

**Attached is a clean,  
non-editable copy of the  
original - Shadows at Swan  
Lake (Swan Crest) CCRs PDF  
of 3/15/1995**

Recorded at Request of and  
After Recording Return to:

Dennis Kohloff  
Countrywood Homes, Inc.  
14410 Bel-Red Road, Suite 200  
Bellevue, WA 98007

### DECLARATION AND COVENANTS, CONDITIONS, RESTRICTIONS, EASEMENTS AND RESERVATIONS FOR SHADOWS AT SWAN LAKE

THIS DECLARATION AND COVENANTS, CONDITIONS, RESTRICTIONS,  
EASEMENTS AND RESERVATIONS FOR SHADOWS AT SWAN LAKE (the  
"Declaration") is made by COUNTRYWOOD HOMES, INC., a Washington  
corporation ("Declarant") as of this 15 day of MARCH  
, 1995.

#### RECITALS

Declarant is the owner of certain real property (the  
"Property") in King County, Washington, legally described on  
Exhibit A hereto.

The Property is subdivided as shown in the Plat for Shadows  
at Swan Lake recorded in volume 166 of Plats, pages 23 through 75  
records of King County, Washington (the "Plat").

Declarant wishes to subject the Property to this  
Declaration.

NOW, THEREFORE, Declarant declares that the Property subject  
to all restrictions and easements of the Plat, shall be held,  
transferred, sold, conveyed, leased, used and occupied subject to  
the covenants, conditions, restrictions, easements, assessments,  
and liens hereinafter set forth which are for the purpose of  
protecting the value and desirability of and which shall touch  
and concern and run with title to the Property and which shall be  
binding on all parties having any right, title, or interest in  
the Property or any portion thereof, and their respective heirs,  
successors and assigns, and shall inure to the benefit of each  
owner thereof.

#### ARTICLE 1. DEFINITIONS

CHICAGO TITLE INSURANCE COMPANY  
has placed the document in  
record as a customer, lawfully  
and access to it lawfully to  
be accurate & reliable as  
the document.

Section 1.1 Words Defined. In this Declaration and any amendments hereto, the following terms shall have the following meanings and all definitions shall be applicable to the singular and plural forms of such terms:

1.1.1 "Association" shall mean Shadows at Swan Lake Homeowners Association described in Article 4 of this Declaration, its successors and assigns.

1.1.2 "Board" shall mean the Board of Directors of the Association, and "Directors" shall mean members of the Board of Directors.

1.1.3 "Construction" and "Constructed" shall mean any construction, reconstruction, erection or alteration of an Improvement, except wholly interior alterations to a then existing Structure.

1.1.4 "Declarant" shall mean Countrywood Homes, Inc. or such successor or assign (including a Participating Builder) as Declarant may designate by a writing recorded in the records of the Auditor of King County.

1.1.5 "Declaration" shall mean this Declaration of Covenants, Conditions, Restrictions, and Reservations for Shadows at Swan Lake, as it may from time to time be amended.

1.1.6 "First Mortgage" and "First Mortgagee" shall mean, respectively, (a) a recorded mortgage on a Lot that has legal priority over all other Mortgages thereon, and (b) the holder of a First Mortgage.

1.1.7 "Lot" shall mean any legally platted plot of land shown upon any recorded subdivision map of the Property.

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

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

1.1.10 "Owner" shall mean the record owner, whether one or more Persons, of fee simple title to a Lot within the Property, including a contract purchaser entitled to beneficial possession.

1.1.11 "Participating Builder" shall mean a Person who acquires from Declarant one or more Lots for the purpose of improving the same for resale to future Owners.

1.1.12 "Person" shall mean an individual, corporation, partnership, association, trustee, or other legal entity.

1.1.13 "Plat" shall mean the recorded plat of Shadows at Swan Lake and any amendments, corrections or addenda thereto subsequently recorded.

1.1.14 "Property" shall mean the land described on Exhibit A and such additions thereto as may hereafter be subjected to the terms of the Declaration, and all improvements and structures now or hereafter placed on the land.

1.1.15 "Restrictive Areas" shall mean those areas which are designated as such on the face of the Plat.

1.1.16 "Structure" shall mean any building, fence, wall, driveway, walkway, patio, garage, storage shed, carport, mailboxes, swimming pool, rockery, dog run or the like.

1.1.17 "Transition Date" shall be as defined in Section 4.10.

Section 1.2 Form of Words. The singular form of words shall include the plural and the plural shall include the singular. Masculine, feminine, and neuter pronouns shall be used interchangeably.

Section 1.3 Exhibits. The following are exhibits to this Declaration:

Exhibit A - Legal Description of the Property.  
Exhibit B - Description of Landscape Easement.  
Exhibit C - Fence Detail.

## ARTICLE 2. EASEMENTS.

Section 2.1 Easements for Utilities. Declarant hereby creates and reserves a 10 foot easement along all front property lines for the benefit of Puget Sound Power and Light Company, G.T.E. Telephone, Viacom T.V., Washington Natural Gas Company and such other similar private utility and drainage users as may be authorized by the Board, all for installation, repair, replacement and operation of the underground utility services provided by such entities. No structures shall be constructed on

any area reserved for this easement. The Board, with the consent of at least 51% of the voting power of the Association, shall be entitled to designate those additional private utilities that shall be entitled to utilize the easement area reserved in this Section 2.1.

Section 2.2 Storm Detention. Tract A is hereby dedicated to King County for storm detention purposes and King County shall be solely responsible for maintenance of any storm detention and drainage facilities located thereon.

Section 2.3 Monuments and Landscaping. Lots 1 and 11 shall be subject to an easement for installation, repair, replacement and operation of entry monumentation and landscaping, which is legally described in Exhibit B. The Association shall be responsible for maintenance, operation and repair of the entry monumentation and landscaping and may assess the Lot Owners for payment of expenses relating thereto.

Section 2.4 Restrictive Areas. No clearing of vegetation is permitted within the Restrictive Areas except for installation and maintenance of drainfields and cleaning and removal of existing debris piles. The owners of the Restrictive Areas shall be the Owners of the underlying fee of the respective abutting Lots, as indicated by the dotted lines, as shown on the face of the Plat. Each Owner shall be responsible for maintenance of the Restrictive Area associated with their respective Lot.

Section 2.5 Limited Access. There shall be no direct vehicular ingress or egress directly onto 238th Avenue N.E. from Lots 1 and 11.

Section 2.6 Private Storm Drainage Easements. Lot 4 is subject to a private storm drainage easement fifteen feet in width as shown on the face of the Plat, for the benefit of Lot 5.

Section 2.7 Common Driveway. Lot 5 is subject to an easement fifteen feet in width on which a driveway will be located to provide common ingress and egress to Lots 4 and 5. The Owners of Lots 4 and 5 will share equally in the costs of repair, maintenance, construction and replacement of the common driveway located in the easement area. Any dispute between the Owners of Lots 4 and 5 concerning the Common Driveway or the terms of this Section shall be submitted to the Board for resolution and the decision of the Board shall be binding.

Section 2.8 Public Roadway Easement. Lot 11 is subject to a public roadway easement for future street widening, as set forth on the face of the Plat.

Section 2.9 Temporary Turnaround Easement. Lots 6, 7 and 8 are subject to a temporary turnaround easement as set forth on the face of the Plat, which shall terminate at such time N.E. 61st Street is extended in a westerly direction to a publicly maintained road system and is accepted for maintenance by a public entity.

Section 2.10 King County Easements - Cuts and Fills. Lots 1 and 11 are subject to easements in favor of King County for the purpose of permitting slopes for cuts and fills along 238th Avenue S.E., which easements were recorded under King County Auditor's File Nos. 2916722, 4812911 and 4812932.

Section 2.11 Conditions for Grant of Easements. The easements granted in Section 2.1 are subject to the agreement of grantees to compensate grantor (or grantor's successors and assigns) for any damage to the affected property caused by the exercise of grantee's easement rights; to use reasonable care in carrying out any construction or repair in the easement areas and to restore such areas, to the extent reasonably practicable, to the condition they were immediately prior to such work; and to indemnify and hold harmless grantor (and grantor's successors and assigns) from any and all claims for injuries and/or damages suffered by any person caused by grantee's exercise of the rights herein granted.

### ARTICLE 3. CONSTRUCTION ON LOTS AND USE OF LOTS.

Section 3.1 Uniformity of Use and Appearance. One of the purposes of this Declaration is to assure within the Property a uniformity of use and quality of workmanship, materials, design, maintenance and location of Structures with respect to topography and finish grade elevation. It is in the best interests of each Owner that such uniformity of use be maintained as hereinafter provided. Notwithstanding anything herein set forth, the Construction of any Structure shall comply with the more restrictive of either (i) the terms and conditions of this Declaration or (ii) the laws, codes, ordinances and regulations of any governmental entity having jurisdiction.

#### Section 3.2 Submission and Approval of Plans

3.2.1 Construction. No Structure shall be Constructed or caused to be Constructed on any Lot unless the Plans for the Structure have been approved in writing by the Board. The Board's approval of any Plans shall not constitute any warranty or representation whatsoever by the Board or any of its members that such Plans were examined or approved for engineering or structural integrity or sufficiency or compliance with applicable

governmental laws, codes, ordinances and regulations, and each Owner hereby releases any and all claims or possible claims against the Board or any of them, and their heirs, successors and assigns, or of any nature whatsoever, based upon engineering or structural integrity or sufficiency or compliance with applicable governmental laws, codes, ordinances and regulations.

**3.2.2 Submission.** At least 45 days before commencing Construction of any Structure on any Lot, the Owner shall submit to the Board two complete sets of detailed building, construction, surface water run-off control and specifications and a site plan showing the location of all proposed Structures (the plans, specifications and site plans are individually and collectively referred to herein as the "Plans").

**3.2.3 Approval.** The Board may withhold its approval by reason of its reasonable dissatisfaction with the location of the Structure on the Lot, color scheme, finish, architecture, height, impact on view from another Lot or Lots, appropriateness of the proposed Structure or materials used therein. The Board's approval or disapproval of Plans shall be made within 45 days of submission of a complete set of plans, shall be in writing, and approval shall be evidenced by written endorsement on such Plans, one copy of which shall be delivered to the owner of the Lot upon which the Structure is to be Constructed. Except for violation of those restrictions specifically set forth in Sections 3.3 through 3.5, if no suit challenging any construction has been commenced within six months after its completion, Board approval will not be required and the related Covenants shall be deemed to have been fully complied with.

### **Section 3.3 Size and Height.**

**3.3.1 Floor Area.** The floor area of the main house Structure, exclusive of open porches and garages shall be not less than: (i) 1,500 square feet for a dwelling containing a single level; and (ii) 1,800 square feet for a dwelling containing two levels.

**3.3.2 Lot Size.** No Lot or portion of a Lot in this Plat shall be divided and sold or resold, or ownership changed or transferred whereby the ownership of any portion of this Plat shall be less than the area required for the use district in which the Lot is located.

**3.3.3 Local Codes.** All buildings or Structures shall be constructed in accordance with the King County and other applicable Codes. In the event of a conflict between any applicable codes and these CC&Rs, the codes shall govern.

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Section 3.4 Appearance.

Unless otherwise approved by the Board, the following design/construction requirements shall apply.

3.4.1 Roofing. All roofing materials shall be of wood cedar shakes.

3.4.2 Siding. All siding material other than masonry or stucco shall be wood siding stained with those colors commonly known as earth tones.

3.4.3 Entry Walks, Porches and Decks. All front entry walks shall be exposed aggregate concrete, and all decks and wood porches shall be constructed of cedar.

3.4.4 Driveways. All driveways shall be constructed of exposed aggregate concrete paving.

3.4.5 Window Coverings. Curtains, drapes, blinds or valances shall be installed on all windows facing or visible from public roadways within ninety (90) days of occupancy. No newspapers, bed sheets or other makeshift window coverings shall be visible.

Section 3.5 Use Restrictions.

3.5.1 Residential Use. The Lots shall be used only for single family residential purposes, and only one single family residence (and such accessory structures as are approved pursuant to this Article 3) shall be constructed on each Lot. Temporary "model homes" and real estate sales offices established for the purpose of marketing the Plat shall be considered a residential use until houses have been built and sold on all Lots.

3.5.2 Maintenance of Buildings and Lots. Each Owner shall, at the Owner's sole expense, keep the interior and exterior of the Structure on the Owner's Lot, as well as the Lot, in a clean and sanitary condition, free of rodents and pests, and in good order, condition and repair and shall do all redecorating, painting, landscaping, and maintenance at any time necessary to maintain the appearance and condition of the Structure and the Lot.

3.5.3 Maintenance of Landscaping. Owners shall at all times keep the front yard landscaping well maintained, including weed removal, mowing, fertilizing and watering (subject to governmental limitations on watering). If an Owner fails to so maintain the front yard, and fails to cure the defect within

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thirty (30) days after notice from the Board, then the Board may, by resolution adopted by seventy-five percent (75%) of the total Board membership, engage a commercial landscaping company to do necessary maintenance and may separately assess such maintenance as a charge against the Lot.

3.5.4 Completion of Construction. Any Structure erected or placed on any Lot shall be completed as to external appearance within eight months from the date Construction is started, however, with good cause shown, the Board may extend this term. All front landscaping must be completed within one month from the date of issuance of the certificate of occupancy, all side and rear landscaping must be completed within six (6) months of issuance of certificate of occupancy, however, with good cause shown, the Board may extend this term. All Lots shall be maintained in a neat and orderly condition during Construction.

3.5.5 Parking. No commercial-type trucks, campers, trailers, motorhomes, boats or motorcycles shall be parked or permitted to remain on any Lot, unless the same is stored or placed in a garage, in a rear yard area screened from adjoining lots, or in a screened carport. No such vehicles shall be parked overnight on any street adjoining any Lot; provided that such vehicles belonging to guests may occasionally be so parked. No motor vehicles, inoperative for reasons of mechanical failure, shall be parked and/or stored on any Lot or in the street right-of-way for more than 72 hours.

3.5.6 Signs. No sign of any kind shall be displayed to the public view on or from any Lot without the prior written consent of the Board, except for "For Rent" or "For Sale" signs in a form not prohibited by any rules and regulations of the Board. This Section shall not apply to the Declarant or any Participating Builder.

3.5.7 Animals. No horses, livestock, poultry, reptiles, pigs or other non-domestic animals shall be kept on any lot. All animal enclosures must be kept in a clean, neat and odor-free condition at all times. Notwithstanding anything set forth herein all Owners shall comply with all applicable governmental laws, codes, ordinances, and relations pertaining to animals.

3.5.8 Temporary Structures. No Structure of a temporary character, trailer, tent, shack, garage, barn, or other outbuilding shall be installed, placed or used on any Lot as a residence, either temporarily or permanently.

3.5.9 Clothes Lines. No washing, rugs, clothing, apparel or any other article shall be hung from the exterior of any Structure or on a Lot so as to be visible from the streets and roadways adjoining the Lots.

3.5.10 Woodpiles. No woodpiles shall be located within the front yard, or in any other location visible from the street.

3.5.11 Radio and Television Aerials and Satellite Dishes. No television or radio aerial shall be erected or placed on any Lot. No rotary beams, separate towers or other similar devises shall be constructed on any Lot without the written approval of the Board. No satellite receiving dishes or other such electronic receiving devices shall be located on any Lot in a location that is visible from the adjoining homes, streets, and roadways. All aerial and satellite dish installations must receive prior written approval from the Board.

3.5.12 Trash Containers and Debris. All trash shall be placed in sanitary containers either buried or screened so as not to be visible from adjoining Structures or streets or roadways. No Lot or any portion thereof shall be used as a dumping ground for trash or rubbish of any kind. Yard raking, dirt and debris resulting from landscaping work or Construction shall not be dumped onto adjoining lots or streets or roadways. Compost piles may be kept upon the Lots provided they are kept in a clean, neat, odorless and sanitary condition.

3.5.13 Offensive Activity. No trade, craft, business, profession, commercial or manufacturing enterprise or business or commercial activity of any kind, including day schools, nurseries, or church schools (except in-home day care for not more than two children, provided that there shall be no external signage of such activity), shall be conducted or permitted on any Lot, nor shall goods, equipment, vehicles or materials used in connection therewith, be kept, parked, stored, dismantled or repaired outside of any Lot or any street within the Property. No noxious activity, including but not limited to the creation of excess levels of noise, shall be carried on in any Lot, nor shall anything be done therein which may be or become an annoyance or nuisance to other Owners or tenants.

3.5.14 Underground Utilities. No outdoor overhead wire or service drop for the distribution of electric energy or for telecommunications purposes nor any pole, tower or other structure supporting said outdoor overhead wires shall be erected, placed or maintained within the Property. All Owners shall use underground service wires to connect any Structure to electric or telephone utility facilities.

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3.5.15 Water Supply/Sewage Disposal. No individual water supply system or individual sewage system shall be permitted on any Lot.

3.5.16 Damage. Any damage to streets, Plat improvements, entry structure, fences, landscaping, mailboxes, lights and lighting standards by Lot Owners, their children, contractors, agents, visitors, friends, relatives or service personnel shall be repaired and restored to like new condition by such Owner within twelve (12) days from the occurrence of such damage.

3.5.17 Fences. All fences shall conform to the fence detail shown on Exhibit C unless otherwise authorized by the Board. Unless otherwise authorized by the Board, no fence, wall hedge or mass planting over three feet in height, other than foundation planting, shall be permitted to extend nearer to any street than the minimum setback line; however, nothing shall prevent erection of a necessary retaining wall, the top of which does not extend more than two feet above the finished grade at the back of said retaining wall.

#### ARTICLE 4. SHADOWS AT SWAN LAKE HOMEOWNERS ASSOCIATION.

Section 4.1 Form of Association. The Owners of Lots within the Property shall constitute the members of Shadows at Swan Lake Homeowners Association, a Washington nonprofit corporation to be formed by Declarant. The rights and duties of the members and of the Association shall continue to be governed by the provisions of this Declaration, and the Association's Articles of Incorporation and Bylaws.

Section 4.2 Board of Directors. The affairs of the Association shall be governed by a Board of Directors (the "Board"). The initial Board shall be as described in the Articles of Incorporation of Shadows at Swan Lake Homeowners Association and shall serve until the Transition Date. After the Transition Date, the Board shall consist of such numbers of members as provided for in the Articles of Incorporation and Bylaws of the Association. Subject to any specific requirements hereof, the Board shall have authority to establish operating rules and procedures. In the event of death or resignation of any member or members of the Board, the remaining member or members, if any, shall have full authority to appoint a successor member or members. Members of the Board shall not be entitled to any compensation for services performed as Directors pursuant to this Declaration. Upon the Transition Date and without further action by any person or persons, (i) the term of the initial Directors or their successors shall end, and (ii) the initial

Directors and their then successors shall be released from any and all liability whatsoever for claims arising out of or in connection with this Declaration, excepting only claims arising prior to the Transition Date.

Section 4.3 Qualification for Membership. Each owner of all or a portion of the fee interest in a Lot (including Declarant) shall be a member of the Association. The persons constituting an Owner shall be entitled to one vote for each Lot owned; provided, that if a Lot has been sold on contract, the contract purchaser shall exercise the rights of an Owner for purposes of the Association and this Declaration except as hereinafter limited, and shall be the voting representative unless otherwise specified. Ownership of a Lot shall be the sole qualification for membership in the Association.

Section 4.4 Transfer of Membership. The Association membership of each person constituting an Owner (including Declarant) shall be appurtenant to the Lot giving rise to such membership, and, except as specifically permitted herein, shall not be assigned, transferred, pledged, hypothecated, conveyed, or alienated in any way except upon the transfer of title to the Lot and then only to the transferee of title to the Lot. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Lot shall operate automatically to transfer the membership in the Association to the persons constituting the new Owner.

Section 4.5 Number of Votes. The total voting power of the Association at any given time shall equal the number of Lots included within the Property at that time. Each Owner of a Lot or Lots shall be entitled to one vote for each Lot owned.

Section 4.6 Voting. If a Lot is owned by more than one person and only one of them is present or represented at a meeting, the one who is present or represented will represent the Owner. The vote for a Lot must be cast as a single vote, and fractional votes shall not be allowed. If joint owners are unable to agree among themselves how their vote shall be cast, they shall lose their right to vote on the matter in question. An Owner may, by written notice to the Board, designate a voting representative for the Lot. The designated voting representative need not be an Owner. The designation may be revoked at any time by written notice to the Board from a Person having an ownership interest in a Lot, or by actual notice to the Board of the death or judicially declared incompetence of any Person with an ownership interest in the Lot, except in cases in which the Person designated is a Mortgagee of the Lot. This power of designation and revocation may be exercised by the guardian of an Owner, the attorney-in-fact for the Owner under a durable power

of attorney, and the administrator or executor of an Owner's estate. If no designation has been made, or if a designation has been revoked and no new designation has been made, the voting representative of each Lot shall be the group composed of all of its Owners.

**Section 4.7 Pledged Votes.** An Owner may, but shall not be obligated to, pledge his vote on all issues or on certain specific issues to a Mortgagee; provided, however, that if an Owner is in default under a Mortgage on his Lot for 90 consecutive days or more, the Owner's Mortgagee shall automatically be authorized to declare at any time thereafter that the Owner has pledged his vote to the Mortgagee on all issues arising after such declaration and during the continuance of the default. If the Board has been notified of any such pledge to a Mortgagee, only the vote of the Mortgagee will be recognized on the issues that are subject to the pledge.

**Section 4.8 Annual and Special Meetings.** Within the period commencing 30 days before the Transition Date and ending 30 days after the Transition Date, there shall be a meeting of the members of the Association and thereafter there shall be an annual meeting of the members of the Association in the first quarter of each fiscal year at such reasonable place and time as may be designated by written notice from the Board delivered to the Owners no less than 30 days before the meeting. At the first such meeting, and at each annual meeting thereafter, the Owners shall elect by majority vote individuals to serve as Directors until a successor is elected at the next annual meeting. Each Lot shall be entitled to one vote for each Director and the voting for Directors shall be non-cumulative. The financial statement for the preceding fiscal year (if any) and the budget the Board has adopted for the pending fiscal year shall be presented at the annual meeting for the information of the members. Special meetings of the members of the Association may be called at any time upon not less than 14 days prior written notice to all Owners, for the purpose of considering matters which require the approval of all or some of the Owners, or for any other reasonable purpose. Any First Mortgagee of a Lot may attend or designate a representative to attend the meetings of the Association.

**Section 4.9 Books and Records.** The Board shall cause to be kept complete, detailed, and accurate books and records of the receipts and expenditures (if any) of the Association, in a form that complies with generally accepted accounting principles. The books and records, authorizations for payment of expenditures, and all contracts, documents, papers, and other records of the Association shall be available for examination by the Lot Owners,

Mortgagees, and the agents or attorneys of either of them, during normal business hours and at any other reasonable time or times.

Section 4.10 Transition Date. The "Transition Date" shall be the date control of the Board passes from the initial Board to the Association. Prior to the Transition Date, Declarant shall be entitled to exercise all rights and powers of the Board and the Association. At Declarant's option, the Transition Date will be either: (i) the date designated by Declarant in a written notice to the Owners, which date may be by Declarant's election any date after this Declaration has been recorded; or (ii) the 120th day after Declarant has transferred title to purchasers title to all Lots in the Property. For purposes of the foregoing clause (ii) transfer of title to a Lot by Declarant to any Participating Builder shall be disregarded and title to any Lot owned by Participating Builder shall not be deemed transferred for purposes of determining the Transition Date until the Lot is further transferred by Participating Builder to a purchaser who is not either a Participating Builder or Declarant.

ARTICLE 5. NOTICES FOR ALL PURPOSES.

All notices given under the provisions of this Declaracion or rules or regulations of the Association shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, the notice shall be deemed to have been delivered on the third day of regular mail delivery after a copy has been deposited in the United States mail, first class, postage prepaid, addressed to the Person entitled to such notice at the most recent address known to the Board. Mailing addresses may be changed by notice in writing to the Board. Notices to the Board may be given to any Director or mailed to the following address:

Board of Directors c/o Dennis Kohloff  
Shadows at Swan Lake Homeowners Association  
14410 Bel-Red Road, Suite 200  
Bellevue, Washington 98007

The Board's address may be changed from time to time by the execution and recording of an instrument in the real property Records of King County, Washington which (i) refers to this Declaration and this Article V and (ii) sets forth the Board's new address.

ARTICLE 6. AUTHORITY OF THE BOARD.

**Section 6.1 Adoption of Rules and Regulations.** The Board is empowered to adopt, amend, and revoke on behalf of the Association detailed administrative rules and regulations necessary or convenient from time to time to insure compliance with the general guidelines of this Declaration to promote the comfortable use and enjoyment of the Property and to govern the operation and procedures of the Association. The rules and resolutions may, without limitation, authorize voting by proxy or mail, or both, on Association matters. The rules and regulations of the Association shall be binding upon all Owners and occupants and all other Persons claiming any interest in the Property.

**Section 6.2 Enforcement of Declaration, Etc.** The Board shall have the power to enforce the provisions of this Declaration, and the rules and regulations of the Association for the benefit of the Association, and to separately assess the Owner against whom this Declaration is being enforced. The failure of any Owner to comply with the provisions of this Declaration, or the rules and regulations of the Association will give rise to a cause of action in the Association (acting through the Board) and any aggrieved Lot Owner for recovery of damages, or injunctive relief, or both. If a legal action is brought to interpret or enforce compliance with the provisions of this Declaration, or the rules or regulations of the Association, the prevailing party shall be entitled to judgment against the other party for its reasonable expenses, court costs, and attorneys' fees in the amount awarded by the Court.

**ARTICLE 7. BUDGET AND ASSESSMENT FOR COMMON EXPENSES.**

**Section 7.1 Fiscal Year; Preparation of Budget.** The Board may adopt such fiscal year for the Association as it deems to be convenient. Unless another year is adopted, the fiscal year will be the calendar year. As soon as the Board in its discretion deems advisable and prior to the expiration of each fiscal year thereafter, the Board shall establish a budget for the costs of maintaining the Common Area during the ensuing fiscal year. The Board shall then assess each Lot within the Property with its pro rata share, based upon the number of Lots then within the Property, of such estimated costs. The Board, at its election, may require the Lot Owners to pay the amount assessed in equal monthly or quarterly installments or in a lump sum annual installment. The Board shall notify each Lot Owner in writing at least ten days in advance of each assessment period of the amount of the assessment for said period, which notice shall be accompanied by a copy of the budget upon which the assessment is based. The assessments levied by the Board shall be used exclusively to promote the recreation, health, safety and welfare of the Lot Owners and for the improvement and maintenance of the Common Areas.

Section 7.2 Certificate of Unpaid Assessments. Any failure by the Board or the Association to make the budget and assessments hereunder before the expiration of any fiscal year for the ensuing fiscal year shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of the owners from the obligation to pay assessments during that or any subsequent year, and the assessment amount and payment method established for the preceding fiscal year (if any) shall continue until a new assessment is established. Upon the request of any Owner or Mortgagee or prospective Owner or prospective Mortgagee of a Lot, the Board will furnish a statement of the amount, if any, of unpaid assessments charged to the Lot. The statement shall be conclusive upon the Board and the Association as to the amount of such indebtedness on the date of the statement in favor of all purchasers and Mortgagees of the Lot who rely on the statement in good faith. All assessments and other receipts received by the Association shall belong to the Association.

Section 7.3 Initial Contribution, Annual Assessments. Each Lot Owner, at the time of purchase of his/her lot, shall make a start-up contribution to the Association in the amount of \$200 (which shall be used to reimburse Declarant for maintenance and operating expenditures during the house sales period). The initial annual assessment (which is in addition to the start-up fee) shall not be in excess of \$100 per year and shall be prorated for any partial year at the time of purchase of the lot. Commencing on the first January 1 following the Transition Date, and continuing each year thereafter, the annual assessment shall not be increased by more than 15% without the approval of a majority of the members voting at a meeting duly called for such purpose. Notwithstanding the provisions set forth above, the Declarant shall not be liable for any fees or assessments assessed or due prior to the Transition Date.

Section 7.4 Special Assessments; Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of the Improvements upon the Common Area or any other area owned or required to be maintained by the Association, provided that such assessment shall be approved by a majority of the members voting at a meeting duly called for such purpose.

#### ARTICLE 8. LIEN AND COLLECTION OF ASSESSMENTS.

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Section 8.1 Assessments Are a Lien; Priority. All unpaid sums assessed by the Association specially assessed to any Lot under the authority of this Declaration shall constitute a lien on the Lot and all its appurtenances from the date the assessment becomes due and until fully paid. The lien for such unpaid assessments shall be subordinate to tax liens on the Lot in favor of any assessing unit and/or special district, and to all sums unpaid on all First Mortgages of record, but, to the extent permitted by applicable law, shall have priority over all other liens against the Lot. A First Mortgagee that obtains possession through a Mortgage foreclosure or deed of trust sale, or by taking a deed in lieu of foreclosure or sale, or a purchaser at a foreclosure sale, shall take the Lot free of any claims for the share of assessments by the Association chargeable to the Lot which became due before such possession, but will be liable for assessments that accrue after the taking of possession. Notwithstanding any of the foregoing, however, the Owner and the real estate contract purchaser shall continue to be personally liable for past due assessments as provided in Section 7.3. For purposes of this Section, "Mortgage" does not include a real estate contract and "Mortgagee" does not include the vendor or the assignee or designee of a vendor of a real estate contract.

Section 8.2 Lien May Be Foreclosed. The lien for delinquent assessments may be foreclosed by suit by the Board, acting on behalf of the Association, in like manner as the foreclosure of a mortgage of real property. The Board, acting on behalf of the Association, shall have the power to bid in the Lot at the foreclosure sale, and to acquire and hold, lease, mortgage, and convey the same.

Section 8.3 Assessments are Personal Obligations. In addition to constituting a lien on the Lot, all sums assessed by the Association chargeable to any Lot together with interest, late charges, costs and attorneys' fees in the event of delinquency, shall be the joint and several personal obligations of the Owner and any contract purchaser of the Lot when the assessment is made and their grantees. Suit to recover personal judgment for any delinquent assessments shall be maintainable without foreclosing or waiving the liens securing them.

Section 8.4 Late Charges and Interest on Delinquent Assessments. The Board may from time to time establish late charges and a rate of interest to be charged on assessments delinquent for a period of more than 10 days after the date when due. In the absence of another established, nonusurious rate, delinquent assessments shall bear interest at the rate of 12% per annum. If an installment on an assessment against a Lot is not paid when due, the Board may elect to declare the entire assessments

against the Lot for the remainder of the fiscal year to be immediately due and payable.

Section 8.5 Remedies Cumulative. The remedies provided herein are cumulative and the Board may pursue them, and any other remedies which may be available under law although not expressed herein, either concurrently or in any order.

Section 8.6 No Avoidance of Assessments. No Owner may avoid or escape liability for assessments provided for herein by abandoning his or her Lot.

**ARTICLE 9. FAILURE OF BOARD TO INSIST ON STRICT PERFORMANCE NO WAIVER.**

The failure of the Board in any instance to insist upon the strict compliance with this Declaration or rules and regulations of the Association, or to exercise any right contained in such documents, or to serve any notice or to institute any action, shall not be construed as a waiver or a relinquishment for the future of any term, covenant, condition, or restriction. The receipt by the Board of payment of any assessment from an Owner, with knowledge of any breach by the Owner, shall not be a waiver of the breach. No waiver by the Board of any requirement shall be effective unless expressed in writing and signed for the Board.

**ARTICLE 10. LIMITATION OF LIABILITY.**

So long as a Director, or Association member, or Declarant, acting on behalf of the Board or the Association, has acted in good faith, without willful or intentional misconduct, upon the basis of such actual information as is then possessed by such Person, then no such Person shall be personally liable to any Owner, or to any other Person, including the Association, for any damage, loss, or prejudice suffered or claimed on account of any act, omission, error, or negligence of such Person; provided that this Article shall not apply to the extent the liability of such person for such act, omission, error, or negligence is covered by any insurance actually obtained by the Board.

**ARTICLE 11. INDEMNIFICATION.**

Each Director, and Declarant shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed in connection with any proceeding to which such person may be a party, or in

which such person may become involved, by reason of holding or having held such position, or any settlement thereof, whether or not such person holds such position at the time such expenses or liabilities are incurred, except to the extent such expenses and liabilities are covered by insurance actually obtained by the Board and except in such cases wherein such Director or Declarant is adjudged guilty of willful misfeasance in the performance of his or her duties; provided, that in the event of a settlement, the indemnification shall apply only when the Board approves such settlement and reimbursement as being for the best interests of the Association.

**ARTICLE 12. INSURANCE.**

At such times as the Board deems appropriate, the Board shall cause the Association to purchase and maintain as a common expense a policy or policies which the Board deems necessary or desirable to provide casualty insurance; comprehensive liability insurance; with such deductible provisions as the Board deems advisable; insurance, if available, for the protection of the Association's Directors, and representatives from personal liability in the management of the Association's affairs; and such other insurance as the Board deems advisable. The Board shall review the adequacy of the Association's insurance coverage at least annually.

**ARTICLE 13. AMENDMENTS OF DECLARATION.**

After the Transition Date, any Lot Owner may propose amendments to this Declaration to the Board. A majority of the members of the Board may cause a proposed amendment to be submitted to the members of the Association for their consideration. If an amendment is proposed by Owners of 20% or more of the Lots, then, irrespective of whether the Board concurs in the proposed amendment, it shall be submitted to the members of the Association for their consideration at their next regular or special meeting for which timely notice may be given. Notice of a meeting at which an amendment is to be considered shall include the text of the proposed amendment. Amendments may be adopted at a meeting of the Association or by written consent of the requisite number of Persons entitled to vote, after notice has been given to all Persons entitled to receive notice of a meeting of the Association. The unanimous consent of all Owners shall be required for adoption of an amendment changing the voting power or portion of assessments appurtenant to each Lot. All other amendments shall be adopted if approved by at least 67% of all Lot Owners. Once an amendment has been adopted by the Association, the amendment will become effective when a

certificate of the amendment, executed by a member of the Board, has been recorded in the real property Records of Snohomish County, Washington.

**ARTICLE 14. ANNEXATION AND SUBDIVISION.**

Residential property other than common areas may be annexed or added to the Property by Declarant at any time prior to the Transition Date. Thereafter, residential property other than common areas may be annexed or added to the Property only with the consent of 67% of the Lot Owners. No Lot shall be subdivided or combined without the approval of all Lot Owners.

**ARTICLE 15. DURATION.**

The covenants, conditions, and restrictions of this Declaration shall run with and bind the Property and shall inure to the benefit of and be enforceable by the Owners, their respective legal representatives, heirs, successors, and assigns, for a period of 15 years from the date this Declaration is recorded, after which time the covenants, conditions and restrictions shall be automatically extended for successive periods of 10 years each unless an instrument signed by a majority of the then Owners has been recorded agreeing to terminate the covenants, conditions and restrictions.

**ARTICLE 16. RESERVATION OF DECLARANT'S RIGHT TO AMEND.**

Section 16.1 Amendment by Declarant. Declarant reserves the right to amend the Declaration as may be necessary to comply with Federal Home Loan Mortgage Corporation ("FMC") or Federal National Mortgage Association ("FNMA") or Federal Housing Administration ("FHA") regulations or requirements as necessary to enable the holders of first mortgages or deeds of trust to sell first mortgages or deeds of trust to FHLBC or FNMA or if such amendment is necessary to secure funds or financing provided by, through or in conjunction with FHLBC or FNMA or FHA or, if such amendment is necessary, in Declarant's sole opinion, for the efficient functioning of the Association, the Property, or the Plat.

Section 16.2 Authorization to Amend. If Declarant, at its option, determines that it is necessary so to amend the Declaration, then Declarant, on behalf of all Lot Owners in the Association, is hereby authorized to execute and to have recorded (or filed, in the case of the Articles) said required amendment or amendments. All Lot Owners hereby grant to Declarant a full

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and complete power of attorney to take any and all actions necessary to effectuate and record said amendment or amendments and agree that said amendment or amendments shall be binding upon their respective Lots and upon them and their heirs, personal representatives, successors and assigns to the same extent as if they had personally executed said amendment or amendments. All Lot owners hereby acknowledge and agree that the power of attorney granted herein shall be deemed coupled with an interest and shall be irrevocable.

Section 16.3 Duration. Declarant's rights under this Article 15 shall exist only until the Transition Date.

**ARTICLE 17. SEVERABILITY.**

The provisions of this Declaration shall be independent and severable, and the unenforceability of any one provision shall not affect the enforceability of any other provision, if the remainder affects the common plan.

**ARTICLE 18. EFFECTIVE DATE.**

This Declaration shall be effective upon recording.

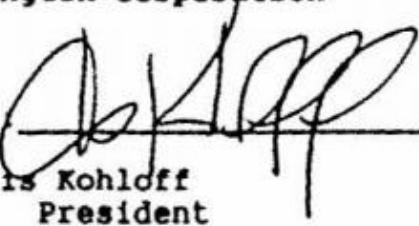
**ARTICLE 19. ASSIGNMENT BY DECLARANT.**

Declarant reserves the right to assign, transfer, sell, lease, or rent all or any portion of the Property and reserves the right to assign or delegate all or any of its rights, duties, and obligations created under this Declaration.

DATED as of the date first written above.

**DECLARANT:**

COUNTRYWOOD HOMES, INC.,  
a Washington corporation

By   
Dennis Kohloff  
Its: President

STATE OF WASHINGTON )  
COUNTY OF KING )ss.  
)



I certify that I know or have satisfactory evidence that Dennis Kohloff is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the President of Countrywood Homes, Inc. to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: March 30, 1995.

Marilee A. Lewis  
(Signature)

MARILEE A. LEWIS  
(Printed Name)  
My Appointment expires 11-16-98

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Return to: Countrywood Homes  
17410 Bel-Ridge Ave. #200  
Kirkland, WA 98033

EXHIBIT B

GRANT OF EASEMENT FOR  
LANDSCAPING AND ENTRY SIGNAGE

The undersigned Declarant, Countrywood Homes, a Washington Corporation, hereby establishes and grants an easement for landscaping and signage for the benefit of The Shadows at Swan Lake Homeowners' Association ("Grantee") over and across the following described real property:

That portion of Lot 1, Shadows at Swan Lake as recorded in Volume 166 of Plats, Pages 73 through 75, Records of King County, Washington described as follows:

Beginning at the Northeast corner of said lot;

Thence S 04°04'11" W along the East line thereof, a distance of 226.88 feet to the True Point of Beginning;

Thence continuing S 04°04'11" W along said East line, a distance of 13.47 feet to a point of curve;

Thence Southwesterly continuing along said East line and the South line of said lot, along the arc of a curve to the right, said curve having a radius of 25.00 feet, through a central angle of 90°00'00" a distance of 39.27 feet;

Thence N 85°55'49" W continuing along said South line, a distance of 5.98 feet;

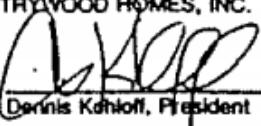
Thence N 04°04'11" E a distance of 7.49 feet;

Thence N 49°04'11" E a distance of 43.81 feet to the True Point of Beginning.

Said landscaping may include utility connections for irrigation and/or ornamental fencing, intended to signify entry to and exit from the Residential Community within said Plat of Shadows at Swan Lake. This easement shall run with the land and shall remain binding on each subsequent owner of said real property until terminated by Grantee or its successor in interest.

IN WITNESS WHEREOF the undersigned GRANTOR has affixed its signature below.

COUNTRYWOOD HOMES, INC.

BY: 

Dennis Kohloff, President

STATE OF WASHINGTON  
COUNTY OF KING

SS

On this 4<sup>th</sup> day of January, 1995 before me, the undersigned, a Notary Public in and for the State of Washington, personally appeared Dennis Kohloff, to me known to be the President of Countrywood Homes, Inc., the corporation that executed the foregoing 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 is authorized to execute the said instrument.

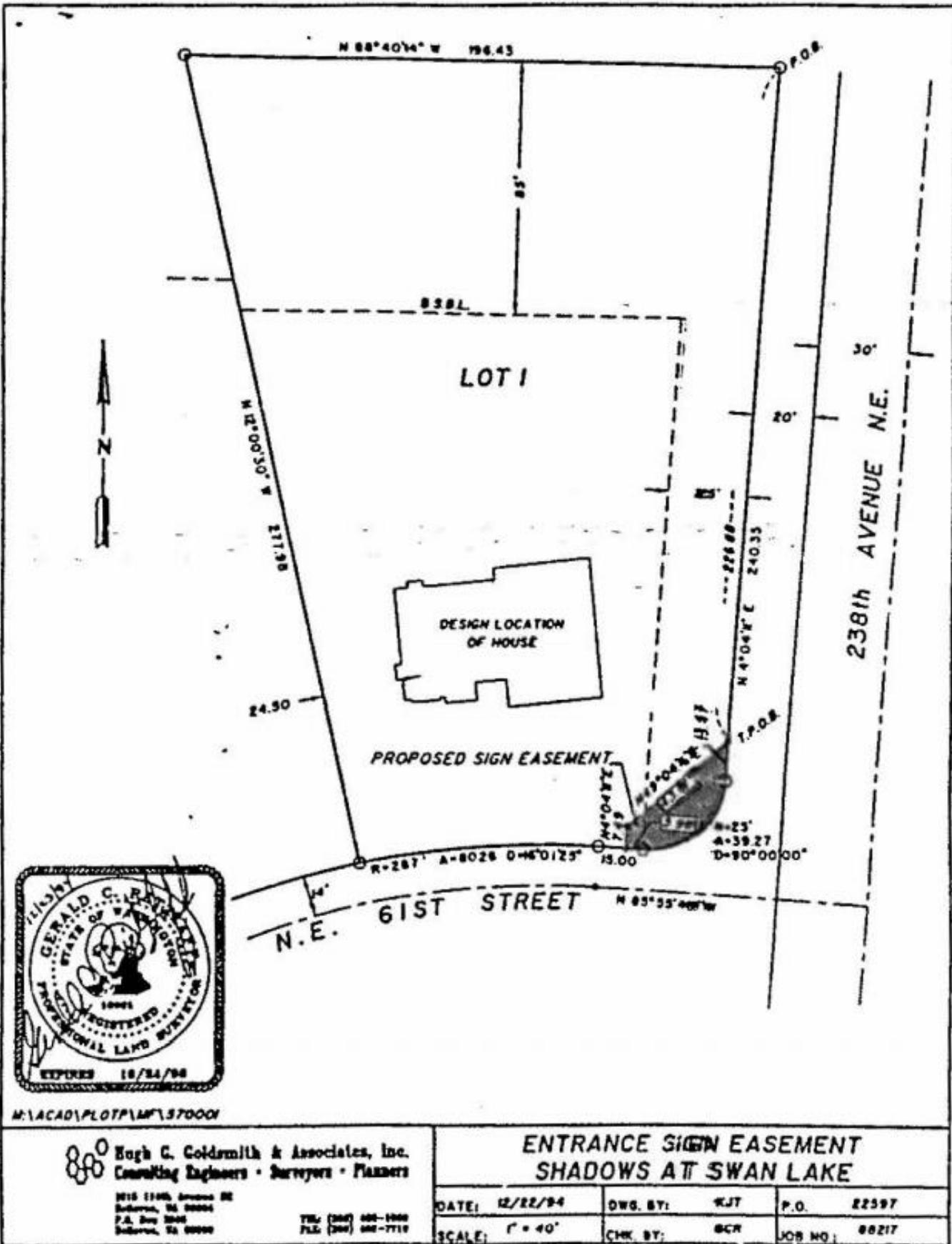
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal, the day and year first written above.



Deanna Johnson  
Notary Public in and for the State of Washington,  
Residing at 1234 Main Street,

FILED BY:  
CHICAGO TITLE  
1001 2nd Ave

5511105



RETURN TO: CONTAMINATED Homes  
14410 Bell Rock Road  
Suite 200  
Boulder, CO 80007

EXHIBIT B

**DECLARATION OF EASEMENT FOR  
LANDSCAPING AND ENTRY SIGNAGE**

The undersigned Declarant, Countrywood Homes, Inc., a Washington Corporation, hereby establishes and reserves unto itself, its successors or assigns, an easement for landscaping and signage over and across the following described real property:

That portion of Lot 11, Shadows at Swan Lake, according to the plat thereof, recorded in Volume 166 of Plats, pages 73 through 75, Records of King County, Washington described as follows:

Beginning at the most Westerly corner of said Lot 11;

Thence N 68°08'52" E along the Northwestterly line thereof a distance of 51.11 feet to a point of curve;

Thence Northeasterly continuing along said Northwesterly line along the arc of a curve to the right, said curve having a radius of 259.00 feet through a central angle of 27°55'19" a distance of 126.22 feet to the True Point of Beginning of the herein described parcel;

Thence S 85°55'49" E continuing along the North line of said Lot a distance of 15.00 feet to a point of curve;

Thence Easterly and Southerly continuing along said Northerly and Easterly line of said Lot along the arc of a curve to the right, said curve having a radius of 25.00 feet through a central angle of 90°00'00" an arc distance of 39.27 feet;

Thence S 04°04'11" W along the East line of said Lot a distance of 22.49 feet;

Thence N 85°55'49" W a distance of 12.94 feet;

Thence N 22°27'12" W a distance of 23.89 feet

Thence N 61°42'04" W a distance of 34.55 feet;

Thence N 01°03'07" E a distance of 11.59 feet to a

Lot and a point on the arc of a curve, the center of which bears S 00°36'33" W;  
Thence Easterly along said North line along the arc of a curve to the right, said

curve having a radius of 259.00 feet through a central angle of 03°27'36" a distance of 15.64 feet to the True Point of Beginning of the herein described parcel.

Said landscaping may include utility connections for irrigation and/or ornamental fencing. Intended to signify entry to and exit from the Residential Community within said Plat of Shadows at Swan Lake. This easement shall run with the land and shall remain binding on each subsequent owner of said real property until terminated by Grantor or its successor, the Shadows at Swan Lake Homeowner's Association.

IN WITNESS WHEREOF the undersigned GRANTOR has affixed his signature below.

COUNTRYWOOD HOMES INC.

BY:   
Dennis Kohlhoff, President

STATE OF WASHINGTON  
COUNTY OF KING

50

On this 17 day of February, 1955 before me, the undersigned, a Notary Public in and for the State of Washington, personally appeared Dennis Kohloff, to me known to be the President of Countywood Homes, Inc., the corporation that executed the foregoing 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 is authorized to execute the said instrument.

11 WITNESS WHEREOF, I have hereunto set my hand and affixed my seal, the day and year  
first written above.

Marilyn A. Lewis  
Notary Public in and for the State of Washington,  
residing at Bellevue, WA 98006



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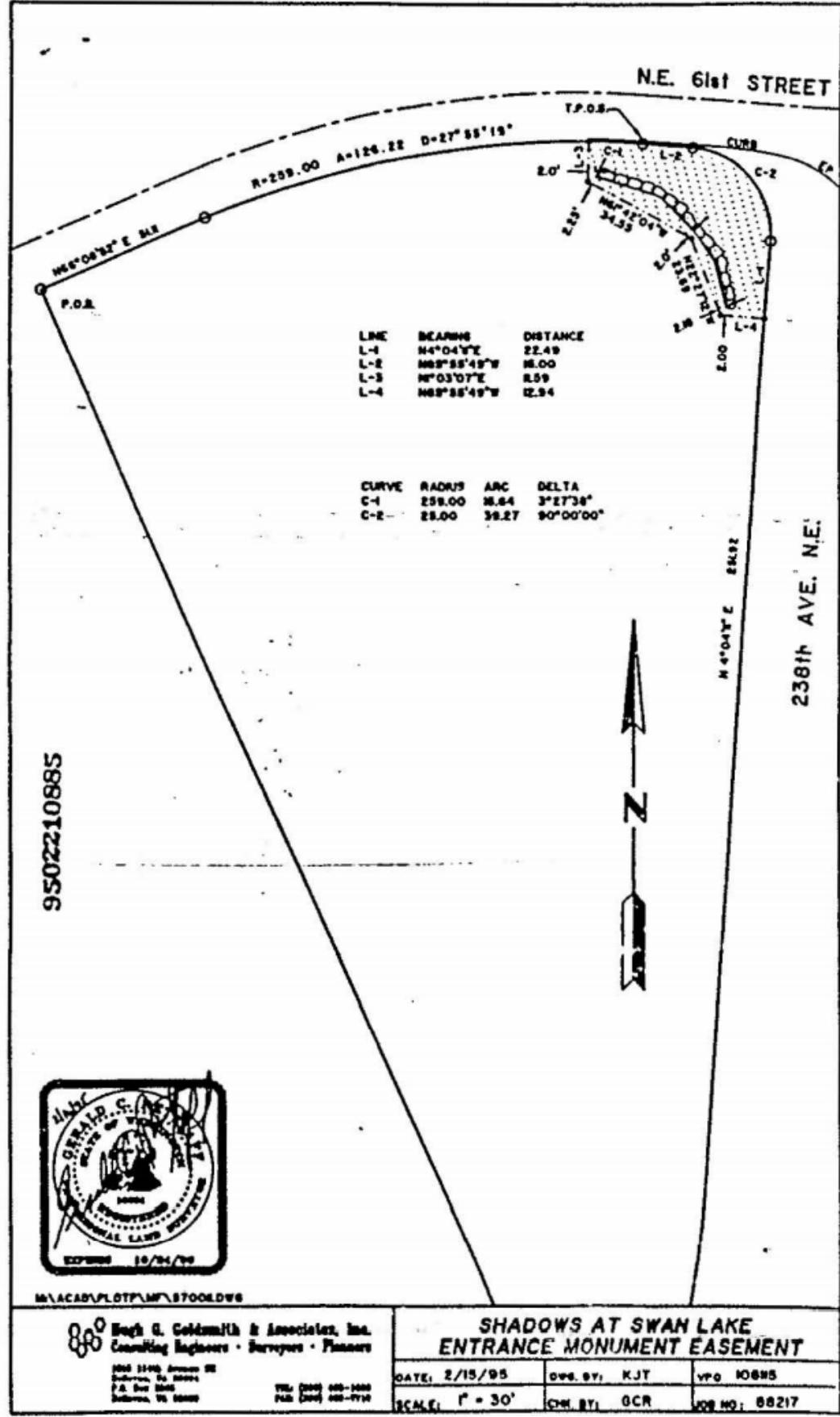
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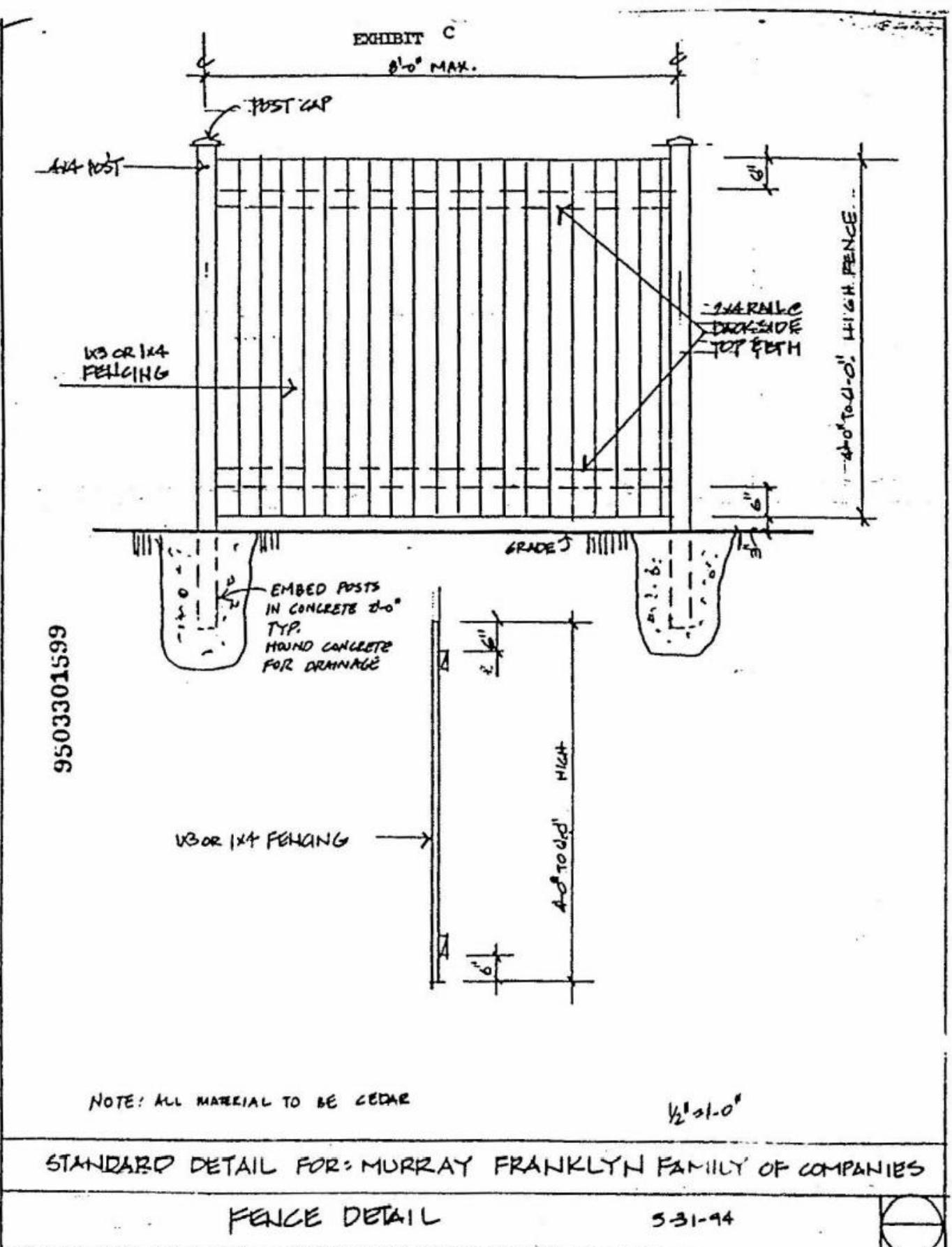
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