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Title of Document:

AMENDED AND RESTATED DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS, EASEMENTS & RESTRICTIONS OF

SHADOWBROOK RIDGE

Grantor:

FERN CREST WEST HOMEOWNERS ASSOCIATION

Grantee:

SHADOWBROOK RIDGE HOMEOWNERS ASSOCIATION

Abbreviated Legal Description:

LOTS 1-129, TRACTS A, B, C, D, E, H, I, J, K, L, M AND N, PLAT OF FERN CREST WEST, KING COUNTY RECORDING NO.

20060131000054

Additional Legal Description is on Page 2 of Document

Assessor's Property Tax Parcel No.: 251710-0010 through 251710-1310

Reference Number of Related Document: 20060307000855



## AMENDED AND RESTATED DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS, EASEMENTS RESTRICTIONS OF SHADOWBROOK RIDGE

THIS "Amended and Restated Declaration" pertains to and amends and restates the Declaration of Covenants, Conditions and Restrictions of FERN CREST WEST HOMEOWNERS ASSOCIATION, a Washington non-profit corporation (the "Association"), dated February 28, 2006, and which was recorded on March 7, 2006, under King County, Washington Auditor's File No. 20060307000855 (the "2006 Declaration"). The real property (the "Property") of the Association is legally described as follows:

Lots 1 through 129 and Tracts A, B, C, D, E, H, I, J, K, L, M, and N of the plat of Fern Crest West, per plat recorded in Volume 232 of Plats, Pages 95 through 103, Recorder's No. 20060131000054, Records of King County, Washington, subject to easements, covenants, conditions, and restrictions of record. Situated in King County, State of Washington.

The sole purpose of this Amended and Restated Declaration is to change the name of the Association from FERN CREST WEST HOMEOWNERS ASSOCIATION to SHADOWBROOK RIDGE HOMEOWNERS ASSOCIATION.

This Amended and Restated Declaration was approved by the affirmative approval and agreement of the requisite number of members of the Association pursuant to Article 18, Section 3 of the 2006 Declaration, and as required by any other applicable laws and provisions within the Association's governing documents. This Amended and Restated Declaration is substituted for and supersedes entirely the 2006 Declaration, effective as of the date this instrument is recorded. This Amended and Restated Declaration and its exhibits consist of 38 pages, including these title pages but not including the Auditor's Cover page preceding this page.

FERN CREST WEST HOMEOWNERS' ASSOCIATION:

Dated: July 18 , 2012

HECTOR GONZALES, Presiden

#### ATTESTATION OF SECRETARY

The undersigned, as Secretary of the Association, certifies and attests to the fact that the amendments to the Declaration set forth in this instrument were properly consented to and approved by 67% or more of the total votes in the Association pursuant to Article 18, section 3 of the Declaration, that this instrument accurately states the amendments so approved, and that the amendments so adopted are fully effective as of the date of recording of this instrument.

Dated: July 18, 2012.

BRIAN COHEN, Secretary and Treasurer

STATE OF WASHINGTON

) ss.

COUNTY OF KING

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.



Print Name: MARY E. TUNGSVIK

NOTARY PUBLIC for the State of Washington.

Residing at Auburn

My Commission Expires: 03/10/2013

HOMEOWNERS ASSOCIATION, the non-profit corporation that executed the within and foregoing instrument, and acknowledged the 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 he/she is authorized

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

WAR WILLIAM STATE OF WASHINGTON TO THE WASHINGTON THE WASHINGTON TO THE WASHINGTON THE WASHINGTO

to execute said instrument.

Print Name: MARY E. TUNGSVIK

NOTARY PUBLIC for the State of Washington.

Residing at Auburn

My commission expires: 03/10/2013

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# AMENDED AND RESTATED DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS, EASEMENTS & RESTRICTIONS

## **ARTICLE ONE: Definitions**

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

- 1.1 "ACC shall mean the Architectural Control Committee, as described in Article Ten, Section Four.
- "Additional Real Property" shall mean any real property owned or after acquired by Developer or Declarant that is in the vicinity of Shadowbrook Ridge; said real property need not be contiguous to Shadowbrook Ridge to be Additional Real Property.
- 1.3 "Articles" shall mean the Association's Articles of Incorporation and any amendments.
- 1.4 "Association" shall mean the Shadowbrook Ridge Homeowners Association, which has been formed as a nonprofit corporation for the purposes of administering this Declaration.
- 1.5 "Board" or "Board of Directors" shall mean the Board of Directors of the Association.
- 1.6 "Builders" shall mean those persons who have purchased Lots from the Developer for the purpose of the Builder constructing upon the Lot a Housing Unit.
- 1.7 "Bylaws" shall mean the Association's Bylaws and any amendments.
- "Common Areas" shall mean all real property owned, used and/or maintained in common by the Lots, including property designated as Common Open Space, Recreation, Entry Monument, Stormwater Detention Facility, Sensitive Area and/or Native Growth Protection Area tracts on the final Plat. The Common Areas include ownership and maintenance obligations for Tracts E, H, I, J, K L and M, and any other obligations of the Association as set forth in the Declaration or on the face of the Plat. Also, included in the definition of "Common Areas" for purposes of maintenance obligations is the maintenance payment for repair and/or operation expenses for the plat entry private lighting system, if any, entry monuments, mailboxes, mailbox shelters, if any, and maintenance of all landscaping, common area irrigation systems and fencing in the public right of ways in the interior portions and frontage of Shadowbrook Ridge, or within any

private easement upon a lot tract or adjoining property which may be granted to the Association on the face of the recorded final plat or in the future via a recorded easement document.

- "Declaration shall mean this Amended and Restated Declaration of Protective Covenants, Conditions & Restrictions of SHADOWBROOK RIDGE and any all Amendments thereto.

  "Developer" shall mean The Quadrant Corporation, a Washington corporation, or any persons or entities to which it assigns its rights as Developer in whole or in part, or succeeds to the Developer's interest.
- 1.10 "Development Period" shall mean the period of time from the date of recording of this Declaration until 180 days after the date upon which 100% of the Lots have been conveyed 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 or any rights of the Developer under this Declaration.
- 1.11 "Housing Unit" shall mean the building occupying a Lot.
- 1.12 "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.
- 1.13 "Lot" shall initially refer to one of the Lots located in the Real Property described herein. At such time as Additional Real Property may be subjected to the Declaration, "Lot" shall include those lots shown on and included in the plat of Additional Real Property.
- 1.14 "Member" shall mean every person or entity that holds a membership in the Association.
- 1.15 "Mortgage" shall mean a mortgage or deed of trust encumbering a Lot or other portion of the Properties.
- 1.16 "Owner" and "Lot Owner" shall mean the recorded owner of a 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.
- 1.17 "Person" shall mean a natural person, a corporation, a partnership, trustee or other legal entity.

- 1.18 "Plat" shall mean the plat of Fern Crest West, recorded at King County Recorder's No. 20060131000054, together with all requirements described or referenced therein. Plat shall also include the recorded plat of any Additional Real Property subjected to the terms of this Declaration.
- 1.19 "Properties" shall mean the Real Property, and any Additional Real Property that may be added to this Declaration.
- "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.
- 1.21 "Street Trees" shall mean the trees that are planted, located and maintained on the Lots and Tracts pursuant to any notes on the face of the Plat, or described by this Declaration.

#### ARTICLE TWO: Additional Real Property and Waiver of Protest

Section One: Addition to Declaration. Initially, only the Real Property described herein shall be subjected to the Declaration. The Developer hereby reserves for itself, or its successors or assignees, the right to subject the Additional Real Property to the terms and provisions of this Declaration, and grant to the Owners of Lots located on Additional Real Property, after it is subjected to the Declaration, all of the rights and benefits to which Members of the Association are entitled. The Owners of Lots located on the Real Property hereby covenant and agree to burden the Real Property and Additional Real Property with all of the duties, responsibilities, costs and expenses related to the management, administration, maintenance and improvement of Common Areas and such additional Common Areas that are included in the Additional Real Property. The Developer hereby reserves for itself the right to develop the Additional Real Property without subjecting it to the terms and provisions of the Declaration.

Section Two: Rights in Additional Real Property – Common Areas. Until Additional Real Property shall be subjected to the Declaration, the property shall not be subject to the terms and provisions of this Declaration. This Declaration shall not give the Association or any Lot Owners any rights in Additional Real Property until it is subjected to the Declaration. At such time as the Additional Real Property shall be subjected to the terms and provisions of this Declaration, the Additional Real Property shall become part of the Properties and Lot Owners in the Additional 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 Additional Real Property shall likewise become the property of the Association 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 Additional Real Property in the same manner as all other Common Areas of the Real Property.

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

Section Four: Waiver of Right to Protest. To the maximum extent allowed by law, each Owner (by accepting title to his or her Lot), the Association, Board, and the ACC expressly waive any right to protest, appeal or otherwise contest any development application by the Developer and Declarant with respect to the Additional Real Property, whether such property is subjected to the terms of this Declaration or not.

#### ARTICLE THREE: Management of Common Areas and Enforcement of Declaration

Section One: Development Period. During the Development Period, the Association, the ACC, and all Corrimon Areas shall, for all purposes, be under the management and administration of the Developer. During the Development Period, the Developer shall appoint all directors to the Board, and may appoint any persons the Developer chooses as a director to serve at the Developer's discretion. 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. Directors and Members appointed by the Developer during the Development Period may be dismissed at the Developer's discretion. The Developer may elect to adopt and apply such rules and regulations, which shall be enforceable in the same manner as rules and regulations adopted by the Association pursuant to Article Fifteen, but such rules shall automatically terminate at the end of the Development Period unless their applicability is expressly extended by the Association after the conclusion of the Development Period.

<u>Section Two</u>: <u>Purpose of Development Period</u>. 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 Unit.

Section Three: 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 Ten, Section Five.

Section Four: 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.

Section Five: Indemnification of Board Members and Officers. Directors, officers and committee members of the Association and the ACC shall not be liable to the Association or its members for damages caused by an action on behalf of the Association in good faith. This provision may not limit liability for failure to exercise the degree of care and loyalty required under RCW 24.03. Directors, officers and committee members of the Association and the ACC shall be indemnified and held harmless by the Association from and against any damages, liabilities, judgments, penalties, fines, settlements and reasonable expenses (including attorney fees) actually incurred as a result of all actions undertaken by said person in good faith. And (a) in the case of conduct in his or her official capacity with the Association, he or she reasonably believed his or her conduct to be in the Association's best interests, or (b) in all other cases he or she reasonably believed his or her conduct to be at least not opposed to the Association's best interests, or (c) in the case of any criminal proceedings, he or she had no reasonable cause to believe his or her conduct was unlawful. Said persons shall be indemnified and held harmless to the full extent permissible under Washington law. The foregoing right of indemnification shall not be exclusive of other rights to which such director, officer or committee member may be entitled to as a matter of law.

Section Six: Effect of Dissolution of Association. In the event that the Association is dissolved and is no longer licensed as a non-profit corporation, the rights and duties of the Association (including, but not limited to, all ownership interest in the Common Areas) shall vest in the Owners, as an unincorporated association. Any Owner or any Institutional First Mortgagee may reinstate the Association's corporate status, or create a successor entity as a successor to the Association, at any time by filing with the State of Washington such documents as required by law to reinstate the Association or create its successor; and upon such reinstatement, the Owner's rights and duties, as described in this Declaration, shall revest in the reinstated or successor Association, and all owners shall be members thereof with all rights to vote provided by law and the organizational documents of the entity. To the greatest extent possible, any successor entity shall be governed by the Articles of Association and Bylaws of the Association as if they had been made to constitute the governing documents of the successor entity.

## **ARTICLE FOUR: Membership**

Every person or entity who is an Owner of any Lot agrees to and shall 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.

#### ARTICLE FIVE: Voting Rights

Members shall be entitled to one vote for each Lot owned. No more than one 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. Members' votes may be solicited and tabulated by mail, facsimile or such other electronic means as adopted by the Association.

## **ARTICLE SIX: Property Rights and Common Areas**

The Common Areas are hereby granted and conveyed to the Association. Every Owner shall have a right and easement of enjoyment in and to the Common Areas by virtue of membership in the Association, subject to any restrictions set forth in this Declaration, the final Plat, applicable laws, or rules adopted by the Association. The Association shall have the right and obligation to maintain improvements, vegetation, signage and utilities in and on the Common Areas, subject to any restrictions delineated on the Plat. The Association shall have the exclusive right to use and manage the Common Areas in a manner consistent with the Plat, this Declaration, the Articles and the Bylaws of the Association. The Common Areas and any other property dedicated to and accepted by a government or public authority shall be exempt from assessments, Mortgages or other liens by the Association and any Owner.

## ARTICLE SEVEN: Maintenance and Common Expenses

<u>Section One</u>: <u>Standard of Maintenance – Common Areas</u>. The Association shall maintain the Common Areas in a manner consistent with good building and nursery practices, in compliance with all applicable King County and State of Washington codes and regulations, including the regulations and conditions specified in the final Plat.

Section Two: 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 maintaining, repairing, and replacing of the planting strip located within the right-of-way adjacent to the Owner's respective Lot and the Housing Unit located thereon in the same condition as a reasonable prudent homeowner would maintain his own home so that the Real Property will reflect a high pride of ownership. Each Lot Owner shall perform at the Lot Owner's expense the maintenance and upkeep of fencing, Street Trees (if located on a Lot), drainage swales and/or underground drain lines and catch basins installed on their Lot.

Section Three: Remedies for Failure to Maintain. If any Lot Owner shall fail to conduct maintenance on the Owner's Lot or the exterior of the Housing Unit located thereon as required by this Article 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 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 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 and may be collected and foreclosed in the same manner as any other delinquent monthly or special assessment. The Association shall have all remedies for collection as provided in Article Nine of the Declaration. In the event that emergency repairs are needed to correct a condition on a Lot which poses a substantial risk of injury or significant property damage to others, the Association may immediately perform such repairs as may be necessary after the Association has attempted to give notice to the Lot Owner of the repairs necessary. Such notice in emergency circumstances shall be sufficient if attempted orally or in writing immediately prior to the Association's undertaking the necessary repairs. Emergency repairs performed by the Association, if not paid for by the Lot Owner, may be collected by the Association in the manner provided for herein notwithstanding the failure of the Association to give the Lot Owner the thirty (30) day notice.

Section Four: Common Expenses. The Association shall obtain the performance of such work as necessary to carry out the duties described in this Declaration, and may 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 purposes 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. The Common Expenses shall include, but shall not be limited to, the following: (a) the real property taxes levied upon the Association for the Common Areas; (b) 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; (c) the cost of maintaining, repairing and replacing Common Area improvements, including, but not limited to, streets, signs, lights, walls, play structures, benches, picnic tables, open space tracts, mail boxes, plantings and landscaping, drainage and irrigation systems, and monuments (if owned and maintained by HOA); (d) the cost of maintaining landscaped entries, street borders, parking strips or pedestrian trails in which the Association holds an easement or tract ownership; (e) the cost of maintaining, repairing and replacing street lights (if not maintained by applicable governmental jurisdictions); and (f) any other expense which shall be designated as a Common Expense on the face of the final Plat, in the Declaration, in its Exhibits, or from time to time by the Association.

<u>Section Five</u>: <u>Planter Island Maintenance Responsibilities</u>. The abutting Lot Owners shall maintain the planter islands within the cul-de-sacs.

Section Six: Shared Driveways. The Board may elect, in its discretion, to undertake the maintenance, repair and replacement of improvements located in Tracts A, B, C, D and N, which contain driveways providing access to Lots within the plat, as a Common Expense. The Board may separately assess the owners of the Lots served by the Tracts for the maintenance, repair and replacement of the improvements. The Board may elect to discontinue the maintenance, repair and replacement work related to the improvements in the Tracts at any time, delegating such work to the Owners of the Lots served by the Tracts.

If the Board does not undertake the maintenance, repair and replacement of the improvements in the Tracts, the Owners of the Lots served by the Tracts shall undertake such work as is reasonably needed to keep the Tract improvements in good repair, and in a safe condition.

Section Seven: Mailboxes. The mailbox and mailbox shelter maintenance, repair, or replacement shall be included in the Common Areas, and the responsibility of the Association. The mailboxes and mailbox shelters may not be moved or physically altered without approval of the Architectural Control Committee, the U.S. Postal Service and King County.

### **ARTICLE EIGHT: Assessments**

Section One: Working Capital Deposit. Each Owner, at the time of purchase of a Lot, shall make an initial deposit to the working capital of the Association in the amount of \$300.00. The initial deposit shall be in addition to, not in lieu of, the monthly or annual assessments, or to special assessments. The Developer shall be exempt from making the initial deposit during the Development Period. The Developer may elect, in the Developer's sole discretion, to exempt Builders from the obligation to pay the working capital deposit.

Section Two: Types of Assessments. Each Lot shall be subject to monthly or annual assessments or charges, and certain special assessments, in an amount to be determined by the Board. The Developer shall be exempt from any assessments during the Development Period. The Developer may elect, in the Developer's sole discretion, to exempt Builders from the obligation to pay assessments.

Section Three: Determination of Amount. The Board shall determine the amount of assessments necessary to pay Common Expenses. The amount of assessments may be increased or decreased periodically as may be determined by the Board to 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 (or Builders, if the Developer has exempted the Builders), without their consent. The Association may create and maintain from assessments a reserve fund for maintenance, repair and/or replacement of those Common Area improvements that can reasonably be expected to require maintenance, repair and/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 a rate sufficient to fund the budget of the Association as such budget is determined and increased pursuant to this Declaration and RCW 64.38.025, until such time as the Board determines the amount of a new assessment.

Section Four: Certificate of Payment. The Treasurer of the Association shall, upon written demand, furnish a certificate in writing setting forth whether the assessment on a specified Lot has 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 as described in the certificate.

Section Five: Special Assessments. In addition to the assessments authorized above, the Association by its Board 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 (and all Builders, if the Developer has exempted the Builders) shall not be obligated to pay any special assessments on Lots owned by the Developer or the Builders. 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 a vote of two-thirds of the Members at any meeting at which a quorum is present.

<u>Section Six:</u> <u>Assessments – Additional Real Property</u>. At such time as additional Lots become subject to the Declaration, the Owners of the Lots located thereon shall also make the initial deposit and shall become subject to assessments pursuant to this Article Eight. During and after the Development Period, the Developer shall be exempt from such assessments on any Lots located on Additional Real Property owned by the Developer (or Builder, if the Developer has granted a builder exemption from assessment) until sale or transfer of such Lots to a person who will occupy a completed Housing Unit on the Lot. The assessment may be adjusted to reflect the total Lots obligated to contribute to the Common Expenses.

<u>Section Seven</u>: <u>Fines Treated as Special Assessments</u>. 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 against the Lot of the Owner fined, and may be collected by the Association in the manner described in Article Nine.

## **ARTICLE NINE: Collection of Assessments**

Section One: Lien – Personal Obligation. All assessments, together with the 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 Owner of the Lot at the time the assessment was due. No Owner may waive or otherwise avoid liability for assessments by non-use of the Common Areas or abandonment of the Lot.

Section Two: Delinquency. If assessment is not paid within thirty (30) days after its due date, the assessment shall bear interest from said date at twelve percent (12%) per annum, or, in the event that twelve percent (12%) exceeds the maximum amount of interest that can be charge by law, then the highest permissible rate as provided by law. A late charge of five (5%) of the amount overdue shall be charged for any payment more than ten (10) days past due. The assessment shall also be subject to any attorney's fees and costs incurred in the collection of the assessment, whether or not a lawsuit, arbitration or other action shall be commenced. 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, without limitation, 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 Three: 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 this Declaration, the Articles, and Bylaws of the Association, the rules or regulations adopted by the Association, for a period of thirty (30) days, the Member's right to vote may be suspended by the Board, and if suspended shall remain suspended until all payments, together with interest, late fees, and attorney's fees and costs, if any, 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, the Declaration, or Washington state law.

Section Four: Commencement of Assessments. The assessments may commence as to each Lot (except Lots owned by the Developer) upon the initial conveyance of the Lot from the Developer to a third party purchaser. Any interest earned by the Association on assessments held by it shall be to the benefit of the Association.

Section Five: Enforcement of Assessments. The Board may take such action as is necessary including, without limitation, the institution of legal proceedings to foreclose an assessment lien or to enforce any of the provisions of this Article. In the event the Board begins an action to enforce any such rights, the prevailing party in such action shall be entitled to its attorney fees, costs and expenses incurred in the course of such enforcement action as provided in Article Seventeen, Section Five of this Declaration.

## ARTICLE TEN: Building, Use and Architectural Restrictions

Section One: Development Period. The Developer hereby reserves the right to exercise any and all powers and controls herein given to the Board, the ACC or its authorized representative in this Article or this Declaration, during the Development Period. The Development Period shall be extended if Additional Real Property is annexed into the Plat. This reserved right shall automatically terminate at the end of the Development Period and any extension of the Development Period, or when the reserved right is relinquished to the Board or the ACC by written declaration from the Developer. The Developer may also relinquish a portion, but less than all, of the authority granted the Developer under this Article, and retain the balance of such authority for the remainder of the Development Period or any extension thereof. During the Development Period, all construction undertaken by the Developer, or approved by the Developer upon request of any Builder, shall be exempt from review by the ACC.

Section Two: Authority of ACC after Development Period. At the expiration of the Development Period, 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 Article Ten, Section Five herein, and the authority to enforce these covenants, conditions and restrictions, as such reinforcement may be undertaken in the sole discretion of the ACC. 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 by the ACC by this Declaration. Notwithstanding the foregoing, the Developer shall be entitled to exercise the architectural control described in Article Ten regarding any Lot located on the Additional Real Property during and after the Development Period, until the Lots located on the Additional Real Property have been improved by the construction of a housing Unit, and transferred to a Person who will occupy the Housing Unit as a residence.

<u>Section Three</u>: <u>Delegation of Authority of ACC</u>. 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 Four: Appointment of ACC. The Board shall appoint the members of the ACC. There shall be three 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 otherwise determined by the board.

Section Five: Approval by ACC Required. Except as to construction, alteration, or improvements performed by the Developer, 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 landscape plan showing the nature, kind, shape, height, materials, exterior color and location of such building, structure or other improvements have been submitted and approved in writing by the ACC or its authorized representative as to harmony of exterior design and location in relation to its effect upon surrounding structures and topography. Further, 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 shall have been obtained.

5.1 <u>Time Limits</u>. If the ACC or its authorized representative shall fail to notify the Owner of its action for a period of thirty (30) 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 days after deposit 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.

- 5.2 <u>Guidelines</u>. The ACC may adopt and amend, subject to approval by the Board, written guidelines to 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 Real Property. If such guidelines are adopted, they shall be available to all interested parties upon request.
- 5.3 <u>Meetings</u>. 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.
- 5.4 <u>No Waiver</u>. 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, specifications or matter submitted for approval.
- 5.5 <u>Consultation</u>. The ACC may retain and consult persons or entities to assist in the evaluation of plans submitted to the Board for review.
- 5.6 <u>Appeals</u>. 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 time limitations for appeals to be made to the Board.
- 5.7 <u>Enforcement</u>. 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.
- 5.8 <u>No Liability</u>. The ACC, its agents and consultants shall not be liable to the Association, its members, to any Owner or to any other person for any damage, loss or prejudice resulting from any action or failure to act on a matter submitted to the ACC for determination, or for 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.
- 5.9 <u>Fees</u>. The ACC may charge a fee for the review of any matter submitted to it. Any fee schedule adopted by the ACC must be approved by the Board.
- <u>Section Six</u>: <u>Temporary Structures Prohibited</u>. 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 Seven: 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 any Lot or any part of the Properties 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, without limitation, 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 terminated any use of property which is determined by the ACC or described in this Declaration to constitute a nuisance.

Section Eight: Limitation on Animals. No animal, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except cats, dogs, birds or fish 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. Any 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 Nine: Limitation on Signs. No sign of any kind shall be displayed to public view on any Lot, except one sign, not to exceed 24 inches by 24 inches, advertising the Lot (where posted) for sale or rent by the Owner, or the Owner's agent. In addition to other rights reserved to the Developer in the Declaration, the Developer hereby reserves for itself and all Builders, so long as the Developer or any Builders own any Lot, the right to maintain upon the Properties such signs as in the opinion of the Developer are required, convenient or incidental to the merchandising and sale of the Lots. All other signs except as described above shall only be displayed to public view after written approval of the ACC, its authorized representative, or the Developer.

Section Ten: Completion of Construction Projects. The work of construction of all building 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 to external appearance, including finish painting, within eight 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 90 days of completion of a Housing Unit, and rear yard landscaping must be completed within one 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 Eleven: 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 Twelve: Antennas, Satellite Reception. Satellite dishes of no more than one meter in diameter or diagonal measurement are permitted on the properties without ACC approval. Except as provided above, no radio or television antenna or transmitted tower or satellite dish shall be erected on the exterior of any home without approval of the ACC obtained pursuant to Article Ten, Section Five, and a showing by the Owner that such installation will be visually shielded from most of the view of the residents traveling upon streets located on the properties.

<u>Section Thirteen</u>: <u>Setbacks</u>. No building shall be located on any Lot nearer to the front lot line or nearer to the side street than the minimum building setback lines adopted by the governmental authority with jurisdiction over the Properties.

<u>Section Fourteen</u>: <u>Roofs</u>. 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.

Section Fifteen: 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, whether visible to the other Lots or not, shall be constructed and finished according to the standard fence detail, as such detail is initially designated by the Developer during the Development Period, and continued or modified by the ACC after the Development Period. If a standard fence detail is attached to this Declaration, such fence detail and any required color for a fence may be modified by the Developer or by amendment of this Declaration.

Section Sixteen: Residential Use Only; Home Businesses Limited. Except for Developer's temporary sales, construction offices and model homes, no Lot shall be used for other than one detached single-family dwelling with driveway parking for not more than three 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 this Declaration, the Bylaws, and RCW Chapter 64.38.

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

Section Eighteen: Sales and Construction Facilities. Notwithstanding any other provision in this Declaration to the contrary, it is expressly permissible during the Development Period for the Developer, and its agents, employees or nominees, to maintain on any portion of the Properties owned by the Developer or on the Common Areas such facilities as the Developer may reasonably feel are required, convenient or incidental to the construction and/or sales of Lots or improvements thereon. The Developer may permit, in writing, an individual Owner or third party purchaser to maintain temporary equipment and construction material on the Owner's Lot when the Developer feels the same is reasonably required, convenient or incidental to construction activities for improvement on said Lot. It shall also be permissible during and after the Development Period for the Developer, and its agents, employees or nominees, to maintain on any portion of the Additional Real Property owned by the Developer or on the Common Areas such facilities as the Developer may reasonably feel are required, convenient or incidental to the construction and/or sales of Lots or improvements thereon.

Section Nineteen: Drainage Waters. Following original grading of the roads and ways of the Real Property, no drainage waters on any Lot or Lots shall be diverted or blocked from their natural course so as to discharge upon any public road rights-of-way. The Owner of any Lot or Lots, prior to making any alteration in the drainage system, must make application to and receive approval from the Director of Public Works. Any enclosing of drainage waters in culverts or drains or rerouting thereof across any Lot as may be undertaken by or for the Owner of any Lot shall be done by and at the expense of such Owner.

Section Twenty: NBA Restrictions and Maintenance. All areas designated on the Plat as Sensitive Area, Buffer, Natural Buffer Area, Wetland, or Wetland Buffer (collectively, "NBA") shall be left permanently undisturbed in a substantially natural state. No clearing, grading, filling, building construction or placement, or road construction of any kind shall occur within these areas, except the activities approved by King County. Some activities that may be permitted are: (1) underground utility lines and drainage discharge swales may cross such areas, utilizing the shortest alignment possible if and only if no feasible alignment is available which would avoid such a crossing; (2) fences, when the NBA and its buffer are not detrimentally affected; and (3) removal of hazardous vegetation by the Owner of a Lot on which a NBA is located. No adjustment to the boundary of any such area shall occur unless first approved through the formal replat process. The Association shall be responsible for operating, maintaining and restoring the condition of the NBA in the event any unauthorized disturbance occurs; however, in the event that this disturbance is determined to be the fault of a party, the Association may pursue claim for reimbursement of damages to the NBA from the party disturbing the area.

Section Twenty-One: Deviation During the Development Period. Developer hereby reserves the right during the Development Period to enter into an agreement with the Owner of any Lot (without the consent of the Owner of any other Lot) to deviate from the conditions, restrictions, limitations or agreements contained in this Declaration. Any deviation shall be manifested in an agreement in writing and shall not constitute a waiver of

any such condition; restriction, limitation, or agreement as to the remaining Lots located on the Real Property; and the condition, restriction, limitation or agreement waived by the Developer shall remain fully enforceable as to all other Lots located in the Real Property.

Section Twenty-Two: Limitation on Storage of Vehicles - Temporary Permits for RVs. 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. 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 72 hours, and not to exceed two weeks in any calendar year. The privilege shall only exist, however, after the written permission has been obtained from the ACC or its authorized representative. A Lot Owner that stores a recreation vehicle off-site may park the vehicle on the driveway, other unscreened area or on the street for 48 hours for the purpose of preparing for departure or upon return, to facilitate preparation and return from travel.

Section Twenty-Three: Restrictions Upon Rentals. This Section applies to the renting or leasing of Housing Units located on Lots (collectively, "renting" or "rental"), including all tenancies of any duration, all tenancies with options to purchase, all tenancies with first rights of refusal, and all living arrangements in any way governed by the provisions of RCW 59.12 or RCW 59.18, and shall also apply to any sublease of a Housing Unit and the assignment of any lease of a Housing Unit. No Lot Owner may rent a Housing Unit on a Lot without prior written approval of the Board ("Rental Approval"). No rental of a Housing Unit on a Lot shall be valid or enforceable unless it complies with the provisions of this Section, and the written approval of the rental agreement by the Board is granted prior to occupancy of the Tenant. The Board may, by a duly adopted rule, require that a fee be collected by the Association from the Lot Owner as a condition of such approval. The Board may bar completely or restrict the total number of Housing Units rented within the Properties for such reasons as the Board deems appropriate, including but not limited to maintaining an owner-occupied residential environment.

## 23.1 <u>Definitions</u>. The following definitions shall apply to this Section:

- (a) "Occupant" means anyone who occupies a Housing Unit as a permanent residence or who stays overnight in any Housing Unit more than fourteen (14). days in any calendar month, or more than thirty (30) days any calendar year.
  - (b) "Related Party" means a person who has been certified in a written

document filed by a Lot Owner with the Association to be the (1) parent, (2) parent in law, (3) sibling, (4) sibling in law, (5) parent's sibling or (6) lineal descendant of the owner or (7) the lineal descendant of any of the foregoing persons, (8) the domestic partner of any owner as "domestic partner" is defined by Seattle Municipal Code Section 4.30,020, or any amendment of successor to such statute, or if the statute is repealed, the definition last contained in the statute before its repeal, (9) the officer, director or employee of any Lot Owner which is a corporation, (10) member or employee of any Lot Owner that is limited liability company, or (11) partner or employee of any Lot Owner that is a partnership.

- (c) "Rental Agreement" shall mean an agreement related to the renting or leasing of any Housing Unit.
- (d) "Tenant" means and includes a tenant lessee, renter or other non-Owner occupant of a Housing Unit that is not occupied by its Owner. For the purposes of the declaration, the term Tenant shall not include a Related Party.
- 23.2 <u>Rental Limitation</u>. During the Development Period, no Housing Unit may be rented by a Lot Owner without the written permission of the Developer. After the Development Period, the Board may determine the number of Housing Units that may be rented by at any one time, by adoption of a rule setting the number of Housing Units that may be rented. The Board may determine that no Housing Units may be rented. The restrictions contained in this section shall be known as the "Rental Limitation".
- Owners interested in renting their Housing Unit after the conclusion of the Development Period shall submit a written request for Rental Approval to the Board in such form as shall be reviewed and accepted by the Board. Once Rental Approval has been granted by the Board, the Lot Owner shall have ninety (90) days within which to rent the Housing Unit. IN the event the Housing Unit is not rented within the 90-day period, Rental Approval shall automatically be revoked. Renting of a Housing Unit ninety (90) days of the granting of Rental Approval shall be deemed to occur if the Housing Unit is occupied by a Tenant within the 90-day period, or if written rental agreement is signed within the 90-day period and the term commences within the 30 days of the signing of the rental agreement.
- approved in the order received by the Board. Once the number of rental Housing Units reaches the Rental Limitation, then a Lot Owner who submits a written request for Rental Approval shall go on a Waiting List. Each Lot Owner who has rented his/her Housing Unit shall promptly give written notice to the Association of any rental agreement termination and the intent by the Lot Owner to no longer rent the Housing Unit. The Lot Owner in the next available position on the Waiting List shall be notified and provided as reasonable opportunity to rent his/her Unit in accordance with the terms and conditions of this Article. If the Lot Owner fails to rent his/her Housing Unit within such reasonable period of time as determined by the Board of Directors (or otherwise advises the Board of his/her waiver of a

right to then seek to rent his/her Unit), then that Lot Owner's name shall be placed at the bottom of the Waiting List, and the opportunity to rent shall then be offered to the next highest person on the Waiting List.

- Rental Housing Unit if and only if the Lot Owner and the Tenant have strictly complied with the terms and conditions of this Section. A housing Unit shall remain an Approved Rental Housing Unit in the event the Lot Owner extends or renews an existing rental agreement or rents the Housing Unit to a new renter in strict accordance with this Article. However, in the event an Approved Rental Housing Unit (1) is subsequently occupied by an Lot Owner or persons not bound by a written rental agreement in strict accordance with this Article for a period of thirty (30) days or more, or (2) is the subject of a transfer other than an exempt transfer (as defined below), made by the Lot Owner to a new Owner, the Housing Unit shall be deemed to be an Owner Occupied Housing Unit. Upon either occurrence, any previous rental approval shall be deemed revoked, and the Lot Owner shall thereafter be required to reapply to the Board for Rental Approval in accordance with this Article. For the purposes of this Article, exempt transfers are transfers that occur (1) as a result of a gift by the Lot Owner to a Related Party or (2) by a testamentary transfer from a Lot Owner to any person.
- 23.6 <u>Hardship Exception</u>. The Board of Directors shall have the right, in the exercise of reasonable discretion, to permit exceptions to the rental limitations in connection with hardship cases. In other words, where the Board of Directors determined that a hardship exists due to circumstances beyond the control of the Lot Owner, and that the Lot Owner would suffer serious harm by virtue of the rental limitations, and where the Board of Directors further determines that a variance from the rental limitations contained herein would not detrimentally affect the other Lot Owners or the quality of the single-family, owner-occupied neighborhood, then the Board of Directors may, in its discretion, grant an Lot Owner a waiver of the Rental Limitation for such a temporary period as to be determined by the board of Directors. In addition, the Board of Directors shall have the authority, notwithstanding the Rental Limitation, to consent to the Rental of a Housing Unit, title to which is acquired following a default in a mortgage or Deed of Trust.
- 23.7 <u>Copies of Rental Agreement Provided to Association</u>. In addition to the requirement that the Association approve the Rental Agreement prior to execution of the Rental Agreement under Section 23.3, copies of all Rental Agreements, and any amendments thereto, as executed by the Lot Owner and the Tenant, shall be delivered to the Association before the tenancy commences.
- 23.8 Delivery of Governing Documents to Tenants. Prior to signing any rental agreement, it shall be the responsibility of the Lot Owner to deliver the Tenant a copy of all Governing Documents, i.e. this Declaration, the Bylaws, and the Rules and Regulations of the Association. If it is determined that the Lot Owner has failed to provide copies of such documents to the Tenant, the Association may furnish a copy of the documents to the Tenant and charge the Lot Owner an amount to be determined by the Board, which copying charge shall be collectible as a special assessment against the Housing Unit and its Lot Owner.

- have and may exercise the same rights of enforcement and remedies for breach of the Governing Documents against a Tenant, as it has against a Lot Owner, including all such rights and remedies as are otherwise provided in this Declaration or by applicable Washington law. In addition, if any Tenant or Occupant of a Housing Unit violates or permits the violation by his guests and invitees of any provisions of this Declaration or of the Bylaws or of the Rules and Regulations of the Association, the Board may give notice to the Lot owner to immediately cease such violations. If the violation is thereafter repeated, the Board shall have the authority, on behalf and at the expense of the Lot Owner, to terminate the tenancy and evict the Tenant (and all occupants) if the Lot Owner fails to do so after Notice from the Board and an opportunity by the Lot Owner to be heard. The Board shall have no liability to a Lot Owner or Tenant for any eviction made in good faith. The Association shall have a lien against title to the Owner's Lot for any costs incurred by it in connection with such eviction, including reasonable attorney's fees, which may be collected and foreclosed by the Association in the same manner as assessments are collected and foreclosed.
- 23.10 <u>Rules and Regulations</u>. The Board may adopt Rules and Regulations in furtherance of the administration of this Article, which Rules and Regulations shall be effective upon publication to the Association and its members.
- 23.11 <u>Requirements of Rental Agreement</u>. All leases and rental agreements shall be in writing. Any lease or rental agreement must provide that its tenants shall be subject in all respects to the provisions of this Declaration and the Bylaws and rules and regulations of the Association and that any failure by the tenant to comply with the terms of such documents shall be a default under the lease or rental agreement.
- Board may collect, and the tenant shall pay over to the Board, so much of the rent for such Housing Unit as is required to pay any amounts due from the owner or the tenant to the Association hereunder, plus interest, costs, litigation expenses and attorney's fees if the same are in default over thirty (30) days. The tenant shall not have the right to question payment to the Board, and such payment will discharge the tenant's duty of payment to the Lot Owner for rent to the extent such rent is paid to the Association, but will not discharge the liability of the Lot Owner or purchaser of the Lot under this Declaration for Assessments and charges, or operate as approval of the lease. The Board shall not exercise this power where a receiver has been appointed with respect to the Lot or its Owner, nor in derogation of any right which a Mortgagee of such Lot may have respect to such rents.

Section Twenty-Four: Street Trees. Street Trees are those trees planted by the Developer, or at the Developer's direction, to comply with the requirements contained in Note 20, Sheet 3 of the Plat. Street Trees are located on Lots and Tracts near the public right of ways that lie within and along the boundaries of the Plat. Street Trees that are located within Common Areas are owned by the Association. A pre-existing tree or a tree planted by the Developer on a Lot at the time it is purchased by a Lot Owner is considered a Street Tree. Any tree located within twenty (20) feet of a public right of way (whether such right of way is located within or outside the Plat), shall be presumed to be a Street Tree

subject to the restrictions contained herein, unless the Association, the Developer or King County confirm otherwise in writing to the Lot Owner.

- 24.1 <u>Easement Granted</u>. The Association and the Developer are granted an easement to place, care for and maintain Street Trees on each Lot on the Properties, in locations adjacent to the public right of ways and sidewalks, whether such public right of ways are located along the front, side or back boundary of a Lot. The easement granted herein shall extend onto a Lot for a distance sufficient for a Street Tree (of a variety approved by King County or its successor) to be planted, maintained and pruned in manner consistent with good nursery practices. The Association and the Developer are also granted such temporary easements that are needed to reach the location of any Street Tree, across any Lot or Tract on the Properties.
- The 24.2 Responsibility for Planting and Maintenance of Street Trees. Developer shall, in its sole discretion (but not consistent with the requirements of King County under Note 18, Sheet 3 of the Plat), plant the Street Trees in such locations on the Lots and Tracts along the right of ways that the Developer determines. The Lot Owners and the Association shall have primary responsibility for the maintenance of the Street Trees after they are planted. The division of responsibility between the Lot Owners and the Association for different aspects of maintenance of the Street Trees may be established by rules promulgated by the Association. The Lot Owners and the Association shall provide such maintenance to the Street Trees that is appropriate, based upon good nursery practices and requirements imposed by the Developer or King County. The Lot Owners and the Association shall be prohibited from (1) voting to abandon or ceasing the maintenance of the Street Trees, or (2) removing or altering (other than appropriate pruning) the Street Trees without permission of the Developer, until such date that the Developer's performance and maintenance bonds posted with King County related to the Street Trees is released and fully exonerated by King County, without charge or reduction, or upon the bonds' forfeiture.
- Lot Owner and the Association fail to maintain the Street Trees, the Developer may elect to maintain the Street Trees and may charge the Association and the Lots Owners, as a special assessment under Article Eight, the cost of such maintenance. The special assessment arising under this section shall be a lien on the Properties in favor of the Developer, which the Developer may enforce (in place of the Association) in the manner described in Article Nine. In the alternative, the Developer may elect to charge any sums deducted from the Developer's performance bond as a special assessment against the Association and the Lot Owners, impose the special assessment as a lien on the properties in favor of the Developer, and enforce such special assessment (in place of the Association) in the manner described in Article Nine. This Section Twenty-Four of the Declaration may not be amended without permission of the Developer, until the Developer's performance and maintenance bonds posted with King County related to the Street Trees are released and fully exonerated by King County, without charge or reduction, or such bonds are forfeited.

- 24.4 Remedies Upon Removal or Alteration of Street Trees. In the event that a Lot Owner removes or alters inappropriately a Street Tree without written permission of the Developer (until the Developer's performance and maintenance bonds are released or forfeited by King County, and then the Association), the removal shall be a violation of this Declaration and of RCW 64.12.030. The Developer, (until the Developer's performance and maintenance bonds are released in full without claim by King County, and then the Association), may bring an action to restrain the removal of any Street Tree, or for damages arising from such removal, including such additional, treble damages and attorney's fees that are available under this Declaration or state law.
- Termination or Alteration of Restrictions on Removal of Street Trees. The Developer's rights and duties described herein shall cease and automatically terminate upon (a) release in full, without claims, of the Developer's performance and maintenance bonds, (b) recovery of compensation by the Developer for all sums deducted from the bond, or (c) a date six years from the date of any bond forfeiture, whichever event occurs first. After the Developer's performance and maintenance bonds are released or forfeited by King County, and the Developer has received the full exoneration of its bond without claims, or compensation for any payments made from the bond, the Association may apply to King County or its successor for approval to terminate or alter the restrictions imposed upon the removal or alteration of Street Trees described in this Section Twenty-Four to the Declaration. Such application may be made if a majority of the Lot Owners approve of the Association's application to King County or its successor for termination or alteration of the Street Tree restrictions. Upon written notification by King County or its successor of the termination or alteration of the restrictions upon Street Trees contained herein, the Association shall record a copy of the written notice in the Recorders Office of King County. Upon recordation of such notice, the provisions of this Section Twenty-Four related to Street Trees shall terminate or be amended in the manner described in the notice.

Section Twenty-Five: 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 for 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 ELEVEN:** Easements

Section One: Easement for Encroachments. Each Lot is, and the Common Areas are, subject to an easement for encroachments created by construction settlement and overhangs as designed or constructed by the Developer, and to an easement for encroachments and for maintenance of the same as long as the improvements remain.

Section Two: Easements on Exterior Lot Lines. In addition to easements reserved under this Declaration, on the Plat, or shown by instrument of record, easements for private storm drainage are reserved for the Developer and its assigns over a 2.5-foot wide strip along each side of the interior Lot lines, and five feet 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.

Section Three: 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: (a) cleaning, maintenance, or repair of any home or Lot as provided in Article Seven, Section Three of this Declaration; (b) repair, replacement or improvement of any Common Area accessible from that Lot; (c) emergency repairs necessary to prevent damage to the Common Areas or to another Lot, or to the improvements thereon; (d) cleaning, maintenance, repair or restoration work which the Owner is required to do but has failed or refused to do; (e) maintain Street Trees as provided in this Declaration; and (f) all acts necessary to enforce this Declaration, the Bylaws, Articles, or Rules and Regulations adopted by the Association.

<u>Section Four: Easement for Developer.</u> Developer shall have an easement across all Common Areas for ingress, egress, storage and placement of equipment and materials, maintenance of Street Trees (if the Developer elects to perform such maintenance) and other actions necessary or related to the development or maintenance of the Real Property.

Section Five: Easements and Restrictions on Final Plat. Easements and restrictions set forth in the recorded final Plat map or notes are incorporated herein and hereby reserved on each Lot and/or the Common Areas. Within those 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 maintenance, repair, and/or reconstruction of that portion of the drainage facility benefiting any Owners shall be borne equally by the Owners having the benefit of use; provided, however, that no Owner shall be responsible for the maintenance, repair, and/or reconstruction of that portion of the commonly used storm sewer located upstream from the point of connection of that Owner. No Owner shall construct or locate any structure or portion thereof within the utilities easement areas, and no Owner shall relocate, remove or disturb any utility within the utilities easement, including any utility box, without the written approval of the ACC and the current holder of the utilities easement. Any easement entered upon for the purposes stated above shall be restored as near as possible to its original condition by the individual or entity entering said easement.

#### ARTICLE TWELVE: Mortgagee Protection

Section One: Mortgagees. Notwithstanding and prevailing over any other provisions of the 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 Two: 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.

<u>Section Three:</u> <u>Mortgagee's Rights During Foreclosure.</u> 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 Four: 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 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 Five: 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.

<u>Section Six: Subordination.</u> The liens for assessments provided for in this instrument 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.

<u>Section Seven:</u> <u>Mortgagee's Rights.</u> Any Mortgagee shall have the right on request therefor to: (a) inspect the books and records of the Association during normal business

hours; (b) receive an annual audited financial statement of the association within (90) days following the end of any fiscal year; and (c) receive written notice of all meetings of the Association and designate a representative to attend all such meeting.

Section Eight: Limitation on Abandonment of Common Areas. The Association shall not, within 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 Nine: Notice. If such notice has been requested in writing, Mortgagees shall be entitled to timely written notice of: (a) substantial damage or destruction of any Housing Unit or any part of the Common Areas or facilities; (b) any condemnation or eminent domain proceedings involving any Housing Units or any portion of Common Areas or facilities; (c) 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; (d) 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; (e) 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 (f) any proposed action that requires the consent of a specific percentage of Mortgagees.

### **ARTICLE THIRTEEN: Management Contracts**

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

#### ARTICLE FOURTEEN: Insurance

Section One: 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. The comprehensive public liability coverage shall be in an amount to be determined by the Association. The Association 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 canceled 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 Two: Replacement, Repair After Loss. In the event of the 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, replace 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.

#### ARTICLE FIFTEEN: Rules and Regulations

The Association and/or the Board 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 Owners shall be given written notice of the rules and regulations in the manner required by RCW Chapter 64.38.

#### **ARTICLE SIXTEEN: Remedies and Waiver**

<u>Section One:</u> Remedies Not Limited. The remedies provided herein, including those for collection of any assessment or other charge of 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 Two: 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 of 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 SEVENTEEN: General Provisions**

Section One: 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, shall in all cases be assumed as though in each case fully expressed.

Section Two: 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 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 Three: <u>Duration</u>. 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 provided.

Section Four: 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 Five: 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 Six: Method of Notice. Any notice required by the Declaration or 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, when transmitted by facsimile, or when transmitted by other electronic means approved by the Association.

<u>Section Seven: Enforcement of Declaration.</u> This Declaration may be enforced by the Association, the Developer or the Owner 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 Eight: Arbitration and Mediation of Disputes. The parties to this Declaration agree to cooperate in good faith and to deal fairly in performing their duties under this Declaration in order to accomplish their mutual objectives and avoid disputes. But if a dispute arises, the parties agree to resolve all disputes by the following alternate dispute resolution process: (1) the parties will seek a fair and prompt negotiated resolution, but if this is not successful, (2) all disputes (except those disputes specifically exempted herein) shall be resolved by binding arbitration; provided that, during this process, (3) at the request of either party made not later than forty-five (45) days after the initial arbitration demand, the parties will attempt to resolve any dispute by nonbinding mediation (but without delaying the arbitration hearing date). The parties confirm that by agreeing to this alternate dispute resolution process, they intend to give up their right to have any dispute decided in court by a judge or jury.

8.1 <u>Claims Subject to Arbitration.</u> Any claim, except a claim involving an action for judicial or nonjudicial foreclosure of the Association's lien for assessments between or among any party subject to this Declaration (including without limitation, the Association, Board or officers, Owners, or their employees or agents) arising out of or relation to this Declaration, a Lot, the Common Areas or the Association, shall be determined by arbitration in the county in which the Properties are located commenced in accordance with RCW 7.04.060; provided, that the total award by a single arbitrator (as opposed to a majority of the arbitrators) shall not exceed Fifty Thousand Dollars (\$50,000,00), including

interest, attorney's fees and costs. If any party demands a total award greater than \$50,000.00, there shall be three (3) neutral arbitrators. If the parties cannot agree on the identity of the arbitrators with ten (10) days of the arbitration demand, the arbitrators shall be selected by the administrator of the American Arbitration Association (AAA) office in Scattle from its Large, Compley Case Panel (or have similar professional credentials). Each

Seattle from its Large, Complex Case Panel (or have similar professional credentials). Each arbitrator shall be an attorney with at least fifteen (15) years experience in commercial or real estate law and shall reside in the county in which the Properties are located. Whether a claim is covered by the Article shall be determined by the arbitrators. All statues of limitations which would otherwise be applicable shall apply to any arbitration proceeding

hereunder.

8.2 Procedure. The arbitrators shall take such steps as may be necessary to hold a private hearing within ninety (90) days of the initial demand for arbitration and to conclude the hearing within three (3) days; and the arbitrators' written decision shall be made not later than fourteen (14) calendar days after the hearing. The parties have included these time limits in order to expedite the proceeding, but they are not jurisdictional, and the arbitrators may for good cause afford or permit reasonable extensions or delays, which shall not affect the validity of the award. The written decision shall contain a brief statement of the claim(s) determined and the award made on each claim. In making the decision and award, the arbitrators shall apply applicable substantive law. Absent fraud, collusion or willful misconduct by an arbitrator, the award and decision shall be final, and the judgment maybe

entered in any court having jurisdiction thereof. The arbitrators may award injunctive relief or any other remedy available from a judge, including without limitation joinder of parties or consolidation of this arbitration with any other involving common issues of law or fact or which may promote judicial economy; but shall not have the power to award punitive or exemplary damages. The decision and award of the arbitrators need not be unanimous; rather, the decision and award of two (2) arbitrators shall be final.

<u>Section Nine: Successors and Assigns.</u> This Declaration binds and is for the benefit of the heirs, successors and assigns of Declarant, the Developer, the Members and the Owners.

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

### **ARTICLE EIGHTEEN: Amendment and Revocation**

<u>Section One:</u> <u>Exclusive Method.</u> This instrument may be amended, and partially or completely revoked only as herein provided or otherwise provided by law.

Section Two: Amendment by Developer. During the Development Period, the Developer may amend this instrument as it deems appropriate to 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 Three: Voting. 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 present at such meeting 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. As long as Developer owns more than fifty-one percent of the Lots, this Declaration may be amended during the Development Period by the Developer: In the event that the Developer holds necessary votes, the Developer may waive the requirements to conduct a meeting to amend this Declaration, unless expressly prohibited by law. 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 to this Declaration or Bylaws, including any of the following: voting rights; assessments, assessment liens and subordination of such liens; reserves for maintenance, repair and replacement of Common Areas; insurance or fidelity bonds; responsibility for maintenance and repair; contraction of the project or the withdrawal

of property from the Properties; the boundaries of any Lot; leasing of Housing Units other than as set forth herein; imposition of any restrictions on the right of an Owner to sell or transfer his or her Lot; any decision by the Association to establish self-management when professional management had been required previously by an Institutional First Mortgagee; restoration or repair (after hazard damage or partial condemnation) in a manner other than that specified in this Declaration; any action to terminate the legal status of the Properties after substantial destruction or condemnation occurs; or any provisions which are for the express benefit of Institutional First Mortgagees.

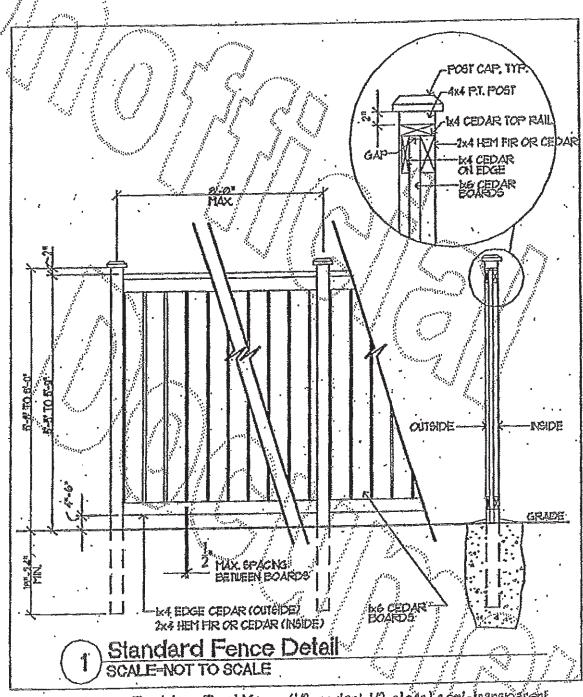
Section Four: Effective Date. Amendments shall take effect only upon recording with the Recorder or Auditor of the county in which this Amended and Restated Declaration is recorded.

Section Five: Protection of Developer. For such time as Developer shall own Lots located in the Properties there shall be no amendments to the Declaration, the Articles of Incorporation, the Bylaws of the Association, or any Rules and Regulations adopted by the Association which (a) discriminate or tend to discriminate against the Developer's rights; (b) change Article I ("Definitions") in a manner that alters the Developer's right or status; (c) alter the character and rights of membership or the rights of the Developer as set forth in Article III; (d) alter its rights as set forth in Article X relating to architectural controls; (e) alter the basis for assessments, or the Developer's exemption from assessments; (f) alter the number or selection of Directors as established in the Bylaws, or (g) alter the Developer's rights as they appear under this Article.

## EXHIBIT A Fence Standards

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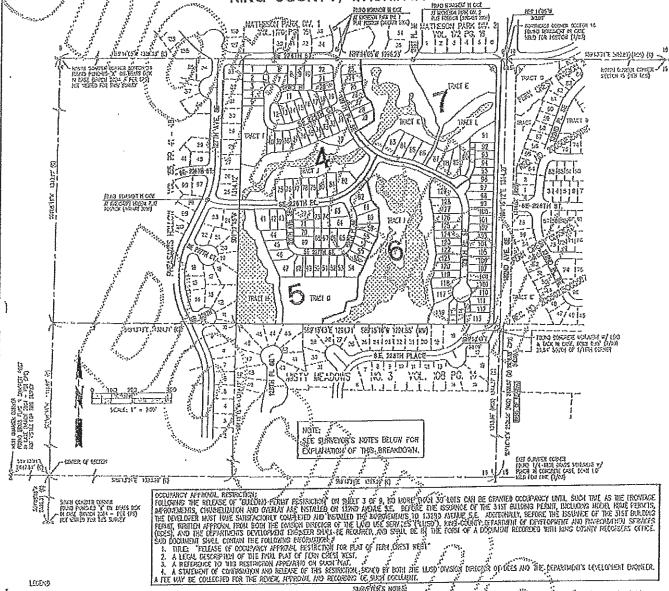
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# SHADOWBROOK RIDGE HOMEOWNERS ASSOCIATION COMMUNITY RULES AND COVENANT ENFORCEMENT POLICY

The Board of Directors of Shadowbrook Ridge Homeowners Association ("The Association") has set the following Rules for all homeowners. They are intended to help Shadowbrook Ridge stay a pleasant, inviting and friendly community.

These Rules are not a replacement for the Covenants (officially called the Declaration of Protective Covenants, Conditions, Easements and Restrictions of Shadowbrook Ridge, which you received when you purchased your home). These Rules are supplements to the CC&R's and more clearly define the community rules where these convents grant the Association the authority to do so.

These Rules will change periodically as the needs of the community change. Please check with the Community Association Manager if you have questions about these Rules.

#### **COMMUNITY RULES**

- 1. Common Area Use: Common Areas, including parks and native growth protection areas are for the use and enjoyment of all homeowners. They are maintained by the Association. Everyone is expected to pick up their trash and deposit them into an available trash receptacle. Pet waste must be cleaned up immediately with a proper bag and thrown away. No one may allow animals to roam off-leash in Shadowbrook Ridge. Open fires are not permitted. Loud and boisterous activity is not permitted in the Common Areas after dark. You may not plant, prune or cut trees, shrubs or any other vegetation in the Common Areas. No personal items may be stored in the Common Areas.
- 2. <u>Fences</u>: Shadowbrook Ridge's Covenants limit the type of fences which may be built in the community. You must apply to the Architectural Control Committee (ACC) for permission to build any fence. Please be a good neighbor by notifying your neighbors that you plan to build a fence.
- 3. <u>Holiday Lights</u>: All exterior holiday lighting and decorations must be taken down within 30 days after the date of the holiday.
- 4. <u>Landscaping</u>: Installation of, or changes, to landscaping requires ACC approval. Shadowbrook Ridge maintains a high standard of landscape maintenance to keep the community looking neat and demonstrate pride of ownership. At a minimum, homeowners must keep their lawns mowed, watered and fertilized. Beds must be weeded regularly. Leaves and storm debris must be raked and cleaned up within a reasonable time period. Firewood, bicycle, toys, trash containers, equipment and other items may not be stored in the front yard.
- 5. <u>Parking</u>: Parking space is limited in Shadowbrook Ridge. Please respect your neighbors and limit parking to your garage and driveway as much as possible. No vehicles may ever park on the yard. Street parking is not allowed within 10 feet of a USPS Mailbox; within 5 feet of a driveway; or within 20 feet of a corner. No commercial vehicles, with

the exception of law enforcement vehicles, may be parked on Shadowbrook Ridge community streets or in driveways. Commercial vehicles must be parked in homeowner's garage or off-site. Storing vehicles on Shadowbrook Ridge streets is prohibited. Vehicles must be in working condition and used on a regular basis. See Article 10, Section 22 of the Covenants for additional detailed parking restrictions. Violation of parking rules and Covenants on Shadowbrook Ridge streets may result in HOA violations or law enforcement action, or both.

- 6. Pets: Pets are limited in Shadowbrook Ridge. See Article 10, Section 8 of the Covenants for detailed restrictions on pets. All pet owners are responsible for picking up pet waste immediately and depositing it in their own trash cans, or the community trash cans located in the Shadowbrook Ridge Park using appropriate pet waste bags. All animals not confined in their yards must be on a leash. These are no off-leash areas in Shadowbrook Ridge. Excessively barking dogs or other excessively noisy animals will be considered a nuisance as described in Article 10, Section 7.
- 7. <u>Street Trees and Planting Strips</u>: Homeowners must water and care for the planting strips and street trees on or adjacent to their property. See Article 7, Section 2 and Article 10, Section 24 of the Covenants for details.
- 8. <u>Property Improvements</u>: All changes, improvements, or modifications to the exterior of any home or property require approval of the ACC. See Article 10, Section 2 through 6 of the Covenants for details.
- 9. Signs: Signs are limited in Shadowbrook Ridge in order to maintain a consistent look throughout the community. Only one sign, not more than 24 inches by 24 inches, may be displayed on any Lot. Signs must be hung from a white painted 4" x 4" mast-arm style post, which must be at least 4 feet from the ground to the top of the post. Hand painted signs or plastic signs with hand written words or numbers are not permitted. No signs whatsoever may be posted in any Common Area or on mailboxes. Please contact the Community Association Manager for more information on where to rent an acceptable sign.
- 10. <u>Unsightly Conditions or Nuisances</u>: No unsightly conditions may exist on any Lot. Unsightly conditions include, for example, but without limitation, drying laundry, 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. No clothes lines or other overhead wires or string shall be hung or affixed to any Lot. Please respect your neighbors. Quiet hours in Shadowbrook Ridge are from 10:00 p.m to 7:00 a.m.
- 11. Rentals: Rentals are limited in Shadowbrook Ridge. All tenants are held to the same standard as homeowners and shall strictly comply with the Covenants and these rules. Homeowners will ultimately be held responsible for any Covenants or rules that are not followed by their tenants.

The following rules provide clarification and definition of the Shadowbrook Ridge rental policy under the authority granted by the Shadowbrook Ridge Covenants. See Article 10, Section 23 for details.

- a. No more than seven (7) housing units shall be rented concurrently in the Shadowbrook Ridge Association at any given time (Approximately 5% of the total number of homes in the community). Reasonable consideration by the Board will be given to hardship cases in the event the rental capacity is its maximum at the time of hardship request for Rental Approval.
- b. The homeowner, only after obtaining written Rental Approval by the Shadowbrook Ridge Board, shall pay a fee to the Association in the amount of \$500. The full amount will be added to the Homeowner's Association account and shall be payable within 30 days of notification of Rental Approval. Failure to make a timely payment of this fee will result in revocation of the Rental Approval and will return the homeowner to the end of the rental waiting list if one exists. The owner will be required to reapply to gain rental status when space is available.
- c. The Board reserves the right to revise the restriction on the number of rental housing units it deems appropriate. A homeowner's approved rental status will not change due to a revision in the Rental Limitation.
- d. Any homeowner renting their Shadowbrook Ridge home without prior written approval of the Homeowners Association shall be subject to fines as outlined in the Five-Step Approach and Fine Schedule found in the Enforcement section of this document. These fines will be assessed to the HOA account of any Lot in violation until such a time as a rental application is submitted and approved. Further, if the Board has good reason to believe that a home is being rented out without approval of the Homeowners Association, the burden of proof will fall upon the homeowner to provide the Board with proof of owner occupancy any time before, or after the Five-Step Approach and Fine Policy has been initiated.
- e. At no time shall the mere application for Rental Approval by a homeowner be considered approval by the Board. All applications will be considered based on the provisions outlined in the Covenants, including a clean ACC review of the property. In addition, a Homeowner's Association account must be in good standing. Should the number of approved rental homes be at capacity, the application will be added to a rental waiting list if one exists. Owners will be placed on this list on a first-come, first-served basis. See Article 10, Section 23 for additional information.
- f. A copy of the owner/tenant rental agreement is required for Board review as a condition of Rental Approval as specified in Article 10, Section 23.7. The Board reserves the right to require revisions to the rental agreement to reflect provisions of the Covenants and Community Rules. Written approval of the owner/tenant lease agreement by the Board is required prior to occupancy by each new tenant.
- g. At any time during the tenancy, should the homeowner, it's tenants, occupants, or guests fail to adhere to the provisions of the CC&R's,

Community Rules, the ACC regulations, or the Resolution on Rental Approval, the Board reserves the right to revoke such approval by written notice to the homeowner and assess fines for non-compliance as outlined in item(s) E and F of this Resolution and the "Enforcement of Covenant and Rules." Thereafter, with the revocation of Rental Approval the homeowner shall be required to reapply for Rental Approval in accordance with the CC&R's, be placed at the end of the rental waiting list, and will subject once again to the approval fee of \$500.

#### **ENFORCEMENT OF COVENANT & RULES**

<u>Voluntary Compliance</u>: The primary way high community standards are preserved at Shadowbrook Ridge is for all homeowners to voluntarily follow the Rules and be good neighbors. As a result, the Board should not have to take enforcement action often to restore compliance with the Rules and Covenants.

- A. <u>Board Authority</u>: Occasionally some homeowners will fail to comply with the Rules and Covenants, so something more is needed to bring them into compliance. This Policy is meant to guide the Board in action to restore a homeowner's compliance with the Rules and Covenants through a process that is fair, efficient and effective.
- B. <u>Enforcement Procedures</u>: The following Enforcement Policy (the "Policy") has been adopted by the Board to enforce the Covenant and Rules.
  - 1. Discretion of Board: This Policy is a guideline for the Board and the homeowners, describing the typical way the Community Association Manager and the Board may maintain compliance with the Covenants and Rules. The Board retains discretion to determine whether it will enforce against any violation, whether and the extent to which the Association will spend money, issue notices, impose fines or conduct hearings to seek compliance.
  - 2. Identifying a Possible Violation: Shadowbrook Ridge has primarily a complaint-based enforcement system. Possible violations may be identified by periodic inspections by the Community Association Manager or the Board, by a homeowner's written complaint, or by other reasonably reliable means. The Manager and the Board have no obligation to perform inspections.
  - 3. Written Complaint: Homeowners are encouraged to take responsibility for the condition of the Association. Any homeowner may bring a possible violation to the Board's attention through a written complaint, e-mailed, faxed or mailed to the Community Association Manager. The complaint must identify the property address or homeowner, and must specifically describe the violation and date of the violation. Complaints may, but are not required to, be kept confidential.
  - 4. Five-Step Approach and Fine Schedule: The board will apply a five-step approach for handling violations, unless a violation constitutes a health and safety hazard in the Board's sole subjective determination. In that case, the

Board may impose a fine within seven days after sending a notice, as if Steps One and Two were completed.

- a. Step One: Written Request to Owner. After the first violation, the Community Association Manager will send or deliver a courtesy notice for the Owner at the property address, requesting voluntary restoration of compliance with the Covenant or Rule being violated. In the event that the owner's address is different from the home address, a letter will be sent to both addresses.
- b. Step Two: Second written request and notice that Owner could be fined. If the violation is not corrected within fourteen (14) days of the first request, or a similar violation occurs again within a year, a second notice will be sent to the Owner advising that the following fine may be imposed in fourteen (14) days if the violation still continues:
  - \$200 per incident for all violations except rental violations.
  - \$300 per incident for rental violations as described in Section 11.
- c. Step Three: Fines. If the owner fails to correct the violation identified in a second written notice within fourteen (14) days, the following fines will be imposed until the violation is cured:
  - \$200 per incident, plus \$200 each subsequent month if not compliant (for all violations except rental violations). An invoice showing the fines will be sent to the Owner.
  - \$300 per incident, plus \$300 each subsequent week if not compliant for rental violations. An invoice showing the fines will be sent to the Owner.
- d. Step Four: Lien. If after an additional thirty (30) days following the imposition of the fine implemented in the previous step, the owner fails to correct the identified violation, a lien may be placed on the home. The filing fee for the lien is \$200 (\$100 for adding the lien, and \$100 in advance for the removal of the lien).
- e. Step Five: Summary Judgment. If after 12 months following a lien filing an owner's HOA account deficit exceeds \$1,000, the Homeowners Association may enter into a Summary Judgment filing with the local jurisdiction with the internet of collecting against the delinquent account directly from the homeowner. A successful judgment collection will be used to pay any attorney and other related collections costs, the related lien fees, and any homeowner's account deficit. The lien filed against the property by the HOA will be satisfied and removed at this point.

The steps outlined above are not an exclusive remedy. The Board may resort to other remedies in addition to, or instead of the aforementioned process. Fines become special assessments, which may be collected as described in the Covenants. Paying a fine does not relieve a person from the responsibility to cure a violation.

5. Stop Work Order. In addition to imposing a fine, if appropriate based upon the nature of the violation, the Community Association Manager may issue a Stop Work Order to any person engaged in any unauthorized activity. An unauthorized

activity is any activity which requires prior written approval of the Board of the ACC, which has not received prior written approval. A Stop Work Order shall:

- a. Identify the property's address
- b. Describe the unauthorized activity
- c. Identify the specific prior approval requirement being violated
- **d.** State that the unauthorized activity shall immediately cease, and describe any additional sanctions to be imposed
- e. State that the delivery of the Stop Work Order serves as a determination that a violation has occurred.
- f. State that this determination is final unless it is appealed to the Board, in writing, within 10 days of the date that the Stop Work Order was issued.
- g. State that failure to immediately comply with the terms of the Stop Work Order will cause a \$350 fine to be imposed and that for each week thereafter in which noncompliance with the Stop Work Order takes place, a separate \$350 fine will be imposed.
- 6. Assessment related fees. Assessment payments not made within 10 days after the due date are subject to imposition of a \$50 late fee per month. In addition, the Homeowners Association may charge interest. Furthermore, Steps Four and Five of the Five-Step Approach and Fine Schedule may apply if the homeowner's account remains in deficit for a prolonged period of time.
- 7. Return Check Fee: \$25 per incident.
- 8. Transfer Fee: Buyer pays \$300 per transfer of home ownership.

Effective as of September 1, 2009.

Board of Directors SHADOWBROOK RIDGE HOMEOWNERS ASSOCIATION