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AMENDED AND RESTATED DECLARATION  
OF  
COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
REDMOND RIDGE EAST

Grantor:	<u>REDMOND RIDGE EAST LLC</u>
Grantee:	<u>PLAT OF REDMOND RIDGE EAST</u>
Legal Description (abbreviated):	<u>Plat of Redmond Ridge East, Div. 1, as recorded in Volume 244 of Plats, pages 19 to 50, King County Recording No. 20071211000783, records of King County, Washington.</u>
<input checked="" type="checkbox"/> Additional on:	<u>Exhibit A</u>
Assessor's Tax Parcel ID #:	<u>342606-9033</u>
Reference Nos. of Documents Released or Assigned:	<u>20071211000788</u>

CHICAGO TITLE INS. CO (59)  
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**AMENDED AND RESTATED DECLARATION  
OF  
COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
REDMOND RIDGE EAST**

**TABLE OF CONTENTS**

	Page
<b>ARTICLE 1. CREATION OF THE COMMUNITY .....</b>	<b>1</b>
<b>1.1. Purpose and Intent.....</b>	<b>1</b>
<b>1.2. Binding Effect.....</b>	<b>1</b>
<b>1.3. Governing Documents. ....</b>	<b>1</b>
<b>ARTICLE 2. CONCEPTS AND DEFINITIONS .....</b>	<b>2</b>
<b>ARTICLE 3. USE AND CONDUCT .....</b>	<b>7</b>
<b>3.1. General Use Restrictions.....</b>	<b>7</b>
<b>3.2. Restricted Activities.....</b>	<b>8</b>
<b>3.3. Prohibited Conditions.....</b>	<b>9</b>
<b>3.4. Protection of Owners and Others.....</b>	<b>10</b>
<b>ARTICLE 4. IMPROVEMENTS AND LANDSCAPING.....</b>	<b>12</b>
<b>4.1. General.....</b>	<b>12</b>
<b>4.2. Design Review.....</b>	<b>12</b>
<b>4.3. Guidelines and Procedures.....</b>	<b>13</b>
<b>4.4. No Waiver of Future Approvals.....</b>	<b>15</b>
<b>4.5. Variances. ....</b>	<b>15</b>
<b>4.6. Limitation of Liability. ....</b>	<b>15</b>
<b>4.7. Certificate of Approval.....</b>	<b>16</b>
<b>ARTICLE 5. MAINTENANCE AND REPAIR.....</b>	<b>16</b>
<b>5.1. Maintenance of Areas of Common Responsibility.....</b>	<b>16</b>
<b>5.2. Maintenance of Units.....</b>	<b>16</b>
<b>5.3. Maintenance of Neighborhood Property. ....</b>	<b>16</b>
<b>5.4. Responsibility for Repair and Replacement.....</b>	<b>17</b>
<b>ARTICLE 6. THE ASSOCIATION AND ITS MEMBERS .....</b>	<b>18</b>
<b>6.1. Function of Association. ....</b>	<b>18</b>
<b>6.2. Membership.....</b>	<b>18</b>
<b>6.3. Voting.....</b>	<b>18</b>

6.4.	Neighborhoods.....	19
ARTICLE 7.	ASSOCIATION POWERS AND RESPONSIBILITIES .....	20
7.1.	Acceptance and Control of Association Property.....	20
7.2.	Maintenance of Areas of Common Responsibility.....	20
7.3.	Insurance. ....	22
7.4.	Compliance and Enforcement. ....	25
7.5.	Implied Rights; Board Authority. ....	26
7.6.	Indemnification of Officers, Directors and Others.....	27
7.7.	Security. ....	27
7.8.	Provision of Services.....	28
7.9.	Relations with Other Properties.....	28
7.10.	Facilities and Services Open to the Public.....	28
7.11.	Required Actions under UPD Permit. ....	28
7.12.	Recycling Programs.....	29
7.13.	Relationship with Tax-Exempt Organizations.....	29
ARTICLE 8.	ASSOCIATION FINANCES.....	30
8.1.	Budgeting and Allocating Common Expenses. ....	30
8.2.	Budgeting and Allocating Neighborhood Expenses.....	31
8.3.	Budgeting for Reserves.....	32
8.4.	Special Assessments. ....	32
8.5.	Specific Assessments. ....	32
8.6.	Authority to Assess Owners; Time of Payment. ....	33
8.7.	Obligation for Assessments. ....	33
8.8.	Lien for Assessments.....	34
8.9.	Exempt Property.....	35
8.10.	Capitalization of Association. ....	35
ARTICLE 9.	EXPANSION OF THE COMMUNITY.....	36
9.1.	Expansion by Declarant. ....	36
9.2.	Expansion by the Association. ....	36
9.3.	Additional Covenants and Easements.....	37
9.4.	Effect of Recording Supplemental Declaration.....	37
ARTICLE 10.	ADDITIONAL RIGHTS RESERVED TO DECLARANT .....	37
10.1.	Withdrawal of Property. ....	37
10.2.	Marketing and Sales Activities. ....	37
10.3.	Right to Develop.....	38
10.4.	Right to Approve Additional Covenants.....	38
10.5.	Right to Transfer or Assign Declarant Rights. ....	38
10.6.	Easement to Inspect and Right to Correct. ....	38
10.7.	Governmental Interests.....	39

ARTICLE 11.	EASEMENTS AND RESTRICTIONS .....	39
11.1.	Easements in Common Area.....	39
11.2.	Easements of Encroachment.....	40
11.3.	Easements for Utilities, etc.....	40
11.4.	Easements to Serve Additional Property.....	41
11.5.	Easements for Maintenance, Emergency and Enforcement.....	42
11.6.	Technology Utility Easements.....	42
ARTICLE 12.	EXCLUSIVE COMMON AREAS .....	42
12.1.	Purpose.....	42
12.2.	Designation. ....	43
12.3.	Use by Others. ....	43
ARTICLE 13.	PARTY WALLS AND OTHER SHARED STRUCTURES .....	43
13.1.	General Rules of Law to Apply.....	43
13.2.	Maintenance; Damage and Destruction.....	43
13.3.	Right to Contribution Runs with Land.....	44
13.4.	Disputes.....	44
ARTICLE 14.	DISPUTE RESOLUTION AND LIMITATION ON LITIGATION .....	44
14.1.	Consensus for Association Litigation.....	44
ARTICLE 15.	MORTGAGEE PROVISIONS .....	47
ARTICLE 16.	CHANGES IN OWNERSHIP OF UNITS .....	48
ARTICLE 17.	CHANGES IN COMMON AREA.....	48
17.1.	Condemnation. ....	48
17.2.	Partition. ....	48
17.3.	Transfer or Dedication of Common Area.....	49
ARTICLE 18.	AMENDMENT OF DECLARATION .....	49
18.1.	By Declarant.....	49
18.2.	By Members.....	49
18.3.	Validity and Effective Date. ....	50
ARTICLE 19.	MISCELLANEOUS.....	50
19.1.	Duration.....	50
19.2.	Severability.....	50
Exhibit A	Land Initially Submitted	
Exhibit B	Land Subject to Annexation	

**AMENDED AND RESTATED DECLARATION  
OF  
COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
REDMOND RIDGE EAST**

THIS AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is dated for reference purposes March 7, 2008, and is made by **REDMOND RIDGE EAST, LLC**, a Washington limited liability company ("Declarant").

**ARTICLE 1. CREATION OF THE COMMUNITY**

**1.1. Purpose and Intent.**

Declarant, as the owner of the real property described in **EXHIBIT A**, intends by recording this Declaration to create a general plan of development for the master planned community known as Redmond Ridge East. This Declaration provides a flexible and reasonable procedure for the future expansion of the community to include additional real property as Declarant deems appropriate. It also provides for the overall development, administration, maintenance and preservation of the community. An integral part of the development plan is the creation of Redmond Ridge East Homeowners Association, an association comprised of all owners of real property in the community, to own, operate and/or maintain various common areas and community improvements and to administer and enforce this Declaration and the other Governing Documents referred to in this Declaration.

**1.2. Binding Effect.**

All property described in **EXHIBIT A**, and any additional property which is made a part of the Property in the future by recording one or more Supplemental Declarations, shall be owned, conveyed and used subject to all of the provisions of this Declaration, which shall run with the title to such property. Except as otherwise specifically provided, this Declaration shall be binding upon all Persons having any right, title or interest in any portion of the Property, their heirs, successors, successors-in-title and assigns.

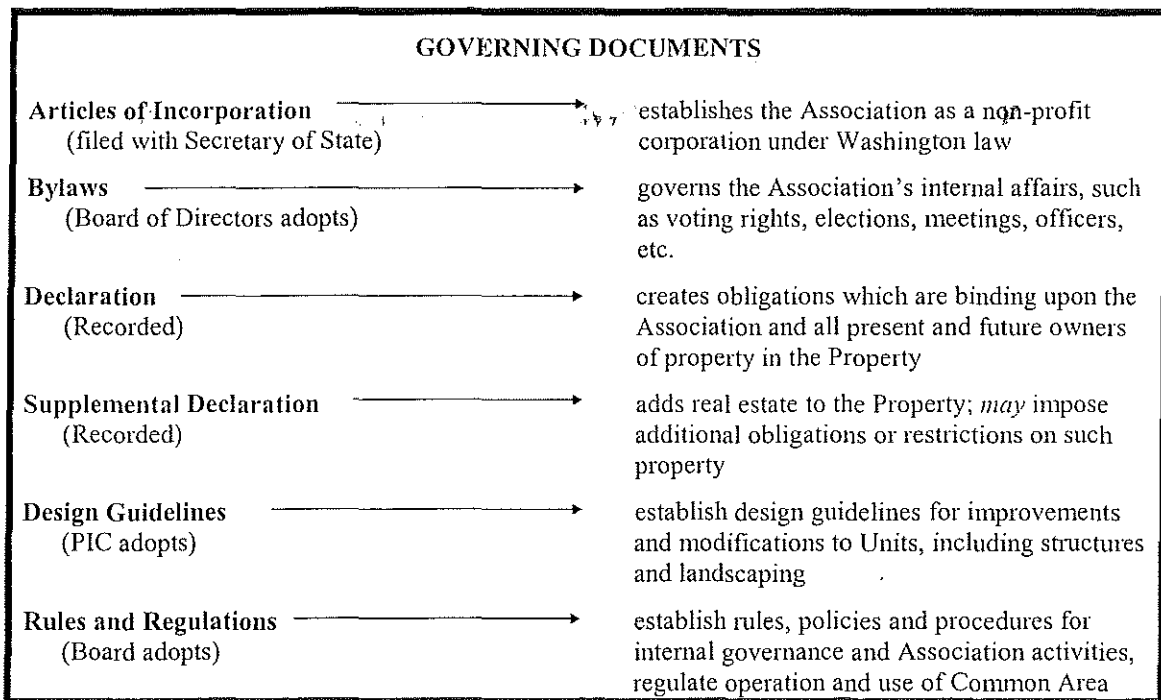
**1.3. Governing Documents.**

The Governing Documents create a general plan of development for the Property which may be supplemented by additional covenants, restrictions and easements applicable to particular Neighborhoods within the community. In the event of a conflict between or among the Governing Documents and any such additional covenants or

restrictions and/or the provisions of any other articles of incorporation, bylaws, rules or policies governing any Neighborhood, the Governing Documents shall control. Nothing in this Section shall preclude any Supplemental Declaration or other recorded covenants applicable to any portion of the Property from containing additional restrictions or provisions which are more restrictive than the provisions of this Declaration. The Association may, but shall not be required to, enforce any such covenants, restrictions or other instruments applicable to any Neighborhood. //

All provisions of the Governing Documents shall apply to all Owners and to all occupants of their Units, as well as their respective tenants, guests and invitees. Any lease on a Unit shall provide that the lessee and all occupants of the leased Unit shall be bound by the terms of the Governing Documents.

The following diagram summarizes the Governing Documents:



## ARTICLE 2. CONCEPTS AND DEFINITIONS

The terms used in the Governing Documents shall generally be given their natural, commonly accepted definitions unless otherwise specified. Capitalized terms are defined as follows.

**2.1. "Areas of Common Responsibility":** The Common Area, together with such other areas the Association has or assumes responsibility for pursuant to the terms of

this Declaration, any Supplemental Declaration or other applicable covenants, contracts or agreements.

**2.2. "Articles of Incorporation" or "Articles":** The Articles of Incorporation of Redmond Ridge East Homeowners Association, as filed with the Washington Secretary of State.

**2.3. "Association":** Redmond Ridge East Homeowners Association, a Washington nonprofit corporation, its successors or assigns.

**2.4. "Base Assessment":** Assessments levied on all Units subject to assessment under Article 8 to fund Common Expenses for the general benefit of all Units, as determined in accordance with Section 8.1.

**2.5. "Board of Directors" or "Board":** The body responsible for administration of the Association, selected as provided in the Bylaws and serving as the board of directors under Washington corporate law.

**2.6. "Builder":** Any Person who purchases one or more Units for the purpose of constructing improvements for later sale to consumers, or who purchases one or more parcels of land within the Property for further subdivision, development and/or resale in the ordinary course of such Person's business.

**2.7. "Bylaws":** The Bylaws of Redmond Ridge East Homeowners Association

**2.8. "Class B Control Period":** The period of time during which the Class B Member is entitled to appoint a majority of the members of the Board. The Class B Control Period expires upon the first to occur of the following:

(a) when 100% of the total number of Units permitted by the Master Plan for the property described in **EXHIBIT A** and **EXHIBIT B** have been conveyed to Class A Members other than Builders;

(b) December 31, 2025; or

(c) when, in its discretion, the Class B Member so determines.

**2.9. "Common Area":** All real and personal property, including easements, which the Association owns, leases, or otherwise holds possessory or use rights in for the common use and enjoyment of the Owners, including, without limitation, entrance tracts, perimeter buffers, restrictive areas, parks, surface water retention/detention tracts, landscape tracts, and other tracts or parcels conveyed to the Association by Declarant. The Common Areas may include, if designated by the Declarant on the face of the Plat, in a recorded document conveying such Common Areas to the Association, or by action taken by the Association:

- (a) the main entry and identification features, including all signage, landscaping, and other improvements which are a part thereof;
- (b) community-wide location and directional signage;
- (c) recreational amenities and community facilities;
- (d) any private roads, drives or alleyways designated for ownership by the Association;
- (e) any private trails, including signage;
- (f) wetlands, sensitive areas, conservation areas, buffers, drainage areas, natural habitat preserves, and similar areas designated by Declarant, including all appurtenant monitoring or reporting obligations associated therewith;
- (g) the landscaping adjacent to arterial roadways and buffers, which may be located in an easement area shown on the recorded plat and regardless of whether such property is in the public rights-of-way (to the extent permitted by the applicable governmental agency);
- (h) parks designated by Declarant;
- (i) landscaping located in any community parks, drainage areas, public facilities or improvements, or other property for which the Association may provide maintenance and repair with the consent of the Local Jurisdiction;
- (j) any other real or personal property, service, or facility which now, or by amendment of this Declaration, is designated to be a part of the Common Areas by Declarant.

**2.10. "Common Expenses":** The actual and estimated expenses incurred, or anticipated to be incurred, by the Association for the general benefit of all Owners, including any reasonable reserve, as the Board may find necessary and appropriate pursuant to the Governing Documents. Common Expenses shall not include any expenses incurred during the Class B Control Period for initial development or other original construction costs unless approved by Members representing a majority of the total Class A vote of the Association.

**2.11. "Community" or "Redmond Ridge East":** The real property described in EXHIBIT A, and all improvements thereto, together with such additional property, whether contiguous or noncontiguous, that is subjected to this Declaration in accordance with Article 9, all of which is commonly known as "Redmond Ridge East".

**2.12. "Community-Wide Standard":** The standard of conduct, maintenance or other activity generally prevailing throughout the Community. Such standard shall be



established initially by Declarant and may contain both objective and subjective elements. The Community-Wide Standard may evolve as development progresses and as the needs and demands of the Community change.

**2.13. "Declarant":** Redmond Ridge East, LLC, a Washington limited liability company, or any successor or assign who takes title to any portion of the property described in **EXHIBIT A** or **EXHIBIT B** for the purpose of development and/or sale and who is designated as Declarant in a recorded instrument executed by the immediately preceding Declarant; provided, upon such designation of such successor Declarant, all rights of the former Declarant in and to such status as "Declarant" under this Declaration shall cease, it being understood that as to all of the property described in **EXHIBIT A** and **EXHIBIT B**, which is now or hereafter subjected to this Declaration, there shall be only one "Declaration" hereunder at any one point in time.

**2.14. "Design Guidelines":** The design guidelines and review procedures adopted pursuant to Article 4, as they may be amended.

**2.15. "Exclusive Common Area":** A portion of the Common Area primarily benefiting one or more, but less than all, Neighborhoods, as more particularly described in Article 12.

**2.16. "Governing Documents":** A collective term referring to this Declaration and any applicable Supplemental Declaration, the Bylaws, the Articles, the Design Guidelines, and the Rules and Regulations, as each may be amended.

**2.17. "Master Plan":** The land use plan for the Community pursuant to the UPD Permit which includes all of the property described in **EXHIBIT A** and all or a portion of the property described in **EXHIBIT B**. Inclusion of property on the Master Plan shall not obligate Declarant to subject such property to this Declaration, nor shall the omission of property described in **EXHIBIT B** from the Master Plan bar its later submission to this Declaration as provided in Article 9.

**2.18. "Member":** A Person subject to membership in the Association pursuant to Section 6.2.

**2.19. "Mortgage":** A mortgage, a deed of trust, a deed to secure debt, or any other form of security instrument affecting title to any Unit. A "Mortgagee" shall refer to a beneficiary or holder of a Mortgage.

**2.20. "Neighborhood":** A group of Units designated as a separate Neighborhood for purposes of sharing Exclusive Common Areas and/or receiving other benefits or services from the Association which are not provided to all Units within the Property. A Neighborhood may be comprised of more than one housing type and may include noncontiguous parcels of property. If the Association provides benefits or services to less than all Units within a particular Neighborhood, then the benefited Units

shall constitute a sub-Neighborhood for purposes of determining and levying Neighborhood Assessments for such benefits or services.

**2.21. "Neighborhood Assessments":** Assessments levied against the Units in a particular Neighborhood to fund Neighborhood Expenses, as described in Section 8.2.

**2.22. "Neighborhood Association":** A condominium association or other owners association, if any, having concurrent jurisdiction (subject to this Declaration) with the Association over any Neighborhood.

**2.23. "Neighborhood Committee":** A committee which may be formed for a Neighborhood without a Neighborhood Association established in accordance with the Bylaws.

**2.24. "Neighborhood Expenses":** The actual and estimated expenses which the Association incurs or expects to incur for the benefit of Owners of Units within a particular Neighborhood, as may be authorized pursuant to this Declaration or in the Supplemental Declaration(s) applicable to such Neighborhood(s). Neighborhood Expenses may include a reasonable reserve for capital repairs and replacements and a reasonable administrative charge.

**2.25. "Owner":** One or more Persons who hold the record title to any Unit, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Unit is sold under a recorded contract of sale, and the contract specifically so provides, the purchaser (rather than the fee owner) will be considered the Owner.

**2.26. "Person":** A natural person, a corporation, a partnership, a trustee or any other legal entity.

**2.27. "Property":** The real property described in EXHIBIT A, together with such additional property, whether contiguous or noncontiguous, that is subjected to this Declaration in accordance with Article 9.

**2.28. "Property Improvement Committee" or "PIC":** The committee of the Association appointed by Declarant during the Class B Control Period and the Board thereafter to adopt the Design Guidelines, to accept and review applications from owners for improvements to be constructed within the Property and to fulfill those functions set forth in this Declaration.

**2.29. "Rules and Regulations":** Board-adopted Rules and Regulations which establish administrative procedures for internal Association governance and operating procedures for use of the Common Area and property included within the Area of Common Responsibility.

2.30. **"Special Assessment"**: An assessment levied in accordance with Section 8.4.

2.31. **"Specific Assessment"**: An assessment levied in accordance with Section 8.5.

2.32. **"Supplemental Declaration"**: An instrument recorded pursuant to Article 9 which subjects additional property to this Declaration, designates Neighborhoods and/or imposes, expressly or by reference, additional restrictions and obligations on the land described in such instrument.

2.33. **"Unit"**: A portion of the Property, whether improved or unimproved, which may be independently owned and is intended for development, use and occupancy as an attached or detached residence for a single family. The term shall refer to the land, if any, which is part of the Unit as well as any improvements thereon. In the case of a building within a condominium or other structure containing multiple dwellings, each dwelling shall be deemed to be a separate Unit.

2.34. **"UPD Permit"**: The Redmond Ridge East Urban Planned Development Permit as approved on August 22, 2006, in King County Ordinance No. 15565, and as set forth as Exhibit B to the Development Agreement for the Redmond Ridge East Urban Planned Development between King County and The Quadrant Corporation, as recorded under King County Recording No. 20061011001157, as the same may be amended or modified from time to time.

Prior to recording a subdivision plat, a parcel of vacant land or land on which improvements are under construction, shall be deemed to contain the number of Units designated for residential use for such parcel on the preliminary plat or the site plan approved by Declarant, whichever is more recent. Until a preliminary plat or site plan has been approved, such parcel shall be deemed to contain the number of Units set by Declarant in conformance with the Master Plan.

### ARTICLE 3. USE AND CONDUCT

#### 3.1. General Use Restrictions.

The Property shall be used only for residential, recreational and related purposes (which may include, without limitation, offices for any property manager retained by the Association or business offices for Declarant, approved Builders or the Association consistent with this Declaration and any Supplemental Declaration). Any Supplemental Declaration or additional covenants imposed on the property within any Neighborhood may impose stricter standards than those contained in the Declaration and the Association shall have standing and the power to enforce such standards.

### 3.2. Restricted Activities.

The following activities are prohibited within the Property unless expressly authorized by, and then subject to such conditions as may be imposed by, the Board:

(a) **Parking.** Parking of commercial vehicles (even if owned by the Owner or occupant of the Unit), recreational vehicles, mobile homes, boats or other watercraft, or other oversized vehicles, stored vehicles, or inoperable vehicles within Units, other than enclosed garages; provided that such operable vehicles may be parked outside for a period between 7:00 a.m. and 10:00 p.m. for purposes of loading and unloading. Guest recreational vehicles may be parked outside for up to 48 hours if registered with the Association in accordance with rules adopted by the Board. This provision shall not restrict the parking of police or other emergency vehicles or van pool or similar ride-sharing vehicles.

(b) **Vehicle Repair.** Storing, repairing, or maintaining vehicles; equipment of any type on any part of a Unit except in an enclosed garage.

(c) **Pets.** Raising, breeding, or keeping of animals, livestock, or poultry of any kind, except that a reasonable number of dogs, cats, or other usual and common household pets may be permitted within a Unit. However, those pets which are permitted to roam free, or, in the sole discretion of the Board, make objectionable noise, endanger the health or safety of, or constitute a nuisance or inconvenience to the occupants of other Units shall be removed upon the Board's request. If the pet owner fails to honor such request, the Board may remove the pet. Pets shall be kept on a leash or otherwise confined in a manner acceptable to the Board whenever outside the dwelling and such owners shall pick up after their animals.

(d) **Drainage Flows.** Obstruction or rechanneling of drainage flows after location and installation of drainage swales, storm sewers, or storm drains, except that Declarant and the Association shall have such right, if exercised in a manner consistent with the approved Master Drainage Plan for the Community; provided, the exercise of such right shall not materially diminish the value of or unreasonably interfere with the use of any Unit without the Owner's consent.

(e) **Timesharing.** Operation of a timesharing, fraction-sharing, or similar program whereby the right to exclusive use of the Unit rotates among participants in the program on a fixed or floating time schedule over a period of years.

(f) **Water Quality.** Any activities which would have an adverse impact on the quality or quantity of existing water supplies. Adverse impacts shall include, but shall not be limited to, increases or decreases in water flow rates, levels, or volumes, increases or decreases in sedimentation, or diminishment of water quality below existing standards.

(g) **Garage Sales.** Any garage sale, moving sale, rummage sale, or similar activity, except in accordance with Rules and Regulations the Board may adopt.

(h) **Design Guidelines.** Any construction, erection, placement, or modification of any thing, permanently or temporarily, on the outside portions of the Unit, whether such portion is improved or unimproved, except in strict compliance with the provisions of Article 4 of this Declaration. This shall include, without limitation, signs, swing sets and similar sports and play equipment; clotheslines; fountains; lawn statuary; flagpoles; above-ground swimming pools and spas; dog runs; or fences of any kind. Unless otherwise approved by the PIC or modified in the Design Guidelines, fences shall conform with the fencing types illustrated in Exhibit C.

(i) **Satellite Dishes.** Standard TV antennas and satellite dishes one meter in diameter or less shall be permitted; however, such over-the-air reception devices shall comply with the Design Guidelines or other applicable use restrictions adopted by Declarant or the Association pertaining to the means, method and location of TV antenna and satellite dish installation. Declarant and/or the Association shall have the right, without obligation, to erect an aerial, satellite dish or other apparatus for a master antenna, cable or other communication system for the benefit of all or a portion of the Property, should any master system or systems be utilized by the Association and require such exterior apparatus.

(j) **Outside Storage.** Storage of items outside of the dwelling or enclosed garage, including portable play equipment and temporary storage bins.

(k) **Portable Basketball Hoops.** Portable basketball hoops or similar equipment may be utilized in the driveway or other external areas of a dwelling only when in use and must at all other times be stored within the dwelling or its garage. Such equipment may not at anytime be utilized in the streets and rights-of-way within the community.

### 3.3. Prohibited Conditions.

The following shall be prohibited within the Property:

(a) **Noxious Plants, etc.** Plants, animals, devices, or other things of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the enjoyment of the Property.

(b) **Dilapidated Items.** Structures, equipment, or other items on the exterior portions of a Unit which have become rusty, dilapidated, or otherwise fallen into disrepair.

(c) ***Withdrawal of Ground or Surface Water.*** Sprinkler or irrigation systems or wells of any type which draw upon water from creeks, streams, ponds, wetlands or other ground or surface waters within the Property.

(d) ***Wood-Burning.*** Open-air burning is prohibited. In addition, the only woodstoves allowed within the Community shall be those which are certified according to the standards adopted by the King County Board of Health, both initially and as retrofits; provided, however, that (i) fire pits constructed within the Common Areas and (ii) outdoor cooking facilities, such as barbecues, are permissible subject to applicable rules, regulations and laws, if any.

(e) ***Restricted Materials.*** Copper and galvanized gutters and flashings are prohibited for Units within the Community. Galvanized storm drainage culverts and conveyance piping systems are prohibited within the Community. The use of galvanized metals in other locations that are subject to contact with stormwater are only permitted where reasonable alternative materials are not available.

### **3.4: Protection of Owners and Others.**

Use restrictions set forth in this Declaration or in any amendment and all Rules and Regulations shall comply with the following provisions:

(a) ***Similar Treatment.*** Similarly situated Owners shall be treated similarly; provided, that the use restrictions may vary by Neighborhood.

(b) ***Displays.*** The rights of Owners to display religious and holiday signs, symbols and decorations inside structures on their Units of the kinds normally displayed in dwellings located in single-family residential neighborhoods shall not be abridged, except that such shall be consistent with local law. The Association may adopt time, place and manner restrictions with respect to any displays visible from outside the dwelling.

(c) ***Political Yard Signs.*** No use restrictions shall regulate the content of political signs; however, to the extent permitted by applicable law, rules may regulate the time, place and manner of posting such signs.

(d) ***United States Flag.*** No use restrictions shall prohibit the outdoor display of the flag of the United States on an Owner's Unit so long as the flag is displayed in a manner consistent with federal flag display law. However, to the extent permitted by applicable law, Rules and Regulations may regulate the placement and manner of display of the United States flag and the location and size of flagpoles for displaying the flag.

(e) ***Household Composition.*** No use restriction shall interfere with the freedom of Owners to determine the composition of their households, except that the

Association shall have the power to require that all occupants be members of a single housekeeping unit and to limit the total number of occupants permitted in each Unit on the basis of the size and facilities of the Unit and its fair use of the Common Area and on the basis of compliance with applicable local law.

(f) **Activities Within Dwellings.** No use restriction shall interfere with the activities carried on within the confines of dwellings, except that the Association may prohibit activities not normally associated with property restricted to residential use, and it may restrict or prohibit any activities that create monetary costs for the Association or other Owners, that create a danger to the health or safety of occupants of other Units, that generate excessive noise or traffic, that create unsightly conditions visible outside the dwelling, or that create an unreasonable source of annoyance.

(g) **Household Occupations.** No use restriction may interfere with the rights of an Owner or occupant residing in a Unit to conduct business activities within the Unit so long as (i) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Unit; (ii) the business activity is consistent with the residential character of the Property and does not constitute a nuisance or a hazardous or offensive use or threaten the security or safety of other residents of the Property, as may be determined in the Board's sole discretion; (iii) it is allowed by local and state law; (iv) the business activity does not result in more than three commercial vehicles visiting the Unit per week; and (v) the business activity does not involve the use of more than 25% of the Unit's total residential floor area.

(h) **Allocation of Burdens and Benefits.** No use restriction shall alter the allocation of financial burdens among the various Units or rights to use the Common Area to the detriment of any Owner over that Owner's objection expressed in writing to the Association. Nothing in this provision shall prevent the Association from changing the Common Area available, from adopting generally applicable Rules and Regulations for use of Common Area, or from denying use privileges to those who abuse the Common Area or violate the Governing Documents. This provision does not affect the right to increase the amount of assessments as provided in Article 8.

(i) **Alienation.** No use restriction shall prohibit transfer of any Unit, or require consent of the Association or Board for transfer of any Unit. The Association may require that Owners use lease forms approved by the Association, but shall not impose any fee on the lease or transfer of any Unit greater than an amount reasonably based on the costs to the Association of administering that lease or transfer.

(j) **Reasonable Rights to Develop.** No use restriction, Rule or Regulation or action by the Association or Board shall unreasonably impede Declarant's right to develop the Community.

## ARTICLE 4. IMPROVEMENTS AND LANDSCAPING

### 4.1. General.

No structure or thing shall be placed, erected or installed upon any Unit within the Property and no improvements or other work (including staking, clearing, excavation, grading and other site work, exterior alterations of existing improvements or planting or removal of landscaping) shall take place within the Property, except in compliance with this Article and the Design Guidelines.

No approval shall be required to repaint the exterior of a structure in accordance with the originally approved color scheme or to rebuild in accordance with originally approved plans and specifications. Any Owner may remodel, paint or redecorate the interior of such Owner's Unit without approval. However, modifications to the interior of screened porches, patios and similar portions of a Unit visible from outside the structure and modifications to enclose garages as living space shall be subject to approval.

All dwellings constructed on any portion of the Property shall be designed by and built in accordance with the plans and specifications of a licensed architect or licensed building designer unless otherwise approved by Declarant or its designee in its sole discretion.

This Article shall not apply to the activities of Declarant or its members during the Class B Control Period, nor to the activities of the Association.

### 4.2. Design Review.

(a) *Purpose of Review.* Each Owner, by accepting a deed or other instrument conveying any interest in any portion of the Property, acknowledges that Declarant has a substantial interest in ensuring that the improvements within the Property enhance Declarant's reputation as a community developer and do not impair Declarant's ability to market, sell or lease its property. Therefore, each Owner agrees that no activity within the scope of this Article ("Work") shall be commenced on such Owner's Unit unless and until the Property Improvement Committee ("PIC") has given its prior written approval for such Work, which approval may be granted or withheld in the PIC's sole discretion.

During the Class B Control Period, Declarant may, in its sole discretion, designate those Persons who shall serve as members or the PIC in reviewing applications hereunder. Members of the PIC appointed by Declarant may include architects, engineers or other persons who may or may not be Members of the Association. Any such appointment shall be in writing, specifying the scope of responsibilities delegated, and shall be subject to Declarant's right to revoke such appointment at any time.



(b) **Board-Appointed PIC.** Upon expiration or termination of Declarant's rights under this Article to appoint the PIC, the Association, acting through the PIC, shall assume jurisdiction over matters described in this Article 4. The PIC, when appointed by the Board, shall consist of at least three, but not more than seven, persons who shall serve and may be removed and replaced in the Board's discretion. The members of the PIC need not be Members of the Association or representatives of Members, and may, but need not, include architects, engineers or similar professionals, whose compensation, if any, shall be established from time to time by the Board. The PIC may be broken into or may form subcommittees to preside over particular areas of review (e.g., a new construction subcommittee and a modifications subcommittee.) Any reference herein to the PIC should be deemed to include a reference to any such subcommittee.

(c) **PIC Fees; Assistance.** PIC may establish and charge reasonable fees for review of applications hereunder and may require such fees to be paid in full prior to review of any application. Such fees may include the reasonable costs incurred in having any application reviewed by architects, engineers or other professionals. Declarant and the Association may employ architects, engineers or other persons as deemed necessary to perform the review. The Board may include the compensation of such persons in the Association's annual operating budget as a Common Expense.

#### 4.3. Guidelines and Procedures.

(a) **Design Guidelines.** The Declarant-appointed PIC shall prepare initial Design Guidelines, which may contain general provisions applicable to all of the Property as well as specific provisions which vary from Neighborhood to Neighborhood. The Design Guidelines are not the exclusive basis for decisions of the PIC and compliance with the Design Guidelines does not guarantee approval of any application.

The Declarant-appointed PIC shall have sole and full authority to amend the Design Guidelines as long as Declarant owns any portion of the Property or has a right to expand the Property pursuant to Section 9.1. Upon termination or delegation of Declarant's right to appoint the PIC, the Board-appointed PIC shall have the authority to amend the Design Guidelines only with the consent of the Board. Any amendments to the Design Guidelines shall be prospective only and shall not apply to require modifications to or removal of structures previously approved once the approved construction or modification has commenced. There shall be no limitation on the scope of amendments to the Design Guidelines, and such amendments may remove requirements previously imposed or otherwise make the Design Guidelines less restrictive.

(b) **Procedures.** No Work shall commence on any portion of the Property until an application for approval has been submitted to and approved by the PIC. Such application shall include plans and specifications ("Plans") showing site layout, structure design, exterior elevations, exterior materials and colors, landscaping, drainage,

exterior lighting, irrigation and other features of proposed construction, as applicable. The Design Guidelines and the PIC may require the submission of such additional information as may be reasonably necessary to consider any application.

In reviewing each submission, the PIC may consider any factors it deems relevant, including, without limitation, harmony of external design with surrounding structures and environment. Decisions may be based on purely aesthetic considerations. Each Owner acknowledges that determinations as to such matters are purely subjective and opinions may vary as to the desirability and/or attractiveness of particular improvements.

The PIC shall respond in writing to the applicant at the address specified in the application. The response may (i) approve the application, with or without conditions; (ii) approve a portion of the application and disapprove other portions; or (iii) disapprove the application. The PIC may, but shall not be obligated to, specify the reasons for any objections and/or offer suggestions for curing any objections.

In the event that the PIC fails to respond in a timely manner (as provided in the Design Guidelines), approval shall be deemed to have been given, subject to Declarant's right to veto approval by the PIC pursuant to this Section. However, no approval, whether expressly granted or deemed granted pursuant to the foregoing, shall be inconsistent with the Design Guidelines unless a differing design proposal has been approved pursuant to Section 4.5. Notice shall be deemed to have been given at the time the envelope containing the response is deposited with the U. S. Postal Service. Personal delivery of such written notice shall, however, be sufficient and shall be deemed to have been given at the time of delivery to the applicant.

Until expiration of Declarant's rights under this Article, the PIC shall notify Declarant in writing within 3 business days after the PIC has approved any application relating to proposed Work within the scope of matters delegated to the PIC by Declarant. The notice shall be accompanied by a copy of the application and any additional information which Declarant may require. Declarant shall have 10 days after receipt of such notice to veto any such action, in its sole discretion, by written notice to the PIC and the applicant.

If construction does not commence on a project for which Plans have been approved within one year after the date of approval, such approval shall be deemed withdrawn and it shall be necessary for the Owner to reapply for approval before commencing the proposed Work. Once construction is commenced, it shall be diligently pursued to completion. All Work shall be completed within one year of commencement unless otherwise specified in the notice of approval or unless the PIC grants an extension in writing, which it shall not be obligated to do. If approved Work is not completed within the required time, it shall be considered nonconforming and shall be subject to enforcement action by the Association, Declarant or any aggrieved Owner.

The PIC may, by resolution, exempt certain activities from the application and approval requirements of this Article, provided such activities are undertaken in strict compliance with the requirements of such resolution.

#### **4.4. No Waiver of Future Approvals.**

Each Owner acknowledges that the persons reviewing applications under this Article will change from time to time and that opinions on aesthetic matters, as well as interpretation and application of the Design Guidelines, may vary accordingly. In addition, each Owner acknowledges that it may not always be possible to identify objectionable features of proposed Work until the Work is completed, in which case it may be unreasonable to require changes to the improvements involved, but the PIC may refuse to approve similar proposals in the future. Approval of applications or Plans for any Work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar applications, Plans, or other matters subsequently or additionally submitted for approval.

#### **4.5. Variances.**

The PIC may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship or aesthetic or environmental considerations require, but only in accordance with duly adopted rules and regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing; (b) be contrary to this Declaration; or (c) estop the PIC from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit or the terms of any financing shall not be considered a hardship warranting a variance.

#### **4.6. Limitation of Liability.**

The standards and procedures established by this Article are intended as a mechanism for maintaining and enhancing the overall aesthetics of the Property; they do not create any duty to any Person. Review and approval of any application pursuant to this Article is made on the basis of aesthetic considerations only and the PIC shall not bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental requirements, nor for ensuring that all dwellings are of comparable quality, value or size or of similar design.

Declarant, the Association, the Board, any committee or member of any of the foregoing shall not be held liable for soil conditions, drainage or other general site work, any defects in plans revised or approved hereunder, or any injury, damages or loss arising out of the manner or quality of approved construction on or modifications to any Unit. In

all matters, the Board, the PIC and any members thereof shall be defended and indemnified by the Association as provided in Section 7.6.

#### **4.7. Certificate of Approval.**

Any Owner may request that the PIC issue a certificate of approval certifying that there are no known violations on such Owner's Unit of this Article or the Design Guidelines. The Association shall either grant or deny such request within 30 days after receipt of a written request and may charge a reasonable administrative fee for issuing such certificates. Issuance of such a certificate shall estop the Association from taking enforcement action with respect to any condition as to which the Association had notice as of the date of such certificate.

### **ARTICLE 5. MAINTENANCE AND REPAIR**

#### **5.1. Maintenance of Areas of Common Responsibility.**

The Association shall maintain the Areas of Common Responsibility as described in Section 7.2.

#### **5.2. Maintenance of Units.**

Each Owner shall maintain the Owner's Unit and all landscaping and improvements comprising the Unit in a manner consistent with the Governing Documents, the Community-Wide Standard and all applicable covenants, unless such maintenance responsibility is otherwise assumed by or assigned to the Association or a Neighborhood Association pursuant to any Supplemental Declaration. Furthermore, each Owner shall also be responsible for maintaining and irrigating the landscaping within that portion of any adjacent Common Area or public right-of-way lying between the Unit boundary and any wall, fence, curb or water's edge located on the Common Area or public right-of-way adjacent to the Unit boundary unless such maintenance responsibility is otherwise assumed by or assigned to the Association or a Neighborhood Association pursuant to any Supplemental Declaration; provided, there shall be no right to remove trees, shrubs or similar vegetation from this area without prior approval pursuant to Article 4.

#### **5.3. Maintenance of Neighborhood Property.**

Upon resolution of the Board, Owners within each Neighborhood shall be responsible for paying, through Neighborhood Assessments, the costs of operating, maintaining and insuring certain portions of the Areas of Common Responsibility within or adjacent to such Neighborhood. This may include, without limitation, the costs of maintaining any signage, entry features, right-of-way and green space between the Neighborhood and adjacent public roads, private streets within the Neighborhood and lakes or ponds within the Neighborhood, regardless of ownership and regardless of the

fact that such maintenance may be performed by the Association; provided, all Neighborhoods which are similarly situated shall be treated the same.

Any Neighborhood Association shall maintain its common property and any other property for which it has maintenance responsibility in a manner consistent with the Governing Documents, the Community-Wide Standard and all applicable covenants.

The Association may assume maintenance responsibility for property within any Neighborhood, in addition to that designated by any Supplemental Declaration, either by agreement with the Neighborhood or because, in the opinion of the Board, the level and quality of service then being provided is not consistent with the Community-Wide Standard. All costs of maintenance pursuant to this paragraph shall be assessed as a Neighborhood Assessment only against the Units within the Neighborhood to which the services are provided. The provision of services in accordance with this Section shall not constitute discrimination within a class.

#### **5.4. Responsibility for Repair and Replacement.**

Unless otherwise specifically provided in the Governing Documents or in other instruments creating and assigning maintenance responsibility, responsibility for maintenance shall include responsibility for repair and replacement, as necessary to maintain the property to a level consistent with the Community-Wide Standard. Repair and replacement may include improvement if necessary to comply with applicable building codes or other regulations or if otherwise deemed appropriate, in the Board's reasonable discretion.

By virtue of taking title to a Unit, each Owner covenants and agrees with all other Owners and with the Association to carry property insurance for the full replacement cost of all insurable improvements on the Owner's Unit, less a reasonable deductible, unless either the Neighborhood Association (if any) for the Neighborhood in which the Unit is located or the Association carries such insurance (which they may, but are not obligated to do hereunder). If the Association assumes responsibility for obtaining any insurance coverage on behalf of Owners, the premiums for such insurance shall be levied as a Specific Assessment against the benefited Unit and the Owner.

Each Owner further covenants and agrees that in the event of damage to or destruction of structures on or comprising such Owner's Unit, the Owner shall proceed promptly to repair or to reconstruct in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Article 4. Alternatively, the Owner shall clear the Unit and maintain it in a neat and attractive, landscaped condition consistent with the Community-Wide Standard. The Owner shall pay any costs which are not covered by insurance proceeds.

The requirements of this Section shall apply to any Neighborhood Association responsible for common property within the Neighborhood in the same manner as if the

Neighborhood Association were an Owner and the common property were a Unit. Additional recorded covenants applicable to any Neighborhood may establish more stringent requirements for insurance and more stringent standards for rebuilding or reconstructing structures on the Units within such Neighborhood and for clearing and maintaining the Units in the event the structures are not rebuilt or reconstructed.

## ARTICLE 6. THE ASSOCIATION AND ITS MEMBERS

### 6.1. Function of Association.

The Association is the entity responsible for management, maintenance, operation and control of the Areas of Common Responsibility. The Association also is the primary entity responsible for enforcement of the Governing Documents. The Association shall perform its functions in accordance with the Governing Documents and applicable state and local law.

### 6.2. Membership.

Every Owner shall be a Member of the Association. There shall be only one membership per Unit. If a Unit is owned by more than one Person, all co-Owners shall share the privileges of such membership, subject to reasonable Board regulation and the restrictions on voting set forth in Section 6.3(c) and in the Bylaws, and all such co-Owners shall be jointly and severally obligated to perform the responsibilities of Owners. The membership rights of an Owner which is not a natural person may be exercised by any officer, director, partner or trustee, or by the individual designated from time to time by the Owner in a written instrument provided to the Secretary of the Association.

### 6.3. Voting.

The Association shall have two classes of membership, Class A and Class B.

(a) **Class A.** Class A Members shall be all Owners except the Class B Member, if any, and except for the Owner of any property that is exempt from assessment pursuant to Section 8.9 below. Class A Members shall have one equal vote for each Unit in which they hold the interest required for membership under Section 6.2, except that there shall be only one vote per Unit and no vote shall be exercised for any property which is exempt from assessment under Section 8.9.

(b) **Class B.** The sole Class B Member shall be Declarant. The Class B Member may appoint a majority of the members of the Board of Directors during the Class B Control Period, as specified in the Bylaws. Additional rights of the Class B Member are specified in the relevant sections of the Governing Documents. Upon termination of the Class B Control Period, Declarant shall be a Class A Member entitled to Class A votes for each Unit which it owns.

(c) *Exercise of Voting Rights.* Members may exercise voting rights as set forth in the Bylaws. If there is more than one Owner of such Unit, the vote for such Unit shall be exercised as the co-Owners determine among themselves and advise the Secretary of the Association in writing prior to the vote being taken. Absent such advice, the Unit's vote shall be suspended if more than one Person seeks to exercise it.

Members who are also subject to a Neighborhood Association may have their voting rights exercised by a voting representative if and to the extent set forth in the governing documents of such Neighborhood Association.

#### 6.4. Neighborhoods.

The Property may contain one or more Neighborhoods, each of which have common uses, have access to certain Common Areas, or share other common characteristics as determined by Declarant. Declarant reserves the right to designate which portions of the Property, if any, shall constitute a Neighborhood. Neighborhoods need not comprise the entirety of the Property, nor must all Units be part of a Neighborhood. Furthermore, a Neighborhood may be comprised of more than one housing type. Neighborhoods may include non-contiguous parcels of property.

(a) *Supplemental Declarations.* Declarant reserves the right to record against each of the Neighborhoods, as the same may be designated in this Declaration or a Supplemental Declaration, or amendments thereto, additional covenants, conditions, restrictions and reservations governing, expanding or confining the use of any such Neighborhood, reserving additional easements therein, or imposing certain Specific Assessments in connection therewith.

(b) *Neighborhood Associations.* The establishment of a Neighborhood may be accompanied by the formation of a Neighborhood Association. Declarant or, subject to Declarant's approval, any other Owner of all of the Property comprising a Neighborhood may elect to cause any such Neighborhood Association to be formed prior to the conveyance of any Unit therein to individual Owners. At the time a Neighborhood Association is formed, or at anytime thereafter, Declarant or the Board may delegate to the Neighborhood Association certain rights and obligations with respect to the portion of the Property located within the Neighborhood. Such rights and duties may include, without limitation, the obligation to maintain certain Common Areas within the Neighborhood; to establish and enforce rules and regulations; and to hold title to and administer, manage, operate and insure property located within the Neighborhood.

(c) *Neighborhood Committees.* With respect to any Neighborhood that does not have a Neighborhood Association, the Board may appoint a Neighborhood Committee which shall be responsible for recommending to the Board any policies and procedures pertaining to the Neighborhood or to propose decisions relating to the operation, use, maintenance, repair, replacement or improvement of any Common Areas within or benefiting such Neighborhood.

(d) *Services.* Any Neighborhood, acting either through a Neighborhood Committee or through a Neighborhood Association, if any, may request that the Association provide a higher level of service than that which the Association generally provides to all Neighborhoods, or may request that the Association provide special services for the benefit of Units in such Neighborhood. Upon the affirmative vote, written consent or a combination thereof, of Owners of a majority of the Units within the Neighborhood, the Association shall provide the requested services. The cost of such services, which may include a reasonable administrative charge in such amount as the Board deems appropriate (provided, any such administrative charge shall apply at a uniform rate per Unit to all Neighborhoods receiving the same service), shall be assessed against the Units within such Neighborhood as a Neighborhood Assessment.

## **ARTICLE 7. ASSOCIATION POWERS AND RESPONSIBILITIES**

### **7.1. Acceptance and Control of Association Property.**

The Association, through action of its Board, may acquire, hold and dispose of tangible and intangible personal property and real property. Declarant and its Designees may convey to the Association personal property and fee title, leasehold or other property interests in any real property, improved or unimproved, described in **EXHIBIT A** or **EXHIBIT B**. The Association shall accept and maintain such property at its expense for the benefit of its Members, subject to any restrictions set forth in the deed or other instrument transferring such property to the Association and any obligations or conditions appurtenant to such property. Upon Declarant's written request, the Association shall reconvey to Declarant any unimproved portions of the Property originally conveyed by Declarant to the Association for no consideration, to the extent conveyed by Declarant in error or needed by Declarant to make minor adjustments in property lines.

### **7.2. Maintenance of Areas of Common Responsibility.**

The Association shall maintain, in accordance with the Community-Wide Standard, the Areas of Common Responsibility, which shall include, but need not be limited to:

- (a) all portions of, and improvements to, the Common Area except to the extent such maintenance is to be performed by Owners pursuant to Section 5.2 above;
- (b) to the extent agreed to by the Board, supplemental landscaping, maintenance and repairs to property dedicated or conveyed to public entities (to the extent permitted by and consistent with any conditions imposed by such entities) and which may include public rights-of-way within or abutting the Property, public parks and play areas, public trails, drainage areas and storm water facilities;
- (c) such portions of any additional property included within the Areas of Common Responsibility as may be dictated by this Declaration, any Supplemental



Declaration or any contract or agreement for maintenance thereof entered into by the Association, including landscaping and other flora, viewsheds, parks, lakes, utility areas or improvements, structures, improvements, streets, alleyways and bike/pedestrian pathways and trails;

(d) community lighting and bus shelters within the Property, except to the extent that maintenance is undertaken by any governmental agency, utility or transportation service provider;

(e) any ponds, streams and/or wetlands located within the Property including those which serve as part of the storm water drainage system for the Property, including improvements and equipment installed therein or used in connection therewith; and

(f) any property and facilities owned by Declarant and made available, on a temporary or permanent basis, for the primary use and enjoyment of the Association and its Members, such property and facilities to be identified by written notice from Declarant to the Association and to remain a part of the Areas of Common Responsibility and be maintained by the Association until such time as Declarant revokes such privilege of use and enjoyment by written notice to the Association.

The Association shall maintain the facilities and equipment within the Areas of Common Responsibility in continuous operation, except for any periods necessary, as determined in the sole discretion of the Board, to perform required maintenance or repairs, unless Members representing 67% of the Class A votes in the Association and the Class B Member, if any, agree in writing to discontinue such operation.

Except as provided above, the Areas of Common Responsibility shall not be reduced by amendment of this Declaration or any other means except with Declarant's prior written approval as long as Declarant owns any property described in **EXHIBIT A** or **EXHIBIT B** of this Declaration.

The costs associated with maintenance, repair, monitoring and replacement of the Areas of Common Responsibility shall be a Common Expense; provided, the Association may seek reimbursement from the owner(s) of, or other Persons responsible for, certain portions of the Areas of Common Responsibility pursuant to other recorded covenants, or agreements with the owner(s) thereof. Maintenance, repair and replacement of Exclusive Common Areas shall be a Neighborhood Expense assessed to the Neighborhood(s) to which the Exclusive Common Areas are assigned, notwithstanding that the Association may be responsible for performing such maintenance hereunder.

### 7.3. Insurance.

(a) **Required Coverages.** The Association, acting through its Board or its duly authorized agent, shall obtain and continue in effect the following types of insurance, if reasonably available, or if not reasonably available, the most nearly equivalent coverages as are reasonably available:

(i) Property insurance covering the full replacement cost all insurable improvements under current building ordinances and codes on the Common Area and within the Areas of Common Responsibility to the extent that Association has assumed responsibility in the event of a casualty, regardless of ownership;

(ii) Commercial general liability insurance insuring the Association and its Members with limits of (if generally available at reasonable cost, including primary and any umbrella coverage) at least \$1,000,000.00 per occurrence with respect to bodily injury, personal injury and property damage or such additional coverage and higher limits which a reasonably prudent person would obtain;

(iii) Workers' compensation insurance and employer's liability insurance, if and to the extent required by law;

(iv) Directors' and officers' liability coverage;

(v) Fidelity insurance covering all Persons responsible for handling Association funds in an amount determined in the Board's business judgment; and

(vi) Such additional insurance as the Board, in its business judgment, determines advisable.

In addition, the Association may, on request of a Neighborhood Association, and shall, if so specified in a Supplemental Declaration applicable to any Neighborhood, obtain and maintain property insurance on the insurable improvements within such Neighborhood which insurance shall comply with the requirements of Section 7.3(a)(i). Any such policies shall provide for a certificate of insurance to be furnished upon request to the Owner of each Unit insured.

Premiums for all such insurance shall be Common Expenses, except that premiums for property insurance, if any, on Units within a Neighborhood shall be a Neighborhood Expense and premiums for insurance on Exclusive Common Areas may be included in the Neighborhood Expenses of the Neighborhood(s) to which such Exclusive Common Areas are assigned unless the Board reasonably determines that other treatment of the premiums is more appropriate.

(b) **Policy Requirements.** The Association shall arrange for an annual review of the sufficiency of its insurance coverage by one or more qualified Persons. All Association policies shall provide for a certificate of insurance to be furnished to the Association and, upon request, to each Member insured.

The policies may contain a reasonable deductible. In the event of an insured loss, the deductible shall be treated as a Common Expense or a Neighborhood Expense in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with the Bylaws, that the loss is the result of the negligence or willful misconduct of one or more Owners, their guests, invitees or lessees, then the Board may assess the full amount of such deductible against such Owner(s) and their Units as a Specific Assessment.

All insurance coverage obtained by the Board shall:

(i) be written with a company authorized to do business in Washington which satisfies the requirements of the Federal National Mortgage Association, or such other secondary mortgage market agencies or federal agencies as the Board deems appropriate;

(ii) be written in the name of the Association as trustee for the benefited parties. Policies on the Common Areas shall be for the benefit of the Association and its Members. Policies secured on behalf of a Neighborhood shall be for the benefit of the Owners within the Neighborhood and their Mortgagees, as their interests may appear;

(iii) not be brought into contribution with insurance purchased by Owners, occupants or their Mortgagees individually;

(iv) contain an inflation guard endorsement;

(v) include an agreed amount endorsement, if the policy contains a co-insurance clause;

(vi) provide that each Owner is an insured person under the policy with respect to liability arising out of such Owner's interest in the Common Area as a Member in the Association (provided, this provision shall not be construed as giving an Owner any interest in the Common Area other than that of a Member);

(vii) provide a waiver of subrogation under the policy against any Owner or household member of a Owner;

(viii) include an endorsement precluding cancellation, invalidation, suspension or non-renewal by the insurer on account of any one or more

individual Owners, or on account of any curable defect or violation without prior written demand to the Association to cure the defect or violation and allowance of a reasonable time to cure; and

(ix) include an endorsement precluding cancellation, invalidation, or condition to recovery under the policy on account of any act or omission of any one or more individual Owners, unless such Owner is acting within the scope of its authority on behalf of the Association.

In addition, the Board shall use reasonable efforts to secure insurance policies which provide:

(i) a waiver of subrogation as to any claims against the Association's Board, officers, employees and its manager, the Owners and their tenants, servants, agents and guests;

(ii) a waiver of the insurer's rights to repair and reconstruct instead of paying cash;

(iii) an endorsement requiring at least 30 days' prior written notice to the Association of any cancellation, substantial modification, or non-renewal; and

(iv) a cross-liability provision.

(c) **Restoring Damaged Improvements.** In the event of damage to or destruction of Common Area or other property which the Association is obligated to insure, the Board or its duly authorized agent shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repairing or restoring the property to substantially the condition in which it existed prior to the damage, allowing for changes or improvements necessitated by changes in applicable building codes.

Damaged improvements on the Common Area shall be repaired or reconstructed in a timely manner unless Members representing at least 75% of the total Class A votes in the Association, and the Class B Member, if any, decide not to repair or reconstruct. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to the Common Area shall be repaired or reconstructed. If a decision is made not to restore the damaged improvements, and no alternative improvements are authorized, the affected property shall be cleared of all debris and ruins and thereafter shall be maintained by the Association in a neat and attractive, landscaped condition consistent with the Community-Wide Standard.

Any insurance proceeds remaining after paying the costs of repair or reconstruction, or after such settlement as is necessary and appropriate, shall be retained by the Association for the benefit of its Members or the Persons entitled to use the

damaged or destroyed property, as appropriate, and placed in a capital improvements account. This is a covenant for the benefit of Mortgagees and may be enforced by the Mortgagee of any affected Unit.

#### **7.4. Compliance and Enforcement.**

Every Owner and occupant of a Unit shall comply with the Governing Documents. The Board may impose sanctions for violation of the Governing Documents after notice and a hearing in accordance with the procedures set forth in the Bylaws. Such sanctions may include, without limitation:

- (a) imposing reasonable monetary fines which shall constitute a lien upon the violator's Unit. (In the event that any occupant, guest or invitee of a Unit violates the Governing Documents and a fine is imposed, the fine shall first be assessed against the violator; provided, if the fine is not paid by the violator within the time period set by the Board, the Owner shall pay the fine upon notice from the Board);
- (b) suspending an Owner's right to vote;
- (c) suspending any Person's right to use any recreational facilities within the Common Area; provided, nothing herein shall authorize the Board to limit ingress or egress to or from a Unit;
- (d) suspending any services provided by the Association to an Owner or the Owner's Unit if the Owner is more than 30 days delinquent in paying any assessment or other charge owed to the Association;
- (e) exercising self-help or taking action to abate any violation of the Governing Documents in a non-emergency situation;
- (f) requiring an Owner, at its own expense, to remove any structure or improvement on such Owner's Unit in violation of Article 4 and to restore the Unit to its previous condition and, upon failure of the Owner to do so, the Board or its designee shall have the right to enter the property, remove the violation and restore the property to substantially the same condition as previously existed and any such action shall not be deemed a trespass;
- (g) without liability to any Person, precluding any contractor, subcontractor, agent, employee or other invitee of an Owner who fails to comply with the terms and provisions of Article 4 and the Design Guidelines from continuing or performing any further activities in the Property; and
- (h) levying Specific Assessments to cover costs incurred by the Association to bring a Unit into compliance with the Governing Documents.

In addition to any other enforcement rights, if an Owner fails properly to perform the Owner's maintenance responsibility, the Association may record a notice of violation or perform such maintenance responsibilities and assess all costs incurred by the Association against the Unit and the Owner as a Specific Assessment. If a Neighborhood Association fails to perform its maintenance responsibilities, the Association may perform such maintenance and assess the costs as a Specific Assessment against all Units within such Neighborhood. Except in an emergency situation, the Association shall provide the Owner or Neighborhood Association reasonable notice and an opportunity to cure the problem prior to taking such enforcement action.

All remedies set forth in the Governing Documents shall be cumulative of any remedies available at law or in equity. In any action to enforce the Governing Documents, if the Association prevails, it shall be entitled to recover all costs, including, without limitation, attorneys fees and court costs, reasonably incurred in such action.

The Association shall not be obligated to take any action if the Board reasonably determines that the Association's position is not strong enough to justify taking such action that the covenant, use restriction, or Rule, and Regulation being enforced is, or is likely to be construed as, inconsistent with applicable law; or that it is not in the Association's interest, based upon hardship, expenses, or other reasonable criteria to pursue enforcement action. Such a decision shall not be construed a waiver of the right of the Association to enforce such provision at a later time under other circumstances or estop the Association from enforcing any other covenant, use restriction, or Rule and Regulation.

While conducting the Association's business affairs, the Board shall act within the scope of the Governing Documents and in good faith to further the legitimate interests of the Association and its Members. In fulfilling its governance responsibilities, the Board's actions shall be governed and tested by the rule of reasonableness. The Board shall exercise its power in a fair and nondiscriminatory manner and shall adhere to the procedures established in the Governing Documents.

#### **7.5. Implied Rights; Board Authority.**

Subject to the terms of the UPD Permit, and the Board's duty to exercise business judgment and reasonableness on behalf of the Association and its Members, the Association may exercise any right or privilege given to it expressly by the Governing Documents, or reasonably implied from or reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided in the Governing Documents, or by law, all rights and powers of the Association may be exercised by the Board without a vote of the membership.

The Board may institute, defend, settle or intervene on behalf of the Association in mediation, binding or non-binding arbitration, litigation, or administrative proceedings in matters pertaining to the Area of Common Responsibility, enforcement of the

Governing Documents, or any other civil claim or action. However, the Governing Documents shall not be construed as creating any independent legal duty to institute litigation on behalf of or in the name of the Association or its members.

#### **7.6. Indemnification of Officers, Directors and Others.**

Subject to Washington law, the Association shall indemnify every officer, director and committee member against all damages and expenses, including counsel fees, reasonably incurred in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer, director, or committee member, except that such obligation to indemnify shall be limited to those actions for which liability is limited under this Section and Washington law.

The officers, directors and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on behalf of the Association (except to the extent that such officers or directors may also be Members of the Association). The Association shall indemnify and forever hold each such officer, director and committee member harmless from any and all liability to others on account of any such contract, commitment, or action. This right to indemnification shall not be exclusive of any other rights to which any present or former officer, director, or committee member may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

#### **7.7. Security.**

The Association may, but shall not be obligated to, maintain or support certain activities within the Property designed to make the Property safer than they otherwise might be. Neither the Association nor Declarant shall in any way be considered insurers or guarantors of security within the Property, nor shall either be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. No representation or warranty is made that any systems or measures, including any mechanism or system for limiting access to the Property, cannot be compromised or circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands and covenants to inform its tenants and all occupants of its Unit that the Association, its Board and committees, and Declarant are not insurers and that each Person using the Property assumes all risks of personal injury and loss or damage to property, including Units and the contents of Units, resulting from acts of third parties.

#### **7.8. Provision of Services.**

The Association may provide or provide for services and facilities for the Members, their guests, lessees and invitees, and shall be authorized to enter into and terminate contracts or agreements with other entities, including Declarant, to provide such services and facilities. The Board may charge use and consumption fees for such services and facilities. By way of example, some services and facilities which might be offered include landscape maintenance, pest control service, cable television service, security, caretaker, transportation, fire protection, utilities and similar services and facilities. Nothing herein shall be construed as a representation by Declarant or the Association as to what, if any, services shall be provided. In addition, the Board shall be permitted to modify or cancel existing services provided, in its discretion, unless otherwise required by the Governing Documents. No Owner shall be exempt from the obligation to pay for such services, if provided to all Owners as a Common Expense, based upon non-use or any other reason.

#### **7.9. Relations with Other Properties.**

The Association may enter into contractual agreements or covenants to share costs with other associations, properties or facilities for maintaining and/or operating shared or mutually beneficial properties or facilities.

#### **7.10. Facilities and Services Open to the Public.**

Certain facilities and areas within the Property may be open for use and enjoyment of the public. Such facilities and areas may include, by way of example: greenbelts, trails and paths, roads, sidewalks and medians. Declarant may designate such facilities and areas as open to the public at the time Declarant makes such facilities and areas a part of the Areas of Common Responsibility or the Board may so designate at any time thereafter. Portions of the Common Area which are not intended to be open to the public may be posted as private property.

#### **7.11. Required Actions under UPD Permit.**

The Community is subject to a variety of permit restrictions and obligations which are contained in the UPD Permit and other King County Ordinances and are binding upon the Property and run with the land. The Association and each Owner shall comply with the restrictions and requirements of the UPD Permit, as applicable. During initial development of the Property, Declarant shall implement, maintain, and enforce the programs and requirements of the UPD Permit. Declarant shall have the right, but not the obligation, to delegate or assign certain responsibilities to the Association or any committee, and the Association or such committee shall have the obligation to accept and fulfill such delegation or assignment of such obligations. The cost of such activities shall be a Common Expense.



Examples of matters which Declarant may delegate or assign to the Association include, without limitation, preparing and implementing educational and environmental conservation programs and training materials with an emphasis on irrigation and landscape maintenance, best management practices ("BMPs") with regard to water quality within the Community, preservation of groundwater, and wetland preserve areas. Declarant may assign water monitoring and reporting requirements to the Association. The Association shall also assume responsibilities for implementation and operation of a transit program for the Community, if such responsibilities are delegated by Declarant.

The Association shall prepare or provide for the preparation of educational materials regarding, among other things, fertilizer and pesticide/herbicide application, including practices relating to the quantity, timing, and type of fertilizer which may be applied to lawns and gardens to protect water quality. Such educational materials shall be distributed to all Owners on the initial sale of a Unit and shall be subsequently available from the Association. In addition, all landscape contracts entered into by the Association shall comply with such BMP.

In the performance of its responsibilities, the Association shall follow the standards and requirements of the UPD Permit and King County Ordinances. The Association shall comply with the design guidelines and maintenance standards referenced in the UPD Permit, particularly in the use of native vegetation and landscaping, and, further, shall particularly observe any requirements related to native tree retention, landscaping, perimeter buffers and parks, trails, and recreation in the performance of its responsibilities under this Declaration.

#### **7.12. Recycling Programs.**

The Board may establish a recycling program and recycling center within the Community, and, in such event, all Owners and occupants of Units shall support such program by recycling, to the extent reasonably practical, all materials which the Association's recycling program or center is set up to accommodate. The Association may, but shall have no obligation to, purchase recyclable materials in order to encourage participation, and any income received by the Association as a result of such recycling efforts shall be used to offset Common Expenses.

#### **7.13. Relationship with Tax-Exempt Organizations.**

Declarant or the Association may create, enter into agreements or contracts with, or grant exclusive and/or non-exclusive easements over portions of the Common Area to non-profit, tax-exempt organizations, the operation of which confers some benefit upon the Property, the Association, the Members, or residents. While such organization(s) may perform a variety of services and functions, it is anticipated that such activities will focus on environmental and conservation programs benefiting the community as a whole.

## ARTICLE 8. ASSOCIATION FINANCES

### 8.1. Budgeting and Allocating Common Expenses.

At least 60 days before the beginning of each fiscal year, the Board shall prepare a budget of the estimated Common Expenses for the coming year, including any contributions to be made to a reserve fund pursuant to Section 8.3. The budget shall also reflect the sources and estimated amounts of funds to cover such expenses, which may include any surplus to be applied from prior years, any income expected from sources other than assessments levied against the Units, and the amount to be generated through the levy of Base Assessments and Special Assessments against the Units, as authorized in Section 8.6.

The Association is hereby authorized to levy Base Assessments equally against all Units subject to assessment under Section 8.6 to fund the Common Expenses. In determining the Base Assessment rate per Unit, the Board may consider any assessment income expected to be generated from any additional Units reasonably anticipated to become subject to assessment during the fiscal year.

Declarant may, but shall not be obligated to, reduce the Base Assessment for any fiscal year by payment of a subsidy (in addition to any amounts paid by Declarant under Section 8.7(b)), which may be either a contribution, an advance against future assessments due from Declarant, or a loan, in Declarant's discretion. Any such subsidy shall be disclosed as a line item in the income portion of the budget. Payment of such subsidy in any year shall not obligate Declarant to continue payment of such subsidy in future years, unless otherwise provided in a written agreement between the Association and Declarant.

Within 30 days after the adoption of a final budget by the Board, the Board shall send to each Owner a copy of the final budget, notice of the amount of the Base Assessment to be levied pursuant to such budget, and notice of a meeting to consider ratification of the budget. Such meeting shall be held not less than 14 nor more than 60 days from the mailing of such materials. The budget and assessment shall be ratified unless disapproved at a meeting by Members representing at least 67% of the total Class A votes in the Association and by the Class B Member, if such exists. Such ratification shall be effective whether or not a quorum is present.

If any proposed budget is disapproved or the Board fails for any reason to determine the budget for any year, then the budget most recently in effect shall continue in effect until a new budget is determined.

The Board may revise the budget and adjust the Base Assessment from time to time during the year, subject to the notice requirements and the right of the Members to disapprove the revised budget as set forth above.

## **8.2. Budgeting and Allocating Neighborhood Expenses.**

At least 60 days before the beginning of each fiscal year, the Board shall prepare a separate budget covering the estimated Neighborhood Expenses for each Neighborhood on whose behalf Neighborhood Expenses are expected to be incurred during the coming year. Each such budget shall include any costs for additional services or a higher level of services which the Owners in such Neighborhood have approved pursuant to Section 6.4(a) and any contribution to be made to a reserve fund pursuant to Section 8.3. The budget shall also reflect the sources and estimated amounts of funds to cover such expenses, which may include any surplus to be applied from prior years, any income expected from sources other than assessments levied against the Units, and the amount required to be generated through the levy of Neighborhood and Special Assessments against the Units in such Neighborhood.

The Association is hereby authorized to levy Neighborhood Assessments equally against all Units in the Neighborhood which are subject to assessment under Section 8.6 to fund Neighborhood Expenses; provided, if so specified in the applicable Supplemental Declaration or if so directed by petition signed by a majority of the Owners within the Neighborhood, any portion of the assessment intended for exterior maintenance of structures, insurance on structures, or replacement reserves which pertain to particular structures shall be levied on each of the benefited Units in proportion to the benefit received.

Within 30 days prior to the beginning of the fiscal year after the adoption of a final budget for a Neighborhood by the Board, the Board shall send to each Owner within the Neighborhood a copy of the final budget, notice of the amount of the Neighborhood Assessment to be levied pursuant to such budget and notice of a meeting to consider ratification of the budget. Such meeting shall be held not less than 14 nor more than 60 days from the mailing of such materials. Such budget and assessment shall be ratified unless disapproved at a meeting of the Neighborhood by Owners of at least 67% of the Units in the Neighborhood to which the Neighborhood Assessment applies and the Class B Member, if any. Such ratification shall be effective whether or not a quorum is present.

If the proposed budget for any Neighborhood is disapproved or if the Board fails for any reason to determine the budget for any year, then until such time as a budget is determined, the budget in effect for the immediately preceding year shall continue for the current year.

The Board may revise the budget for any Neighborhood and the amount of any Neighborhood Assessment from time to time during the year, subject to the notice requirements and the right of the Owners of Units in the affected Neighborhood to disapprove the revised budget as set forth above.

### **8.3. Budgeting for Reserves.**

The Board shall prepare and periodically review a reserve budget for the Areas of Common Responsibility and for each Neighborhood for which the Association maintains capital items as a Neighborhood Expense. The budgets shall take into account the number and nature of replaceable assets, the expected life of each asset and the expected repair or replacement cost. The Board shall include in the Common Expense budget adopted pursuant to Section 8.1 or the Neighborhood Expense budgets adopted pursuant to Section 8.2, as appropriate, a capital contribution to fund reserves in an amount sufficient to meet the projected need with respect both to amount and timing by annual contributions over the budget period.

### **8.4. Special Assessments.**

In addition to other authorized assessments, the Association may levy Special Assessments to cover unbudgeted expenses or expenses in excess of those budgeted. Any such Special Assessment may be levied against the entire membership, if such Special Assessment is for Common Expenses, or may be levied against the Units within any Neighborhood if such Special Assessment is for Neighborhood Expenses. Except as otherwise specifically provided in this Declaration, any Special Assessment shall require the affirmative vote or written consent of Members (if a Common Expense) or Owners (if a Neighborhood Expense) representing more than 50% of the total votes allocated to Units which will be subject to such Special Assessment, and the affirmative vote or written consent of the Class B Member, if such exists. Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

### **8.5. Specific Assessments.**

The Association shall have the power to levy Specific Assessments against a particular Unit as follows:

(a) to cover the costs, including overhead and administrative costs, of providing services to Units upon request of an Owner pursuant to any menu of special services which may be offered by the Association. Specific Assessments for special services may be levied in advance of the provision of the requested service; and

(b) to cover costs incurred in bringing the Unit into compliance with the Governing Documents, or costs incurred as a consequence of the conduct of the Owner or occupants of the Unit, their agents, contractors, employees, licensees, invitees, or guests; provided, the Board shall give the Unit Owner prior written notice and an opportunity for a hearing, in accordance with the Bylaws, before levying any Specific Assessment under this subsection (b).

The Association may also levy a Specific Assessment against the Units within any Neighborhood to reimburse the Association for costs incurred in bringing the Neighborhood into compliance with the provisions of the Governing Documents, provided the Board gives prior written notice to the Owners of Units in the Neighborhood and an opportunity for such Owners or members of the Neighborhood Committee to be heard before levying any such assessment.

#### **8.6. Authority to Assess Owners; Time of Payment.**

The Association is hereby authorized to levy assessments as provided for in this Article and elsewhere in the Governing Documents. After the Board first determines a budget and levies assessments, the obligation to pay assessments shall commence as to each Unit on the date Unit is first conveyed an Owner by Declarant; provided, however, that if such Owner is a Builder, the obligation to pay assessments shall commence six months after the Unit is first conveyed to the Builder. The first annual Base Assessment and Neighborhood Assessment, if any, levied on each Unit shall be adjusted according to the number of months remaining in the fiscal year at the time assessments commence on the Unit.

Assessments shall be paid in such manner and on such dates as the Board may establish. The Board may require advance payment of assessments at closing of the transfer of title to a Unit and impose special requirements for Owners with a history of delinquent payment. If the Board so elects, assessments may be paid in two or more installments. Unless the Board otherwise provides, the Base Assessment and any Neighborhood Assessment shall be due and payable in advance on the first day of each fiscal year. If any Owner is delinquent in paying any assessments or other charges levied on his Unit, the Board may require the outstanding balance on all assessments to be paid in full immediately.

#### **8.7. Obligation for Assessments.**

(a) **Personal Obligation.** Each Owner, by accepting a deed or entering into a recorded contract of sale for any portion of the Property, is deemed to covenant and agree to pay all assessments authorized in the Governing Documents. All assessments, together with interest (computed from its due date at a rate of 10% per annum or such higher rate as the Board may establish, subject to the limitations of Washington law), late charges as determined by Board resolution, costs and reasonable attorneys' fees, shall be the personal obligation of each Owner and a lien upon each Unit until paid in full. Upon a transfer of title to a Unit, the grantee shall be jointly and severally liable for any assessments and other charges due at the time of conveyance.

Failure of the Board to fix assessment amounts or rates or to deliver or mail each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay Base Assessments and Neighborhood Assessments on the same

basis as during the last year for which an assessment was made, if any, until a new assessment is levied, at which time the Association may retroactively assess any shortfalls in collections.

No Owner may exempt himself from liability for assessments by non-use of Common Area, abandonment of his Unit, or any other means. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessments or setoff shall be claimed or allowed for any alleged failure of the Association or Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action it takes.

Upon written request, the Association shall furnish to any Owner liable for any type of assessment a certificate in writing signed by an Association officer setting forth whether such assessment has been paid. Such certificate shall be conclusive evidence of payment. The Association may require the advance payment of a reasonable processing fee for the issuance of such certificate.

(b) ***Declarant's Option to Fund Budget Deficits.*** During the Class B Control Period, Declarant may satisfy its obligation for assessments, if any, on Units which it owns either by paying such assessments in the same manner as any other Owner or by paying the difference between the amount of assessments levied on all other Units subject to assessment and the amount of actual expenditures by the Association during the fiscal year. Unless Declarant otherwise notifies the Board in writing at least 60 days before the beginning of each fiscal year, Declarant shall be deemed to have elected to continue paying on the same basis as during the immediately preceding fiscal year. Regardless of Declarant's election, Declarant's obligations hereunder may be satisfied in the form of cash or by "in kind" contributions of services or materials, or by a combination of these. After termination of the Class B Control Period, Declarant shall pay assessments on its unsold Units in the same manner as any other Owner.

#### **8.8. Lien for Assessments.**

The Association shall have a lien against each Unit to secure payment of delinquent assessments, as well as interest, late charges (subject to the limitations of Washington law) and costs of collection (including attorneys' fees). Such lien shall be superior to all other liens, except (a) the liens of all taxes, bonds, assessments and other levies which by law would be superior and (b) the lien or charge of any recorded first Mortgage (meaning any recorded Mortgage with first priority over other Mortgages) made in good faith and for value. Such lien, when delinquent, may be enforced by suit, judgment and judicial or nonjudicial foreclosure.

The Association may bid for the Unit at the foreclosure sale and acquire, hold, lease, mortgage and convey the Unit. While a Unit is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no

assessment shall be levied on it; and (c) each other Unit shall be charged, in addition to its usual assessment, its pro rata share of the assessment that would have been charged such Unit had it not been acquired by the Association. The Association may sue for unpaid assessments and other charges authorized hereunder without foreclosing or waiving the lien securing the same.

Sale or transfer of any Unit shall not affect the assessment lien or relieve such Unit from the lien for any subsequent assessments. However, the sale or transfer of any Unit pursuant to foreclosure of the first Mortgage shall extinguish the lien as to any installments of such assessments due prior to the Mortgagee's foreclosure. The subsequent Owner to the foreclosed Unit shall not be personally liable for assessments on such Unit due prior to such acquisition of title. Such unpaid assessments shall be deemed to be Common Expenses collectible from Owners of all Units subject to assessment under Section 8.6, including such acquirer, its successors and assigns.

#### **8.9. Exempt Property.**

The following property shall be exempt from payment of Base Assessments, Neighborhood Assessments and Special Assessments:

- (a) All Common Area and such portions of the property owned by Declarant as are included in the Areas of Common Responsibility;
- (b) Any property dedicated or conveyed to and accepted by any governmental entity or public utility;
- (c) Any property dedicated or conveyed to and accepted by any non-profit entity to provide recreational facilities including, but not limited to, soccer fields and related amenities; provided, however, that in the event any such property is converted to use for residential or commercial purposes, this exemption shall be of no further force or effect as to that portion of the property; and
- (d) Property owned by any Neighborhood Association for the common use and enjoyment of its members, or owned by the members of a Neighborhood Association as tenants-in-common.

In addition, Declarant and/or the Association shall have the right, but not the obligation, to grant exemptions to certain Persons qualifying for tax exempt status under Section 501(c) of the Internal Revenue Code so long as such Persons own property subject to this Declaration for purposes listed in Section 501(c).

#### **8.10. Capitalization of Association.**

Upon acquisition of record title to a Unit by the first Owner thereof other than Declarant or a Builder, a contribution shall be made by or on behalf of the purchaser to

the working capital of the Association in the amount of Nine Hundred Eighty Five Dollars (\$985.00). This amount shall be in addition to, not in lieu of, the annual Base Assessment and shall not be considered an advance payment of such assessment. This amount shall be deposited into the purchase and sales escrow and disbursed therefrom to the Association for use in covering operating expenses, reimbursing amounts advanced by Declarant to the Association hereunder, repaying loans made to the Association and paying other expenses incurred by the Association pursuant to this Declaration and the Bylaws.

## **ARTICLE 9. EXPANSION OF THE COMMUNITY**

### **9.1. Expansion by Declarant.**

Declarant may from time to time subject to the provisions of this Declaration all or any portion of the property described in **EXHIBIT B**, including portions which are not contiguous to other portions of the Property, by recording a Supplemental Declaration describing the additional property to be subjected. A Supplemental Declaration recorded pursuant to this Section shall not require the consent of any Person except the owner of such property, if other than Declarant.

Declarant's right to expand the Property pursuant to this Section shall expire when all property described in **EXHIBIT B** has been subjected to this Declaration or 20 years after this Declaration is recorded, whichever is earlier. Until then, Declarant may transfer or assign this right to any Person who is the developer of at least a portion of the real property described in **EXHIBIT A** or **EXHIBIT B**. Any such transfer shall be memorialized in a written, recorded instrument executed by Declarant.

Nothing in this Declaration shall be construed to require Declarant or any successor to subject additional property to this Declaration or to develop any of the property described in **EXHIBIT B** in any manner whatsoever.

### **9.2. Expansion by the Association.**

The Association may also subject additional property to the provisions of this Declaration by recording a Supplemental Declaration describing the additional property. Any such Supplemental Declaration shall require the affirmative vote of Members representing more than 50% of the Class A votes of the Association and the consent of the owner of the property. In addition, so long as Declarant owns property subject to this Declaration or which may become subject to this Declaration in accordance with Section 9.1, Declarant's consent shall be necessary. The Supplemental Declaration shall be signed by the President and Secretary of the Association, by the owner of the property and by Declarant, if Declarant's consent is necessary.



### **9.3. Additional Covenants and Easements.**

Declarant may subject any portion of the Property to additional covenants and easements, including covenants obligating the Association to maintain and insure such property and authorizing the Association to recover its costs through Neighborhood Assessments. Such additional covenants and easements may be set forth either in a Supplemental Declaration subjecting such property to this Declaration or in a separate Supplemental Declaration referencing property previously subjected to this Declaration. If the property is owned by someone other than Declarant, then the consent of the Owner(s) shall be necessary and shall be evidenced by their execution of the Supplemental Declaration. Any such Supplemental Declaration may supplement, create exceptions to, or otherwise modify the terms of this Declaration as it applies to the subject property in order to reflect the different character and intended use of such property.

### **9.4. Effect of Recording Supplemental Declaration.**

A Supplemental Declaration shall be effective upon recording unless otherwise specified in such Supplemental Declaration. On the effective date of the Supplemental Declaration, any additional property subjected to this Declaration shall be assigned voting rights in the Association and assessment liability in accordance with the provisions of this Declaration.

## **ARTICLE 10. ADDITIONAL RIGHTS RESERVED TO DECLARANT**

### **10.1. Withdrawal of Property.**

Declarant reserves the right to amend this Declaration, so long as it has a right to annex additional property pursuant to Section 9.1, for the purpose of removing any portion of the Property which has not yet been improved with structures from the coverage of this Declaration, provided such withdrawal does not reasonably violate the overall scheme of development for the Master Plan. Such amendment shall not require the consent of any Person other than the Owner(s) of the property to be withdrawn, if not Declarant. If the property is Common Area, the Association shall consent to such withdrawal.

### **10.2. Marketing and Sales Activities.**

Declarant and Builders authorized by Declarant may construct and maintain upon portions of the Common Area such facilities and activities as, in Declarant's sole opinion, may be reasonably required, convenient or incidental to the construction or sale of Units, including, but not limited to, business offices, signs, model units and sales offices. Declarant and authorized Builders shall have easements for access to and use of such facilities and shall not be subject to fees or rental charges.

### **10.3. Right to Develop.**

Declarant and its employees, agents and designees shall have a right of access and use and an easement over and upon all of the Common Area for the purpose of making, constructing and installing such improvements to the Common Area as it deems appropriate in its sole discretion, so long as such improvements are not inconsistent with the permitted uses and purposes of the Common Areas. //

Every Person that acquires any interest in the Property acknowledges that Redmond Ridge East is a master planned community, the development of which is likely to extend over many years, and agrees not to protest, challenge or otherwise object to (a) changes in uses or density of property outside the Neighborhood in which such Person holds an interest, or (b) changes in the Master Plan as it relates to property outside the Neighborhood in which such Person holds an interest.

### **10.4. Right to Approve Additional Covenants.**

No Person shall record any declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument affecting any portion of the Property without Declarant's review and written consent. Any attempted recordation without such consent shall result in such instrument being void and of no force and effect unless subsequently approved by written consent signed and recorded by Declarant.

### **10.5. Right to Transfer or Assign Declarant Rights.**

Any or all of Declarant's rights and obligations set forth in this Declaration or the Bylaws may be transferred in whole or in part to other Persons; provided, the transfer shall not reduce an obligation nor enlarge a right beyond that which Declarant has under this Declaration or the Bylaws. No such transfer or assignment shall be effective unless it is in a written instrument signed and recorded by Declarant. The foregoing sentence shall not preclude Declarant from permitting other Persons to exercise, on a one time or limited basis, any right reserved to Declarant in this Declaration where Declarant does not intend to transfer such right in its entirety, and in such case it shall not be necessary to record any written assignment unless necessary to evidence Declarant's consent to such exercise.

### **10.6. Easement to Inspect and Right to Correct.**

(a) Declarant reserves for itself and such other Persons as it may designate perpetual non-exclusive easements throughout the Property to the extent reasonably necessary for the purposes of access, inspecting, testing, redesigning, or correcting any portion of the Property, including Units and the Area of Common Responsibility.

(b) Entry onto a Unit shall be after reasonable notice, except in an emergency. Entry into a structure on a Unit shall be only after Declarant notifies the Unit's Owner and agrees with the Owner regarding a reasonable time to enter the structures on such Unit to perform such activities; provided, however, that if entry is required due to a security alarm which has not been silenced after two hours, Declarant or the Association may enter the Unit to silence the alarm if good faith effort has been made to notify the Owner.

(c) Any damage to a Unit or the Area of Common Responsibility resulting from the exercise of the easement or right of entry described in subsections (a) and (b) of this Section shall promptly be repaired by, and at the expense of, the Person exercising the easement right. The exercise of these easements shall not unreasonably interfere with the use of any Unit and entry onto any Unit shall be made only after reasonable notice to the Owner or occupant.

#### **10.7. Governmental Interests.**

Declarant may designate sites it owns within the Property for fire, police, water, and sewer facilities, public schools and parks, and other public facilities. Sites may be designated for use of water infiltration pursuant to requirements of the UPD Permit. Development of such sites shall be subject to a non-binding review under the procedures set forth in Article 4. Neither the Association, the PIC, nor the Owners may object to the use of such sites for the designated public purposes.

### **ARTICLE 11. EASEMENTS AND RESTRICTIONS**

#### **11.1. Easements in Common Area.**

Declarant grants to each Owner a nonexclusive right and easement of use, access and enjoyment in and to the Common Area, subject to:

- (a) The Governing Documents and any other applicable covenants;
- (b) Any restrictions or limitations contained in any deed conveying such property to the Association;
- (c) The Board's right to:
  - (i) adopt Rules and Regulations governing the use and enjoyment of the Common Area, including rules limiting the number of guests who may use the Common Area;
  - (ii) suspend the right of an Owner to use recreational facilities within the Common Area (A) for any period during which any charge against such Owner's Unit remains delinquent and (B) for a period not to exceed 30 days for a single

violation or for a longer period in the case of any continuing violation, of the Governing Documents after notice and a hearing pursuant to the Bylaws;

(iii) dedicate or transfer all or any part of the Common Area, subject to such approval requirements as may be set forth in this Declaration;

(iv) permit use of any recreational facilities situated on the Common Area by persons other than Owners, their families, lessees and guests upon payment of use fees established by the Board and designate other areas and facilities within the Areas of Common Responsibility as open for the use and enjoyment of the public;

(v) mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred subject to the approval requirements contained in this Declaration; and

(d) The rights of certain Owners to the exclusive use of those portions of the Common Area designated "Exclusive Common Areas," as described in Article 12.

Any Owner may extend such Owner's right of use and enjoyment to the members of such Owner's family, lessees and social invitees, as applicable, subject to reasonable regulation by the Board. An Owner who leases such Owner's Unit shall be deemed to have assigned all such rights to the lessee of such Unit for the period of the lease.

#### **11.2. Easements of Encroachment.**

Declarant grants reciprocal appurtenant easements of encroachment, and for maintenance and use of any permitted encroachment, between each Unit and any adjacent Common Area and between adjacent Units due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of these restrictions) to a distance of not more than three feet, as measured from any point on the common boundary along a line perpendicular to such boundary. However, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of, or with the knowledge and consent of, the Person claiming the benefit of such easement.

#### **11.3. Easements for Utilities, etc.**

(a) ***Installation and Maintenance.*** Declarant reserves for itself, so long as Declarant owns any property described in **EXHIBIT A** or **EXHIBIT B** of this Declaration, on behalf of itself, its nominees, successors and assigns, perpetual non-exclusive easements throughout the Property (but not through a structure) to the extent reasonably necessary for the purpose of:

- (i) installing utilities and infrastructure to serve the Property, walkways, pathways and trails, drainage systems, streetlights, bioswales, stormwater retention facilities, septic tanks, drain fields and other sewage systems and signage on property which Declarant owns or within public rights-of-way or easements reserved for such purpose on recorded plats;
- (ii) inspecting, maintaining, repairing and replacing the utilities, infrastructure and other improvements described in Section 11.3(a)(i);
- (iii) access to read utility meters; and
- (iv) access to and from the public rights-of-way to any wetland, body of water, bioswale stormwater retention facility or water-monitoring site to perform water monitoring and testing, maintenance, repair or reconstruction.

Notwithstanding anything to the contrary herein, this easement shall not entitle the holders to construct or install any of the foregoing systems, facilities, or utilities over, under or through any existing dwelling on a Unit, and any damage to a Unit resulting from the exercise of this easement shall promptly be repaired by, and at the expense of, the Person exercising the easement. Exercise of this easement shall not unreasonably interfere with the use of any Unit and, except in an emergency, entry onto any Unit shall be made only after reasonable notice to the Owner or occupant.

(b) *Specific Easements.* Declarant also reserves for itself the non-exclusive right and power to grant and record such specific easements as may be necessary, in the sole discretion of Declarant, in connection with the orderly development of any property described in **EXHIBIT A** and **EXHIBIT B**. The location of the easement shall be subject to the written approval of the Owner of the burdened property, which approval shall not unreasonably be withheld, delayed or conditioned.

#### **11.4. Easements to Serve Additional Property.**

Declarant hereby reserves for itself and its duly authorized agents, successors, assigns and mortgagees, an easement over the Common Area for the purposes of enjoyment, use, access and development of the property described in **EXHIBIT B**, whether or not such property is made subject to this Declaration. This easement includes, but is not limited to, a right of ingress and egress over the Common Area for construction of roads and for connecting and installing utilities on such property. Declarant agrees that it and its successors or assigns shall be responsible for any damage caused to the Common Area as a result of their actions in connection with development of such property.

Declarant further agrees that if the easement is exercised for permanent access to such property and such property or any portion thereof benefiting from such easement is not made subject to this Declaration, or any other declaration of covenants, conditions and restrictions under which an owners' association is created or provided for, Declarant,

its successors or assigns shall enter into a reasonable agreement with the Association to share the cost of any maintenance which the Association provides to or along any roadway providing access to such property. The allocation of costs in any such agreement shall be based on the number of residential dwellings on the property served by the easement and not subject to this Declaration as a proportion of the total number of residential dwellings within the Property and on such benefited property.

#### **11.5. Easements for Maintenance, Emergency and Enforcement.**

Declarant grants to the Association easements over the Property as necessary to enable the Association to fulfill its maintenance responsibilities under Section 7.2. The Association shall also have the right, but not the obligation, to enter upon any Unit for emergency, security and safety reasons, to perform maintenance and to inspect for the purpose of ensuring compliance with the Governing Documents. Such right may be exercised by any member of the Board, duly authorized agents of the Board, and all emergency personnel in the performance of their duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner.

#### **11.6. Technology Utility Easements.**

Declarant reserves, so long as Declarant owns any property described on EXHIBIT A or EXHIBIT B of this Declaration, perpetual, non-exclusive easements adjacent to the public rights-of-way throughout the Property, on behalf of itself, and its nominees, successors and assigns, for the purpose of installing, operating, maintaining, repairing and replacing telephone, cable television, telecommunications, security and other systems for sending and receiving data and/or other electronic signals, to serve the Property and each Unit, the exercise of the rights under such easements shall be exclusive to Declarant until granted or conveyed to a third party, which may be exclusive, perpetual and irrevocable, at which point such easements or interests may be more particularly described in the instrument granting or conveying such easements or interests or on the recorded plats.

### **ARTICLE 12. EXCLUSIVE COMMON AREAS**

#### **12.1. Purpose.**

Certain portions of the Common Area may be designated as Exclusive Common Area and reserved for the exclusive use or primary benefit of Owners and occupants within a particular Neighborhood or Neighborhoods. By way of illustration and not limitation, Exclusive Common Areas may include entry features, recreational facilities, landscaped medians and cul-de-sacs, lakes and other portions of the Common Area within a particular Neighborhood or Neighborhoods. All costs associated with maintenance, repair, replacement and insurance of an Exclusive Common Area shall be a

Neighborhood Expense allocated among the Owners in the Neighborhood(s) to which the Exclusive Common Areas are assigned.

**12.2. Designation.**

Initially, any Exclusive Common Area shall be designated as such in the deed conveying such area to the Association or on the subdivision plat relating to such Common Area; provided, any such assignment shall not preclude Declarant from later assigning use of the same Exclusive Common Area to additional Units and/or Neighborhoods, so long as Declarant has a right to subject additional property to this Declaration pursuant to Section 9.1.

Thereafter, a portion of the Common Area may be assigned as Exclusive Common Area and Exclusive Common Area may be reassigned upon approval of the Board and the vote of Members representing a majority of the total Class A votes in the Association, including a majority of the Class A votes within the Neighborhood(s) affected by the proposed assignment or reassignment. As long as Declarant owns any property subject to this Declaration or which may become subject to this Declaration in accordance with Section 9.1, any such assignment or reassignment shall also require Declarant's written consent.

**12.3. Use by Others.**

Upon approval of a majority of Owners of Units within the Neighborhood to which any Exclusive Common Area is assigned, the Association may permit Owners of Units in other Neighborhoods to use all or a portion of such Exclusive Common Area upon payment of reasonable user fees, which fees shall be used to offset the Neighborhood Expenses attributable to such Exclusive Common Area.

**ARTICLE 13. PARTY WALLS AND OTHER SHARED STRUCTURES**

**13.1. General Rules of Law to Apply.**

Each wall, fence, driveway, or similar structure built as a part of the original construction on the Units which serves and/or separates any two adjoining Units shall constitute a party structure. To the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

**13.2. Maintenance; Damage and Destruction.**

The cost of reasonable repair and maintenance of a party structure shall be shared equally by the Owners who make use of the party structure.

If a party structure is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner who has used the structure may restore it. If other Owners thereafter use the structure, they shall contribute to the restoration cost in equal proportions. However, such contribution will not prejudice the right to call for a larger contribution from the other users under any rule of law regarding liability for negligent or willful acts or omissions.

### **13.3. Right to Contribution Runs with Land.**

The right of any Owner to contribution from any other Owner under this Section shall be appurtenant to the land and shall pass to such Owner's successors-in-title.

### **13.4. Disputes.**

Any dispute arising concerning a party structure shall be handled in accordance with the provisions of Article 14.

## **ARTICLE 14. DISPUTE RESOLUTION AND LIMITATION ON LITIGATION**

### **14.1. Consensus for Association Litigation.**

Except as provided in this Section, the Association shall not commence a judicial or administrative proceeding without the approval of Members representing at least 67% of the total Class A votes in the Association. This Section shall not apply, however, to (a) actions brought by the Association to enforce the Governing Documents (including, without limitation, the foreclosure of liens); (b) the collection of assessments; (c) proceedings involving challenges to ad valorem taxation; (d) counterclaims brought by the Association in proceedings instituted against it; or (e) actions brought by the Association against any contractor or vendor arising out of a contract for services or supplies between the Association and such contractor or vendor.

### **14.2. Dispute Resolution.**

(a) **Mediation/Arbitration.** Any claim, controversy or dispute by or among Declarant, the Association or one or more Owners, or any of them, arising out of or related to this Declaration or the Bylaws or the Property shall be first subject to mediation and, if not timely settled by mediation, resolved by arbitration in accordance with this Section 14.2. Any party may at any time opt to forego mediation and submit the matter directly to arbitration as provided in this Declaration. The decisions and award of the arbitrator shall be final, binding and nonappealable. The arbitration shall be conducted in King County, Washington, pursuant to the arbitration statutes of the State of Washington and any arbitration award may be enforced by any court with jurisdiction. Filing for arbitration shall be treated the same as filing in court for purposes of meeting



any applicable statute of limitations or for purposes of filing a notice of pending action (“lis pendens”).

(b) **Selection of Arbitrator.** The arbitration shall be conducted by a single arbitrator selected by mutual agreement of the parties. The arbitrator selected shall be neutral and unbiased, except to the extent the arbitrator’s prior relationship with any party is fully disclosed and consented to by the other party or parties. If the parties are unable to agree upon the arbitrator within 10 days after a party’s demand for arbitration, upon application of any party, the Presiding Judge of the Superior Court of King County, Washington, shall designate the arbitrator.

(c) **Consolidated Arbitration.** Upon demand by any party, claims between or among the parties and third parties shall be submitted in a single, consolidated arbitration.

(d) **Discovery.** The parties to the arbitration shall be entitled to such discovery as would be available to them in an action in King County Superior Court. The arbitrator shall have all of the authority of the Court incidental to such discovery, including without limitation authority to issue orders to produce documents or other materials, to issue orders to appear and submit to deposition, and to impose appropriate sanctions including without limitation award against a party for failure to comply with any order.

(e) **Evidence.** The parties to the arbitration may offer such evidence as they desire and shall produce such additional evidence as the arbitrator may deem necessary for an understanding and determination of the dispute. The arbitrator shall determine the admissibility of the evidence offered. All evidence shall be taken in the presence of the arbitrator and all of the parties, except where any of the parties is absent in default or has waived its right to be present.

(f) **Excluded Matters.** Notwithstanding the foregoing, the following matters shall not be subject to mediation or arbitration under this Section 14.2:

(i) actions relating to the collection of fees, Assessments, fines and other charges imposed or levied by the Association (other than disputes as to the validity or amount of such fees, assessments, fines or charges, which disputes shall be subject to mediation/arbitration as provided above);

(ii) actions to enforce any order, decision or award rendered by arbitration pursuant to this Section 14.2;

(iii) any action by the Association to obtain equitable relief (e.g., temporary restraining order, injunction, or specific performance) and such other ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association’s ability to enforce the provisions of this Declaration;

(iv) any action for declaratory or injunctive relief which seeks a determination as to applicability, enforcement, clarification, or interpretation of any provisions of the Declaration;

(v) any action between Owners, which does not include Declarant or the Association as a party;

(vi) any action in which any indispensable party is not a party subject to arbitration under this Section 14.2;

(vii) any action as to which any applicable statute of limitations would expire within 180 days of a demand for arbitration having been given, unless the party or parties against whom the claim is made agree to toll the statute of limitations as to such claim for such period as may reasonably be necessary to comply with the provisions of this Section 14.2; and

(viii) any action between an Owner and a builder of improvements within such Owner's Unit (including Declarant, if applicable) with respect to (A) any statutory warranty, (B) any contractual warranty, or (C) any construction defect claim. Any such action described in this Section 14.2(f)(viii) shall be solely governed by the provisions of the purchase and sale agreement between the parties and, to the extent applicable, any warranty or other ancillary documents between such parties.

The filing of a *lis pendens* or the application to any court for the issuance of any provisional process or similar remedy described in the Washington or Federal Rules of Civil Procedure shall not constitute a waiver of the right or duty to utilize the procedures specified in this Section 14.2.

(g) ***Costs and Attorneys' Fees.*** The fees of any mediator and the costs of mediation shall be divided and paid equally by the parties. Each party shall pay its own attorneys' fees and costs in connection with any mediation. The fees of any arbitrator and the costs of arbitration shall be paid by the nonprevailing party or parties; if none, such fees and costs shall be divided and paid equally by the parties. Should any suit, action or arbitration be commenced in connection with any dispute related to or arising out of this Declaration or the Bylaws, to obtain a judicial construction of any provision of the Declaration or the Bylaws, to rescind this Declaration or the Bylaws or to enforce or collect any judgment or decree of any court or any award obtained during arbitration, the prevailing party shall be entitled to recover its costs and disbursements, together with such investigation, expert witness and attorneys' fees incurred in connection with such dispute, as the court or arbitrator may adjudge reasonable, at trial, in the arbitration, upon any motion for reconsideration, upon petition for review, and on any appeal of such suit, action or arbitration proceeding. The determination of who is the prevailing party and the amount of reasonable attorneys' fees to be paid to the prevailing party shall be decided by the arbitrator (with respect to attorneys' fees incurred prior to and during the arbitration proceeding) and by the court or courts, including any appellate

or review court, in which such matter is tried, heard or decided, including a court that hears a request to compel or enjoin arbitration or that hears exceptions made to an arbitration award submitted to it for confirmation as a judgment (with respect to attorneys' fees incurred in such proceedings).

(h) **Survival.** The mediation and arbitration agreement set forth in this Section 14.2 shall survive the transfer by any party of its interest or involvement in the Property and any Unit therein and the termination of this Declaration.

## **ARTICLE 15. MORTGAGEE PROVISIONS**

The following provisions are for the benefit of holders, insurers and guarantors of first Mortgages on Units in the Property. The provisions of this Article apply to both this Declaration and to the Bylaws, notwithstanding any other provisions contained therein.

**15.1. Subordination of Lien to Mortgages.** The lien of the Assessments or charges provided for in this Declaration shall be subordinate to the lien of any Mortgage on such Unit which was made in good faith and for value and which was recorded prior to the recordation of the notice of lien. Sale or transfer of any Unit shall not affect the Assessment lien, but the sale or transfer of any Unit which is subject to any mortgage or deed of trust pursuant to a decree of foreclosure or nonjudicial sale thereunder shall extinguish any lien of an Assessment notice of which was recorded after the recording of the Mortgage. Such sale or transfer, however, shall not release the Unit from liability for any Assessments or charges thereafter becoming due or from the lien of such Assessments or charges.

**15.2. Reimbursement of First Mortgagees.** First mortgagees of Units may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any Common Areas and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage on the lapse of a policy, for such Common Area. First mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.

**15.3. Notification of First Mortgagee.** If a first Mortgagee has requested such notice in writing from the Association, the Board shall notify such Mortgagee of any individual Unit of any default in performance of this Declaration by the Owner which is not cured within sixty (60) days after notice of default to the Owner.

**15.4. Notice to Association.** Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Unit.

## **ARTICLE 16. CHANGES IN OWNERSHIP OF UNITS**

Any Owner desiring to sell or otherwise transfer title to such Owner's Unit shall give the Board at least 7 days' prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board may reasonably require. Each transferee of a Unit shall, within 7 days of taking title to a Unit, confirm that the information previously provided by the transferor is complete and accurate. The transferor shall continue to be jointly and severally responsible with the transferee for all obligations of the Owner of the Unit, including assessment obligations, until the date upon which such notice is received by the Board, notwithstanding the transfer of title.

## **ARTICLE 17. CHANGES IN COMMON AREA**

### **17.1. Condemnation.**

If any part of the Common Area shall be taken (or conveyed in lieu of and under threat of condemnation by the Board acting on the written direction of Members representing at least 67% of the total Class A votes in the Association and of Declarant, as long as Declarant owns any property subject to the Declaration or which may be made subject to the Declaration in accordance with Section 9.1) by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to written notice of such taking or conveyance prior to disbursement of any condemnation award or proceeds from such conveyance. Such award or proceeds shall be payable to the Association to be disbursed as follows:

If the taking or conveyance involves a portion of the Common Area on which improvements have been constructed, the Association shall restore or replace such improvements on the remaining land included in the Common Area to the extent available, unless within 60 days after such taking Declarant, so long as Declarant owns any property subject to the Declaration or which may be made subject to the Declaration in accordance with Section 9.1, and Members representing at least 67% of the total Class A vote of the Association shall otherwise agree. Any such construction shall be in accordance with plans approved by the Board. The provisions of Section 7.3(c) regarding funds for restoring improvements shall apply.

If the taking or conveyance does not involve any improvements on the Common Area, or if a decision is made not to repair or restore, or if net funds remain after any such restoration or replacement is complete, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board shall determine.

### **17.2. Partition.**

Except as permitted in this Declaration, the Common Area shall remain undivided, and no Person shall bring any action partition of any portion of the Common

Area without the written consent of all Owners and Mortgagees. This Section shall not prohibit the Board from acquiring and disposing of tangible personal property nor from acquiring and disposing of real property which may or may not be subject to this Declaration.

**17.3. Transfer or Dedication of Common Area.**

The Association may transfer, dedicate, or grant easements over portions of the Common Area to any other local, state or federal governmental or quasi-governmental entity without a vote of the Owners.

**ARTICLE 18. AMENDMENT OF DECLARATION**

**18.1. By Declarant.**

In addition to specific amendment rights granted elsewhere in this Declaration, until conveyance of the first Unit to a Person other than a Builder, Declarant may unilaterally amend this Declaration for any purpose. Thereafter and for so long as Declarant owns property described in **EXHIBIT A** or **EXHIBIT B** for development as part of the property, Declarant may unilaterally amend this Declaration if such amendment is necessary (a) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (b) to enable any reputable title insurance company to issue title insurance coverage on the Units; (c) to enable any institutional or governmental lender, purchaser, insurer or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure or guarantee mortgage loans on the Units; or (d) to satisfy the requirements of any local, state or federal governmental agency. However, any such amendment shall not have any material adverse effect upon any right of any Owner unless the Owner shall consent in writing.

In addition, so long as Declarant owns property described in **EXHIBIT A** or **EXHIBIT B** for development as part of the Property, it may unilaterally amend this Declaration for any other purpose, provided the amendment has no material adverse effect upon any right of any Owner or unless such Owner shall consent in writing.

**18.2. By Members.**

Except as otherwise specifically provided above and elsewhere in this Declaration, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing 67% of the total Class A votes in the Association, including 67% of the Class A votes held by Members other than Declarant, and Declarant's consent, so long Declarant owns any property subject to this Declaration or which may become subject to this Declaration in accordance with Section 9.1. In addition, the approval requirements set forth in Article 15 shall be met, if applicable.

Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

### **18.3. Validity and Effective Date.**

No amendment may remove, revoke, or modify any right or privilege of Declarant or the Class B Member without Declarant's written consent or the Class B Member, respectively (or the assignee of such right or privilege).

No amendment may modify or eliminate any provision contrary to the requirements of the UPD Permit.

If an Owner consents to any amendment to this Declaration or the Bylaws, it will be conclusively presumed that such Owner has the authority to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

Any amendment shall become effective upon recording, unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within six months of its Recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration.

## **ARTICLE 19. MISCELLANEOUS.**

### **19.1. Duration.**

This Declaration shall be enforceable by Declarant, the Association, any Owner and their respective legal representatives, heirs, successors and assigns, perpetually to the extent permitted by law. If, however, the period for the enforcement of covenants running with the land is limited by law, the Declaration shall be enforceable as provided above for a period of 20 years. After such time, this Declaration shall be extended automatically for successive periods of 10 years each, unless an instrument adopted pursuant to Section 18.2 above has been recorded within the year preceding any extension, agreeing to amend, in whole or in part, or terminate this Declaration, in which case this Declaration shall be amended or terminated as specified in such instrument.

### **19.2. Severability.**

If any provision of this Declaration is determined by judgment or court order to be invalid, or invalid as applied in a particular instance, such determination shall not affect the validity of other provisions or applications.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration as of the date and year first written above.

**REDMOND RIDGE EAST LLC,**  
a Washington limited liability company

By: RR East Partners LLC,  
a Washington limited liability company  
Its Managing Member

By: RR East Associates, Inc.,  
a Washington corporation  
Its Managing Member

By: [Signature]  
Name: George Reece  
Title: President

STATE OF WASHINGTON }  
COUNTY OF KING } ss.

On this day personally appeared before me George Reece,  
to me known to be the President of RR East Associates, Inc., a Washington  
corporation and Managing Member of RR East Partners LLC, a Washington limited  
liability company and Managing Member of **REDMOND RIDGE EAST LLC**, the  
Washington limited liability company that executed the foregoing instrument, and  
acknowledged such instrument to be the free and voluntary act and deed of such limited  
liability company, for the uses and purposes therein mentioned, and on oath stated that  
s/he was duly authorized to execute such instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 7<sup>th</sup> day of March 2008.



[Signature]  
Printed Name Kari Edrich  
NOTARY PUBLIC in and for the State of Washington,  
residing at Bellevue, WA  
My Commission Expires 5/26/12

## EXHIBIT A

### LAND INITIALLY SUBMITTED

Lots 1 through 224, Tracts L-101 through L-110, Tracts P-101 through P-103, Tracts PB-101 through PB-104, Tracts A-101 through 103, Tracts CA-101 and CA-102, Redmond Ridge East Division 1, a Master Plat, as recorded in Volume 244 of Plats, pages 19 to 50, King County Recording No. 20071211000783, records of King County, Washington.



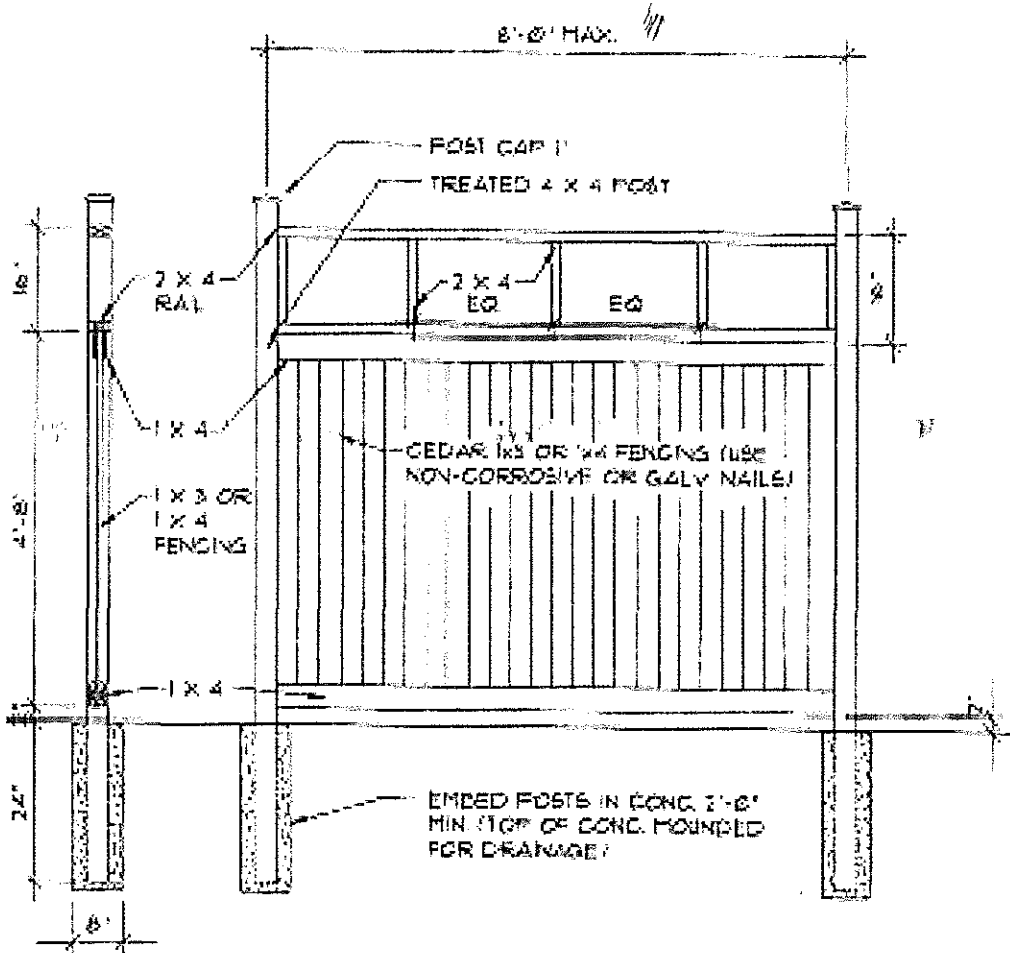
## EXHIBIT B

### EXPANSION PROPERTY

Expansion property pursuant to Section 9.1 of this Declaration may include (but is not limited to) all or any portion of the following real property:

Parcel Z-1, Redmond Ridge East Division 1, a Master Plat, as recorded in Volume 244 of Plats, pages 19 to 50, King County Recording No. 20071211000783, records of King County, Washington.

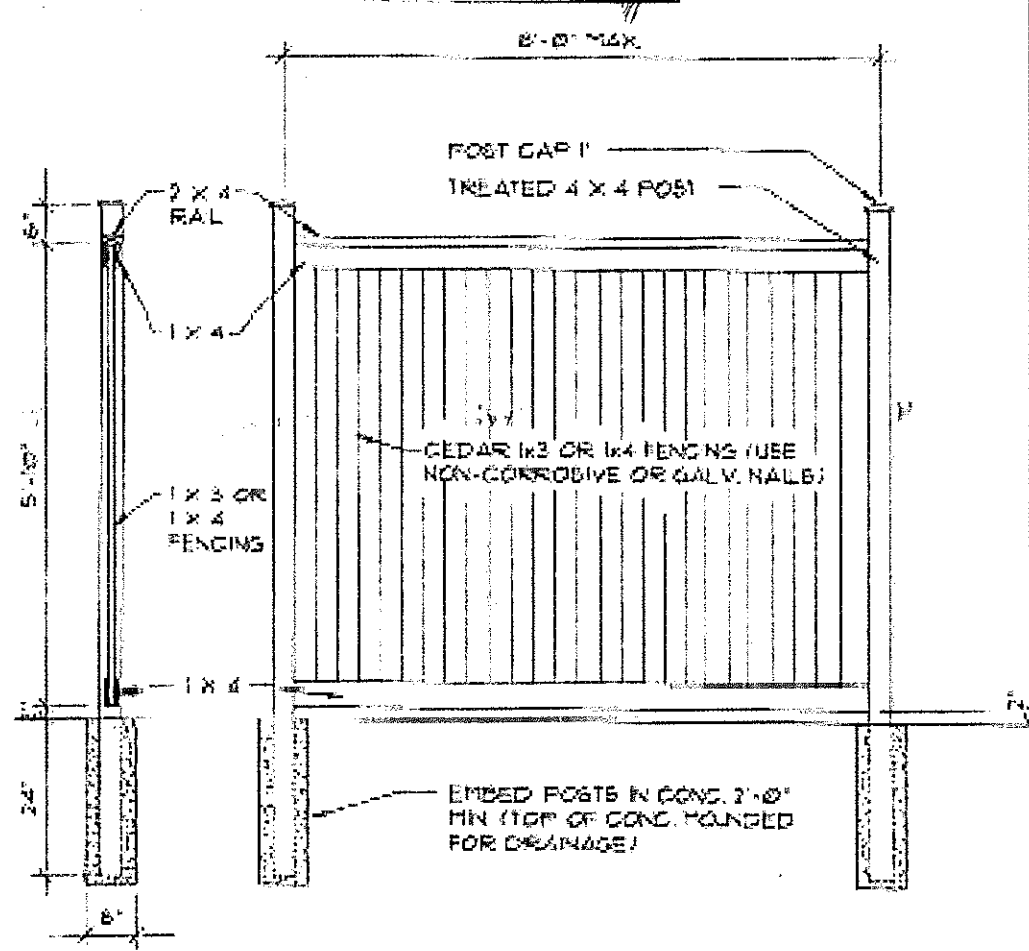
EXHIBIT C (1)



STANDARD FENCE DET FOR COURTYARDS.

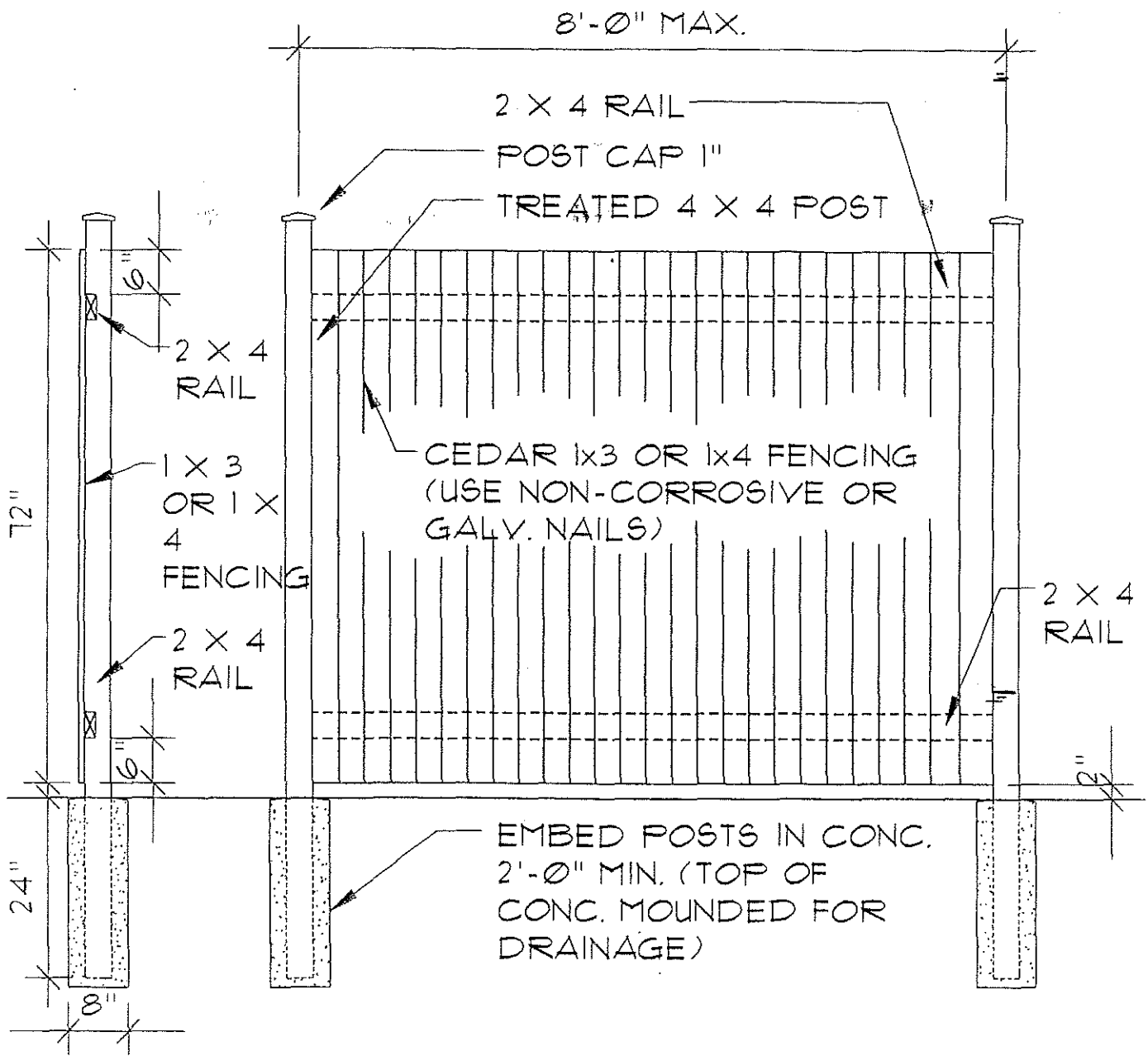
<p><b>MURRAY FRANKLYN</b></p>	<p>FENCE DETAIL</p>	<p>83.2</p>
<p>A FENCE COMPANY</p> <p>1410 Eastwood Road Beltsville, MD 20814 410-441-3323 Fax 410-441-3345</p>	<p>Scale: 1/2" = 1'-0" Rev. Date: 7/6/88</p>	

EXHIBIT C (2)



STANDARD FENCE DESIGN FOR RPE

<b>MURRAY FRANKLYN</b> A FIRM OF PARSONS	FENCE DETAIL	83.3	
1440 Del-Rest Road    Beltsville, MD 20814 (301) 441-1331        fax: (301) 441-1331	Scale: 1/2" = 1'-0"    Rev Date: 7/6/88		



5.12 FENCE DETAIL

3/8" = 1'-0"