate contract, include any person of record holding a vendee's interest under such real estate contract, to the exclusion of the vendor thereunder. Any person or entity having such an interest merely as security for the performance of an obligation shall not be considered an owner.

1.5.16 "**Person**" shall include natural persons, partnerships, corporations, associations and personal representatives.

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

1.5.18 "**Plat Map**" shall mean the Plat Maps recorded in conjunction with this Declaration, which Plat Maps depict the layout of the Lots on the Property.

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

1.7 **Percentage of Owners.** For purposes of determining the percentage of Owners approving a

proposed decision or course of action, an Owner shall be deemed a separate Owner for each Lot owned.

ARTICLE 2 OWNERSHIP OF COMMON AREAS

2.1 Common Areas Conveyed to Association. Except as provided in Section 2.2, the Common Areas within the Property and referred to in Section 1.5.5 are hereby conveyed to the Association. Except as provided in Section 2.2, the Common Areas, if any, within any subsequent or precedent phase(s) will be deemed to be conveyed to the Association upon the recording of an amendment to this Declaration incorporating such phase within the Project and will be depicted on the Plat Map, and/or in the Declaration amendment, recorded in conjunction with such phase. In the event the Association should be dissolved, then each Lot shall be deemed to have an equal and undivided interest in the Common Areas pursuant to Section 2.2.

2.2 Common Areas Conveyed to Lots. Notwithstanding Section 2.1, if the Plat Map provides that a particular Common Area lot or tract is granted and conveyed to the Lots, then each Lot shall have an equal and undivided interest in that particular Common Area upon the recording of the Plat; provided, that (a) such undivided interest in such Common Area shall be appurtenant and inseparable from the ownership of a Lot; (b) such undivided interest shall not be subject to any right of partition; and (c) the provisions of the Declaration and the Plat shall control over any conflicting principals of common law applicable to tenancy in common interests.

2.3 Dedicated Common Areas. The Common Areas shall exclude those portions of common areas (and improvements thereto) which have been or may hereafter be, dedicated to and owned by a governmental entity.

2.4 Control of Common Areas. The Common Areas (regardless of whether conveyed to the Association, or to the Lots) shall for all purposes be under the control, management and administration of the Declarant until all Class B membership terminates, and under the control, management and administration of the Association thereafter. The Association (and the Owners who are members thereof) have the responsibility and obligation to maintain, repair and administer the Common Areas 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.

ARTICLE 3 OWNER'S PROPERTY RIGHTS

3.1 Owners' Easements 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 suspend the voting rights and right to use of the Common Areas by an Owner for: any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations. Until all Class B membership terminates, the Association shall be required to exercise its right to suspend the voting rights of, and the right to the use of the recreational facilities by, a member for non-payment of an assessment, upon the request of the Declarant.

3.1.3 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. No such dedication or transfer shall be effective unless approved by seventy-five percent (75%) of the Owners and the provisions of Article 14 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 facility.

3.1.4 The right of the Association to limit the number of guests of members;

3.1.5 The right of the Association, in accordance with this Declaration and its Articles 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 11.1; and

3.1.6 Until all Class B membership terminates, the exercise of all of the rights and powers set forth in subsections 3.1.2, 3.1.3, 3.1.4, and 3.1.5 shall require the prior written approval of Declarant.

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

ARTICLE 4 OWNERS' ASSOCIATION

4.1 **Establishment.** There is hereby created an association to be called EASTGLEN 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, Revised Code of Washington. In the event of any conflict between this Declaration and the Articles of Incorporation for such nonprofit corporation, the provisions of this Declaration shall prevail.

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 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.

4.4.1 Classes of Voting Membership. The Association shall have two classes of voting membership:

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

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

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

(a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership [such Class B membership for purposes of this clause (a) including Declarant owned Lots both then within the Project as well as those which may be added to the Project, or

(b) the date when Declarant's management powers terminate, as provided in Section 5.2.

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

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

4.5 Bylaws of Association. Bylaws for the administration of the Association and the Property,

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

ARTICLE 5 MANAGEMENT OF THE ASSOCIATION

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

5.2 Management by Declarant. The Property shall be managed by the Declarant until the earlier of: (a) one hundred twenty (120) days after all Class B membership terminates; or (b) the date on which Declarant elects to permanently relinquish all of its authority under this Section 5.2 by written notice to all Owners. Declarant, so long as it is managing the Property, 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 set forth or necessarily implied in this Declaration; provided, however, that the Association may not, however, be bound directly or indirectly to any contracts or leases without the right of termination exercisable without cause and without penalty at any time after transfer of control to the Board elected pursuant to Section 5.3, upon not more than ninety (90) days' notice to the other party to the contract.

5.3 Management by Elected Board of Directors. At the expiration of Declarant's management authority under Section 5.2, administrative power and authority shall vest in a Board of Directors elected from among the Lot Owners. The number of directors shall be specified in the Bylaws and shall be sufficient to adequately handle the affairs of the Association. Except as otherwise provided herein, decisions shall be determined by a majority vote of the directors entitled to vote. The Board may delegate all or any portion of its administrative duties to a managing agent or officer of the Association. All Board offices shall be open for election at an organizational meeting. The Board shall elect from among its members a president who shall preside over meetings of the Board and the meetings of the Association.

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, 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 and replacement of those portions of the Common Areas or facilities which must be maintained, repaired or replaced on a periodic basis, which reserve shall be funded by the above Assessments.

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 Project, whether such personnel as the Board shall determine are necessary or proper for the operation of the Project, and 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:

- (a) Common Area casualty and liability coverage;
- (b) fidelity of Association officers and other employees.

Insurance under clauses (a) and (b) be in accordance with the requirements set for herein.

5.4.5 Common Area Maintenance/Repair. Pay for the costs of painting, maintenance, repair and all landscaping and gardening work for the Common Areas and improvements located thereon so as to keep the Property 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 the storm retention ponds or similar facility, if any; and such replacing and repairing of furnishings and equipment, if any, for the Common Area as the Board shall determine are necessary and proper.

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 Board at its option may require a Lot Owner at the Owner's expense (rather than the Association) to maintain and landscape such areas as are adjacent to such Owner's Lot.

5.4.7 Fences, etc. To the extent deemed advisable by the Board, pay for the cost of 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.

5.4.8 Lot and Lot Improvement Maintenance. In the event an owner of any Lot or Home in the Property shall fail to maintain the premises and the improvements situated thereon in accordance with the provisions of the Declaration, the Association, after approval by two-thirds (2/3) vote of the Board of Directors, shall have the right, through its agents and employees, to

enter upon said parcel and to repair, maintain, and restore the Lot and any other improvements erected thereon. The cost of such maintenance shall be added to and become part of the assessment to which such Lot or Home is subject.

5.4.9 Lien/Encumbrance. The Board may pay any amount necessary to discharge any lien or encumbrance levied against the Common Areas or any part thereof which is claimed to or may, in the opinion of the Board, constitute a lien against the Common Areas, rather than merely against the interest therein of particular Owners. Where one or more Owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it, and any costs and expenses (including court costs and attorney fees) incurred by the Board by reason of such lien or liens shall be specially charged against the Owners and the Lots responsible to the extent of their responsibility.

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

5.4.11 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 Owner of such Lots.

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

5.4.13 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.

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

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

**ARTICLE 6
ARCHITECTURAL CONTROL**

6.1 Construction and Exterior Alteration/Repair.

6.1.1 All buildings and structures (including, without limitation, concrete or masonry walls, rockeries, fences, swimming pools, if any, or other structures) to be constructed within the Property, and all exterior alterations and repairs (including, but not limited to, reroofing or repainting) of any buildings or structures on the Property and visible from any public street, Common Area or other Lot must be approved by the ACC. The ACC shall be composed of two separate panels: a Builder's panel consisting of three persons appointed by the Declarant that will have authority over all of the construction and improvements by Declarant and other Builders in the Project; and a homeowner's panel consisting of not less than three nor more than five persons appointed by the Board that will have authority over all of the construction and improvements by other Lot or Home Owners. The Builder's panel shall cease after the Builders have completed all of the Homes that may be constructed within the Project. Complete plans and specifications of all such proposed buildings, structures, and exterior alterations and repairs, together with detailed plans showing the proposed location of the same on the particular building site and other data requested by the ACC, shall be submitted to the ACC before construction, alteration or repair is started. Construction, alteration or repair shall not be started until written approval thereof is given by the ACC. Any exterior modifications approved or developed by the Declarant while exercising management authority under Section 5.2 will be deemed approved exterior modifications.

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

6.1.3 In the event the ACC fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, such approval will not be required.

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

6.1.5 The ACC may require that said plans or specifications shall be prepared by an architect or a competent house-designer, approved by the ACC. One complete set of said plans and specifications shall in each case be delivered to and permanently left with the ACC. All buildings or structures shall be erected or constructed, and all exterior alterations or repairs made, by a contractor, house Builder or other person or entity approved by the ACC. The ACC shall have the right to refuse to approve any design, plan or color for such improvements, construction, or

exterior alteration or repair visible from a public street, Common Area or other Lot which is not suitable or desirable, in the ACC's reasonable opinion, aesthetic or otherwise.

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

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

6.1.8 The ACC shall have the right, in conformance with City ordinances and upon issuance of any required permits, to require, at an Owner's expense, the trimming or topping (or, if deemed necessary by the ACC, removal) of any tree, hedges or shrub on a Lot which the ACC determines is unreasonably blocking or interfering with the view or access to sunlight of another Lot or Home.

6.1.9 The ACC shall have the right to specify precisely the size, color and style of mail and newspaper boxes, and of the post or support on which such boxes are affixed, and their location within the Project.

6.1.10 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, whether or not any Class B membership exists and whether or not management of the Association has been relinquished by Declarant pursuant to Section 5.2 hereof.

6.1.11 The Board may adopt guidelines, criteria, and procedures for the ACC (ACC guidelines) as Association rules, and prescribe penalties and other methods of enforcement. Provided, that until all of the Homes in the Project have been completed, the Board may not adopt, amend, or repeal ACC guidelines pertaining to either the homeowner's panel or the Builder's panel without the Declarant's prior written approval.

6.2 Sales Facilities of Declarant and Builders.

6.2.1 Notwithstanding any provision in this Master Declaration to the contrary, Declarant (its agents, employees and contractors) shall be permitted to maintain during the period of sale of Lots and/or Homes upon such portion of the Property (including the recreation building, but excluding Lots sold to customers) as Declarant and the Builders may choose, such facilities as in their sole opinion may be reasonably required, convenient or incidental to the construction, sale or rental of Lots or 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 Declarant or Builders.

6.2.2 Declarant and Builders may make temporary alterations to model homes (such as fenced front yards; special entries, and French doors on garages), which are not otherwise permitted by this Master Declaration or the ACC guidelines, for marketing purposes. The selling Owner must remove the model home alterations and return the Home to full compliance with the ACC guidelines prior to occupancy by a Home purchaser or tenant. Owners other than Declarant or Builders may not make these kinds of model home alterations to the Lot or Home.

ARTICLE 7 OWNERS USE/MAINTENANCE OBLIGATION

7.1 **Maintenance of Lots.** Except as provided in Article 5, each Owner, at said Owner's sole cost and expense, shall promptly and continuously maintain, repair and restore said Owner's Lot (including the yard and landscaping) and Home and other improvements located thereon, and also such other areas as may be required pursuant to Article 5, 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 for:

7.2.1 sleeping, eating, food preparation for on-site consumption by occupants and guests, entertaining by occupants of personal guests and similar activities commonly conducted within a residential dwelling, without regard to whether the Living Unit Owner or occupant resides in the Living Unit as a primary or secondary personal residence, on an ownership, rental, lease or invitee basis;

7.2.2 such other reasonable ancillary purposes commonly associated with residential dwellings (including without limitation home-offices and home-occupations) which do not cause unusual traffic, parking, noise or similar problems; or otherwise violate provisions of this Declaration, Association rules and regulations, or applicable law for residential dwellings;

7.2.3 the common social, recreational or other reasonable uses normally incident to such purposes; and

7.2.4 for purposes of operating the Association and managing the Property.

Nothing herein shall be deemed to prevent the Owner from leasing a Home and improvements subject to all of the provisions of the Declaration.

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

7.4 Rental Homes.

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

7.4.2 If a Lot is rented by its Owner, the Board may collect, and the tenant or lessee shall pay over to the Board, so much of the rent for such Lot as is required to pay any amounts due the Association hereunder, plus interest and costs, if the same are in default over thirty (30) days. The renter or lessee shall not have the right to question payment over to the Board, and such payment will discharge the lessee's or renter's duty of payment to the Owner for rent, to the extent such rent is paid to the Association, but will not discharge the liability of the Owner, and the Lot 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 herein there are no restrictions on the right of any Owner to lease or otherwise rent his Lot.

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

7.6 Business Use. No business of any kind shall be conducted on any Lot or Home with the exception of: (a) the business of creating, improving and selling the Lots and Homes located in the Property; (b) uses otherwise permitted by Section 7.2; and, (c) such other non-residential business and commercial uses permitted by zoning and other laws applicable to a particular Lot. The Lot Owners shall comply with all of the requirements of the appropriate local governments. No materials, supplies or equipment used by a business shall be stored on any Lot or Home within

the view of another Lot or Home, except for items relating to an improvement which is under construction in conformance with 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.

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 cleaning of catch basins, if any, on individual Lots shall be carried out by the Association 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 which holds at least one full-size car, but no more than three full-size cars (any car, truck, boat, recreational vehicle, etc. shall be deemed as one car for purposes of this limitation). All car, trucks, boats, recreational vehicles, or other motor vehicles ("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. Storage of personal property (other than vehicles) in garages is prohibited to the extent that such storage would prevent a vehicle (regularly used by an occupant) from being stored within the garage.

7.12 Square Footage. Each single family residence must include the minimum square feet (excluding garage and porches) as required by law, the Plat approval and the ACC.

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 ACC. The ACC 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 aggregate finish or other material approved by ACC.

7.15 Parking. Unless substantially screened from view from the street or from the ground level of adjacent Lots in a manner reasonably approved by the ACC, no recreational vehicles, commercial vehicles, construction or like equipment, or trailers (utility, boat, camping, horse or

otherwise), shall be allowed to be parked or stored on any Lot, or street for a period in excess of 14 days. In all events, such vehicle, equipment and trailers must also be stored inside or rear yards behind the front line of a Home. The Board of Directors shall have full authority to determine if any vehicle is obnoxious or undesirable to other Lot Owners and take appropriate steps to correct such a violation of this covenant.

7.16 Roof. The exterior of all roofs shall be composed of a material approved by ACC. Under no circumstances are flat roofs allowable.

7.17 Exterior Finish. The exterior of each residence 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 ACC in accordance with the provisions of this Article. Exterior trim, fences, doors, railing, decks, eaves, gutters and the exterior finish of garages and other accessory buildings shall be designed, built and maintained to be compatible with the exterior of the structures they adjoin.

7.18 Utilities. All utilities shall be installed underground.

7.19 Antenna. No antenna, satellite dish over 24" or other similar type of exterior equipment shall be allowed on any Lot unless approved by the ACC.

7.20 Fencing. No fences or site-screening improvements shall be erected without the written approval of the ACC. Fences may only be placed along the rear property line and from the front building line to the rear lot line, cannot exceed 6 feet in height, under no circumstances may obstruct view from any other lot, and must be constructed of wood or other material approved by the ACC; provided that the foregoing height limitation shall not apply to site-screening approved by the ACC pursuant to Section 7.15.

7.21 Fireplace Chimneys. Fireplace chimneys must be constructed with material approved by the ACC and 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 suitable located and screened from the view of any other Owner. 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 development until the 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 pickup. All woodpiles and storage areas must be placed so that they do not obstruct or hamper any other Owner's view and must be suitable screened from all other Owner's views.

7.23 Games and Play Structures. No platform, dog house, playhouse or structure of a similar kind or nature shall be constructed on any Lot without the prior approval of the ACC.

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

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

7.26 **Landscaping.** All cleared areas in front of the building line to the street shall be fully landscaped within 30 days, depending on weather conditions, of the time when the house is ready for occupancy. Owner shall install or have installed within 6 months of occupancy the balance of all landscaping unless a time long is approved by the ACC.

7.27 **Signs.** No signs of any kind, nor for any uses shall be erected, posted, painted or displayed on any building site in this subdivision whatsoever, except: (1) public notice by a political division of the State or County or as required by law; (2) any builder or the builder's agent may erect and display signs during the period the builder is building and selling property in the subdivision; (3) any Lot Owner or the Lot Owner's agent wishing to sell that Owner's Lot may place on sign not larger than 900 square inches on the property itself; and (4) during any election period, political signs not larger than 900 square inches may be displayed, provided that such signs are removed the day following the election for which they are displayed.

7.28 **Temporary Structures.** No trailer, basement, tent, shack, garage, barn or other outbuildings or any structure of a temporary character shall be erected or placed on the Property, even temporarily. No building or structure shall be moved on to the Property from any land outside the development. Provided: a trailer may be placed and occupied by the designated subdivision sales agent with the prior written approval of the ACC; and 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 24 months of the date of closing for each Lot. Any dwelling or structure erected or placed on any Lot shall be completed as to external appearance, including finish painting or stained, 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 ACC.

7.30 **Easements.** Easements for the installation and maintenance of utilities and drainage, and irrigation facilities, are reserved as shown on the recorded Plat. 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 easements, or which may obstruct

or retard the flow of water through drainage channels in the easements. The easement are on any Lot and all improvements in it shall be maintained continuously by the Lot Owner.

7.31 Use During Construction. Except with the approval of the ACC, no person shall reside upon the premises of any Lot until such time as the improvements to be erected thereon accordance with the plans and specifications approved by the ACC have been completed. Completion shall be considered receipt of a final inspection of the dwelling unit by the Building Department having jurisdiction.

7.32 Excavations. Except with the permission of the ACC, 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 herein.

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

7.34 Clothes Lines, Other Structures. No clothes lines of other structures of a similar nature shall be permitted on any Lot.

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 Governmentally Required Maintenance, etc. Any insurance, maintenance, repair, replacement, alteration or other work, or the monitoring of such work, which is required by any governmental entity (including without limitation, federal, state or local government, public or private utility provider, local improvement district, or other governmental or quasi-governmental entity or agency), and regardless of whether such requirement is now or hereafter established, and whether imposed in connection with a building permit or other governmental approval or requirement, and whether involving land within public rights of way or subject to ownership or exclusive use of one owner, shall be the sole and exclusive responsibility of the Association (not the Declarant) and any cost incurred in connection therewith shall be a Common Expense. In furtherance of the generality of the foregoing, and not by way of limitation, such work shall include: maintenance of any grass-lined swales and proper disposal of clippings; maintenance of wetland plantings; replacement of wetland and landscape plantings that die during any required maintenance period; maintenance of public and private storm sewer and retention systems. Declarant shall have the right, but not the obligation, to perform any such work if the Association fails to do so. The Association shall promptly upon demand reimburse Declarant for any costs directly or indirectly incurred by declarant as a result of the Declarant performing, or the Association's failure to perform, such work (including any work necessary to obtain a release, or avoid a forfeiture, of any cash deposit or other bond made by Declarant.

**ARTICLE 8
COMMON EXPENSES AND ASSESSMENTS**

8.1 Lien and Personal Obligation for Assessments. The Declarant, for each Lot and Home owned within the Property, hereby covenants, and each Owner of any Lot and Home 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 his 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 Home or 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.

8.2.1 Common Expenses. Except as otherwise provided in this Declaration, Assessments to pay for Common Expenses shall be based on the Common Expense Percentage.

8.2.2 Special Charges to Owner. Assessments levied against an Owner for the purpose of reimbursing the Association for costs incurred in bringing the Owner or his Lot and/or Home into compliance with the provisions of this Declaration shall be paid solely by that Owner.

8.2.3 Declarant Assessments. Declarant shall pay any assessment levied against any Lots owned by it.

8.3 Limitation on Annual Assessment Amount.

8.3.1 Board Authority. The Board shall have the authority, without obtaining prior approval of the Owners to levy assessments in a given calendar year totaling not more than \$ 120.00 per lot. Assessments included in the foregoing calculation shall not include any assessments which are levied against an Owner for reimbursing the Association for costs incurred in bringing the Owner or his Home and/or Lot into compliance with the provisions of this Declaration.

8.3.2 Inflationary Increase in Limit. The dollar amount specified in Section 6.3.1 shall be increased proportionately by the increase in the Consumer Price Index for the City of Seattle, Washington, for All Urban Consumers, prepared by the United States Department of Labor for the base period, January 1, 1995, to adjust for any deflation in the value of the dollar.

8.3.3 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 Section 8.3.1 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 such assessment shall be deemed approved unless rejected by fifty-one percent (51%) of the Owners. In the event any such assessment is rejected, the prior immediately prior assessment shall continue in effect. In addition, any borrowing by the Association in any amount shall require the approval of the members in the manner set forth herein.

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

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

8.6 Lien. In the event any assessment or installment thereof remains delinquent for more than thirty (30) days, the Board may, upon fifteen (15) days' prior written notice to the Owner of such Lot of the existence of the default, accelerate and demand immediate payment of the entire assessment. The amount of any assessment assessed or charged to any Lot plus interest, costs, late charges and reasonable attorneys' fees, shall be a lien upon such Lot. A Notice of Assessment may be recorded in the office where real estate conveyances are recorded for the county in which this Project is located. Such Notice of Assessment may be filed at any time at least fifteen (15) days following delivery of the notice of default referred to above in this Section 8.6. The lien for payment of such assessments and charges shall have priority over all other liens and encumbrances, recorded or unrecorded, limited as provided in Section 9.1. Suit to recover a money judgment for unpaid assessments or charges shall be maintainable without foreclosure or waiver of the lien securing the same.

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

8.8 Continuing Liability for Assessments. No Owner may exempt himself from liability for his Assessments by abandonment of his Home or Lot.

8.9 Records; Financial Statements. The Board shall prepare or cause to be prepared, for any calendar year in which the Association levies or collects any assessments, and shall distribute to all Owners, a balance sheet and an operating (income/ expense) statement for the Association,

which shall include a schedule of assessments received and receivable, identified by the number of the Lot and the name of the Owner so assessed. The Board shall cause detailed and accurate records of the receipts and expenditures of the Association to be kept specifying and itemizing the maintenance, operating, and any other expenses incurred. Such records, copies of this Declaration, the Articles and the Bylaws, and any resolutions authorizing expenditures of Association funds shall be available for examination by any Owner at convenient hours of weekdays.

8.10 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 encumbrance.

8.11 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, in addition to taxable costs permitted by law.

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

8.13 Payment by Owners. Each Owner shall be obligated to pay its share of common expenses and special charges made pursuant to this Article to the treasurer for the Association. Assessments for each Owner shall begin on the date said Owner closes the transaction in which he acquires right, title or interest in the Lot. Assessments for the initial month shall be prorated if closing

occurs on other than the first of the month. Any assessment or charge which remains unpaid for at least fifteen (15) days shall bear interest at the rate of twelve percent (12%) from due date until paid. In addition, the Board may impose a late charge in an amount not exceeding twenty-five (25%) of any unpaid assessment or charge which has remained delinquent for more than fifteen (15) days.

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 Notice of Creation of Assessment Lien. The Notice of Assessment shall not be filed of record unless and until the Board or a person designated by it, shall have delivered to the defaulting Owner, not less than fifteen (15) days prior to the recordation of such Notice of Assessment, a written Notice of Default and a demand to cure same within said fifteen-day period.

8.16 Assessment Deposit; Working Capital

8.16.1 Delinquent Assessment Deposit.

(a) An Owner may be required by the Board or by the Manager, from time to time, to make and maintain a deposit not less than one-twelfth (1/12) nor in excess of one-quarter (1/4) of the total annual Assessments, which may be collected as are other Assessments and charges. Such deposit shall be held in a separate fund, be credited to the Lot owned by such Owner, and be for the purpose of establishing a reserve for delinquent Assessments.

(b) Resort may be had thereto at any time when such owner is ten (10) days or more delinquent in paying his monthly or other Assessments and charges. Said deposits shall not be considered as advance payments of regular Assessments. In the event the Board should draw upon said deposit as a result of a Unit Owner's delinquency in payment of any Assessments, said Owner shall continue to be responsible for the immediate and full payment of said delinquent Assessment (and all penalties and costs thereon) and thus the full restoration of said deposit, and the Board shall continue to have all of the rights and remedies for enforcing such Assessment payment and deposit restoration as provided by this Declaration and by law.

(c) Upon the sale of a Lot, the seller/Owner thereof shall not be entitled to a refund from the Association of any deposit or reserve account made or maintained with respect to such Lot pursuant to this or any other Section of this Declaration; rather, any such deposit or reserve account shall continue to be held by the Association for the credit of such Lot, and the Lot Purchaser shall succeed to the benefit thereof, and the Unit seller shall be responsible for obtaining from the Purchaser appropriate compensation therefor.

8.16.2 **Working Capital Contribution.** The Declarant may elect that the first Purchaser of any Lot shall pay to the Association, in addition to other amounts due, an amount equal to not more than two (2) Regular Assessments as a contribution to the Association's working capital. Such working capital contributions shall not be used to defray Declarant's expenses in completing the construction of the Condominium or, to pay Declarant's contributions to Association reserves.

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

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

8.17.2 All Common Properties.

However, the land or improvements, which are referred to in Sections 8.17.1 and 8.17.2 and which are devoted to dwelling use, shall not be exempt from said assessments.

8.18 **Effect of Legal Proceedings.** In any legal proceeding commenced pursuant to Section 9.1.1, 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. In any legal proceeding commenced pursuant to Section 9.1.1, 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. Except with respect to legal proceedings to collect assessments or similar charges owed to the Association by an Owner or to enforce the provisions of this Declaration, neither the Association nor its Board may commence and prosecute litigation (or collect assessments in connection therewith) until first approved as provided in Section 8.3.3 after the owners have been provided a written explanation of the nature of such litigation, the reasons therefore, the expected result and the estimated cost thereof.]

8.19 **Commencement of Assessments.** The Declarant in the exercise of its reasonable discretion shall determine when the Association shall commence making Assessments. Until the Association makes an Assessment, the Declarant shall pay all Common Expenses. After any Assessment has been made by the Association, Assessments must be made against all Lots, based on a budget adopted by the Association; provided, until Class B membership terminates, the Board (whether appointed by Declarant or elected by Unit Owners) may elect not to collect monthly assessments calculated as provided in Section 8.3 and instead elect to collect and expend monthly assessments based on the actual costs of Common Expenses and Home Expenses (excluding reserves).

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 own against the party (including an Owner or the Association) failing to comply.

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

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

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 Property as to which such violation exists and to abate, correct and remove, at the expense of the Owner thereof, any erection, thing or condition that may be or exists thereon contrary to the provisions hereof. Such entry shall be made only after three (3) days' notice to said Owner 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, 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.

10.2 **Indemnification of Board Members.** Each Board member or Association committee member, or Association Officer, or Declarant exercising the powers of the Board, and their respective heirs and successors, shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of being or having held such position at the time such expenses or liabilities are incurred, except in such cases wherein such person is adjudged guilty of intentional misconduct, or gross negligence or a knowing violation of law in the performance of his duties, and except in such cases where such person has participated in a transaction from which said person will personally receive a benefit in money, property, or services to which said person is not legally entitled; Provided, that, in the event of a settlement, the indemnification shall apply only when the Board approves such settlement and reimbursement as being in the best interest of the Association. Nothing contained in this Section 10.2 shall, however, be deemed to obligate the Association to indemnify any Member or Owner of a Lot who is or has been a Board member or officer of the Association with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of the Declaration as a Member or Owner of a Lot covered thereby.

ARTICLE 11 MORTGAGEE PROTECTION

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

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

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 ACC, Maintenance and Insurance. The Association shall not, without prior written approval of seventy-five percent (75%) of all first Mortgagees (based upon one vote for each first Mortgage owned) or Owners (other than the sponsor, developer or builder) of record by act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of Lots, the exterior maintenance of Lots, 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 has so requested the Association in writing, the Association shall give written notice to such first Mortgagee that an Owner/mortgagor of a Lot has for more than sixty (60) days failed to meet any obligation under this Declaration. Any first Mortgagee shall, upon written request, also be entitled to receive written notice of all meetings of the Association and be permitted to designate a representative to attend all such meetings.

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 Property.

12.3 Access to Public Streets. Each Owner and his guests and invitees shall have a perpetual, non-exclusive easement across the Common Areas and across all roadways constructed within the project, thereby providing access throughout the Property 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, gas, and accessory equipment, together with the right to enter upon the Lots at all times for said purposes; provided in furtherance of the foregoing and not by way of limitation, an easement for installation and maintenance of facilities for surface water drainage is established across a 10-foot wide area along the front and rear boundary lines and a 2.5-foot wide area along the interior boundary lines, of each Lot. Within these easements, the construction and maintenance of a structure, fence, planting, or other material or improvement shall be prohibited only to the extent that such construction or maintenance would: (a) damage or materially interfere with the installation and maintenance of utilities; or (b) change the direction of flow of drainage channels in the easements; or (c) obstruct or retard the flow of water through drainage channels in the easements; the easement area of each Lot, and all improvements shall be maintained continuously by the Owner of the Lot, except for those improvements for which a public authority or utility company is responsible.

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

12.6 Lot Maintenance and Encroachments. Each Lot shall have a non-exclusive perpetual easement over and across a five foot wide portion of an adjoining Lot as more particular shown on the Plat Map for purposes of maintaining, repairing and replacing the Lot and improvements thereto; provided that any damage to said portion of said adjoining Lot from the use of said easement shall promptly be repaired at the Owner's expense.

Each Lot and all Common Area and Lot improvements are hereby declared to have a non-exclusive perpetual easement over all adjoining Homes, Lots (including setback areas) and Common Areas, for the purpose of accommodating any encroachment due to: engineering errors; or errors in original construction, reconstruction, or repair of any portion of a Lot; or construction carried out in accordance with applicable permits; or building overhang or projection (including without limitation drains and footings); or any other similar cause. There shall be valid easements for the maintenance of said encroachments so long as they shall exist, and the rights and obligations of Owners shall not be altered in any way by said encroachment. In the event a Lot, or Common Area improvement is partially or totally destroyed, and then repaired or rebuilt, the

Owners agree that minor encroachments over adjoining Lots (including setback areas) and Common Areas shall be permitted, and that there shall be valid easements for the maintenance of said encroachments so long as they shall exist. In no event shall a valid easement for encroachment be created in favor of an Owner or Owners if said encroachment occurred due to the willful act or acts with full knowledge of said Owner or Owners and are not otherwise expressly authorized by the provisions.

The foregoing easements and encroachments shall not be construed to be encumbrances affecting the marketability of title to any Lot.

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

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 vote for each first Mortgage owned) and Owners (other than the sponsor, developer or builder) of record, seek by act or omission to abandon or terminate the subdivision status of the Project as approved by the governmental entity having appropriate jurisdiction over the Project.

ARTICLE 14 DECLARATION/PLAT MAP AMENDMENT

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 the Owners consent in writing to such amendment. In all events, the amendment when adopted shall bear the signature of the president of the Association and shall be attested by the secretary, who shall state whether the amendment was properly adopted, and shall be acknowledged by them as officers of the Association. Amendments once properly adopted shall be effective upon recording in the appropriate governmental offices. In addition to the amendments set forth in Article 11, 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 the mortgagees and the consent of the Declarant (so long as Declarant owns any Lots): 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. It is specifically covenanted and understood that any amendment to this Declaration properly adopted will be completely effective to amend any or all of the covenants, conditions and restrictions contained herein which may be affected and any or all clauses of this Declaration unless otherwise specifically provided in the section being amended or the amendment itself.

14.2 Plat Map. Except as otherwise provided herein, the Plat Map may be amended by revised versions or revised portions thereof referred to and described as to effect in an amendment to the Declaration adopted as provided for in Section 14.1. Copies of any such proposed amendment to the Plat Map shall be made available for the examination of every Owner. Such amendment to the Plat Map shall be effective, once properly adopted, upon having received any governmental approval required by law and recordation in the appropriate city or county office in conjunction with the Declaration amendment.

14.3 Conform to Construction. Declarant, upon Declarant's sole signature, and as an attorney-in-fact for all 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 Conform to Lending Institution Guidelines. So long as Declarant continues to own one or more Lots, Declarant, on his signature alone, and as an attorney-in-fact for all Owners with an irrevocable power coupled with an interest, may file such amendments to the Declaration and Plat Map as are necessary to meet the then requirements of Federal National Mortgage Association, Veterans Administration, Federal Home Loan Mortgage Corporation, or other agencies, institutions or lenders financing and/or title insuring the purchase of a Lot from the Declarant.

14.5 Declarant Powers. Declarant, upon Declarant's sole signature, and as an attorney-in-fact for all Lot or Home Owners with an irrevocable power coupled with an interest, may at any time, until all Lot or Homes have been sold by Declarant, file such amendments to the Master Declaration and Plat Map as are necessary in the exercise of Declarant's powers under Article 17 or any other provision of the Master Declaration.

14.6 Amendments Affecting Special Rights. Any amendment to this Declaration which would

affect a right, power, duty or obligation which is exclusively granted to or imposed upon a specific "person or class" shall require the consent of the "person" or seventy five percent (75%) of the members of that "class". A "person or class" shall mean: the Declarant; Owners; or institutional first Mortgagees.

ARTICLE 15 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 the Common Areas (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 agent; 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. Each Owner at the Owner's expense shall be obligated to maintain adequate casualty and liability insurance with respect to the Home, Lot and any improvements thereto or personal property located therein.

ARTICLE 16 DESTRUCTION AND RECONSTRUCTION

16.1 **Common Areas.** 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 Owner.

16.2 **Homes.** In the event of damage or destruction by fire or other casualty to any Home or other improvements to the Lot, the Owner shall, regardless of the amount or availability of insurance proceeds, repair or rebuild such damage or destroyed portions of the Lot and improvements in a good workmanlike manner and in accordance with the provisions of the Declaration.

ARTICLE 17 ANNEXATION AND WITHDRAWAL

17.1 **Annexation by Declarant.** Although not obligated to do so, Declarant reserves the right to develop as a residential project Additional Lands which would be in addition to the land described in Exhibit "A." Declarant may cause all or any portion of such Additional Lands to be annexed to the existing Property without the assent of the members of the Association.

17.2 **Non Declarant Annexations.** Annexation of additional properties (other than Declarant

annexations provided for in Section 16.1 hereof) shall require the assent of two-thirds (2/3) of the members of the Association attending a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days or more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting. At this meeting the presence of members or of proxies entitled to cast sixty percent (60%) of the votes shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called subject to the notice requirement set forth above and the required quorum at such subsequent meeting shall be one-half (1/2) of the required quorum of the proceeding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. In the event two-thirds (2/3) of the members are not present in person or by proxy, members not present may give their written consent to the action taken thereat. Until all Class B membership terminates, annexation of Additional Properties under this Section shall also require the prior written approval of the Declarant.

17.3 Common Areas Within Divisions. Common Areas within a Division subsequently annexed to the existing Property shall be available for the common use of all Owners of Lots within such subsequently annexed Division as well as within the existing Property. Likewise, Common Areas within the existing Property shall be available for the common use of all Owners of Lots within the existing Property as well as within such subsequently annexed Divisions.

ARTICLE 18 MISCELLANEOUS

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

(a) If to an Owner, other than Declarant, to the registered address of such Owner, as filed in writing with the Board pursuant to the requirements of the Bylaws.

(b) If to Declarant, whether in its capacity as an Owner, or in any other capacity, the address which Declarant shall have advised the Board in writing.

(c) Prior to the organizational meeting, notices to the Board shall be addressed to the address set forth in (b) above. Thereafter, notices to the Board shall be addressed either to an address to be posted by the Board at all times in a conspicuous place or to the registered office of the Association. In addition, from and after the organizational meeting, notice of the address of the Association shall be given by the Board to each Owner, within a reasonable time after the Board has received actual notice of such Owner's purchase of a Lot.

18.2 Conveyances; Notice Required. The right of an Owner to sell, transfer, or otherwise convey his Lot shall not be subject to any right of approval, disapproval, first refusal, or similar

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

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

18.4 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.

18.5 Mortgagee's Acceptance.

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

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

18.6 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.

18.7 Effective Date. The Declaration shall take effect upon recording.

18.8 Governmental Right of Access. All governmental and quasi-governmental entities (including without limitation public and private providers of utility services) shall have rights of access, maintenance and inspection for the open space area, any drainage facilities or utility systems contained therein, or other matter of their respective jurisdiction.

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

hereinabove written.

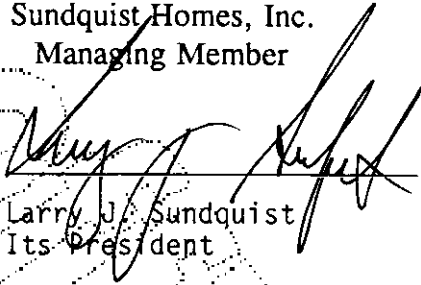
DECLARANT:

Eastglen Development, L.L.C.

By: Sundquist Homes, Inc.

Its: Managing Member

BY:


Larry J. Sundquist
Its: President

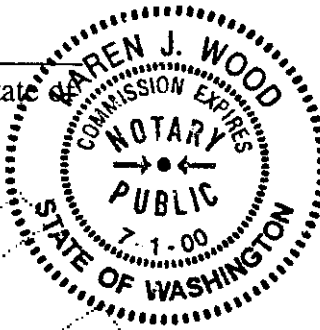
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STATE OF WASHINGTON §
§
COUNTY OF SNOHOMISH §

On this 5th day of Nov., 1997, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Larry J. Sundquist, to me personally known (or proven on the basis of satisfactory evidence) to be president of Sundquist Homes, Inc., the Managing Member of Eastglen Development, L.L.C., the limited liability company that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said company, for the uses and purposes therein mentioned; and on oath stated that he was authorized to execute the said instrument on behalf of said group.

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

Karen J. Wood
NOTARY PUBLIC in and for the State of
Washington, residing in Everett.
My commission expires: 7-1-00.
Print Notary Name: Karen Wood



DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
OF
EASTGLEN

Exhibit A - Legal Description

THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 36, TOWNSHIP 27 NORTH, RANGE 4 EAST, W. M.;

TOGETHER WITH THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 36; EXCEPT THAT PORTION THEREOF LYING NORTHERLY AND EASTERLY OF THE FOLLOWING DESCRIBED LINE: BEGINNING AT A POINT ON THE EAST LINE OF SAID NORTHWEST QUARTER OF THE NORTHWEST QUARTER, SAID POINT LYING S 0°50'35"W 1,280.00 FEET FROM THE NORTHEAST CORNER THEREOF; THENCE N 88°00'57"W PARALLEL WITH THE NORTH LINE OF SAID SUBDIVISION, 117.00 FEET; THENCE N 69°00'49"W 184.24 FEET; THENCE N 54°45'51"W 553.94 FEET; THENCE N 30°28'54"W 585.60 FEET TO THE SOUTH LINE OF THE NORTH 421.94 FEET OF SAID NORTHWEST QUARTER OF THE NORTHWEST QUARTER; THENCE N 88°00'57"W ALONG SAID SOUTH LINE, 272.79 FEET TO THE WEST LINE THEREOF AND THE TERMINUS OF THIS LINE DESCRIPTION.

(ALSO KNOWN AS 3B OF BOUNDARY LINE ADJUSTMENT 262 91 RECORDED UNDER AUDITOR'S FILE NUMBER 9203310137, AS AMENDED BY BOUNDARY LINE ADJUSTMENT 97 100852 RECORDED UNDER AUDITOR'S FILE NUMBER 9705050478.)

SITUATE IN THE COUNTY OF SNOHOMISH, STATE OF WASHINGTON.

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