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SNOHOMISH COUNTY. WASHINGTON

Return Name and Address:

Sundquist Homes, LLC/A Jeff Leghorn
16108 Ash Way, Suite 201
Lynnwood, WA 98037

Document Title(s)

1 Declaration of Covenants, Conditions & Restrictions

Grantor(s)

1 Phoenix Development, Inc
2.

☐ Additional names on page ____ of document.

Grantee(s)

1 Hawthorne Station Homeowners' Association
2.

☐ Additional names on page ____ of document

Legal Description (abbreviated: i.e. lot, block, plat OR section, township, range, qtr /qtr)
S.28, T.27N , R.5E., WM

☐ Additional legal is on page Exhibit A of document

Reference Number(s) (Auditor File Numbers) of Documents assigned or released:

☐ Additional numbers on page ____ of document

Assessor's Property Tax Parcel/Account Number

27052800201100, 27052800206500, 27052800201500, 27052800201400,
27052800204000, 27052800201700, 27052800203600, 27052800206700

☐ Property Tax Parcel ID is not yet assigned

☐ Additional parcel numbers on page ____ of document

**DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS
OF
"HAWTHORNE STATION HOMEOWNERS' ASSOCIATION"**

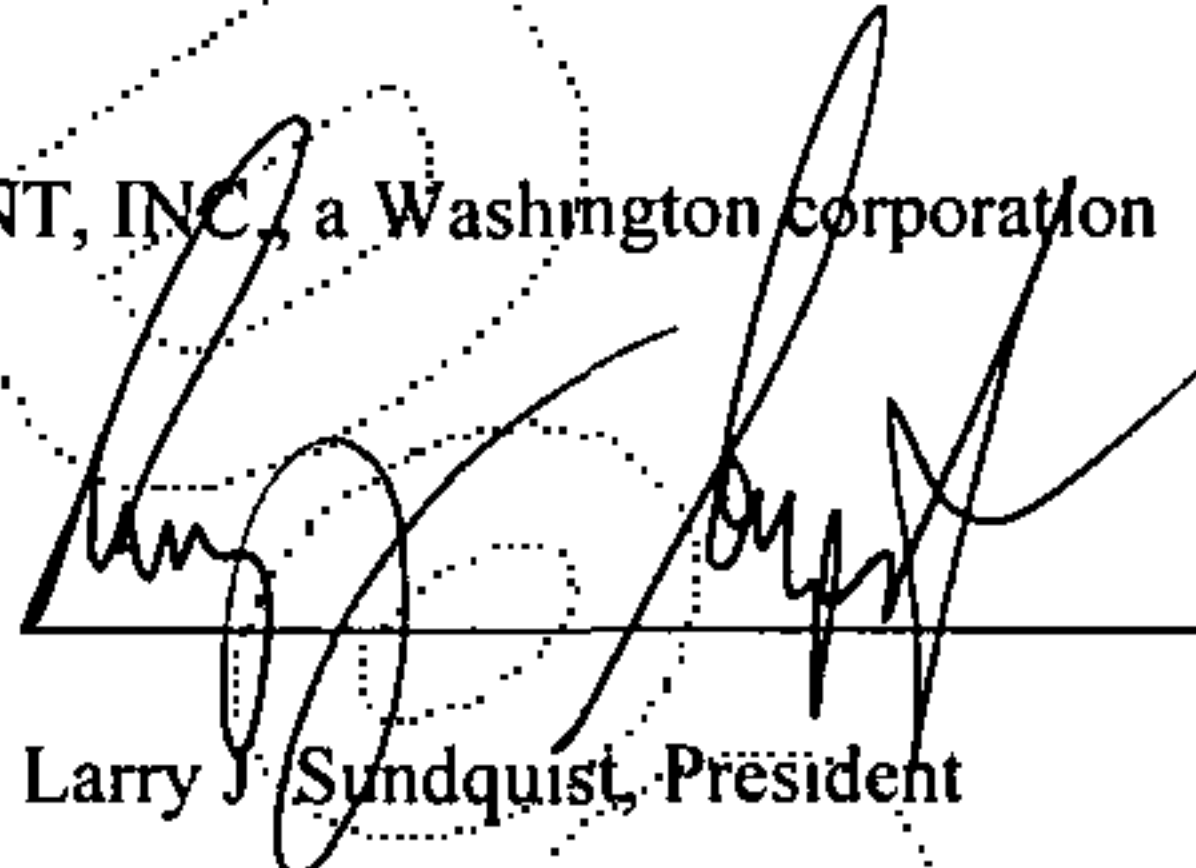
Snohomish County, Washington

Recorded: 3/30/05
Auditor's File No: 200503305133

Declarant, as the owner in fee of real property legally described in *Exhibit A*, attached to this Declaration (the "Real Property") hereby covenants, agrees and declares that all of the Properties and Housing Units constructed on the Properties, with the exception of Lot 61, are and will be held, sold and conveyed subject to this Declaration, which is made for the purpose of enhancing and protecting the value of all of the Properties for the benefit of the Properties and their owners. The covenants, restrictions, reservations and conditions contained in this Declaration shall run with the land and shall be binding upon the Properties and each portion thereof and all persons owning, purchasing, leasing, subleasing or occupying any Lot on the Properties, and upon their respective heirs, successors and assigns.

This Declaration, including exhibits and amendments, if any, is hereby executed by the Declarant on the date set forth adjacent to Declarant's signature.

DECLARANT PHOENIX DEVELOPMENT, INC., a Washington corporation



Larry J. Sundquist, President

Dated the 27th of January, 2005

STATE OF WASHINGTON)
) ss
COUNTY OF Snohomish)

On this 27 day of January, 2005, 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 the President of Phoenix Development, Inc. that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument and that the seal affixed, if any, is the corporate seal of said corporation

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

Robin Latta
NOTARY PUBLIC in and for the State of Washington,
Residing in Bothell
My commission expires 6-30-08

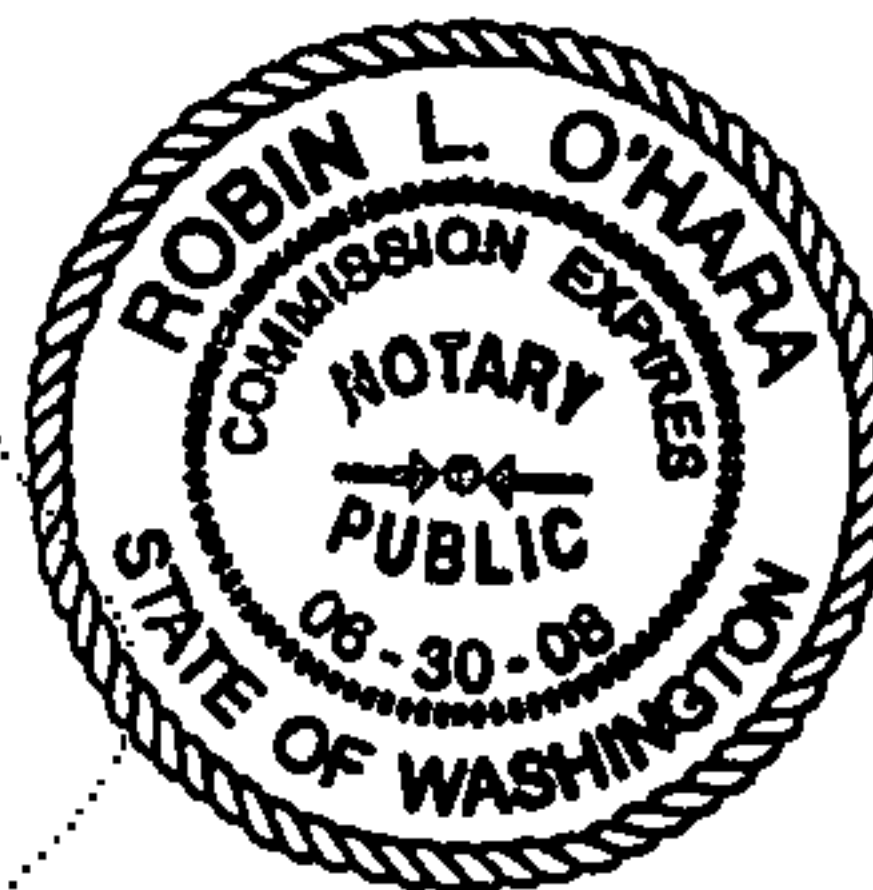


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EXHIBITS	Exhibit A	Legal Description
	Exhibit B	Building, Use and Architectural Restrictions
	Exhibit C	Copy of Certificate of Incorporation from the Secretary of State

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

ARTICLE I: Definitions

For purposes of this Declaration, Articles of Incorporation and Bylaws of the Association, certain words and phrases have particular meanings, which are as follows

IX 1. "ACC" shall mean the Architectural Control Committee, as described in Article

2. "Adjacent Real Property" shall mean such property owned or later acquired by the Developer which, at the time of the recording of this Declaration, has not been included in the real property subject to the Declaration, but which is either in close proximity to or physically touching the real property subject to this Declaration.

3. "Articles" shall mean the Association's Articles of Incorporation and any amendments thereto

4. "Association" shall mean the Homeowners' Association formed as a nonprofit corporation for the purpose of administering the Common Areas, Rules and Regulations, if any, and other governing documents including this Declaration and the Bylaws.

5. "Board" or "Board of Directors" shall mean the Board of Directors of the Association as described in the Bylaws

6. "Building Use and Architectural Restrictions" shall refer to *Exhibit B* of this Declaration and amendments thereto, if any, and any other building restrictions properly adopted by the Board of Directors.

7. "Bylaws" shall mean the Association's Bylaws and any amendments thereto

8. "Common Areas" shall mean the property, both real and personal, in which the Association has been granted an ownership interest, easement, lease or other right of control, by written instrument or by delineation on the plat, including the public use and enjoyment easement area upon Tract 996

9. "Declaration" shall mean this Declaration of Protective Covenants, Conditions and Restrictions and Reservations

10. "Developer" shall mean the Declarant who executed this Declaration or any persons or entities to which it assigns its rights as Developer, or succeeds to its interest.

11. "Development Period" shall mean the period of time from the date of recording of this Declaration until one hundred eighty (180) days after the date upon which one hundred percent (100%) of the lots have been sold by the Developer or any shorter period, as determined

by the Developer. A partial delegation of authority by the Developer of any of the management duties described in this Declaration shall not terminate the development period

12. "Housing Unit" shall mean any inhabitable building occupying a Lot
13. "Institutional First Mortgagee" or "Mortgagee" shall mean a bank or savings and loan association or established mortgage company, or other entity chartered under federal or state laws, any corporation or insurance company or state or federal agency which holds a first mortgage or deed of trust against a Lot or Housing Unit thereon.
14. "Lot" shall initially refer to one of the Lots located in the Real Property described herein with the exception of Lot 61. If at any time additional Adjacent Real Property becomes subjected to the terms of this Declaration or any part thereof pursuant to Article II herein, "Lot" shall include those lots shown on and included in the plat of Adjacent Real Property
15. "Member" shall mean every person or entity that holds a membership in the Association
16. "Mortgage" shall mean a mortgage or deed of trust encumbering a Lot or other portion of the Properties
17. "Owner" shall mean the recorded owner of the Lot, whether one or more persons or entities, but excluding those having such interest merely as security. A real estate contract purchaser shall be deemed the Owner
18. "Person" shall mean a natural person, a corporation, Limited Liability Company, partnership, trustee or other legal entity
19. "Properties" shall initially mean the Real Property with the exception of Lot 61. If additional Adjacent Real Property is subjected to the Declaration, "Properties" shall mean the real property described in this Declaration and the plat or plats of the Adjacent Real Property
20. "Purchaser" shall mean the recorded owner of the Lot, whether one or more persons or entities, but excluding those having such interest merely as security. A real estate contract purchaser shall be deemed the Owner
21. "Sale or Sold" shall mean the date upon which ownership of a Lot is transferred from an Owner to another person or entity by recordation of an instrument of transfer such as a deed or real estate contract

ARTICLE II: Phased Development

Section 1: Adjacent Real Property Initially only the Real Property described herein shall be subject to the Declaration. The Developer hereby reserves for itself the right to subject additional Adjacent Real Property to the terms and provisions of this Declaration or any part thereof, and to grant to the Owner(s) of Lots located upon Adjacent Real Property, after it is subjected to this Declaration, to any or all of the rights and benefits to which Members of the Association are entitled. The Owner(s) of Lots located upon the Real Property hereby covenant and agree to burden the Real Property and Adjacent Real Property with all of the duties,

responsibilities, costs and expenses related to the management, administration, maintenance and improvement of the Common Areas and such additional Common Areas which are included in the Adjacent Real Property. The Developer hereby reserves for itself the right to develop additional Adjacent Real Property without subjecting it to the terms and provisions of this Declaration

Section 2: Rights in Adjacent Real Property – Common Areas. Until Adjacent Real Property shall be legally subjected to this Declaration, the Adjacent Real Property shall not be subject to the terms and provisions of this Declaration. This Declaration shall not give the Association or any Lot Owner(s) any rights in Adjacent Real Property until it is legally subjected to the Declaration. At such time as the Adjacent Real Property shall be subjected to the terms and provisions of this Declaration, the Adjacent Real Property shall become part of the Properties and Lot Owner(s) in the Adjacent Real Property shall automatically become Members of the Association and shall be entitled to all of the rights and benefits and subject to all of the obligations of the Members of the Association. All Common Areas in the Adjacent Real Property shall be held in ownership in the same manner as all Common Areas subject to this Declaration, and shall be managed, administered, maintained and improved in the same manner as all Common Areas of the Association, and all Members shall be assessed for the costs of such Common Areas in the Adjacent Real Property in the same manner as all other Common Areas of the Real Property

Section 3: Method of Adding Adjacent Real Property. Any such additional Adjacent Real Property shall be added by the filing for record of an amendment to this Declaration. An amendment adding Adjacent Real Property may, in the Developer's direction, alter or limit the applicability of a portion of the Declaration to the Adjacent Real Property

ARTICLE III:

Management of Association and Enforcement of Declaration

Section 1: Development Period During the development period, the Association, the ACC, and all Common Areas shall, for all purposes, be under the management and administration of the Developer. During the development period, the Developer shall appoint three (3) directors, and may appoint any persons the Developer chooses as directors. At the Developer's sole discretion, the Developer may appoint members of the Association to such committees or positions in the Association as the Developer deems appropriate, to serve at the Developer's discretion and may assign such responsibilities, privileges and duties to the members as the Developer determines, for such time as the Developer determines. Members appointed by the Developer during the development period may be dismissed at the Developer's discretion

Section 2: Purpose of Development Period The Developer's control of the Association during the development period is established in order to ensure that the Properties and the Association will be adequately administered in the initial phases of development, to ensure an orderly transition of Association operations, and to facilitate the Developer's completion of construction of Housing Units

Section 3: Termination of Management by Developer

3.1: Construction of Housing Units by Developer Where Developer retains the property and constructs housing units thereon, termination shall occur at the discretion of

Developer however, Developer shall relinquish control of the Association at the latest when one hundred percent (100%) of the Lots have been closed. Once Developer has decided to relinquish control, Developer shall immediately thereafter schedule an organizational meeting to be held within the next sixty (60) days, and shall provide notice of same to each owner of record.

3.2: Sale of Property to Builder(s). Where Developer sells the Property to one or more other Builder(s), and housing units will not be constructed by Developer, termination shall occur as follows: If Developer sells all of its Lots to a Builder or Builders and Developer has no ongoing contractual obligations with the Builder or Builders to administer the Association following said sale(s), then, Developer shall within thirty (30) days after such sale, assign its management authority to the Builder(s) in accordance with their ownership interests, and shall execute a resignation of all Directors and/or Officers appointed by Developer. If Developer does not sell all of its Lots, then the provisions of Section 3.1 shall provide for transition of control from Developer to Owners.

Section 4: Authority of Association after Development Period. At the expiration of Developer's management authority the Association shall have the authority and obligation to manage and administer the Common Areas and to enforce this Declaration. Such authority shall include all authority provided for in the Association's Articles, Bylaws, Rules and Regulations and this Declaration. The Association shall also have the authority and obligation to manage and administer the activities of the ACC in its responsibilities as described in Article IX, Section 5.

Section 5: Delegation of Authority. The Board of Directors or the Developer may delegate any of its managerial duties, powers, or functions to any person, firm or corporation. The Board and the Developer shall not be liable for any breach of duty, negligence, omission, intentional act or improper exercise by a person who is delegated any duty, power or function by the Board of Directors or the Developer.

ARTICLE IV: Homeowners' Association

Section 1: Development of Association.

1.1: Establishment. Articles of Incorporation have been filed with the Secretary of State for the State of Washington creating a non-profit corporation by the name of Hawthorne Station Homeowners' Association (Referred to hereinafter as the "Association" or "Homeowners' Association")

1.2: Form of Association The Association is and shall continue to be a nonprofit corporation formed and operated pursuant to Title 24, Revised Code of Washington (see Certificate of Incorporation). In the event of any conflict between this Declaration and the Articles of Incorporation or the Bylaws for such nonprofit corporation, the provisions of this Declaration shall prevail.

1.3: Membership Every person or entity that is an Owner of any Lot agrees to be a Member of the Association by acceptance of a deed for such Lot. Membership may not be separated from ownership of any Lot. All Members shall have rights and duties as specified in this Declaration, and in the Articles and Bylaws of the Association.

1.4: Voting Rights Members shall be entitled to one (1) vote for each Lot owned. No more than one (1) vote may be cast with respect to any Lot. The voting rights of any Member may be suspended as provided in the Declaration, or the Articles or Bylaws of the Association. In addition to all customary methods, and methods otherwise described in this Declaration or in the Association Bylaws or Articles of Incorporation, Members' votes may be solicited and tabulated by mail or facsimile.

1.5: Authority of Association The Association acting by and through the Board, or a manager appointed by the Board, for the benefit of the Association and Owners, shall enforce the provisions of this Declaration and the Bylaws, and shall have all powers and authority permitted to the Association under this Declaration and Bylaws, including without limitation the power to

- a. Adopt and amend Bylaws, Rules and Regulations,
- b. Adopt and amend budgets, expenditures and revenues and impose and collect Assessments for Common Expenses from Owners,
- c. Hire and discharge or contract with managing agents and other employees, agents and independent contractors,
- d. Defend, institute or intervene in litigation or administrative proceedings (including arbitration and mediation proceedings), except that in order for the Association (or Board acting on behalf of the Association) to institute, defend or intervene in litigation or any other proceeding, and in order for the Association to become obligated in the aggregate sum of \$5,000.00 to professionals, consultants or other experts in connection with said proceedings, the following conditions must be met:
 - i) The Board must have received a detailed written summary ("Litigation Summary") concerning the substance of the proceeding, agreements with professionals, if any; legal and factual basis of anticipated allegations; remedies to be sought, estimated amount to be sought, estimated costs to the Association, reports and recommendations of professionals, if any; and a list of the potential negative consequences of such proceedings, including but not limited to, required disclosures to prospective purchasers, impediments to unit refinancing or diminished home value,
 - ii) A copy of the Litigation Summary must be transmitted to all Owners, together with a written notice of the Owners right of access to the Books of the Association and a written notice of a special meeting to be convened to discuss any potential proceedings,
 - iii) A special meeting of the Association shall be called to discuss any potential proceeding. Declarant shall be entitled to attend any special meeting called for this purpose in a non-voting capacity,
 - iv) If the proceedings involve a claim against the Declarant or Declarant's subcontractors, vendors, suppliers or professionals, related to construction defects or other conditions, the Association shall, prior to initiation of said proceedings, deliver to Declarant a notice of any alleged construction defects and the Association shall allow Declarant a reasonable period of time to respond to such notice indicating whether the Declarant will or will not address the concerns set forth in said notice. If Declarant is willing to address

the Association's concerns, then Declarant shall be given a reasonable period of time to commence and complete said repairs,

v) The approval of Owners holding sixty-seven percent (67%) of the total Association voting power shall be required for the Association (or Board acting on behalf of the Association) to institute, defend or intervene in legal proceedings, provided however legal proceedings shall not be commenced against Declarant when Declarant has agreed in writing to remedy any alleged defects and Declarant is proceeding with reasonable due diligence to do so,

- e. Make contracts and incur liabilities,
- f. Regulate the use, maintenance, replacement and modification of Common Elements,
- g. Cause additional improvements to be made as part of the Common Elements,
- h. Grant easements, leases, licenses and concessions through or over the Common Elements and petition for or consent to the vacation of streets and alleys,
- i. Impose and collect fees, late charges and assessments for Association expenses as provided in this Declaration,
- j. Exercise all other powers conferred by the Declaration or Bylaws,
- k. Exercise all other powers that may be exercised in the State of Washington by the same type of corporation as the Association; and
- l. Exercise all other powers reasonably necessary for the proper governance and operation of the Association

Section 2: Board of Directors The Board of Directors has been established by the Association's Bylaws

2.1: Election/Composition/Term/Removal/Vacancies Administrative issues relating to the Board are set forth in the Association's Bylaws

2.2: Management by Board Except as otherwise provided in the Declaration or Bylaws, the Board shall act in all instances on behalf of the Association. In the performance of their duties, the Officers and Members of the Board of Directors are required to exercise ordinary due care

ARTICLE V: Property Rights and Use of Common Areas

Section 1: Conveyance of Common Areas

1.1: Common Areas Conveyed to The Association Except as provided in Section 1.2, the Common Areas referred to herein are hereby granted and conveyed to the Association. Except as provided in Section 1.2, the Common Areas, if any, within any subsequent or precedent phase(s) will be deemed to be conveyed to the Association upon recording an amendment to this Declaration incorporating such phase within the Project. Common Areas as defined in Article I may be conveyed by the recording of a deed, easement or other instrument by which the interest of the Association and Lot Owners in the Common Areas was created. In the event that the Association should be dissolved, then each Lot shall be deemed to have an equal and undivided interest in the Common Areas pursuant to Article V Section 1.2

1.2: Common Areas Conveyed to the Lots Notwithstanding Article I Section 1 1, if a Plat Map provides that a particular Common Area lot or tract is granted or 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 have control over any conflicting principals of common law applicable to tenancy in common interests

Section 2: Use of Common Areas. Each Owner and the owners of any lots upon Adjacent Real Property later subjected to the terms of this Declaration or any part thereof pursuant to Article II herein, shall have an equal and undivided right to use any of the Common Areas for the ordinary purposes of such Common Areas, provided the Association shall have the right to designate certain uses for any Common Area upon reasonable grounds and to restrict the use of an Owner for failure to perform designated obligations, including any obligations contained in any of the governing documents or those encompassed in the Rules and Regulations of the Association, if any, provided further use of all Common Areas shall be subject to the use restrictions in the approved preliminary plat and the regulations and conditions of the final plat, as well as any applicable code or regulation

Section 3: Common Area Maintenance The Association shall have the right and obligation to maintain improvements, vegetation, signage and utilities in and upon the Common Areas, including the public use easement over Tract 996, in accordance with and in a manner consistent with good building and nursery practices, and in compliance with the Common Areas Maintenance Schedule provided by the Builder, if any, and applicable codes and regulations. The Association shall have the exclusive right to use and manage the Common Areas in a manner consistent with this Declaration, the Common Areas Maintenance Schedule, the Articles and the Bylaws of the Association. In the event that the Association should be dissolved, then each Lot shall have the responsibility to maintain the Common Areas.

Section 4: 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.

ARTICLE VI: Maintenance and Common Expenses

Section 1: Standard of Maintenance. The Association shall maintain the Common Areas, including the Public Use Easement located upon Tract 996, in a manner consistent with good building and nursery practices, and in compliance with the Common Area Maintenance Schedule(s), if any, and applicable codes and regulations

Section 2: Standard of Maintenance – Lots and Planting Strips Each Lot Owner hereby covenants and agrees to maintain his respective Lot, including as a part of said Lot, the Planting Strip located between the street and the sidewalk adjacent to the Owner's respective Lot, if any, and the Housing Unit located thereon, in the same condition as a reasonably prudent homeowner would maintain his own home so that the Real Property will reflect a high pride of ownership. Each Lot Owner shall perform the maintenance and upkeep on any drainage swales and/or underground drain lines and catch basins installed by the Developer on their Lot which are servicing the yard drainage needs on more than one Lot

Section 3: Remedies for Failure to Maintain If any Lot Owner shall fail to conduct maintenance on his Lot or the exterior of the Housing Unit located thereon, or fails to maintain the Lot and the exterior of the Housing Unit in the same condition as a reasonably prudent homeowner, or in a manner which preserves the drainage for other Lots, the Association shall notify the Lot Owner(s) in writing of the maintenance required. If the maintenance is not performed within thirty (30) days of the date notice is delivered, the Association shall have the right to provide such maintenance, and to levy an assessment against the non-performing Lot Owner(s) and its Lot for the cost of providing the maintenance. The assessment shall constitute a lien against the Lot owned by the non-performing Lot Owner(s) and may be collected and foreclosed in the same manner as any other monthly or special assessment. The Association shall have all remedies for collection as provided in Article VIII of the Declaration. If the Lot Owner(s) failure to maintain causes damage or destruction to any area covered by Declarant's maintenance bond, Declarant shall have the right to take the necessary action to counteract the damage or destruction and seek reimbursement from the non-performing Lot Owner(s). If the Association fails to maintain the Public Use Easement and the improvements thereon, the City may, following reasonable notice and an opportunity to comply, cause such maintenance to be performed and bill the Association for reasonable costs associated with performing said maintenance.

Section 4: Governmentally Protected Areas

4.1: Native Growth Protection Areas ("NGPA") Wetlands and Open Spaces The Association, Lot Owners and the owners of any lots upon Adjacent Real Property later subjected to the terms of this Declaration or any part thereof pursuant to Article II herein and their guests, agents, contractors and employees are strictly prohibited from using any NGPA/Wetland/Open Space area, which may be located upon any common area of the community, contrary to the local jurisdiction's rules and regulations pertaining to such areas. In furtherance of the local jurisdiction's rules and regulations and not to limit same, Lot Owners, the Association and their guests, agents, contractors and employees are prohibited from dumping any materials, erecting any structures (including rockeries, retaining walls, etc.), constructing landscape features (such as, but not limited to, ponds, streams, waterfalls, etc.), cutting or removing any vegetation, using pesticides and/or planting vegetation in NGPA/Wetland areas. Lot Owners shall not fence off or otherwise exercise dominion or control over any NGPA/Wetland/Open Space area.

4.2: Remedies for Damage to NGPAs and/or Wetland Areas Declarant may, without obligation, repair any damage or destruction to, or remove any encroachment from the NGPA, or Wetland areas. For a period of three (3) years, or as determined by the governing jurisdiction, following transition of control over the Association from the Declarant to the Association, the Association shall be responsible to the Declarant for any damage or destruction to, or encroachment upon any NGPA or Wetland area, caused in whole or in part by any Lot Owner(s), the Association, or the guests, agents, contractors or employees of any Lot Owner(s) or the Association. The Association shall promptly pay Declarant for any such damage or destruction. If the damage or destruction is caused by an individual Lot Owner, the Association shall have all the rights and remedies to seek reimbursement as provided for assessments herein against such individual Lot Owner.

4.3: Tree Preservation Covenant Owners shall not cut, remove, or cause to be cut or removed, trees within the planter strip located between the street and the sidewalk adjacent to the

Owner's respective Lot, except that Owners may remove said trees under the following conditions:

- i) If directed to remove said tree(s) by municipal, county, state or federal authority pursuant to law; or
- ii) If said tree(s) are dead, dying or diseased, have suffered damage or growth that has made them a hazard to structures, roads, or human life.

If a tree is removed in accordance with this section or is removed in violation of this section, the City may compel the Owner of such property to replace any tree(s) so removed, and if the Owner fails to replace said tree(s) in accordance with this section the City may at its discretion cause a replacement tree to be replanted and bill the Owner for the costs reasonably associated with the replanting. Replacement trees shall be of the same species as existing trees in the planter strip upon neighbor's lots and a minimum of two (2) inches in diameter when planted.

Section 5: Common Expenses The Association shall perform such work as is necessary to carry out the duties described in this Declaration, and shall delegate the responsibility for management and supervision of such work to the Board, the ACC or to a manager or agent hired by the Board for the purpose of such management and supervision. Expenses for such work shall be paid by the Association for the benefit of all Lot Owners and shall be referred to as Common Expenses. The Common Expenses shall be paid by the Association from funds collected from assessments paid by Lot Owners and the owners of any lots upon Adjacent Real Property later subjected to the terms of this Declaration or any part thereof pursuant to Article II herein. The Common Expenses shall include, but shall not be limited to, the following:

- 1 The real property taxes, if any, levied upon the Association for the Common Areas;
- 2 The cost of maintaining all required insurance coverage and fidelity bonds on any Common Areas, and for directors and officers of the Association and the ACC;
- 3 The cost of maintaining, repairing and replacing any improvements upon all Common Areas including all entrance improvements, signs, lights, fences, walls, plantings, landscaping, and the costs associated with maintaining, reconstructing and repairing the Public Use Easement upon Tract 996 and any improvements thereon
- 4 The cost of maintaining landscaped street borders or parking strips in which the Association holds an easement;
- 5 The costs associated with correcting any damage or destruction caused by a Lot Owner or the Association to any Native Growth Protection Area or other designated buffer or wetland area including, but not limited to consultant costs, restoration costs and maintenance costs;
- 6 The costs associated with maintenance and repair of common elements in accordance with any common area maintenance schedule/manual provided by the Builder, if any,
- 7 Any other expenses associated with the Association's maintenance obligations under this Declaration

ARTICLE VII: Assessments

Section 1: Types of Assessments. Each Lot and the owners of any lots upon Adjacent Real Property later subjected to the terms of this Declaration or any part thereof pursuant to Article II herein shall be subject to an initial capital contribution, periodic assessments or charges and certain special assessments in an amount and manner to be determined by the Association. During the development period initial capital contributions (initially set at \$250), special

assessments and periodic assessments shall be determined and if necessary adjusted by the Developer.

Section 2: Determination of Amount. The Board of Directors of the Association shall determine the amount of assessments necessary to pay Common Expenses. The amount of assessments may be increased or decreased periodically as may be necessary to provide for payment of the Common Expenses. The amount of such assessments shall be equal for all Lots. There shall be no assessment for Lots owned by Developer, without the consent of the Developer. The Association may create and maintain from assessments a reserve fund for replacement of those Common Area improvements, which can reasonably be expected to require maintenance or replacement. Written notice of all assessments shall be given to each Owner. If the Board fails to fix an assessment for a fiscal year, the assessment shall be automatically continued at the sum previously set by the Board until such time as the Board acts.

Section 3: Certificate of Payment The Association shall, upon written demand, furnish a certificate in writing setting forth whether the assessment(s) on a specified Lot has/have been paid. A reasonable charge may be made for the issuance of the certificate. Such certificate shall be conclusive evidence of payment of any assessment(s) stated to have been paid.

Section 4: Special Assessments In addition to the assessments authorized above, the Association, by its Board of Directors, may levy, in any year, a special assessment applicable to that year only, for the purpose of defraying the cost of any construction or reconstruction, unexpected repair, or replacement of facilities in the Common Areas. However, the Developer shall not be obligated to pay any special assessments on Lots owned by the Developer. Assessments may be made based upon the estimated cost of such work, prior to the work's commencement, provided such estimate has been provided by a contractor retained by the Board for the purpose of such estimate. All special assessments for construction of new facilities or acquisition of new equipment, which is not for the upgrade, repair or replacement of existing construction or equipment, shall require approval of two-thirds (2/3) the Members.

Section 5: Additional Real Property At such time as additional Lots are subject to assessment, the assessment may be adjusted to reflect the total Lots obligated to contribute to the Association budget.

Section 6: Fines Treated as Special Assessments Any fines levied by the Association pursuant to RCW Chapter 64 38 (or successor statute authorizing the imposition of fines) shall be treated as a special assessment of the Owner fined and may be collected by the Association in the manner described in Article VIII.

ARTICLE VIII: Collection of Assessments

Section 1: Lien – Personal Obligation All assessments, together with interest and the cost of collection, shall be a continuing lien upon the Lot against which each such assessment is made. The lien shall have all the incidents of a mortgage on real property. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner(s) of the Lot at the time the assessment was due. No Owner(s) may waive or otherwise avoid liability for assessments by non-use of the Common Areas or abandonment of the Lot.

Section 2: Delinquency If any assessment is not paid within thirty (30) days after its due date, the assessment shall bear interest from said date at twelve percent (12%) or in the event that twelve percent (12%) exceeds the maximum amount of interest that can be charged by law, then the highest permissible rate as provided for by law. A late charge of five percent (5%) of the amount overdue shall be charged for any payment more than fifteen (15) days past due. Each Member hereby expressly grants to the Association, or its agents, the authority to bring all actions against each Member personally for the collection of such assessments as a debt and to enforce lien rights of the Association by all methods for the enforcement of such liens, including foreclosure by an action brought in the name of the Association in a like manner as a mortgage of real property, and such Member hereby expressly grants to the Association the power of sale in connection with such liens. The liens provided for in this section shall be in favor of the Association, and shall be for the benefit of the Association. The Association shall have the power to bid at a foreclosure sale and to acquire, hold, lease, mortgage and convey any Lot obtained by the Association.

Section 3: Suspension of Voting Rights In the event any Member shall be in arrears in the payment of the assessments due or shall be in default of the performance of any of the terms of the Articles and Bylaws of the Association, the Rules or Regulations adopted by the Association, or the Declaration for a period of thirty (30) days, the Member's right to vote shall be suspended and shall remain suspended until all payments are brought current and all defaults remedied. In addition, the Association shall have such other remedies against such delinquent Members as may be provided in the Articles, Bylaws or Declaration.

Section 4: Commencement of Assessments The assessments may commence as to each Lot (except Lots owned by the Developer) upon the initial conveyance of the Lot. The first assessment on any Lot shall be adjusted according to the number of days remaining in the month. At the time of each initial sale, the Developer may collect from each Purchaser an amount equal to one (1) year's assessment for the Association, to be placed in the Association's account. Any interest earned by the Association on assessments held by it shall be to the benefit of the Association.

Section 5: Enforcement of Assessments The Board may take such action as is necessary, including the institution of legal proceedings, to enforce the provisions of this Article. In the event the Board begins an action to enforce any such rights, the prevailing party shall be entitled to its attorney's fees, costs and expenses incurred in the course of such enforcement action as provided in Article XVI, Section 5.

ARTICLE IX: Building, Use and Architectural Restrictions

Section 1: Development Period The Developer hereby reserves the right to exercise any and all powers and control herein given to the Board of Directors, the ACC or its authorized representative in this Article of the Declaration, during the Development Period. This reserved right shall automatically terminate at the end of the Development Period, or when the reserved right is relinquished to the Board of Directors or the ACC of the Association.

Section 2: Authority of ACC after Development At the expiration of the Developer's management authority, the ACC shall have the authority and obligation to manage and administer the review of building plans, specifications and plot plans and such other submissions as

described in Section 5 herein, and to enforce these covenants, conditions and restrictions. Such authority shall include all authority provided for the ACC in the Association's Articles, Bylaws, Rules and Regulations, as initially adopted, or as amended, and all the authority granted to the ACC by this Declaration. The ACC shall not have the authority to review and/or approve/reject or otherwise pass judgment upon any improvement(s) upon any Lot(s) owned by Developer for as long as Developer shall own such Lot(s).

Section 3: Delegation of Authority of ACC. The ACC or the Developer may delegate any of its duties, powers, or functions described in this Article to any person, firm, or corporation.

Section 4: Appointment of ACC The Board may appoint members to the ACC. There shall be three (3) members of the ACC, chosen in the manner described in the Articles and Bylaws of the Association. If the Board fails to appoint the members of the ACC, or the members of the ACC resign and no replacements assume the office, the Board shall act as the ACC until members of the ACC are appointed and take office. The ACC shall consist of a minimum of two (2) Board members, except that if the ACC is composed of less than two (2) Board members final decisions of the ACC shall be ratified by the Board.

Section 5: Procedures and Guidelines

5.1: Approval by ACC Required Except as to the construction, alteration, or improvements performed by the Developer and customary landscaping and maintenance performed by Owners, no construction activity of any type including clearing and grading, cutting or transplanting of significant natural vegetation may begin on a Lot or Common Area and no building, structure, fence or other improvement shall be erected, placed or altered on any Lot or Common Area until, at a minimum, the building plans, specifications, plot plans, and/or landscape plan showing the nature, kind, shape, height, materials, exterior color and location of such building, structure or other improvements have been submitted to, and approved in writing by the ACC or its authorized representative as to harmony of exterior design and location in relation to and its effect upon surrounding structures and topography. Minimum Building Use and Architectural Restrictions are set forth in *Exhibit B*, to this Declaration. The Board may increase the restrictions in *Exhibit B*. Reducing the restrictions set forth in *Exhibit B* shall require an amendment to the Declaration. No fences, hedges or walls shall be erected or altered and no significant exterior changes shall be made to any building including, but not limited to, exterior color changes, additions or alterations until such written approval has been obtained. Further, no fences, or site-screening improvements shall be erected in any utility easement without the written consent of the ACC and Snohomish County PUD.

5.2: Time Limits If the ACC or its authorized representative shall fail to notify the Owner of its action for a period of forty-five (45) days following the date of the submission of the required information to the ACC, or its authorized representative, the Owner may proceed with the proposed work notwithstanding the lack of written approval by the ACC or its authorized representative. The required information shall be considered submitted to the ACC upon personal delivery of a complete set of all required information to the person designated to receive such items by the ACC, or by mail three (3) days after depositing in the U.S. Mail, postage prepaid, certified, return receipt requested, to the ACC in care of the Board of Directors of the Association at the address designated in the most recent notice of assessment issued by the Board, or at such other address as is designated by the Board by written notice to the Members.

5.3: Guidelines The ACC may adopt and amend, subject to approval by the Board, written guidelines to supplement *Exhibit B*, which shall be applied in its review of plans and specifications, in order to further the intent and purpose of this Declaration and any other covenants or restrictions covering the Real Property. Such guidelines, if any, shall be adopted or amended in conformity with Section 5.7 of this Article. If such guidelines are adopted, they shall be available to all interested parties upon request.

5.4: Meetings The ACC shall meet as is necessary to review any plans or specifications provided pursuant to this Section, and shall keep and maintain a record of all actions taken at meetings or otherwise.

5.5: Waiver The ACC may, by written notification, waive or modify any restriction of the Architectural Guidelines if the ACC finds that an extreme hardship may be imposed by a restriction and if such waiver or modification of such restriction would not have a significant adverse effect upon the Property or the general plan of the development, provided that any such waiver or modification shall apply only to the specific lot(s) set forth in the written notification. Approval by the ACC of any plans, drawings or specifications shall not be a waiver of the right to withhold approval of any similar plan, drawing, specification or matter submitted for approval.

5.6: Consultation The ACC may retain and consult persons or entities to assist in the evaluation of plans submitted to the Board for review.

5.7: Procedure and Appeal After the Development Period, the Board shall serve as an appellate panel to review decisions of the ACC upon request of a party aggrieved by the ACC's decision. The Board shall provide, through Rules and Regulations, a procedure by which decisions of the ACC may be appealed to the Board. The Board may choose, in its discretion, to limit the scope of such appeals and provide reasonable time limitations for appeals to be made to the Board. In reaching determinations the ACC shall act reasonably and in good faith. Criteria evidencing reasonableness include consistency, adequate investigation and timeliness. The ACC may consult experts to assist them in reaching determinations as specified in Section 5.6 of this Article. Final determinations of the ACC and appeals to the Board shall be communicated to the Applicant in writing setting forth the reasons for the determination.

5.8: Enforcement The ACC may recommend and request that the Board initiate legal proceedings to enforce the terms of these covenants or orders of the ACC. Legal proceedings may only be instituted, however, after approval of the Board and as otherwise set forth in this Declaration.

5.9: No Liability ACC approval of plans shall not constitute a representation, warranty or guarantee, whether express or implied that such plans and specifications comply with sound engineering design or with zoning or building ordinances or other governmental regulations or restrictions. The ACC, its members and agents, consultants, the Association, the Board or Declarant shall not be liable to whomever for any damage, loss or prejudice resulting from approval of said plans and specification by the ACC, for any action or failure to act on a matter submitted to the ACC for determination or for a failure of the ACC to approve any matter submitted to the ACC. The ACC shall not be liable for any damage, loss or prejudice resulting from any action by a person who is delegated a duty, power or function by the ACC.

5.10: Fees. The ACC may charge a reasonable fee for the review of any matter submitted to it. Any fee schedule adopted by the ACC must be approved by the Board.

Section 6: Temporary Structures Prohibited No basement, tent, shack, garage, barn or other outbuilding or buildings or any structure of a temporary or moveable character erected or placed on the Properties shall at any time be used as living quarters except as specifically authorized by the ACC.

Section 7: Nuisances No noxious or undesirable thing, activity or use of any Lot in the Properties shall be permitted or maintained. If the ACC shall determine that a thing or use of property is undesirable or noxious, such determination shall be conclusive. The ACC may recommend and the Board may direct that steps be taken as is reasonably necessary, including the institution of legal action or the imposition of fines in the manner authorized by RCW Chapter 64.38, to abate any activity, remove anything or terminate any use of property which is determined by the ACC or described in this Declaration to constitute a nuisance.

Section 8: Limitation on Animals No animal, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats or other household pets may be kept if they are not kept, bred or maintained for any commercial purpose, and they shall not be kept in numbers or under conditions reasonably objectionable in a closely built-up residential community. Animals shall not be allowed to roam loose outside the limits of any Lot on which they are kept. Dogs must be kept so as to minimize excessive noise from barking or otherwise shall be considered a nuisance according to the terms of this Declaration.

Section 9: Limitation on Signs No signs of any kind, nor for any uses shall be erected, posted, painted or displayed on any Lot 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 or lease that Owner's Lot may place a sign not larger than 900 square inches on the property itself; and (4) during regular political campaigns, any Owner may display political signs not larger than 900 square inches on his Lot, provided said signs shall be removed the day following the election for which they are displayed.

Section 10: Completion of Construction Projects The work of construction of all buildings and structures shall be pursued diligently and continuously from commencement of construction until the structures are fully completed and painted. All structures shall be completed as the external appearance, including finish painting, within eight (8) months of the date of commencement of construction, except such construction as is performed by the Developer, which shall be exempt from the limitations contained in this Section. Front yard landscaping must be completed within ninety (90) days of completion of a Housing Unit, and rear yard landscaping must be completed within one (1) year of completion of a Housing Unit. Except with the approval of the ACC, no person shall reside on the premises of any lot until such time as the improvements to be erected thereon, in accordance with the plans and specifications approved by the Board have been completed.

Section 11: Limitation on Storage of Vehicles – Temporary Permits for RV's Except as hereinafter expressly provided, the Lots, Common Areas and/or streets located on the Properties shall not be used for the storage and/or overnight parking of any vehicle other than

private family automobiles, trucks, motorcycles and commercial vehicles operated by a person residing at the Lot (provided that such commercial vehicles contain a single rear axle) Boats, boat trailers, house trailers, campers, trucks, trucks with a camper, or other recreational vehicles or similar object may not be stored and/or parked overnight on any part of the Properties, except as specified herein No inoperable vehicles of any kind shall be parked, stored, maintained, or constructed on any lot or street unless stored in a garage

Lot Owners may store a commercial vehicle (that exceeds the size restriction described above), boat, boat trailer, house trailer, camper, truck with camper or other recreational vehicle or similar object on the Lot in the event that it is screened from the view with at a minimum a six (6) foot fence according to standard fence detail Any screening constructed by a Lot Owner for the purpose of this section must be approved before construction by the ACC in the manner provided in Section 5 of Article IX

Notwithstanding the foregoing, Lot Owners who have guests visiting them intending to stay in a camper, trailer, or other form of recreational vehicle, may secure written permission from the ACC for guests to park a vehicle upon the Lot or the public street adjacent to a Lot for a period of up to two (2) weeks The privilege shall only exist, however, after the written permission has been obtained from the ACC or its authorized representative

Section 12: Unsightly Conditions No unsightly conditions shall be permitted to exist on any Lot. Unsightly conditions shall include, without limitation; laundry hanging or exposed in view for drying, litter, trash, junk or other debris, inappropriate, broken or damaged furniture or plants, non-decorative gear, equipment, cans, bottles, ladders, trash barrels and other such items; and no awnings, air conditioning units, heat pumps or other projections shall be placed on the exterior walls of any Housing Unit unless prior written approval shall have been obtained from the ACC

Section 13: Antennas, Satellite Reception Satellite dishes with a maximum diameter of no more than approximately twenty-four (24) inches, measured in any direction across the face of the dish, are permitted provided that the location of such satellite dish is approved in writing by the ACC in the manner described in Article IX, Section 5 Except as provided above, no radio or television antenna or transmitting tower or satellite dish shall be erected on the exterior of any home without approval of the ACC obtained pursuant to Article IX, Section 5, and a showing by the Owner(s) that such installation will be visually shielded from most of the view of the residents traveling upon streets located on the Property

Section 14: Residential Use Only; Home Businesses Limited Except for Developer's temporary sales offices and model homes, no Lot shall be used for other than one (1) detached single-family dwelling with driveway parking for not more than three (3) cars A trade, craft business, commercial or business or commercial activity ("Home Business") may be conducted or carried on within any building located on a Lot, provided that any goods, materials or supplies used in connection with any trade, service or business, wherever the same may be conducted, be kept or stored inside any building on any Lot and that they not be visible from the exterior of the home, nor shall any goods, used for private purposes and not for trade or business be kept or stored outside any building on any Lot The provisions of this Section shall permit such Home Businesses to the extent permitted by applicable zoning laws and other government laws, regulations, rules and ordinances Nothing in this Section shall permit (1) the use of a Lot for a purpose which violates law, regulations, rules or applicable zoning codes, or (2) Home Business

activities that cause a significant increase in neighborhood traffic, or (3) modification of the exterior of the home. The Association may, from time-to-time, promulgate rules restricting the activities of Home Businesses located on the Properties pursuant to the authority granted to the Association under these Covenants, the Bylaws, and RCW Chapter 64.38

Section 15: Underground Utilities Required. Except for any facilities or equipment provided by the Developer of any utility, all electrical service, telephone lines and other outdoor utility lines shall be placed underground

Section 16: Additional Restrictions Additional Building, use and architectural restrictions, if any, are described in *Exhibit B* to this Declaration. The provisions of this Article IX apply to the restrictions described in *Exhibit B*.

Section 17: Enforcement The Association, or the Developer during the Development Period, may, but is not required, to take any action to enforce the provisions of the Declaration available to it under law, including but not limited to imposition of fines as authorized by RCW Chapter 64.38, specific performance, injunctive relief, and damages. Any Member may also enforce the terms of this Article (although a Member may not impose a fine as authorized by RCW Chapter 64.38), but the Member must first obtain an order from a court of competent jurisdiction entitling the Member to relief. In the event that a Member takes action to enforce the terms of this Article, the Association shall not be in any way obligated to join in such action, or pay any of the attorney's fees, costs and expenses incurred in such action.

ARTICLE X: Easements

Section 1: Lot Maintenance and Encroachments

1.1: Each Lot and all Common Areas and Lot improvements are hereby declared to have a non-exclusive perpetual easement over all adjoining Dwelling Units, if any, Lots (including setback areas) and Common Areas, for the purpose of accommodating any encroachment due to engineering errors, errors in original construction, reconstruction, or repair of any portion of a lot 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 that 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 of said Owner or Owners.

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

1.3: The foregoing easements and encroachments shall not be construed to prevent the county or city, as the case may be, from enforcing any now existing or future code, ordinance or regulation wherein the Owner is expanding or substantially reconstructing the encroaching structure.

Section 2: Easements on Exterior Lot Lines. In addition to easements reserved on any plat of the Properties or shown by instrument of record, easements for utilities and drainage are reserved for the Developer or its assigns, over a five (5) foot wide strip along each side of the interior Lot lines, and a ten (10) foot wide strip over the rear and front of each Lot, and over, under, and on the Common Areas. Within all of the easements, no structure, planting or fill material shall be placed or permitted to remain which may, in the opinion of the Board or ACC, damage or interfere with the installation and maintenance of utilities, or which may obstruct or retard the flow of water through drainage channels and the easements. The easement area of each Lot and all improvements within it shall be maintained continuously by the Owner of such Lot, except those improvements for which a public authority, utility company or the Association is responsible.

Section 3: Association's Easement of Access. The Association, the ACC, and its agents shall have an easement for access to each Lot and to the exterior of any building located thereon during reasonable hours as may be necessary for the following purposes: (1) cleaning, maintenance, or repair of any home or Lot as provided in Article XI, Section 3 of this Declaration, (2) repair, replacement or improvement of any Common Area accessible from the Lot, (3) emergency repairs necessary to prevent damage to the Common Areas or to another Lot, or to the improvements thereon, (4) cleaning, maintenance, repair or restoration work which the Owner is required to do but has failed or refused to do, and (5) all acts necessary to enforce these Covenants.

Section 4: Easement for Developer. Developer and Developer's agents and contractors shall have an easement across all Common Areas for ingress, egress, storage and placement of equipment and materials, and other actions necessary or related to the development, sale, lease or maintenance of the Real Property for a period as long as the Developer has any responsibility for the project, including but not limited to any responsibility related to bond maintenance. Developer and Developer's agents and contractors shall have an easement across all Lots for ingress and egress necessary to maintain, replant or otherwise reconstruct the perimeter planting easement areas, if any, for a period as long as the Developer has any responsibility for the project, including but not limited to any responsibility relating to bond maintenance.

Section 5: Utility Easements. Utility easements as shown on the Plat Map, including the following, are created by reservation:

- 5.1 For the purpose of entry signs, easements are reserved as shown on the recorded Plat;
- 5.2 For the installation and maintenance of irrigation facilities, easements are reserved as shown on the recorded Plat,
- 5.3 For the purpose of drainage utilities, a drainage easement is reserved as shown on the recorded Plat over Lot 13, and
- 5.4 For the purpose of water, sewer and drainage utilities, easements are reserved as shown on the recorded Plat over Lots 51, 52, 53, 66 and 67.

Section 6: Public Use Easement. The general public shall have a perpetual non-exclusive easement of use and enjoyment over and across the pedestrian walkway located upon Tract 996 for the normal and usual purposes of a pedestrian walkway.

Section 7: Entrance Sign Easements. Easements as shown on the recorded Plat are hereby reserved for the purpose of entrance signs. Temporary access easements are hereby reserved as may be required for access to said entrance sign easements for the purpose of maintenance and repair of any improvements upon said entrance sign easements.

Within said easements, no structure, planting or other material shall be placed, or permitted to remain, which may damage or interfere with the installation or maintenance of utilities, or which may change the direction of flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements. The easement area of each Lot and all improvements upon 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. Improvements, for which a public authority or utility company is responsible, shall not be altered or moved by the Owner of any Lot.

ARTICLE XI: Mortgage Protection

Section 1: Mortgagees. Notwithstanding and prevailing over any other provision(s) of this Declaration, the Association's Articles of Incorporation or Bylaws, or any rules, regulations or management agreements, the following provisions shall apply to and benefit each Institutional First Mortgagee ("Mortgagee") which holds a Mortgage given for the purpose of obtaining funds for the construction or purchase of a Housing Unit on any Lot or the improvement of any Lot.

Section 2: Liability Limited The Mortgagee entitled to the protection hereof shall not in any case or manner be personally liable for the payment of any assessment or charge, nor for the observance or performance of any Covenant, Restriction, Regulation, Rule, Association Article of Incorporation or Bylaw, or management agreement, except for those matters which are enforceable by injunctive or other equitable relief, not requiring the payment of money, except as hereinafter provided.

Section 3: Mortgagee's Rights during Foreclosure. During the pendency of any proceeding to foreclose the Mortgage, the Mortgagee or the receiver, if any, may exercise any or all of the rights and privileges of the Owner of the mortgaged Lot, including but not limited to the right to vote as a Member of the Association to the exclusion of the Owner's exercise of such rights and privileges.

Section 4: Acquisition of Lot by Mortgagee At such time as the Mortgagee shall become entitled to possession of the Lot, the Mortgagee shall be subject to all of the terms and conditions of the Declaration, and the Articles, Bylaws, Rules and Regulations of the Association, including but not limited to the obligation to pay for all assessments and charges accruing thereafter, in the same manner as any Owner, provided, however, the Mortgagee shall acquire the title to said Lot free and clear of any lien authorized by or arising out of any provisions of the Declaration which secure the payment of any assessment for charges accrued prior to the date the Mortgagee became entitled to possession of the Lot.

Section 5: Reallocation of Unpaid Assessment If it is deemed necessary by the Association, any unpaid assessment against a Housing Unit foreclosed against may be treated as a common expense of other Lots. Any such unpaid assessment shall continue to exist as a personal obligation of the defaulting Owner of the respective Lot to the Association.

Section 6: Subordination The liens for assessments provided for in this Declaration shall be subordinate to the lien of any Mortgage, or other security interest placed upon a Lot or Housing Unit as a construction loan security interest or as a purchase price security interest, and the Association will, upon demand, execute a written subordination document to confirm the particular superior security interest.

Section 7: Mortgagee's Rights Any Mortgagee shall have the right upon request to: (1) inspect the books and records of the Association during normal business hours, (2) receive an annual audited financial statement of the Association within ninety (90) days following the end of any fiscal year, and (3) receive written notice of all meetings of the Association and designate a representative to attend all such meetings.

Section 8: Limitation on Abandonment of Common Areas The Association shall not, without the prior written approval of sixty-seven percent (67%) of the Mortgagees, seek to abandon the Common Areas for reasons other than substantial destruction or condemnation of the property.

Section 9: Notice If such notice has been requested in writing, Mortgagees shall be entitled to timely written notice of: (1) substantial damage or destruction of any Housing Unit or any part of the Common Areas or facilities; (2) any condemnation or eminent domain proceedings involving any Housing Units or any portion of Common Areas or facilities, (3) any default under this Declaration or the Articles, Bylaws or Rules and Regulations of the Association by an Owner of any Housing Unit on which it holds the mortgage which is not cured within thirty (30) days, (4) any sixty (60) day delinquency in the payment of assessments or charges owed by the Owner of any Housing Unit on which it holds the mortgage, (5) ten (10) days' prior written notice of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association, and (6) any proposed action that requires the consent of a specific percentage of Mortgagees.

ARTICLE XII: Management Contracts

Each Member hereby agrees that the Association and the ACC may enter into agreements for the performance of any or all of the functions of the Association and the ACC with such persons or entities as the Association deems appropriate, however, any agreement for professional management of the Properties, or any other contract providing services during the development period must provide for termination by either party without cause after reasonable notice.

ARTICLE XIII: Insurance

Section 1: Coverage The Association may purchase as a Common Area Expense and shall have authority to and may obtain insurance for the Common Areas against loss or damage by fire or other hazards in an amount sufficient to cover the full replacement value in the event of

damage or destruction. It may also obtain a comprehensive public liability policy covering the Common Areas including the public use and enjoyment easement area upon Tract 996. The comprehensive public liability coverage shall be in an amount to be determined by the Association. The Board may also obtain insurance to cover the Board, the ACC, its agents and employees from any action brought against them arising out of actions taken in furtherance of the Association's duties under this Declaration.

Following the development period, all such insurance coverage shall be written in the name of the Association as trustee for each of the Members of the Association. The Association shall review the adequacy of the Association's insurance coverage at least annually. All policies shall include a standard mortgagee's clause and shall provide that they may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least ten (10) days prior written notice to any and all insured named therein, including Owners and Institutional First Mortgagees that have requested notice.

Section 2: Replacement, Repair after Loss. In the event of damage or destruction of the Common Areas covered by insurance written in the name of the Association, the Association may, upon receipt of the insurance proceeds, and to the extent of such proceeds contract to rebuild or repair such damaged or destroyed portions of the Common Areas to as good a condition as they were when the loss occurred, provided, however, that the Association's election not to rebuild the Common Areas shall require the approval of two-thirds (2/3) of the Association. The Association may in its sole discretion contract with any contractor for reconstruction or rebuilding of such destroyed portions of the Common Areas. If the damage or destruction is to any improvement located upon the public use and enjoyment easement area upon Tract 996, the City shall have the right, but not the obligation to take appropriate measures to repair or replace such damage or destruction and bill the Association for the costs. Reconstruction of any improvements upon the public use and enjoyment easement area upon Tract 996 following destruction shall be approved by the City.

ARTICLE XIV: Rules and Regulations

The Association and/or its Board of Directors is hereby authorized and empowered to adopt rules and regulations governing the use of the Properties and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof, in the manner described by RCW Chapter 64 38, the Bylaws and any resolutions passed by the Board. All Lot Owners shall be given written notice of the Rules and Regulations in the manner required by RCW Chapter 64 38.

ARTICLE XV: Remedies and Waiver

Section 1: Remedies Not Limited. The remedies provided herein, including those for collection of any assessment or other charge or claim against any Member, for and on behalf of the Association, the ACC, or Developer, are in addition to, and not in limitation of, any other remedies provided by law.

Section 2: No Waiver The failure of the Association, the ACC, the Developer or of any of their duly authorized agents or any of the Owners to insist upon the strict performance of or compliance with the Declaration or any of the Articles, Bylaws or Rules or Regulations of the Association, or to exercise any right or option contained therein, or to serve any notice, or to

institute any action or summary proceedings, shall not be construed as a waiver or relinquishment of such right for the future, but such right to enforce any of the provisions of the Declaration or of the Articles, Bylaws or Rules or Regulations of the Association shall continue and remain in full force and effect. No waiver of any provision of the Declaration or of the Articles, Bylaws, Rules or Regulations the Association shall be deemed to have been made, either expressly or implied, unless such waiver shall be in writing and signed by the Board of Directors of the Association pursuant to authority contained in a resolution of the Board of Directors.

ARTICLE XVI: General Provisions

Section 1: Singular and Plural The singular wherever used herein shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, men or women, and shall in all cases be assumed as though in each case fully expressed

Section 2: Severability The invalidity of any one or more phrases, sentences, clauses, paragraphs or sections hereof shall not affect the remaining portions of this Declaration or any part hereof, all of which are inserted conditionally on their being held valid in law and in the event that one or more of the phrases, sentences, clauses, paragraphs or sections contained herein should be invalid, this Declaration shall be construed as if such invalid phrase, sentence, clause, paragraph, or section had not been inserted

Section 3: Duration These Covenants, Restrictions, Reservations and Conditions shall remain in full force and effect for a period of twenty (20) years from the date hereof. Thereafter, they shall be deemed to have been renewed for successive terms of ten (10) years, unless revoked or amended as herein above provided

Section 4: Perpetuities In the event that any provision of this Declaration violates the rule against perpetuities, such provision shall be construed as being void and of no effect as of twenty-one (21) years after the death of the last surviving incorporator of the Association, or twenty-one (21) years after the death of the last survivor of all of the said incorporators' children and grandchildren who shall be living at the time this instrument is executed, whichever is later

Section 5: Attorney's Fees, Costs and Expenses In the event the Association or a Member employs an attorney to enforce any provision of the Declaration, the Articles, Bylaws of the Association, or Rules and Regulations adopted by the Association, the prevailing party in any action for enforcement shall be entitled to the award of reasonable attorney's fees, costs and all expenses incurred in the action, whether determined by judgment, arbitration or settlement

Section 6: Method of Notice Any notice required by the Declaration, the Articles or Bylaws of the Association or the Rules and Regulations adopted by the Association shall be deemed properly given when personally delivered, deposited in the United States mail, postage prepaid, or when transmitted by facsimile.

Section 7: Enforcement of Declaration This Declaration may be enforced by the Association, the Developer or the Owner(s) of any Lot. Such enforcement may include the institution of legal proceedings to enforce compliance with or specific performance of any of the covenants or restrictions contained in this Declaration, Rules and Regulations adopted by the Association, or the provisions of the Articles or Bylaws of the Association.

Section 8: Successors and Assigns This Declaration binds and is for the benefit of the heirs, successors and assigns of Declarant, the Developer, the Members and the Owners

Section 9: Exhibits All exhibits referred to in this Declaration are incorporated within it.

ARTICLE XVII: Amendment and Revocation

Section 1: Exclusive Method This instrument may be amended, and partially or completely revoked only as herein provided or otherwise provided by law

Section 2: Amendment by Developer During the Development Period, the Developer may amend this instrument to correct errors, modify or add provisions, add Additional Real Property and to comply with the requirements of the Federal National Mortgage Association, Government National Mortgage Association, Veterans Administration or Federal Home Loan Mortgage Corporation by recording an acknowledged document setting forth specifically the provisions amending this instrument.

Section 3: Amendment by Association This Declaration may be amended at any annual meeting of the Association; or at a special meeting called for such purpose, if sixty-seven percent (67%) or more of the Owners vote for such amendment, or without such meeting if all Owners are notified in writing of such amendment, and if sixty-seven percent (67%) or more of the Owners vote for such amendment by written ballot. Notice of any proposed amendment shall be given to all Owners not less than ten (10) days prior to the date of the annual meeting or of any special meeting at which the proposed amendment shall be considered. Notwithstanding any of the foregoing, fifty-one percent (51%) of all Institutional First Mortgagees who have requested notification of amendments must give prior written approval to any material amendment of the Declaration or Bylaws, including any of the following:

1. Voting rights;
2. Assessments, assessment liens and subordination of such liens,
3. Reserves for maintenance, repair and replacement of Common Areas,
4. Insurance or fidelity bonds,
5. Responsibility for maintenance and repair,
6. Contraction of the project or the withdrawal of property from the Properties,
7. The boundaries of any Lot,
8. Leasing of Housing Units other than as set forth herein,
9. Imposition of any restrictions on the right of an Owner to sell or transfer his or her Lot,

- 10 Any decision by the Association to establish self-management when professional management had been required previously by an Institutional First Mortgagee,
- 11 Restoration or repair (after hazard damage or partial condemnation) in a manner other than that specified in this Declaration,
- 12 Any action to terminate the legal status of the Properties after substantial destruction or condemnation occurs; or
- 13 Any provisions which are for the express benefit of Institutional First Mortgagees

Any Institutional First Mortgagee who receives written notification from the Association requesting a response or consent to any action as required herein, shall be deemed to have approved such action if the Association does not receive a written response from the Institutional First Mortgagee within sixty (60) days of the mailing of said written notification

Section 4: Effective Date Amendments shall take effect only upon recording with the Recorder or Auditor of the county in which this Declaration is recorded

Section 5: Protection of Developer For such time as Developer shall own Lots located in the Properties or shall have other legal obligations, including but not limited to bond obligations, there shall be no amendments to this Declaration, the Articles of incorporation, the Bylaws of the Association, or any Rules and Regulations adopted by the Association which

- 1 Discriminate or tend to discriminate against the Developer's rights,
- 2 Change Article I ("Definitions") in a manner which alters the Developer's right or status,
- 3 Alter the character and rights of membership or the rights of the Developer as set forth in Article III,
- 4 Alter the basis for assessments, or the Developer's exemption from assessments;
- 5 Alter the number or selection of Directors as established in the Bylaws,
- 6 Alter Developer's rights under Article IX, Section 2;
- 7 Alter the Developer's rights under Article X;
- 8 Alter the Developer's rights as they appear under this Article

ARTICLE XVIII: Dispute Resolution

Section 1: Alternative Dispute The Developer, the Builder and the Owners hope that there will be no disputes arising out of their relationship. In order to further that goal, each party hereby agrees to cooperate and to deal with every other party in good faith and to otherwise deal fairly in the performance of any obligation or right under this Declaration. In the unusual event a

dispute arises between the parties however, the parties agree to resolve all disputes according to the following alternative dispute resolution procedure, the parties shall attempt to seek a prompt and mutually acceptable negotiated settlement, but if the parties are unable to reach an agreement, all disputes shall be resolved by binding arbitration, provided that during the arbitration process, the parties may seek mediation of the dispute, however any mediation shall not act to delay the arbitration process. The parties understand that by agreeing to this alternative dispute resolution process, they intend to give up their right to have any dispute decided in court by a judge or jury.

Section 2: Dispute Procedure If Declarant has issued a warranty of quality to initial purchasers, and such warranty contains provisions governing the making of claims and the resolution of disputes, then, the provisions of such warranty related to the bringing of claims and resolution of disputes shall apply and in the event there is a conflict between this Declaration and said warranty provisions, the provisions of said warranty shall control over this Article

EXHIBIT A

LEGAL DESCRIPTION OF HAWTHORNE STATION

EXHIBIT "A"
PLAT CERTIFICATE
SCHEDULE A

(Continued)

Order No.: 5300546

LEGAL DESCRIPTION

PARCEL A:

THE WEST HALF OF THE WEST HALF OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 28 TOWNSHIP 27 NORTH RANGE 5 EAST;
EXCEPT COUNTY ROAD KNOWN AS 212TH STREET SE

PARCEL B:

THE NORTH HALF OF NORTH HALF OF SOUTHEAST QUARTER OF NORTHWEST QUARTER OF NORTHWEST QUARTER OF SECTION 28, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M., SNOHOMISH COUNTY, WASHINGTON;

EXCEPT THE EAST 395 FEET THEREOF;

(ALSO KNOWN AS LOT 2 OF SP 523(12-77) AS RECORDED APRIL 7, 1978 UNDER AUDITOR'S FILE NUMBER 7804070346);

PARCEL B-1:

A NON-EXCLUSIVE EASEMENT FOR INGRESS, EGRESS AND UTILITIES OVER, UNDER AND ACROSS THE NORTH 30 FEET OF THE EAST 395 FEET OF THE NORTH HALF OF NORTH HALF OF SOUTHEAST QUARTER OF NORTHWEST QUARTER OF NORTHWEST QUARTER OF SAID SECTION 28;

EXCEPT THE EAST 30 FEET OF SAID EASEMENT PROPERTY CONVEYED TO SNOHOMISH COUNTY FOR ROAD BY DEEDS RECORDED UNDER AUDITOR'S FILE NUMBERS 182600 AND 7805030237, RECORDS OF SNOHOMISH COUNTY, WASHINGTON.

PARCEL C:

THE SOUTH HALF OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 28, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M.;

EXCEPT THE FOLLOWING DESCRIBED TRACT:

BEGINNING AT THE NORTHEAST CORNER OF THE SOUTH HALF OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER;
THENCE SOUTH 89°59'22" WEST 659.18 FEET TO NORTHWEST CORNER OF SAID SOUTH HALF OF NORTH HALF;
THENCE SOUTH 0°11'30" EAST 89.77 FEET;
THENCE NORTH 89°59'22" EAST PARALLEL WITH THE NORTH LINE OF SAID SOUTH HALF OF THE NORTH HALF 519.16 FEET;
THENCE NORTH 0°11'00" WEST 34.77 FEET;
THENCE NORTH 89°59'22" EAST 140 FEET TO EAST LINE OF SAID SOUTH HALF OF THE NORTH HALF;

SEE NEXT PAGE

EXHIBIT "A" Cont

SCHEDULE A

(Continued)

Policy No. 005300546

LEGAL DESCRIPTION

THENCE NORTH 0°11'30" WEST 55 FEET TO THE POINT OF BEGINNING; ALSO
EXCEPT THE EAST 20 FEET FOR ROAD; ALSO
EXCEPT THE WEST 300 FEET THEREOF.

PARCEL D:

LOTS 1 AND 2 OF SNOHOMISH COUNTY SHORT PLAT NO. 409(11-80) AS RECORDED UNDER
AUDITOR'S FILE NO. 8186150156, RECORDS OF SNOHOMISH COUNTY, WASHINGTON;

EXCEPT THAT PORTION OF SAID LOTS 1 AND 2 BEING MORE PARTICULARLY DESCRIBED AS
FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID LOT 1; THENCE SOUTH 87°44'18" EAST,
ALONG THE NORTH LINE OF SAID LOT 1, A DISTANCE OF 160.00 FEET TO THE NORTHEAST
CORNER OF THE WEST 160 FEET OF SAID LOT 1; THENCE SOUTH 02°05'00" WEST, ALONG THE
EAST LINE OF SAID WEST 160 FEET AND ALONG THE SOUTHERLY PROLONGATION OF SAID EAST
LINE, A DISTANCE OF 143.67 FEET TO A LINE WHICH IS PARALLEL WITH, 4.00 FEET SOUTH
OF, AND AS MEASURED AT RIGHT ANGLES TO THE SOUTH LINE OF SAID LOT 1; THENCE NORTH
87°44'16" WEST, ALONG SAID PARALLEL LINE, A DISTANCE OF 135.08 FEET TO THE
BEGINNING OF A TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 25.00 FEET; THENCE
NORTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 89°49'16" AN ARC
DISTANCE OF 39.19 FEET TO A POINT OF TANGENCY ALONG THE WEST LINE OF SAID LOT 1;
SAID WEST LINE ALSO BEING THE EASTERLY RIGHT-OF-WAY MARGIN OF 35TH AVE. SE;
THENCE NORTH 02°05'00" EAST, ALONG SAID WEST LINE AND MARGIN, A DISTANCE OF 118.75
FEET TO THE POINT OF BEGINNING.

(ALSO KNOWN AS NEW LOT 2 OF SNOHOMISH COUNTY BOUNDARY LINE ADJUSTMENT RECORDED
UNDER AUDITOR'S FILE NUMBER 200407290925)

PARCEL E:

THAT PORTION OF THE SOUTH HALF OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF THE
NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 28, TOWNSHIP 27 NORTH,
RANGE 5 EAST, W.M., DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID SUBDIVISION;
THENCE SOUTH 0°11'30" EAST 89.77 FEET;
THENCE NORTH 89°59'22" EAST PARALLEL WITH THE NORTH LINE OF SAID SUBDIVISION, 300
FEET;
THENCE NORTH 0°11'30" WEST TO A POINT ON A LINE 15 FEET SOUTH OF AND PARALLEL TO
SAID NORTH LINE;
THENCE EAST ALONG SAID PARALLEL LINE, 359.18 FEET, MORE OR LESS, TO THE EAST LINE
OF SAID SUBDIVISION;
THENCE NORTH 0°11'30" WEST 15 FEET, MORE OR LESS, TO THE NORTHEAST CORNER OF SAID

EXHIBIT "A" CONT

SCHEDULE A

(Continued)

Policy No. 005300546

LEGAL DESCRIPTION

SUBDIVISION:

THENCE SOUTH 89°59'22" WEST TO THE POINT OF BEGINNING;
EXCEPT THE EAST 70 FEET THEREOF CONVEYED TO SNOHOMISH COUNTY BY DEED RECORDED IN
VOLUME 147 OF DEEDS, PAGE 5, RECORDS OF SNOHOMISH COUNTY, WASHINGTON.

PARCEL F:

THE WEST 300 FEET OF THE SOUTH HALF OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF
THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 28, TOWNSHIP 27 NORTH,
RANGE 5 EAST, W.M.;
EXCEPT THE NORTH 89.77 FEET THEREOF.

PARCEL G:

THE NORTH HALF OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHWEST
QUARTER OF SECTION 28, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M.;

EXCEPT THE WEST 264 FEET THEREOF;
AND EXCEPT THE NORTH 20 FEET THEREOF CONVEYED TO SNOHOMISH COUNTY BY DEED
RECORDED UNDER AUDITOR'S FILE NUMBER 663968.

PARCEL H:

THE SOUTH HALF OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHWEST
QUARTER OF SECTION 28, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M., SNOHOMISH COUNTY,
WASHINGTON;

EXCEPT PORTION THEREOF DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EAST MARGIN OF COUNTY ROAD AND THE SOUTH
LINE OF SOUTH HALF OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE
NORTHWEST QUARTER OF SECTION 28, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M.;
THENCE NORTH, ALONG SAID EAST ROAD MARGIN, 230 FEET, MORE OR LESS, TO A POINT 100
FEET SOUTH OF THE NORTH LINE OF THE SOUTH HALF OF THE NORTHWEST QUARTER OF THE
NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 28, THE TRUE POINT OF
BEGINNING;
THENCE EAST PARALLEL TO SAID NORTH LINE 200 FEET;
THENCE NORTH, PARALLEL TO THE EAST MARGIN OF COUNTY ROAD, 100 FEET TO THE NORTH
LINE OF THE SOUTH HALF OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE
NORTHWEST QUARTER OF SAID SECTION 28;
THENCE WEST, ALONG SAID NORTH LINE, 200 FEET TO THE EAST MARGIN OF COUNTY ROAD;
THENCE SOUTH ALONG SAID EAST ROAD MARGIN 100 FEET TO THE POINT OF BEGINNING;

AND EXCEPT THE WEST 30 FEET CONVEYED TO SNOHOMISH COUNTY FOR ROAD PURPOSES
RECORDED UNDER AUDITOR'S FILE NO. 7706010207.

EXHIBIT "A" CONT

SCHEDULE A

(Continued)

Policy No.: 005300546

LEGAL DESCRIPTION

ALSO KNOWN AS LOT 1 SNOHOMISH COUNTY SHORT PLAT NO. 101(3-77), RA FN 7705230310.

PARCEL I:

THAT PORTION OF THE SOUTH HALF OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 28, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M., SNOHOMISH COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE EAST MARGIN OF COUNTY ROAD AND THE SOUTH LINE OF SOUTH HALF OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 28, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M.,; THENCE NORTH, ALONG SAID EAST ROAD MARGIN, 230 FEET, MORE OR LESS, TO A POINT 100 FEET SOUTH OF THE NORTH LINE OF THE SOUTH HALF OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 28, THE TRUE POINT OF BEGINNING;

THENCE EAST PARALLEL TO SAID NORTH LINE 200 FEET;
THENCE NORTH PARALLEL TO THE EAST MARGIN OF COUNTY ROAD, 100 FEET TO THE NORTH LINE OF THE SOUTH HALF OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 28;
THENCE WEST, ALONG SAID NORTH LINE, 200 FEET TO THE EAST MARGIN OF COUNTY ROAD;
THENCE SOUTH ALONG SAID EAST ROAD MARGIN 100 FEET TO THE POINT OF BEGINNING;
EXCEPT THE WEST 30 FEET CONVEYED TO SNOHOMISH COUNTY FOR ROAD PURPOSES, RECORDED UNDER AUDITOR'S FILE NO. 7706010206 AND 7706010207.

ALL SITUATE IN THE COUNTY OF SNOHOMISH, STATE OF WASHINGTON.

EXHIBIT B

ADDENDUM TO ARTICLE IX/Section 16: Additional Building, Use and Architectural Restrictions.

1. **Minimum Dwelling Size.** Each one story single family residence must include a minimum of 1,400 square feet excluding garage and porches. Each two story single family residence must include a minimum of 1,500 square feet excluding garage and porches.
2. **Driveways.** All driveways shall be constructed of concrete. Pan handles may be paved with asphalt to within twenty (20) feet of garage.
3. **Dwelling Exteriors.** 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. Exterior trim, fences, doors, railings, 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.
4. **Minimum 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.
5. **Auxiliary Structures.** No dog house, playhouse, shed, or structure of a similar kind or nature shall be constructed on any part of a Lot located in front of the rear line of the residence constructed thereon.
6. **Governmental 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. **Catch Basins.** The cleaning of catch basins, if any, on individual Lots shall be carried out at least once prior to September 15th of each calendar year.
8. **Governmental Right of Access.** All governmental and quasi-governmental entities shall have rights of access, maintenance and inspection for the open space areas, any drainage facilities or utility systems contained therein, or other matter of their respective jurisdiction.
9. **Setbacks.** The front, side and rear yard setbacks shall comply with any applicable city or county code, and subsequent amendments thereto.
10. **Roofs.** Roofs on all buildings must be finished with materials approved for use by the ACC or its authorized representatives. More than one type of material may be approved.
11. **Fences, Walls.** In order to preserve the aesthetics of the Properties, no fence, wall or hedge shall be erected or placed on any Lot unless prior written approval has been

obtained from the ACC. The design and color of any fence on the Properties shall be constructed according to a standard fence detail.

12. Soils Reports As part of the building permit application for the residential structure to be built on each Lot, the Owner shall submit a soils report conducted by a licensed geotechnical engineer, which reviews the proposed structure and addresses soil capabilities, ground hydrology and the manner in which the same shall be mitigated.

EXHIBIT C

**COPY OF CERTIFICATE OF INCORPORATION
FROM THE SECRETARY OF STATE**

UNITED STATES OF AMERICA

The State of Washington



Secretary of State

I, **SAM REED**, Secretary of State of the State of Washington and custodian of its seal,
hereby issue this

CERTIFICATE OF INCORPORATION

to

THE HAWTHORNE STATION HOMEOWNERS' ASSOCIATION

a/an WA Non-Profit Corporation Charter documents are effective on the date indicated
below

Date 11/4/2004

UBI Number 602-443-577

APPID 177234



Given under my hand and the Seal of the State
of Washington at Olympia, the State Capital

Sam Reed, Secretary of State