

AMENDED AND RESTATED DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR THE WINCHESTER HILLS DIVISION 2
HOMEOWNER'S ASSOCIATION

RECITALS

- (A) A plat recorded by Trimen Development in 1990 at Volume 151 of Plats, pages 44 through 51, in the records of King County, created the Plat of Winchester Hills Div. 2. A Declaration of Covenants, Conditions, and Restrictions recorded in 1990 by Trimen Development bearing recording number 9004120589 created restrictive covenants affecting the Lots and Properties described as Winchester Hills Division II, a portion of the NE ¼ of Section 16, Township 26N, Range 5E, W.M. King County, Washington.
- (B) Pursuant to RCW 64.38 et seq. and applicable law, the vote or consent of the requisite number of the Lot Owners in the Winchester Hills Division 2 Homeowner's Association (the "Association"), and pursuant to applicable terms of the Declaration of Covenants, Conditions and Restrictions Winchester Hills Div II, King County Recorder's Office file number 9004120589 (the "Declaration"); the Declaration shall be entirely amended, replaced, and restated as set forth below. If the Declaration may not be amended pursuant to RCW 64.38 et seq. and applicable terms of the Declaration, then it is the intent of the Association that the Declaration be entirely replaced and superseded as set forth below.
- (C) Consent has been verified and granted by receipt of a signed ballot from each and every Lot Owner (100%), Lots 1 through 42, acknowledging and voting to approve the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Winchester Hills Division 2 Homeowner's Association, a Washington nonprofit corporation, as follows:

See Amended and Restated Declaration of Covenants, Conditions and Restrictions for Winchester Hills Division 2 Homeowner's Association set forth below and incorporated herein by this reference.

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DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR THE WINCHESTER HILLS DIVISION 2 HOMEOWNER'S ASSOCIATION

DECLARATION

THIS DECLARATION, made on the date hereinafter set forth by the Winchester Hills Division 2 Homeowner's Association

WITNESSETH:

The Winchester Hills Division 2 Homeowner's Association and its members are the owners of certain properties in the County of King, State of Washington, which are more particularly described as:

The Plat of Winchester Hills Div. 2, a portion of the Northeast Quarter of Section 16, Township 26 North, Range 5 East, W. M., in King County, Washington.

ARTICLE I – DEFINITIONS

SECTION 1 – ASSOCIATION

"Association" shall mean the Winchester Hills Division 2 Homeowner's Association, a Washington nonprofit corporation, and its successors and assigns.

SECTION 2 – OWNER

"Owner", "Homeowner", or "Lot Owner" shall mean and refer to the record owner of any plot of land shown upon any recorded subdivision map of the Properties.

SECTION 3 – PROPERTIES

"Properties" shall mean and refer to those certain real properties hereinbefore described and recorded in 1990 under King County Recording No. 9003140164.

SECTION 4 – COMMON AREA

“Common Area” shall mean all real property owned by the Association for the common use and enjoyment of Owners.

SECTION 5 – LOT

“Lot” or “Property” shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties.

SECTION 6 – TRACT

"Tract" shall mean and refer to any plat of Winchester Hills Division II land not intended for issuance of a building permit.

SECTION 7 – BOARD

“Board” shall mean the Board of Directors of the Association.

SECTION 8 – ARCHITECTURAL CONTROL COMMITTEE

“Architectural Control Committee” or “ACC” shall mean the Board of Directors of the Association or a committee by that name designated by the Board.

SECTION 9 – HOME

“Home” shall mean the Structure located on a Lot that is designed and intended for use and occupancy as a dwelling other than Structures of a temporary nature.

SECTION 10 – STRUCTURE

“Structure” shall mean anything or object, the placement of which upon any Lot may affect its appearance, including, without limitation, any building, garage, porch, shed, greenhouse, patio, deck, swimming pool, play storage, curbing, paving, tree house, fence, wall, rockery, hedge, sign, statue, antenna, dish or other receiving device, or the like, and any excavation, fill, ditch, dam, or other thing or device that affects or alters the natural flow

of surface waters or any natural or artificial stream or drainage channel upon or across any Lot.

ARTICLE II – PROPERTY RIGHTS

SECTION 1 – OWNERS EASEMENT

"Owners" Easement of Enjoyment:

Every Owner shall have a right and easement 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:

- (A) The right of the Association to suspend voting rights and right to use of the Common Area by an Owner for any period during which any assessments against that Owner's Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of the Association's published rules and regulations.
- (B) The right of the Association to dedicate or transfer all or any part of the Common Area 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 an instrument agreeing to such dedication or transfer signed by 100% of the members of the Association has been recorded.

SECTION 2 – DELEGATION OF USE

Delegation of Use:

Any Owner may delegate, in accordance with the Bylaws, the right to enjoyment of the Common Area to the members of that Owner's family, tenants, or contract purchasers who reside on the property.

ARTICLE III – MEMBERSHIP AND VOTING

SECTION 1 – OWNER MEMBER

Every Owner of a Lot shall be a member of the Association. Membership of the Association shall be appurtenant to and may not be separated from ownership of any Lot.

SECTION 2 – VOTING

Association members shall be Owners and shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in a Lot, the vote for each such Lot shall be exercised as the joint Owners may decide among themselves, but in no event shall more than one vote be cast with respect to any one Lot.

ARTICLE IV – CAPITAL AND MAINTENANCE ASSESSMENTS

SECTION 1 – CREATION

Creation of the Lien and Personal Obligation of Assessments:

For each Lot owned within the properties, each Owner of any Lot by acceptance of a Deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association (1) annual assessments or charges, and (2) special assessments together with interest, costs, and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the Lot against which such assessments are made. Each such assessment, together with interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of the Owner of such Lot at the time when the assessment fell due, regardless of whether such Owner continues to be an Owner.

SECTION 2 – PURPOSE, SCOPE, AND RATE

Purpose of Assessments:

The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the Association's members and the residents in the

Properties and to improve, repair, maintain, or replace any real property, improvements, or other property owned or leased by the Association.

Scope of Assessments:

The Association may assess against a Lot sums chargeable by the Association as provided in this Declaration, including, without limitation: (a) general and special assessments for maintenance, improvement, repair, or replacement of any real property, improvements, or other property owned or leased by the Association, Association maintained areas and any other property of the Association; (b) special assessments against a Lot; (c) fines imposed by the Association; (d) interest and late charges on any delinquent account; and (e) costs of collection, including reasonable attorneys' fees, incurred by the Association in connection with the collection of a delinquent Owner's account.

Uniform Rate of Assessments:

Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly or annual basis.

SECTION 3 – MAXIMUM

Maximum Annual Assessments:

- (A) The maximum annual assessment may be increased not more than ten (10) percent above the maximum assessment for the previous year without a vote of two-thirds (2/3) of members who are voting in person or by proxy at a meeting duly called for this purpose.
- (B) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

SECTION 4 – SPECIAL ASSESSMENTS

Special Assessments:

In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable that year only, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of members voting in person or by proxy at a meeting duly called for this purpose.

SECTION 5 – MEETING NOTICE, QUORUM

Notice of Quorum for Any Action Authorized Under Sections 3, 4, and 8:

Written notice of any meeting called for the purpose of taking any action authorized under Section 3, 4, or 8 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty (60%) percent of all votes of the membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

SECTION 6 – BOOKS AND RECORDS

The Board shall cause to be kept complete, detailed, and accurate books and records of the receipts and expenditures of the Association, in a form that complies with generally accepted accounting principles.

SECTION 7 – FINANCIAL STATEMENTS

At least annually, the Association shall prepare, or cause to be prepared at the expense of the Association, a financial statement of the Association. Within a reasonable time after a financial statement is prepared pursuant to this Section, the Association shall cause that financial statement to be published so all Owners may immediately access that financial statement. The Association's duty to publish a financial statement pursuant to this Section may be met by making the financial statement accessible to Owners on a website, internet forum, electronic depository, or other electronic file sharing means.

SECTION 8 – AUDIT OF FINANCIAL STATEMENTS

If the annual assessments are fifty thousand dollars (\$50,000) or more, the financial statements shall be audited at least annually by an independent certified public accountant unless the audit is waived by two-thirds (2/3) of the votes cast by the Association members, in person or by proxy, at a meeting duly called for this purpose. For each year the Owners desire to waive the audit, the Owners must vote to waive the audit in accordance with this section. In addition, the Board or a majority of the Owners may at any time require an audit prepared by an independent certified public accountant which shall be paid for by the Association.

ARTICLE V – GENERAL PROTECTIVE COVENANTS

SECTION 1 – RESIDENTIAL CHARACTER

Residential Character of the Property:

No Structure of any kind shall be erected, altered, placed or permitted to remain on any Lot other than one single-family dwelling for single-family occupancy only, not to exceed two stories in height, with a private garage or carport for not more than three (3) standard size passenger automobiles. This Section 6.1 shall not apply to any Tract in the Association.

SECTION 2 – BUSINESS AND COMMERCIAL USE

Business and Commercial Use of Property Prohibited:

No trade, craft, business, profession, commercial activity of any kind shall be conducted or carried on upon any Lot, or within any Structure located on any Lot, except that Structures on Lots may be used for a home business that complies with all applicable laws, including but not limited to the City of Woodinville's laws regarding home businesses, and does not create safety, traffic or parking problems, obtrusive noise, or otherwise violate these covenants. No goods, equipment, vehicles (including buses, trucks, and trailers of any description), or material or supplies used in connection with any trade, service or business, wherever the same may be conducted, with the exception of materials, equipment, and

supplies ancillary to a home business permitted by this Section, or any vehicle in excess of 10,000 pounds gross weight (including buses, trucks and trailers of any description) regardless of the purpose for which such are used, be kept, parked, stored, dismantled or repaired on any Lot or any street within the Properties, except for those necessary for initial construction and real estate sales activity. Nothing shall be done on any Lot which may be or may become an annoyance or nuisance to the neighborhood. No Owner of any Lot shall permit any vehicle in an extreme state of disrepair, that is inoperable, or that is materially damaged to be abandoned or to remain parked upon any street or Lot within the Properties for a period in excess of forty-eight (48) hours. No Owner of any Lot shall permit any vehicle to be abandoned or to remain parked in any backyard, side yard, front yard, landscaped area, or anywhere else on any part of a Lot within the Properties that is unpaved.

SECTION 3 – RESIDENTIAL USE

Residential Use of Temporary Structures Prohibited:

No trailer, basement, tent, shack, garage, barn, or other outbuildings or any Structure of a temporary character erected or placed on the property shall at any time be used as a residence temporarily or permanently.

SECTION 4 – ARCHITECTURAL CONTROL

(A) Any Structures to be constructed, erected, placed or altered within the Property and any changes to the exterior appearance of any such Structure, must be reviewed and approved by the Board, acting as an ACC or an ACC appointed by the Board pursuant to Article V Section 4(B). Any enclosure or cover used in connection with a Structure or equipment or otherwise, whether temporary, collapsible or seasonal, shall be treated as a permanent Structure for purposes of these covenants, and shall be subject to all the conditions, restrictions, and requirements as set forth herein for all Structures. Nevertheless, Owners are not required to obtain Board or ACC approval for alterations solely to the interior of any Home or for flower boxes or planters, ordinary landscaping, seasonal plantings or adornments, sculptures or fountains less

than three (3) feet in height and width, and normal maintenance (unless re-roofing or re-siding with different materials or otherwise altering the materials, colors or design of the exterior of the original Home or any ACC approved changes). Tarps, covers, or other temporary vehicle shelters are prohibited from existing or being placed, constructed, or erected on any street within the Properties or on any Lot within the Properties where such tarp, cover, or other temporary vehicle shelter visible is visible from any street abutting said Lot's front property line. The existence, construction, erection, placement, or alteration of four (4) or more sculptures or fountains that are visible from any street abutting said Lot's front property line is prohibited absent review and approval by the ACC pursuant to Article V Section 4(B). Complete plans and specifications of all proposed Structures or exterior alterations and repairs, together with detailed plans showing the proposed location of the same on the particular building site and other data required by the ACC must be submitted before construction, alteration or repair is begun. Construction, alteration or repair shall not be started until written approval thereof is given by the ACC.

(B) The Board may appoint an ACC to review plans and specifications as required by this Article V Section 4. The ACC may include Board members and/or Owners. It shall be composed of three or more representatives. All plans and specifications submitted for approval by the ACC must be submitted at least 30 days prior to the proposed construction or exterior alteration or repair starting date. In the event the ACC fails to approve or disapprove such design and location within 60 days after said plans and specifications have been submitted to it, approval will be deemed to have been given, subject to the provisions of Article V Section 4.

(C) The maximum height of any Structure shall be established as part of the plan approval by the ACC and shall be given in writing together with the approval. If the ACC has failed to disapprove such design and location within the 60-day limit, and such design and location is thereby deemed approved, the maximum height of any

Structure shall be no greater than is allowed under applicable zoning, land use and building codes.

- (D) The ACC may require that all plans or specifications for alterations of a Home or other significant Structure be prepared by an architect or a competent designer approved by the ACC. One complete set of the plans and specifications shall in each case be delivered to and permanently left with the ACC.
- (E) The submittal will be reviewed as to the quality and workmanship and materials planned and for conformity and harmony of the exterior design with proposed or existing Structures on the Lot, with respect to topography, finish grade elevation, building setback restrictions, compliance with the plat, and any duly adopted architectural guidelines. The effect or impairment that such Structure or alteration will have on the view or outlook of surrounding Lots may also be considered as well as any and all other factors which, in the ACC's opinion, shall affect the desirability or suitability of such proposed Structure, improvement or exterior alteration or repair. The ACC shall have the right to refuse to approve any design, plan or color for such improvement, construction, exterior alteration or repair which is not suitable or desirable, in its opinion, and such refusal may be based entirely on aesthetic or other factors.
- (F) By majority vote, the Board may adopt or amend architectural guidelines consistent with these covenants for making its determinations hereunder. The Board may delegate such tasks to the ACC.
- (G) Every Owner must obtain necessary permits before performing structural work on their Home.
- (H) No Structure shall be erected, altered, placed or permitted to remain on any Lot or Tract unless the Structure complies with these covenants and with applicable building codes and other applicable requirements. The Owner may be required to furnish the

ACC with evidence that all necessary permits have been obtained from the relevant permitting authority for any work for which approval is required under this Section prior to commencement of the work or at any time thereafter.

- (I) All existing structures and exterior components, inclusive of their respective quality, craftsmanship, materials, and exterior design present at the time of this declaration, are hereby deemed to have received retroactive approval, which shall remain in effect indefinitely.

SECTION 5 – DWELLING SIZE

Dwelling Size and Location:

The ground floor area of the Home, exclusive of one-story open porches and garages, shall be not less than 1800 square feet for a one-story dwelling, nor less than 1000 square feet for a dwelling of more than one story. No Structure, exclusive of porches, roofs, overhangs and steps, shall be located on any Lot in violation of any setback line shown in the plat or required by applicable law. In any event, no Structure, exclusive of porches, roofs, overhangs and steps, shall be located on any Lot nearer than twenty (20) feet to the Lot's front property line, nearer than five (5) feet to the Lot's side street line, or nearer than five (5) feet to the Lot's rear lot line. For purposes of this Section, eaves, steps and open porches shall not be considered as part of the Structure provided, however, that this shall not be construed to permit any portion of a Structure on a Lot to encroach onto another lot.

SECTION 6 – EASEMENTS

Easement Provisions:

There are hereby specifically reserved for the benefit of any applicable utility company, the Lot Owners in common and each Lot Owner severally, as their respective interest shall obtain, the easements, reciprocal negative easements, secondary easements, and right-of-way, as are specifically identified hereinafter.

- (A) Utility Easements: On each Lot an easement is reserved under over and upon five (5) foot strips of land on all property lines for utility installation and maintenance, including but not limited to power, telephone, water, sewer drainage, gas, etc., together with the right to enter upon the Lots at all times for said purposes. Additional utility easements are reserved as required by governmental subdivisions. Within these easements, no Structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation, functioning or maintenance of utilities, or which may change the direction of flow of drainage channels in the easements. The easement area of each Lot and all improvements in it shall be maintained continuously by the Owner of the Lot, except for those improvements for which a public authority is responsible.
- (B) No lines or wires for the transmission of electric current or for the telephone use, cable television, fire or police signals or for other purposes shall be placed upon any Lot outside the buildings thereon unless the same shall be underground or in the conduit attached to the building.
- (C) Also, all Lots shall be subject to an easement 2.5 feet in width, parallel with and adjacent to all interior Lot lines and 5 feet in width, parallel with and adjacent to all rear Lot lines for purposes of utilities and drainage. The drainage within the 2.5-foot easement and the 5-foot easement will not be maintained by King County.
- (D) An easement is hereby reserved for and granted to Woodinville Water District under and upon the easements shown on the plat described as "Water Easement", for right of ingress/egress for the purpose of maintaining and operating water facilities.
- (E) An easement is hereby reserved and granted to the Lot Owners for installation and maintenance of entry landscaping. This easement is to coincide with the Seattle City Light Easement over Lots 1, 40, 41, and 42 as shown on the face of the plat.

Easement Restrictions:

(A) Drainage easement as shown on Tract A and Tract B is hereby reserved for and granted to King County for the right of ingress and egress for the purpose of maintaining and operating storm water facilities.

(B) Prior approval must be obtained from the Director of Public Works before any Structures, fill or obstructions, including fences, are located within any drainage easement or delineated flood plain area.

(C) All landscaped area in public rights-of-way and landscape easements shall be maintained by the Lot Owners and their successor(s).

SECTION 7 – NUISANCES

Nuisances:

No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

SECTION 8 – GARBAGE

Garbage and Refuse Disposal:

No Lot or Tract shall be used as a dump for trash or rubbish of any kind. All garbage and other waste shall be kept in appropriate sanitary containers for proper disposal. Rocks, lawn and shrubbery clippings, and dirt and other material, resulting from landscaping work shall not be dumped into public streets or ditches. The removal and disposal of all such materials shall be the sole responsibility of the individual Lot Owner. All incinerators or other equipment for the storage or disposal of trash, garbage or other work shall be kept in a clean and sanitary condition.

SECTION 9 – FENCES

Fences:

No new fence, wall or hedge shall be erected, placed or altered on any Lot nearer to any street than the Structure setback line.

SECTION 10 – ANIMALS

Animals:

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 they shall not be kept in number or under conditions reasonably objectionable in a residential community.

SECTION 11 – SATELLITE DISHES

Outside Antennas or Satellite Dishes:

No outside television, radio antenna or satellite dishes of any kind shall be placed on any Lot or upon any Structure without written consent of the Architectural Control Committee.

SECTION 12 – SIGNS

Signs:

No signs shall be erected or maintained on any Lot, except that no more than one FOR SALE or FOR RENT sign placed by the Owner or builder or by a licensed real estate broker, not exceeding eighteen (18) inches high and twenty-four (24) inches long, may be displayed on any Lot.

SECTION 13 – DATE FOR COMPLETION

Date for Completion of Construction:

Any dwelling or Structure erected or placed on any Lot shall be completed as to external appearance, including finished painting, within six (6) months from the date of commencement of construction.

SECTION 14 – MORTGAGE PROTECTED

Mortgage Protection:

Nothing herein contained shall impair or defeat the lien of any mortgage or deed of trust or hereafter recorded covering any Lot or Lots but title to any property obtained as a result of foreclosure shall thereafter be held subject to all of the provisions herein.

SECTION 15 – GREENBELT EASEMENTS

Greenbelt Easements:

A Greenbelt Easement and/or Sloped Protection Easement is reserved as shown on the composite. In these natural growth areas, no Structure, clearing (other than invasive species non-native), grading or vehicular access or other material shall be placed or permitted to remain or other activities undertaken which may damage or interfere with established slope ratios, create erosion or sliding problems, or which may change the direction of flow of drainage channels or obstruct or retard the flow of water through drainage channels, except access shall be permitted for the purpose of installation and maintenance of screening utilities and drainage facilities. The natural growth protection area of each Lot and all improvements in it shall be maintained continuously by the Owner of the Lot except for those improvements for which a public authority or utility company is responsible.

SECTION 16 – RV VEHICLE RESTRICTIONS

Recreation vehicles:

No recreation vehicle, including motor homes, trailers, campers, boats, etc. may be parked or stored on any Lot for longer than forty-eight (48) hours unless a screening plan has been approved by the Architectural Control Committee and installation of said plan has been completed.

SECTION 17 – RENTALS

Rentals:

No Owner shall be permitted to rent or lease less than the entire Lot and no Owner shall be permitted to rent or lease that Owner's Lot for a period of less than thirty (30) calendar days. In all cases, the Owner shall be responsible for compliance with all the rules of this document and any Bylaws, including the upkeep of the yard, and shall be responsible for paying assessments to the Association.

ARTICLE VI – GENERAL PROVISIONS

SECTION 1 – ENFORCEMENTS

Enforcement:

Each Owner shall comply strictly with the provisions of these covenants and with the Bylaws and rules and regulations adopted by the Association (as the same may be lawfully amended from time to time). Failure to comply may result in a claim for damages or injunctive relief, or both, by the Board (acting through its officers on behalf of the Association and Owners) or by an aggrieved Owner against the party (including an Owner or the Association) failing to comply. In any action pursuant to this Section, the prevailing party in such action shall be entitled to an award for reasonable attorneys' fees and all costs and expenses reasonably incurred in preparation for prosecution of said action, in addition to all costs permitted by law.

SECTION 2 – SEVERABILITY

Severability:

Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

SECTION 3 – AMENDMENT

Amendment:

The covenants, conditions, and restrictions contained in this declaration are to run with the land and shall be binding on all parties and all persons claiming under them for a

period of ten (10) years from the date this instrument is recorded, after which time such covenants, conditions, and restrictions shall be automatically extended for successive periods of ten (10) years unless an instrument signed by not less than seventy-five (75%) percent of the then Owners of all Lots has been recorded, agreeing to change the covenants, conditions, and restrictions in whole or in part.

SECTION 4 – NONWAIVER

The failure of the Board 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 any of the Bylaws or administrative rules or regulations, shall not be construed as a waiver or relinquishment for the future of such term, covenant, condition or restriction, but such term, covenant, condition or restriction shall remain in full force and in 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.

SECTION 5 – NO PERSONAL LIABILITY

So long as a Board member, Association committee member, Association officer, or authorized agent(s) 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, however, that this section shall not apply where the consequences of such act, omission, error or negligence are covered by insurance or bond obtained by the Board.

SECTION 6 – INDEMNIFICATION

Each Board member or Association committee member or Association Officer, 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 or she may be party, or in which he or she may become involved, by reason of being or having held such position at the time such expenses or liabilities are incurred, except in such cases wherein such person is adjudged guilty of intentional misconduct, or gross negligence or a knowing violation of law in the performance of his or her duties, and except in such cases where such person has participated in a transaction from which said person will personally receive a benefit in money, property, or services to which said person is not legally entitled; provided, however, that in the event of a settlement, indemnification shall apply only when the Board approves such settlement and reimbursement as being in the best interests of the Association. Nothing contained in this Section shall, however, be deemed to obligate the Association to indemnify any Owner 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 or her under and by virtue of the Declaration as an Owner.

SECTION 7 – INSURANCE

The Board shall cause the Association to purchase and maintain at all times as a common expense a policy or policies necessary to provide comprehensive liability insurance; fidelity insurance; worker's compensation insurance to the extent required by applicable laws; insurance against loss of personal property of the Association by fire, theft, or other causes with such deductible provisions as the Board deems advisable; and such other insurance as the Board deems advisable. The Board may also, in its sole discretion, cause the Association to purchase and maintain insurance, if available, for the protection of the Association's directors, officers and representatives from personal liability in the management of the Association's affairs. The Board shall review at least annually the adequacy of the Association's insurance coverage. All insurance shall be obtained from insurance carriers that are generally acceptable for similar projects and licensed to do business in the state of Washington. All such insurance policies and fidelity bonds shall provide that coverage may not be canceled or substantially modified (including cancellation

for nonpayment of premium) without at least 30 days' prior written notice to any and all insureds named therein, including Owners, holders of mortgages, and designated services of mortgagees.

SECTION 8 – LIBERAL CONSTRUCTION

The provisions of this Declaration shall be liberally construed to effectuate the Declaration's purpose, which is to create a uniform plan for the operation and maintenance of the Properties.

SECTION 9 – CAPTIONS AND TITLES

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

SECTION 10 – 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.

ARTICLE VII – PLAT RESTRICTIONS

SECTION 1 – FURTHER SUBDIVISION

Further Subdivision:

No Lot or portion of a Lot in the 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 by applicable zoning.

ARTICLE VIII – MAINTENANCE & DAMAGE

SECTION 1 – EXTERIOR MAINTENANCE

Exterior Maintenance:

The Association shall maintain Common Areas and the entrance landscaping. Each individual Owner shall be obligated to provide exterior maintenance of each Owner's Lot and the Structures located thereon. In the event an Owner of any Lot in the Properties shall fail to maintain the premises and the improvements situated thereon in a manner reasonably satisfactory to the Board, the Association, after approval by two-thirds (2/3) vote of the Board, shall have the right, through its agents and employees, to enter upon said Lot and to repair, maintain, and restore the Lot (including the cutting of grass and pruning of trees) and the exterior of the Structure and any other improvements thereon. The cost of such repair and restoration maintenance (including the cutting of grass and pruning of trees) shall be added to and become part of the assessment to which said Lot is subject.

SECTION 2 – EXTERIOR MAINTENANCE AND DAMAGE

Curb and Sidewalk Damage:

Each individual Owner or contract purchaser shall be obligated to provide for repair and or replacement of any sidewalk or curb that is damaged in front of his/her Lot. Said repair to be made to the satisfaction of the applicable governmental authority.

In the event an Owner of any Lot in the Properties shall fail to repair or replace damage to the satisfaction of the applicable governmental authority, the Association, after approval by two-thirds (2/3) vote of the Board, shall have the right, through its agents and employees, to enter upon said Lot and to repair, maintain, and restore the damage (including replacing all damaged curb and sidewalk). The cost of such repair and restoration shall be added to and become a lien on said Lot.

ARTICLE IX – SCHEDULE A EASEMENTS AND OPEN SPACE

An easement shall be reserved for and granted to all utilities serving subject Plat and their respective successors and assigns under and upon the exterior seven (7) feet parallel with and adjoining the street frontage of all Lots in which to install, lay, construct, renew, operate and maintain underground conduits, cables, pipe, and wires with necessary facilities and other equipment for the purpose of serving this subdivision and other Properties with electric, telephone, and utility service together with the right to enter upon the Lots at all times for the purposes herein stated.

All open space areas shall be kept in a substantially natural state. No clearing (other than invasive species non-native), grading, filling or construction of any kind shall occur in these areas except for necessary utility installations. Removal of trees by Owners shall be limited to those which are dead, diseased, or hazardous.