

Section 6.12 - Exempt Property.

(a) Declarant and any other Owner of a Residence which is not suitable for human occupancy shall be exempt from the payment of that portion of the Regular Assessment which is for the purpose of defraying expenses and reserves directly attributable to the existence and the use of the structural improvements. Any such exemption shall be in effect only until (i) sixty (60) days after date of the first conveyance of a Residence within the Covered Property; (ii) a notice of completion of the structural improvement has been recorded in the County or (iii) until one hundred twenty (120) days after the issuance of a building permit for the structural improvements, whichever first occurs.

(b) All properties dedicated to and accepted by, or otherwise owned or acquired by, a public authority shall be exempt from the Assessments created herein.

Section 6.13 - Date of Commencement of Regular Assessments. The Regular Assessments shall commence with respect to all Residences in a Phase on the first day of the month following the first conveyance of a Residence within such Phase. The first Regular Assessment shall be adjusted according to the number of months remaining in the fiscal year. The Regular Assessment amount shall be fixed by the Board and written notice sent to every Owner subject thereto as more particularly provided in the Section entitled "Regular Assessments" of this Article. In the event the amount budgeted to meet Common Expenses for the then current year proves to be excessive in light of the actual Common Expenses, the Board in its discretion may either reduce the amount of the Regular Assessment or may abate collection of Regular Assessments as it deems appropriate.

Regular Assessments shall be paid monthly .

Section 6.14 - Vesting of Voting Rights. An Owner's right to vote shall vest immediately upon the date Regular Assessments are levied against the Phase in which such Owner's Residence is located.

Section 6.15 - No Offsets. All Assessments shall be payable in the amount specified by the Assessment and no offsets against such amount shall be permitted for any reason, including, without limitation, a claim that (i) the Association is not properly exercising its duties and powers as provided in this Declaration; (ii) a Member has made and elects to make no use of the Community Property; or (iii) any construction or maintenance performed pursuant to the Section entitled "Transfer of Title and/or Control" of the Article entitled "Repair and Maintenance"

of this Declaration shall in any way postpone Assessments or entitle a Member to claim any such offset or reduction.

Section 6.16 - Homestead Waiver. Each Owner, to the extent permitted bylaw, does hereby waive, to the extent of any liens created pursuant to this Declaration, whether such liens are not in existence or are created at any time in the future, the benefit of any homestead or exemption laws of the State of Washington now in effect or in effect from time to time hereafter.

Section 6.17 - Reserve.

(a) The Regular Assessments which are payable in regular installments as established by the Board include an adequate reserve fund established by the Board to cover the deductible amounts of any insurance policies maintained by the Association and for the periodic maintenance, repair and replacement of Community Property improvements that may be required to be maintained by the Association pursuant to this Declaration.

(b) All amounts collected as reserves, whether pursuant to this Section or otherwise, shall be deposited by the Board in a separate bank account to be held in trust for the purposes for which they are collected and are to be segregated from and not commingled with any other funds of the Association, and may be in the form of a cash deposit or invested in obligations of, or fully guaranteed as to principal by the United States of America. The reserve fund is for the purpose of effecting replacements for structural elements and mechanical equipment of any recreational or other facilities owned by the Association or owned in common by the Members and maintained by this Association pursuant to the Declaration, or for any other purposes as may be determined by the Board. Such reserves shall be deemed a contribution to the capital account of the Association by the Member.

Section 6.18 - Subordination of Assessment Liens. The lien of the Assessments and Allowable Charges provided for in this Declaration shall be subordinate to the lien of any First Mortgage upon any Residence. The foreclosure of any lien provided for in the Article hereof entitled "Enforcement of Assessment Liens" for the payment of Assessments and Allowable Charges shall not operate to affect or impair the lien of a First Mortgage; and the foreclosure of the lien of a First Mortgage or the sale under a power of sale included in such First Mortgage (such events being hereinafter referred to as "Events of Foreclosure") shall not operate to affect or impair such Assessment lien, except that any persons who obtain an interest through any of the Events of Foreclosure, and the successors in interest, shall take title free of such

Assessment lien or any personal obligation for said charges as shall have accrued up to the time of any of the Events of Foreclosure, but subject to the Assessment lien for all said charges that shall accrue subsequent to the Events of Foreclosure. Notwithstanding the foregoing, any such delinquent Assessments that were extinguished pursuant to this paragraph may be reallocated and assessed to all Residences as a Common Expense.

A First Mortgagee's rights pursuant to this Section shall not be affected by the failure of such First Mortgagee to deliver a notice to the Board.

ARTICLE VII

ENFORCEMENT OF ASSESSMENT LIENS

Section 7.01 - Delinquency. Any Assessment provided for in this Declaration which is not paid shall be delinquent fifteen (15) days after such Assessment was due (the "delinquency date") and Allowable Charges may be required if an Assessment becomes delinquent. The Association may at its option, and without waiving the right to judicially foreclose its lien against the Residence, pursue any available remedies, including, without limitation, bringing an action at law against the Member personally obligated to pay the same, and/or upon compliance with the notice provisions set forth in the section entitled "Personal Obligation - Lien" of this Article, to foreclose the lien against the Residence under the power of sale granted herein. Each Member vests in the association, or its assigns, the right and power to bring all actions at law or any lien foreclosure against such Member or other Members for the collection of such delinquent Assessments.

Section 7.02 - Personal Obligation - Lien. An Assessment and any Allowable Charges, shall be a debt of the Owner of the Residence at the time the Assessment or other sums are levied. The amount of the Assessment, plus any Allowable Charges, shall be a lien on the Owner's Residence. The Notice of Delinquent Assessment, recorded in the Official Records shall state: (i) the amount of the Assessment and Allowable Charges; (ii) a description of the Owner's Residence against which the Assessment and Allowable Charges are levied; (iii) the name of the record Owner of the Residence against which the lien is imposed; and (iv) in order for the lien to be enforced by nonjudicial foreclosure as hereinafter provided, the name and address of the trustee authorized by the Association to enforce the lien by sale. The Notice of Delinquent Assessment shall be signed by the officers authorized for such purpose by resolution of the Board or by the president of

the Association. Upon payment of the sums specified in the Notice of Delinquent Assessment, the Association shall cause to be recorded a further notice stating the satisfaction and release of the lien thereof. A lien created pursuant to this Section shall be prior to all other liens recorded subsequent to the Notice of Delinquent Assessment, except (i) all taxes, bonds assessments and to her levies which, by law, would be superior thereto, and (ii) the lien or charge of any First Mortgage of record.

Section 7.03 - Foreclosure Sale. Said Assessment lien created pursuant to this Article may be enforced in any manner permitted by law, including sale by the court, sale by the trustee designated in the Notice of Delinquent Assessment.

ARTICLE VIII

USE RESTRICTIONS

Section 8.01 - Commercial Use. Subject to the Section entitled "Construction and Sales" of the Article entitled "Rights of Ownership and Easements" of this Declaration, no part of a Residence shall be used or caused to be used or allowed or authorized in any way, directly or indirectly, for any business, commercial, manufacturing, mercantile, storing, vending, or any nonresidential purposes; provided, however, that the Association shall have the right to provide or authorize such services on the Community Property as it deems appropriate for the enjoyment of the Community Property or for the benefit of the Members.

Section 8.02 - Signs. No sign or billboard of any kind shall be displayed to the public view on any portion of the Covered Property except (i) such signs as may be used by Declarant or its sales agents in connection with the development of the Covered Property and sale of the Residences and (ii) signs installed or displayed by the Association; provided, however, that a Member may display on his Residence a sign advertising the sale or lease of his Residence so long as such sign shall comply with any customary and reasonable standards promulgated by the Board as to the size, color, shape or other qualification for permitted signs. The Declarant shall repair any damage to or complete any restoration of the Covered Property caused or necessitated by the display of signs by Declarant or its sales agents within a reasonable time after the occurrence of such damage or need for restoration.

Section 8.03 - Nuisance. No noxious or offensive trade or activity shall be permitted upon any Residence or any part of the Covered Property, nor shall anything be done thereon which may be, or may become, an annoyance or nuisance to the neighborhood, or which shall in any way interfere with the quiet enjoyment of each of the Owners of his respective Residence, or which shall in any way increase the rate of insurance on any Residence or the Covered Property.

Section 8.04 - Temporary Structures. No structures of a temporary character, trailer, basement, tent, shack, garage, barn or other out-building shall hereafter be used on any Residence at any time, either temporarily or permanently.

Section 8.05 - Vehicles.

(a) Except as provided in this Section, no commercial vehicle, recreational vehicle or equipment shall hereafter be permitted to remain upon the Covered Property, including, without limitation, streets, alleys or driveways unless placed or maintained in the rear or on the side of a Residence with an enclosed area, or unless obscured from view of adjoining Residences, streets, or alleys by a solid wall or fence or appropriate screen, nor permitted to be parked on any street, alley, or any other portion of the Covered Property. This restriction shall not be deemed to prevent temporary parking for loading and unloading of vehicles or the temporary parking of commercial vehicles providing maintenance or repair services to the Residence.

(b) No automobile, recreational vehicle or equipment, commercial vehicle or any other motorized vehicle may be dismantled, rebuilt, repaired, serviced or repainted on the Covered Property unless performed within a completely enclosed garage or other structure located on a Residence which completely screens the sight and sound of such activity from streets, Community Property and neighboring Residences. The foregoing restriction shall not be deemed to prevent temporary parking for washing and polishing and those activities normally incident to washing and polishing of vehicles.

(c) As used in this Section, "recreational vehicle or equipment" shall include, without limitation, trailers, boats, campers, trailer coaches, buses, house cars, camp cars, motor homes (if a size larger than seven (7) feet in height and/or greater than one hundred twenty-four (124) inches in wheel base length), or any other similar type of equipment or vehicle.

(d) As used in this Section, "commercial vehicle" shall be defined as a truck of greater than three-quarter (3/4) ton capacity.

(e) Temporary parking shall mean parking of vehicles belonging to guests of Owners and commercial vehicles being used in the furnishing of services to the Association or the Owners and parking vehicles belonging to or being used by Owners for loading and unloading purposes.

(f) The Board may adopt rules for the regulation of the admission and parking of vehicles within the Covered Property, including the assessment of charges to Owners who violate, or whose invitees violate, such rules. Such rules may permit parking of recreational and commercial vehicles and equipment for limited periods of time on a non-recurring basis.

(g) Any fence, screen or structure required under this Section shall comply with any standards established pursuant to the Article entitled "Architectural Control" of this Declaration as to size, color, or other qualification for permitted fences or screens.

Section 8.06 - Animals. No animals, livestock or poultry of any kind shall be raised, bred, or kept upon the Covered Property, except that dogs, cats or other household pets may be kept on the residences, provided they are not kept, bred or maintained for any commercial purpose, or in numbers deemed unreasonable by the Board.

Notwithstanding the foregoing, no animals may be kept on the Residences which in the good faith judgment of the Board, or a committee selected by the Board for this purpose, result in any annoyance or are obnoxious to residents in the vicinity. All animals permitted to be kept by this Section shall be kept on a leash when on a portion of the Covered Property except within a Residence. Lot 31, Phase 2 shall be specifically exempt from this section because of its' status as an "existing farm".

Section 8.07 - Oil and Mineral Rights. No oil drilling, oil development operations, oil refining, quarrying, or mining operations of any kind shall be permitted upon or in the Covered Property nor, subsequent to the recording of this Declaration, shall oil wells, tanks, tunnels, or mineral excavations or shafts be installed upon the surface of the Covered Property or within five hundred (500) feet below the surface of such properties. No derrick or other structure designed for use in boring for water, oil or natural gas shall be erected, maintained or permitted upon the Covered Property.

Section 8.08 - Unsightly Items. All weeds, rubbish, debris, or unsightly material or objects of any kind shall be regularly removed from the Residences and shall not be allowed to accumulate thereon. All clotheslines, refuse

containers, trash cans, woodpiles, storage areas, machinery and equipment shall be prohibited upon any Residence unless obscured from view of adjoining streets or portions of the Covered Property from a height of six (6) feet or less. Any fence or screen required by this Section shall comply with any standards established pursuant to the Article entitled "Architectural Control" of this Declaration as to size, color or other qualification for permitted fences or screens.

Section 8.09 - Antennae and Other Roof Structures. No television, radio, or other electronic towers, aerials, antennae or devices of any type for the reception or transmission of radio or television broadcasts or other means of communication shall hereafter be erected, constructed, placed or permitted to remain on the Covered Property unless and until the same shall have been approved in writing by the Architectural Committee, or unless the same be contained within a building or underground conduits. No appliances or installations on exterior roofs of structures including, without limitation, roof-top turbine ventilators, shall be permitted unless they are installed in such a manner that they are not visible from streets, Community Property, or neighboring Residences, except that attic ventilators and solar panels which are architecturally treated in conformity with guidelines contained in the Architectural Standards and which have been approved by the Architectural Committee pursuant to the provisions of the Article entitled "Architectural Control" of this Declaration shall be permitted.

Section 8.10 - Drainage. All drainage of water from any Residence shall drain or flow into adjacent streets or alleys and shall not be allowed to drain or flow upon, across, or under any other portion of the Covered Property unless an easement for such purpose is granted. An Owner shall not alter the drainage of water which exists pursuant to the drainage plan originally created at the time of the initial sale of his Residence by Declarant except through the use of a positive drainage device which does not materially affect the concentration or flow direction of drainage water under said drainage plan.

Section 8.11 - Garages. No Garage doors shall be permitted to remain open except for a temporary purpose, and the Board may adopt rules for the regulation of the opening of Garage doors, including the assessment of charges to Owners who violate or whose invitees violate such rules.

Section 8.12 - Window Covers. Curtains, drapes, shutters or blinds may be installed as window covers. No window

shall be covered with aluminum foil, newspapers or other material not designed for use as a window cover.

Section 8.13 - Recreational Facilities. The Board may adopt rules and regulations regarding the installation of any sports and recreational facilities and equipment on the residences, including, without limitation, the mounting of basketball backboards.

Section 8.14 - Leases. Any agreement for the leasing or rental of a Residence (hereinafter in this Section referred to as a "lease") shall provide that the terms of such lease shall be subject in all respects to the provisions of the Association Management Documents and any applicable agreements between the Association and any of the Federal Agencies. Said lease shall further provide that any failure by the lessee thereunder to comply with the terms of the foregoing documents shall be a default under the lease. All leases shall be in writing. The Owner of said leased or rented Residence has the duty and obligation to furnish the Board with the name or names of the individuals currently leasing or renting said Residence and to maintain with the Association a record of the current mailing address of said Owner. Any Owner who shall lease his Residence shall be responsible for assuring compliance by such Owner's lessee with the Association Management Documents. No Residence shall be leased for transient or hotel purposes, which shall be defined as rental for any period less than thirty (30) days or any rental whatsoever if the occupants of the Residence are provided customary hotel services such as room service for food and beverage, maid service, furnishing laundry and linen and bellboy service.

Section 8.15 - Exemption of Declarant. As long as Declarant is utilizing the easement described in the subsection entitled "Construction and Sales" of the Section entitled "Development Rights and Easements Reserved to Declarant" of the Article entitled "Rights of Ownership and Easements" of the Declaration, Declarant shall not be subject to the provisions of this Article and any amendment to this Article shall require the prior written approval of Declarant.

Section 8.16 - Washington Vehicle Code. The City shall be allowed to impose and enforce all provisions of the applicable Washington Vehicle Code sections on any private streets contained within the Covered Property.

Section 8.17 - Restriction on Improvements. Improvements made by Owners within the portions of the Lots required to be maintained by the Association shall be subject to prior approval by the Architectural Committee.

Section 8.18 - Heights of Plants. The height of any tree and other plants within the Covered Property on a Residential lot shall not exceed the height of the nearest adjacent dwelling structure.

ARTICLE IX

REPAIR AND MAINTENANCE

Section 9.01 - Repair and Maintenance by Association. Except to the extent that an Owner may be obligated to maintain and repair as hereinafter provided, and without limiting the generality of the statement of duties and powers contained in the Association Management Documents, the Association acting through its Board and its officers shall have the duty to accomplish the following upon the Covered Property or other land in such manner and at such times as the Board shall prescribe:

(a) manage, operate, control, maintain, repair, restore, replace and make necessary improvements to the Community Property, including, without limitation, the following:

(i) private walkways, bicycle paths, trails or other pedestrian paths;

(ii) drainage facilities and easements in accordance with the requirements of the County Flood Control District;

(iii) private streets and adjacent streetscapes within the Covered Property in conformance with the standard of maintenance established by the responsible public official of the City for public streets and streetscapes within the City;

(b) maintain the exterior (defined to mean the side fronting on public right-of-way or Community Property) of those lot perimeter walls or fences identified on Exhibit A;

(c) maintain the public rights-of-way shown on Exhibit A according to the standards established by the responsible public official of the City for public rights-of-way in the City;

(d) maintain the landscaping and any irrigation systems appurtenant thereto and any other Improvements located within those portions of the Lots described on Exhibit A attached hereto;

(e) maintain drainage improvements;

(f) maintain all other areas, facilities, equipment, services or aesthetic components of whatsoever nature as may from time to time be requested by the vote or written consent of a majority of the voting power of the Association.

The costs of any such maintenance and repair pursuant to this Section shall be paid out of the general funds of the Association, except as otherwise specified in this Declaration as payable by the particular Owners.

Section 9.02 - Repair and Maintenance by Owner. Each Owner shall:

(a) maintain in good condition and repair the residential dwelling, garage and other Improvements on the Lot;

(b) maintain in good condition and repair the sewer lines and appurtenant facilities within his Lot to the sewer cleanout as required by the City;

(c) maintain in attractive condition rear yard landscaping in accordance with the provisions of this Article; and

(d) In the event the Board shall determine that any Improvements required to be maintained by the Association have been damaged by a particular Owner, the said Owner shall be responsible for repairing such damage in a timely manner and in accordance with such rules as the Board or Architectural Committee shall from time to time adopt.

Section 9.03 - Noncompliance by Owner. In the event that an Owner fails to accomplish any installation, maintenance or repair required by this Article, the Board shall give notice to the Owner describing the deficiency and setting a date for a hearing before the Board or a committee selected by the Board for such purpose. The procedure for such notice and hearing and for the correction of the violation is described in the Section entitled "Notice and Hearing; Correction of Violation" of the Article entitled "Discipline of Members" of the Bylaws.

Section 9.04 - Standards for Maintenance and Installation.

(a) Maintenance of the exterior of the Residences, including, without limitation, walls, fences and roofs, shall be accomplished in accordance with the Architectural Standards and, if required by the Architectural Standards, only after approval of the Architectural Committee.

(b) Except for the portion of each Lot maintained by the Association as hereinabove provided, all portions of the yard of a Lot which are unimproved shall be landscaped by the Owner thereof on or before a date six (6) months from the original conveyance of such Residence by Declarant. Thereafter, such landscaping shall be maintained by the Owner in an attractive condition and according to any rules promulgated by the Board.

(c) All slopes or terraces on any Residence shall be maintained as to prevent any erosion thereof upon adjacent streets or adjoining property.

Section 9.05 - Maintenance of Public Utilities. Nothing contained herein shall require or obligate the Association to maintain, replace or restore the underground facilities or public utilities which are located within easements in the Community Property owned by such public utilities. However, the Association shall take such steps as are necessary or convenient to ensure that such facilities are properly maintained, replaced or restored by such public utilities.

Section 9.06 - Transfer of Title and/or Control.

(a) The Community Property within the Initial Covered Property shall be conveyed to the Association prior to or concurrently with the first conveyance of a Residence located within the Initial Covered Property. Any real property denominated as "community Property" in a Supplementary Declaration shall be conveyed to the Association prior to or concurrently with the first conveyance of a Residence located within the real property which is annexed to the coverage hereof by such Supplementary Declaration. Declarant shall convey the Community Property to the Association free of all liens and encumbrances except current real property taxes (which taxes shall be prorated as of the date of conveyance), title exceptions of record and the covenants, conditions, reservations and restrictions contained in this Declaration and the instrument which conveys the Community Property to the Association. Within (i) thirty (30) days after a Notice of Completion has been filed for record in the Official Records of the County covering all of the improvements on the Community Property or any other property to be maintained by the Association pursuant to this Declaration, and (ii) the issuance of a certificate by the architect who designed any such improvements stating that such improvements are in substantial conformance with the original plans and specifications, the Association shall accept such property for maintenance and shall release Declarant from the Bond defined in the Article entitled "Enforcement of Bonded Obligations" of the Declaration.

(b) Declarant, its subcontractors and the agents and employees of the same shall have the right to come on the Community Property to complete the construction of any landscaping or other improvement to be installed on the Community Property, and if any excess of Assessments collected over actual Common Expenses incurred by the Association is caused by reason of construction or maintenance pursuant to this Section, or otherwise, such excess shall be placed in reserve to offset the future expenses of the Association in any manner designated by the Board. Declarant shall repair any damage to and complete any restoration of the Covered Property caused or necessitated by such construction within a reasonable time after the occurrence of such damage or need for reconstruction.

ARTICLE X

ARCHITECTURAL CONTROL

Section 10.01- Architectural Committee.

(a) The Architectural Committee shall consist of not less than three (3) nor more than five (5) persons as fixed from time to time by resolution of the Board. The Declarant shall initially appoint the Architectural Committee. The Declarant shall retain the right to appoint, augment or replace a majority of the members of the Architectural Committee until five (5) years after the date of the recording of Phase I Final Plat or until ninety percent (90%) of the Residences within the Development have been conveyed by the Declarant, whichever shall first occur.

(b) Notwithstanding the foregoing, commencing one (1) year following the recording of said Final Plat, the Board shall have the right but not the obligation to appoint the remaining persons to the Architectural Committee. Five (5) years after the date of the recording of said Final Plat, or when ninety percent (90%) of the Residences within the Development have been conveyed by Declarant, whichever shall first occur, the right to appoint, augment or replace all members of the Architectural Committee shall automatically be transferred to the Board. Persons appointed by the Board to the Architectural Committee must be Members; however, persons appointed by Declarant to the Architectural Committee need not be Members, in Declarant's sole discretion.

(c) The address of the Architectural Committee shall be the address established for giving notice to the Association. Such addresses shall be the place for the

submittal of plans and specifications and the place where the current Architectural Standards shall be kept.

Section 10.02 - Architectural Standards. The Board may, from time to time, adopt and promulgate Architectural Standards to be administered through the Architectural Committee. The Architectural Standards may include among other things those restrictions and limitations upon the Owners set forth below:

(a) Time limitations for the completion of the Improvements for which approval is required pursuant to the Architectural Standards.

(b) Conformity of completed Improvements to plans and specifications approved by the Architectural Committee; provided, however, as to purchasers and encumbrances in good faith and for value unless notice of noncompletion or nonconformance identifying the violating Residence and its Owner and specifying the reason for the notice, executed by the Architectural Committee, shall be filed of record in the Official Records, and given to such Owner within one (1) year of the expiration of the time limitation described in subsection (a) above, or unless legal proceedings shall have been instituted to enforce compliance or completion within said one (1) year period, the completed Improvements shall be deemed to be in compliance with plans and specifications approved by the Architectural Committee and in compliance with the Architectural Standards of the Association, only with respect to purchasers and encumbrances in good faith and for value. The Owner to whom a notice of noncompletion or noncompliance has been issued shall be bound by such notice regardless of whether such notice has been filed of record in Official Records. Each Owner hereby is deemed to have consented to and authorized the recordation against his Residence of such a notice of noncompletion or nonconformance executed only by the Architectural Committee or its delegate.

(c) Such other limitations and restrictions as the Board in its reasonable discretion shall adopt, including, without limitation, the regulation of the following: placement, construction, reconstruction, exterior addition, change or alteration to or maintenance of any Improvement including, without limitation, the nature, kind, shape, height, materials, exterior color, surface and location of any Improvement.

(d) A description of the types of such construction, reconstruction, additions, alterations or maintenance which, if completed in conformity with the Architectural Standards, do not require the approval of the Architectural Committee.

(e) Restrictions controlling the species, placement and height of any trees, plants, bush, ground cover or other growing thing placed or planted on the Covered Property.

Section 10.03 - Functions of Architectural Committee.

(a) It shall be the duty of the Architectural Committee to consider and act upon proposals or plans submitted pursuant to the terms of the Declaration or the Architectural Standards, and to perform such other duties delegated to it by the Board.

(b) The Architectural Committee may delegate its plan review responsibilities to one or more members of such Architectural Committee. Upon such delegation, the approval or disapproval of plans and specifications by such persons shall be equivalent to approval or disapproval by the entire Architectural Committee.

(c) The Architectural Committee may, from time to time, subject to the approval of the board, adopt, amend and repeal Architectural Committee Rules and may assess a reasonable fee as appropriate for the type and nature of the Improvement, in connection with the review of plans and specifications for proposed Improvements, including without limitation, a procedure and approval of preliminary plans and drawings, as well as final approval, the number of sets of plans to be submitted, and may require such detail as it deems proper, including without limitation, floor plans, site plans, elevation drawings, and descriptions or samples of exterior material and colors. Unless any such rules are complied with, such plans and specifications shall be deemed not submitted.

(d) The establishment of the Architectural Committee and the systems herein for architectural approval shall not be construed as changing any rights or restrictions upon Owners to maintain, repair, alter or modify or otherwise have control over the Residences as may otherwise be specified in the Association Management Documents.

Section 10.04 - Approval of Plans.

(a) No Improvement shall be constructed, installed, expanded, made, planted, commenced, erected or maintained upon the Covered Property except in compliance with plans and specifications therefore which have been submitted to and approved by the Architectural Committee.

(b) The Architectural Committee shall review and approve or disapprove all plans and specifications submitted to it for any proposed Improvement solely on the basis of compliance with the Architectural Standards,

aesthetic considerations and the overall benefit or detriment which would result to the immediate vicinity and the Development generally. The Architectural Committee shall take into consideration the aesthetic aspects of the architectural designs, placement of building, landscaping, color schemes, exterior finishes and materials, and similar features.

(c) The Architectural Committee shall approve plans and specifications submitted for its approval only if it deems that the proposed Improvement will not be detrimental to the appearance of the Development as a whole; that the Improvement complies with the Architectural Standards; that the appearance of any Improvements will be in harmony with the surrounding structures; that the construction of any Improvement will not detract from the beauty and attractiveness of the Development or the enjoyment thereof by the Members; that the upkeep and maintenance of any Improvement will not become a burden on the Association; and that no violations of the use restrictions set forth in the Article entitled "Use Restrictions" of this Declaration exist.

(d) The Architectural Committee may condition its approval of plans and specifications for any Improvement on such changes therein as it deems appropriate or may determine that such Improvement cannot be approved because of its effect on existing drainage, utility or other easements, or may condition its approval of such Improvement upon approval of such Improvement by the holder of any such easement, or may condition its approval upon approval of any such Improvement by the appropriate governmental entity, and may require submission of additional plans and specifications or other information or materials prior to approving or disapproving plans and specifications submitted. Any Architectural Committee approval conditioned upon the approval by a governmental entity shall not imply the Association is enforcing any government codes or regulations, nor shall the failure to make such conditional approval imply that any such governmental agency approval is not required.

(e) In the event the Architectural Committee fails to approve or disapprove such plans and specifications within thirty (30) days after the same have been duly submitted in accordance with any rules regarding such submission adopted by the Architectural Committee, such plans and specifications will be deemed approved.

(f) As long as Declarant is utilizing the easement described in the subsection entitled "Construction and Sales" of the Section entitled "Development Rights and Easements Reserved to Declarant" of the Article entitled

"Rights of Ownership and Easements" of this Declaration, Declarant shall not be subject to the provisions of this Section, and any amendment to this Section shall require the prior written approval of Declarant.

Section 10.05 - Nonliability for Approval of Plans. Plans and specifications shall be approved by the Architectural Committee as to style, exterior design, appearance and location, and are not approved for engineering design or for compliance with zoning and building ordinances, and other applicable statutes, ordinances or governmental rules or regulations, the requirements of any public utility, or any easements or other agreement, and by approving such plans and specifications neither the Architectural Committee, the members thereof, the Association, the Members, the Board nor Declarant nor agents, employees, attorneys or consultants of any of the foregoing, assume liability or responsibility therefore, or for any defect in any Improvement constructed from such plans and specifications.

Section 10.06 - Appeal. In the event plans and specifications submitted to the Architectural Committee are disapproved thereby, the party or parties making such submission may appeal in writing to the Board. The written request shall be received by the Board not more than fifteen (15) days following the final decision of the Architectural Committee. The Board shall submit such request to the Architectural Committee for review, whose written recommendations are to be submitted to the Board. Within forty-five (45) days following receipt of the request for appeal, the Board shall render its written decision. The failure of the Board to render a decision within said forty-five (45) day period shall be deemed a decision in favor of the appellant.

Section 10.07 - Inspection and Evidence of Approval.

(a) The Architectural Committee shall cause an inspection to be undertaken within forty-five (45) days of a request therefore from any Owner as to his Residence, and if such inspection reveals that the Improvement has been completed in compliance with this Article, the President and the Secretary of the Association, or any other officer or officers authorized by resolution of the Board, shall provide to such Owner a notice of such approval in recordable form which shall be conclusive evidence of compliance with the provisions of this Article as to the Improvement described in such notice, but as to such Improvement only.

(b) If for any reason the Architectural Committee fails to cause an inspection to be made within forty-five (45) days of being notified by the Owner of the completion

of an Improvement or fails to notify the Owner of any noncompliance within thirty (30) days after an inspection, the Improvement shall be deemed to be completed in substantial conformance with approved plans and specifications. In such event, the Owner shall be entitled to receive a notice of compliance in recordable form upon request, executed by the President and the Secretary of the Association, or any other officer or officers authorized by resolution of the Board. Such notice of compliance shall be conclusive evidence of compliance with the provisions of this Article as to the Improvements described in the notice.

Section 10.08 - Failure to Submit Plans; Nonconformity.

The Association has the right to enter the Residence pursuant to the provisions of the Section entitled "Powers and Duties" of the Article entitled "Powers, Duties and Limitations of the Board" of the Bylaws for the purpose of inspecting an Improvement constructed or being constructed upon such Residence. In the event an Improvement was commenced without the required approval of the Architectural Committee, or, if such Improvement was not completed in substantial conformance with the approved plans and specifications, the Architectural Committee shall give notice of the violation to the violating Owner, which notice shall briefly describe the violation and shall set a date for a hearing before the Board, or a committee selected by the Board for such purpose. The procedure for notice and hearing and for the correction of any violation is described in the Section entitled "Notice and Hearing; Correction of Violation" of the Article entitled "Discipline of Members" of the Bylaws.

Section 10.09 - Variances. In the event the Board finds in favor of the Architectural Committee upon appeal of a disapproval of plans and specifications pursuant to the Section entitled "Appeal" of this Article or in the event the Board finds a noncompliance with the provisions of this Article upon review of a decision by the Architectural Committee after an inspection pursuant to the Section entitled "Failure to Submit Plans; Nonconformity" of this Article, the Board may authorize a variance from compliance with the architectural controls set forth in this article when circumstances such as topography, natural obstructions, hardship, aesthetic, or environmental consideration may require; provided, however, that no variance from the use restrictions contained in the Article entitled "Use Restrictions" of this Declaration may be granted. Such variances must be evidenced in writing, must be signed by a majority of the members of the architectural Committee. If such variances are granted, no violation of the covenants, conditions and restrictions contained in this Declaration shall be deemed to have occurred with respect to the matter for which the

variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of this Declaration for any purpose except as to the particular Residence and particular provision of this Article covered by the variance, nor shall it affect in any way the Owner's obligation to comply with all government laws and regulations affecting his use of his Residence including, but no limited to, zoning ordinances and lot setback lines or requirements imposed by any governmental or municipal authority.

ARTICLE XI

INSURANCE

The Association shall obtain and maintain in effect a comprehensive public liability insurance policy insuring the Association against any liability incident to the ownership or use of the Community property or any other areas under the supervision of the Association.

ARTICLE XII

EMINENT DOMAIN

Section 12.01 - Definition of Taking. The term "taking" as used in this Article shall mean condemnation by eminent domain, or by sale under threat thereof, of all or part of the Community Property.

Section 12.02 - Representation by Board in Condemnation Proceedings. In the event of a taking, the Members hereby appoint the Board and such persons as the Board may delegate to represent all of the Members in connection with the taking. The Board shall act in its sole discretion with respect to any awards being made in connection with the taking and shall be entitled to make a voluntary sale to the condemner in lieu of engaging in a condemnation action.

Section 12.03 - Award for Community Property. Any awards received on account of the taking of Community Property shall be paid to the Association and shall be retained in the general funds of the Association subject to the prior rights of any mortgagee holding an encumbrance upon any Community Property for which such award has been paid.

Section 12.04 - Inverse Condemnation Proceedings. In the event that any Community Property and any improvements thereto or any portion thereof is made the subject of any

condemnation proceedings in eminent domain or is otherwise sought to be acquired by a condemning authority, the Board shall promptly notify all Owners and any Requesting Mortgagee, Insurer or Guarantor affected by such taking or threatened taking. As used herein, "taking" shall mean as defined in the subsection entitled "Destruction or Taking" of the Article entitled "Mortgagee Protection" of this Declaration.

ARTICLE XIII

PARTY WALLS

Section 13.01 - Definition of Party Wall. Each wall or fence which is placed on the dividing line between two (2) Lots shall constitute a party wall, and any wall or fence other than a building wall that is placed on the boundary line of the Sideyard Easement area within a servient tenement Lot shall be deemed to be a party wall notwithstanding that such wall or fence is not located on a boundary line separating two Lots and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto. A party wall shall be considered to adjoin and abut against the property line dividing the Lots from the bottom of the foundation over the full length and height of any wall. The party walls as initially constructed are depicted in Exhibit A. If approved by the Architectural Committee, an Owner of a servient tenement Lot shall be permitted to remove (i) any portion of a party wall that is replaced by a building wall; or (ii) any portion of a building wall located on the boundary of a Sideyard Easement area that is replaced by a party wall. Any construction of additional walls or fences or any repair, restoration or reconstruction of any party walls as the result of either of the foregoing changes shall be accomplished by such Owner of the servient tenement at his sole expense. The quality of workmanship and materials used in the construction, repair, restoration, or reconstruction of such walls and fences shall be equal to that of the remainder of the party wall located between the dominant and the servient tenement Lots and thereafter any such walls and fences shall be party walls as defined in this Article.

Section 13.02 - Use of Party Wall or Fence. Owners whose Residences are separated by a party wall or fence shall equally have the right to use such party wall, except that each shall have the right to the exclusive use of the surface of the wall on his side. Neither such owner shall use any portion of such party wall so as to interfere with the use and enjoyment of the other Owner.

Section 13.03 - Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 13.04 - Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 13.05 - Right to Contribution Runs With Land. The right of an Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 13.06 - Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, said dispute shall be submitted to the Board for a resolution thereof. In the event the Board cannot or will not resolve such dispute, it shall employ an arbitrator for said purpose. Said arbitrator shall be selected at the discretion of the Board but shall be a member of the American Arbitration Association. The arbitrator who is chosen by the Board shall resolve said dispute pursuant to the prevailing rules of the American Arbitration Association and the requirements of the law of the State of Washington.

ARTICLE XIV

ANNEXATIONS

Real property may be annexed to and become subject to this Declaration by any of the methods set forth hereinafter in this Article, as follow:

Section 14.01 - Annexation Pursuant to Approval. Upon approval in writing of the Association, pursuant to the vote or written assent of sixty-seven percent (67%) of the total voting power of Members other than the Declarant, any person who desires to add real property to the plan of this Declaration and to subject such property to the jurisdiction of the Association, may file or record a Supplementary Declaration. The certificate of the President and the Secretary of the Association, or any other officer or officers authorized by resolution of the

Board, attached to any Supplementary Declaration recorded pursuant to this Section certifying that the required voting power of the Association has approved the recordation of such Supplementary Declaration shall be deemed conclusive proof thereof.

Section 14.02 - Effectuation of Annexation. Upon the satisfaction of all of the conditions contained in the Section entitled "Annexation Pursuant to Approval" of this Article, the recordation of a Supplementary Declaration shall constitute and effectuate the annexation of the real property described therein, making said real property subject to this Declaration and subject to the functions, powers and jurisdiction of the Association, and thereafter said annexed real property shall be part of the Covered Property and all of the Owners of Residences in said annexed real property shall automatically be Members.

In no event, however, shall any such Supplementary Declaration revoke, modify or add to the covenants established by this Declaration or by any prior Supplementary Declaration with respect to property covered by this Declaration at the time of the recording of the said Supplementary Declaration.

Section 14.03 - Mergers or Consolidations. Upon a merger or consolidation of the Association with another association which merger or consolidation must be approved by the vote or written assent of sixty-seven percent (67%) of the total voting power of Members other than the Declarant, the Association's properties, rights and obligations may, by operation of law, be transferred to the surviving or consolidated association, or, alternatively, the properties, rights and obligations of another association may, by operation of law, be added to the properties, rights and obligations of the Association as a surviving or consolidated association may administer the covenants, conditions and restrictions established by this Declaration within the Covered Property, together with the covenants, conditions and restrictions established upon any other property as one plan.

Section 14.04 - Annexation by the Declarant. If at any time or times prior to January 1, 1999, Declarant or its successors or assigns should develop any additional Property or Properties contiguous to Rainier Park P.R.D. (Exhibit C), (including Properties subsequently annexed to the Association), then such additional Property or Properties including the already developed Rainier Park P.R.D., Phase I, may at the sole discretion of the Declarant, or its successors and assigns, be annexed to the Properties and become subject to the provisions of the Declaration without requiring, needing or obtaining the approval of the Association, the Board or any Owners. The

recording of a Supplementary Declaration shall constitute and effectuate the annexation of the real property described therein, making said property subject to this Declaration and subject to the functions, powers and jurisdiction of the Association, and thereafter said annexed real property shall be part of the Covered Property and all of the Owners of Residences in said annexed real property shall automatically be Members. In no event, however, shall any such Supplementary Declaration revoke, modify or add to the covenants established by this Declaration or by any prior Supplementary Declaration with respect to property covered by this Declaration at the time of the recording of the said Supplementary Declaration.

ARTICLE XV

MORTGAGEE PROTECTION

Section 15.01 - Priority of Mortgage Lien. No breach of the covenants, conditions or restriction, nor the enforcement of any lien provisions contained in this Declaration, shall affect, impair, defeat or render invalid the lien or charge of any First Mortgage made in good faith and for value encumbering any Residence, but all said covenants, conditions and restrictions shall be binding upon and effective against any Owner whose title is derived through foreclosure or trustee's sale, or otherwise, with respect to a Residence.

Section 15.02 - Curing Defaults. A Mortgagee, or the immediate transferee of such Mortgagee, who acquires title by judicial foreclosure, deed in lieu of foreclosure or trustee's sale shall not be obligated to cure any breach of the provisions of this Declaration which is noncurable or of a type which is not practical or feasible to cure. The determination of the Board made in good faith as to whether a breach is noncurable or not practical or feasible to cure shall be final and binding on all Mortgagees.

Section 15.03 - Resale. It is intended that any loan to facilitate resale of any Residence after judicial foreclosure, deed in lieu of foreclosure or trustee's sale is a loan made in good faith and for value and entitled to all of the rights and protections afforded to other Mortgagees.

Section 15.04 - Vote of Eligible Mortgage Holders and Owners. Seventy-five percent (75%) written approval of the total voting power of Eligible Mortgage Holders and sixty-seven percent (67%) of the voting power of the

Association is required to amend a material provision of the Association Management Documents shown under subsection (a) of this Section, or to take such other actions shown under subsection (b) of this Section.

(a) Material Amendment of Association Management Documents. A material provision in any of the Association Management Documents shall be defined as those provisions governing the following subjects:

- (i) Voting rights;
- (ii) Assessments, assessment liens, or subordination of such liens;
- (iii) Reserves for maintenance, repair and replacement of the Community Property;
- (iv) Responsibility for maintenance and repair of the Covered Property;
- (v) Right to use of the Community Property;
- (vi) Boundaries of any Residence;
- (vii) Convertibility of Residences into Community Property or of Community Property into Residences;
- (viii) Expansion or contraction of the Covered Property or the addition, annexation or withdrawal of property to or from the Covered Property;
- (ix) Insurance of fidelity bonds;
- (x) Leasing of Residences;
- (xi) Imposition of any right of first refusal or similar restriction on the right of an Owner to sell, transfer, or otherwise convey such Owner's Residence;
- (xii) Any provision, which by its terms, is for the express benefit of Mortgagees or insurers or guarantors.

An amendment or addition shall not be considered material under this Section if it is for the purpose of correcting technical errors, or for clarification only. An Eligible Mortgage Holder who receives a written request to approve additions or amendments which are not considered material who does not deliver or post to the requesting party a negative response within thirty (30) days shall be deemed to have approved such request.

(b) Actions and Decisions.

(i) Effectuate any decision to assume self-management of the Covered Property when professional management had been previously required by an Eligible Mortgage Holder;

(ii) Restoration or repair of the Covered Property (after a hazard damage or partial condemnation) in a manner other than that specified in the Association Management Documents;

(iii) Termination of the legal status of the Development for any reason, including without limitation, the substantial destruction or condemnation of the Covered Property;

(iv) By any act or omission, abandon, partition, sell, alienate, subdivide, release, transfer, hypothecate or otherwise encumber the Community Property; provided, however, the granting of easements for public utilities or other public purposes consistent with the intended use of the Community Property shall not require such approval;

(v) Change the method of determining the obligations, Assessments, dues or other charges which may be levied against an Owner;

(vi) Use hazard insurance proceeds for losses to any Community Property, for other than repair, replacement or reconstruction;

(vii) Fail to maintain fire and extended coverage insurance on the Community Property and the improvements thereto in an amount less than one hundred percent (100%) of the insurable value based on current replacement cost.

(viii) By act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of Residences, the exterior maintenance of Residences, the maintenance of the Community Property including, without limitation, the party walks or common fences and driveways, or the upkeep of lawns and plantings.

Section 15.05 - Rights of Requesting Mortgagees, Insurers and Guarantors. A Requesting Mortgagee, Insurer or Guarantor shall be entitled to timely written notice of:

(a) Destruction or Taking. Destruction, taking or threatened taking of any Community Property and any improvements thereto or any portion thereof affecting the

Mortgage held, insured or guaranteed by such Requesting Mortgagee, Insurer or Guarantor. As used in this Declaration, "damaged" or "taking" shall mean damage to or taking of the Community Property exceeding Ten Thousand Dollars (10,000). If requested in writing by such Requesting Mortgagee, or Insurer or Guarantor, the Association shall evidence its obligations under this subsection in a written agreement in favor of such Requesting Mortgagee or Insurer or Guarantor;

(b) Default in Performance. Default in the performance of the obligations imposed by the Declaration by the Owner whose Residence is encumbered by a Mortgage held, insured or guaranteed by such Requesting Mortgagee or Insurer or Guarantor which default remains incurred for a period of sixty (60) days;

(c) Lapse, Cancellation or Modification of Insurance. Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;

(d) Action Requiring Consent. Any proposed action which under the Declaration or the Bylaws requires the consent of a specified percentage of the voting power of Eligible Mortgage Holders.

Section 15.06 - Mortgagees Furnishing Information. Mortgagees are hereby authorized to furnish information to the Board concerning the status of any Mortgage.

Section 15.07 - Right of First Refusal. Except to impose reasonable limitations that restrict occupancy to persons of particular age groups, this Declaration cannot be amended to provide for any right of first refusal in the Association. In the event this Declaration provides or is amended to provide for any right of first refusal to purchase or lease a Residence in the Association, such right of first refusal shall not impair the right of a First Mortgagee to (a) foreclose or take to a Residence pursuant to the remedies provided in its Mortgage; or (b) accept a deed (or assignment) in lieu of foreclosure in the event of default under the Mortgage, or (c) sell or lease a Residence acquired by the said Mortgagee. In addition, conveyances to and from mortgage insurers and guarantors shall be exempt.

Section 15.08 - Conflicts. In the event of any conflict between any of the provisions of this Article and any of the other provisions of this Declaration, the provisions of this Article shall control.

Section 15.09 - Priority of Mortgagee. Nothing in the Declaration, Articles or Bylaws shall give an Owner, or any other party, priority over the rights of a First

Mortgagee in the case of a distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of any Community Property.

Section 15.10 - Payment of Taxes or Premiums. Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Community Property unless such taxes or charges are separately assessed against the Owners, in which case the rights of Mortgagees shall be governed by the provisions of their Mortgages. Mortgagees may, jointly or singly, also pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for the Community Property. Mortgagees making payments pursuant to this Section shall be owed immediate reimbursement therefore from the Association. Entitlement to such reimbursement shall be reflected in an agreement in favor of any Mortgagee which requests the same to be executed by the Association.

ARTICLE XVI

ENFORCEMENT OF BONDED OBLIGATIONS

In the event that the improvements to the Community Property have not been completed prior to the issuance of a Final Subdivision Public Report covering the Covered Property, and the Association is obligee under a bond or other arrangement (the "Bond") to secure performance of the commitment of Declarant to complete such improvements, the following shall apply:

(a) The Board shall consider and vote on the question of action by the Association to enforce the obligations under the Bond with respect to any improvements for which a Notice of Completion has not been filed within sixty (60) days after the completion date specified for such improvements in the Planned Construction Statement appended to the Bond. If the Association has given an extension in writing for the completion of any Community Property improvement, the Board shall consider and vote on the aforesaid question if a Notice of Completion has not been filed with thirty (30) days after the completion of such extension.

(b) In the event that the Board determines not to initiate action to enforce the obligations under the Bond, or in the event the Board fails to consider and vote on such question as provided above, Members representing not less than five percent (5%) of the total voting power of the Association may present a signed petition to the Board

or to the President or Secretary of the Association demanding a meeting for the purpose of voting to override such decision or such failure to act by the Board. Such meeting shall be called according to the provisions of the Bylaws dealing with meetings of the Members, but in any event such meeting shall be held not less than thirty-five (35) days nor more than forty-five (45) days after receipt by the Board of a petition for such meeting.

(c) The only Members entitled to vote at such meeting of Members shall be the Owners other than Declarant. A vote at such meeting of a majority of the voting power of such Members other than Declarant to take action to enforce the obligations under the Bond shall be deemed to be the decision of the Association and the Board shall thereafter implement this decision by initiating and pursuing appropriate action in the name of the Association.

ARTICLE XVII

GENERAL PROVISIONS

Section 17.01 - Enforcement. The Association or any Owner shall have the right of action against any Owner, and any Owner shall have a right of action against the Association to enforce by proceedings at law or in equity, all restrictions, conditions, covenant and reservations, now or hereafter imposed by the provisions of this Declaration or any amendment thereto, including the right to prevent the violation of such restrictions, conditions, covenants, or reservations and the right to recover damages or other dues for such violation except that Owners shall not have any right of enforcement with respect to Assessment liens. the Association or any Owner shall also have the right to enforce by proceedings at law or in equity the provisions of the Articles or Bylaws and any amendments thereto. With respect to architectural control and Association Rules, the Association shall have the exclusive right to the enforcement thereof unless the Association refuses or is unable to effectuate such enforcement, in which case any Owner who otherwise has standing shall have the right to undertake such enforcement.

Section 17.02 - No Waiver. Failure by the Association or by any Member to enforce any covenant, condition, restriction or reservation herein contained, or the Articles, Bylaws or Association Rules, in any certain instance or on any particular occasion shall not be deemed a waiver of such right on any such future breach of the same or any other covenant, condition, restriction or reservation.

Section 17.03 - Cumulative Remedies. All rights, options and remedies of Declarant, the Association, the Owners or Mortgagees under this Declaration are cumulative, and no one of them shall be exclusive of any other, and Declarant, the Association, the Owners and the Mortgagees shall have the right to pursue any one or all of such rights, options and remedies or any other remedy or relief which may be provided by law, whether or not stated in the Declaration.

Section 17.04 - Severability. Invalidation of any one or a portion of these covenants, conditions, restrictions or reservations by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 17.05 - Covenants to Run with the Land; Term. The covenants, conditions and restrictions of the Declaration shall run with and bind the Covered Property and shall inure to the benefit of and be enforceable by the Association or any Owner, their respective legal representatives, heirs, successors and assigns, for a term of sixty (60) years from the date this Declaration is recorded, after which time said covenants, conditions and restrictions shall be automatically extended for successive periods of ten (10) years, unless an instrument, signed by not less than sixty-seven percent (67%) of the then Owners and not less than seventy-five (75%) of the Eligible Mortgage Holders has been recorded at least one (1) year prior to the end of any such period, agreeing to terminate said covenants, conditions and restrictions in whole or in part.

Section 17.06 - Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a plan for the development of a residential community or tract and for the maintenance of the Covered Property. The Article and Section headings have been inserted for convenience only, and shall not be considered or referred to in resolving questions of interpretation or construction.

Section 17.07 - Singular Includes Plural. Whenever the context of this Declaration requires the same, the singular shall include the plural and the masculine shall include the feminine and the neuter.

Section 17.08 - Nuisance. The result of every act or omission where any provision, condition, restriction, covenant, easement, or reservation contained in this Declaration is violated in whole or in part, is hereby declared to be an constitutes a nuisance, shall be applicable against every such result, and may be exercised

by the Association or any Member. Such remedy shall be deemed cumulative and not exclusive.

Section 17.09 - Attorneys' Fees. In the event action is instituted to enforce any of the provisions contained in this Declaration, the party prevailing in such action shall be entitled to recover from the other party thereto reasonable attorneys' fees and costs of such suit as determined by the court or by arbitration as part of the judgment.

Section 17.10 - Notices. Any notice is to be given to an Owner, the Association, an Eligible Mortgage Holder or a Requesting Mortgagee, or Insurer or Guarantor under the provisions of this Declaration shall be in writing and may be delivered as follows:

(a) Notice to an Owner shall be deemed to have been properly delivered when personally delivered or delivered to a common carrier for personal delivery to the addressee, or delivered to a person giving such notice by electronic means, or when deposited in the United States mail, first class, postage prepaid and directed to the most recent address furnished by such Owner in writing to the Association for the purpose of giving notice, or if no such address shall have been furnished, then to the street address of such Owner's Residence. In the case of co-Owners any such notice may be delivered or sent to any one of the co-Owners on behalf of all co-Owners and shall be deemed delivery on all such co-Owners.

(b) Notice to the Association shall be deemed to have been properly delivered when placed in the first class United States mail, postage prepaid, to the address furnished by the Association or the address of its principal place of business.

(c) Notice to an Eligible Mortgage Holder or Requesting Mortgagee or Insurer or Guarantor shall be deemed to have been properly delivered when placed in the first class United States mail, postage prepaid, to the address furnished to the Association by such Eligible Mortgage Holder or Requesting Mortgagee or Insurer or Guarantor for the purpose of notice.

The affidavit of an officer or authorized agent of the Association declaring under penalty of perjury that a notice has been mailed to any Owner or Owners, to any Mortgagee or Mortgagees, to any insurer or guarantor or to all Members or all Mortgagees, or all insurers or all guarantors to the address or addresses shown on the records of the Association, shall be deemed conclusive proof of such mailing, whether or not such notices are actually received.

Section 17.11 - Conflicts Between Association Management Documents. In the event of a conflict between any provisions of any of the Association Management Documents with the provision of another Association Management Document, the provisions of the Controlling Document name below in the left column shall be deemed to supersede the provisions of the Subordinate Document or Documents named below in the right column to the extent of any such conflict.

CONTROLLING DOCUMENTS

SUBORDINATE DOCUMENTS

- | | |
|-----------------|--|
| (a) Articles | Declaration, Bylaws, and Association Rules |
| (b) Declaration | Bylaws and Association Rules |
| (c) Bylaws | Association Rules |

Section 17.12 - Effect of Declaration. This Declaration is made for the purposes set forth in the Recitals to this Declaration and Declarant makes no warranties or representations, express or implied as to the binding effect or enforceability of all or any portion of this Declaration, or as to the compliance of any of these provisions with public laws, ordinances and regulations applicable thereto.

Section 17.13 - Personal Covenant. To the extent the acceptance or conveyance of a Residence creates a personal covenant between the Owner of such Residence and Declarant or other Owners, such personal covenant shall terminate and be of no further force or effect from or after the date when a person or entity ceases to be an Owner except to the extent this Declaration may provide otherwise with respect to the payment of money to the Association.

Section 17.14 - Nonliability of Officials. To the fullest extent permitted by law, neither the Board, the Architectural Committee, and other committees of the Association or any Member or the Association for any damage, loss or prejudice suffered or claimed on account of any decision, approval or disapproval of plans or specifications (whether or not defective), course of action, act, omission, error, negligence or the like made in good faith within which such Board, committees or persons reasonably believed to be the scope of their duties.

Section 17.15 - Construction by Declarant. Nothing in this Declaration shall limit the right of Declarant to alter the Community Property or the Residences still owned by Declarant, or to construct such additional Improvements as Declarant deems advisable prior to completion of

Improvements upon and sale of the entire Development. Such right shall include but shall not be limited to erecting, constructing and maintaining on the Covered Property such structures and displays as may be reasonably necessary for the conduct of the business of completing the work and disposing of the same by sale, lease or otherwise. Declarant shall repair any damage to and complete any restoration of the Covered Property caused or necessitated by such activities of Declarant within a reasonable time after the occurrence of such damage or need for restoration. This Declaration shall not limit the right of Declarant at any time prior to acquisition of title by a purchase from Declarant to establish on the Covered Property additional licenses, reservations and rights-of-way to itself, to utility companies, or to others as may from time to time be reasonably necessary to the proper development and disposal of the Development. Declarant reserves the right to alter its construction plans and designs as it deems appropriate. The rights of Declarant under this Declaration may be assigned in whole or in part to any successor or successors by an express assignment incorporated in a recorded instrument including but not limited to a deed, lease, option agreement, land sale contract or assignment as the case may be, transferring such interest to such successor. Declarant shall exercise its rights contained in this provision in such a way as not to unreasonably interfere with the Members' rights to use and enjoy the Covered Property.

Section 17.16 - Inapplicability to Government Property.
The provisions of this Declaration shall not be applicable to any portion of the Covered Property owned by a governmental entity, authority or agency and held for a public purpose, but shall apply to any Residence owned by such governmental entity, authority or agency.

Section 17.17 - Termination of Status of Covered Property.
The Association shall have no right to abandon or terminate the maintenance of the Community Property, or any part thereof, by the Association, except as expressly set forth in this Declaration.

ARTICLE XVIII

AMENDMENT PROVISIONS

Section 18.01 - Vote of Association. Subject to the other provisions of this Declaration, including, without limitation, the rights of Mortgagees, this Declaration may be amended as follows:

(a) Until such time as there is a Class A Membership pursuant to this Declaration, amendments or modifications shall be effective when executed by Declarant and when recorded in the Official Records. Thereafter, any amendments shall require the vote or written assent of sixty-seven percent (67%) of the voting power of Members other than Declarant. Notwithstanding the above, any material amendment must have the vote or approval of the voting power of the Association and Eligible Mortgage Holders, as prescribed in the Section entitled "Vote of Eligible Mortgage Holders and Owners" of the Article entitled "Mortgagee Protection" of this Declaration.

(b) An amendment or modification that requires the vote and written assent of the Members as hereinabove provided shall be effective when executed by the President and Secretary of the Association, or any other officer or officers authorized by resolution of the Board, who shall certify that the amendment or modification has been approved as hereinabove provided, and when recorded in the Official Records of the County. The notarized signatures of the Members shall not be required to effectuate an Amendment of this Declaration.

(c) Notwithstanding the foregoing, any provision of the Association Management Documents which expressly requires the approval of a specified percentage of the voting power of the Association for action to be taken under said provision can be amended only with the affirmative vote or written assent of not less than the same percentage of the voting power of the Association.

Section 18.02 - Petition to Amend. The Association or any Owner may petition the superior court of the County for an order reducing the percentage of affirmative votes necessary.

ARTICLE XIX

NOTES TO THE PLAT

The following notes appear on the face of the recorded plat of Rainier Park P.R.D.:

Note 1 - All interior streets are private and are designated as Tract "AA". Tracts "A" through "K" as shown hereon are designated as Community Open Space. All private streets and Community Open Space shall be owned and maintained in common for the benefit of all lot owners. The ownership interest in the Community Open Space and private streets shall be stated in the deed to each lot.

Note 2 - The City of Lacey has no responsibility to build, improve, maintain or otherwise service the private roads within or providing access to property described in this plat.

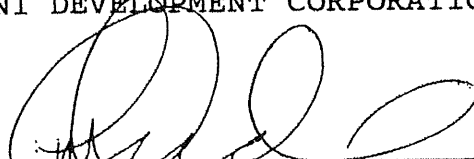
Note 3 - Pursuant to Chapter 14.32 of the Lacey Municipal Code, all requirements of the tree preservation and vegetation protection ordinance shall be satisfied. Removal of trees within the plat shall require strict compliance with Chapter 14.32.

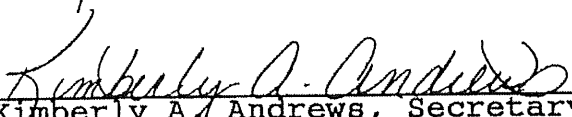
Note 4 - The subject plat is located adjacent to an operational airstrip. Lot owners may be affected by noise associated with flying aircraft in this area.

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IN WITNESS WHEREOF, the undersigned is the Owner of the properties described herein subject to these covenants, conditions and restrictions.

GEMINI DEVELOPMENT CORPORATION

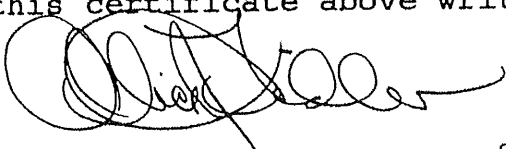
By 
Dennis M. Andrews, President

By 
Kimberly A. Andrews, Secretary

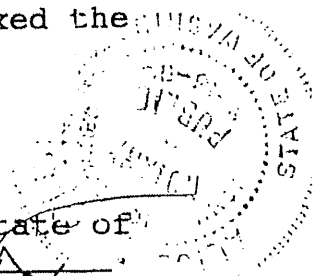
STATE OF WASHINGTON)
) ss.
COUNTY OF THURSTON)

On this 27th day of January, 1993, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Dennis M. Andrews and Kimberly A. Andrews to me known to be the President and Secretary, respectively, of GEMINI DEVELOPMENT CORPORATION, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the used and purposed therein mentioned, and on oath stated that they were authorized to execute the said instrument.

Witness my hand and official seal thereto affixed the day and year in this certificate above written.



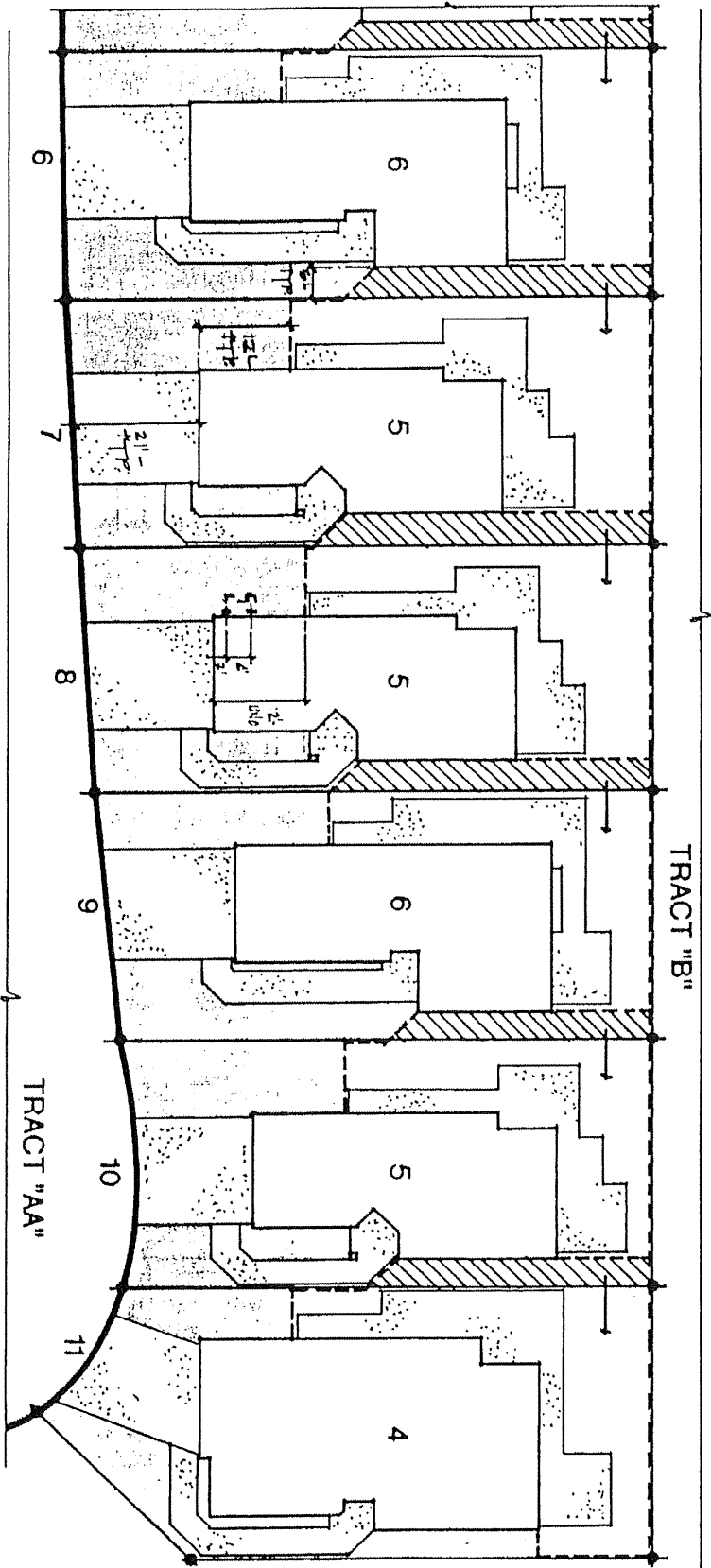
NOTARY PUBLIC in and for the State of Washington, residing in Bellevue. My commission expires 4/13/96.





RAINIER PARK P.R.D. - PHASE I
Site Plan Lots 6 - 11
Scale: 1" = 20'-0"

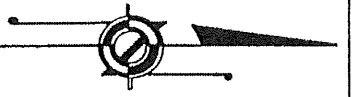
EXHIBIT A
Page 2 of 11



LEGEND	
	Property Line
	Concrete
	6' Cedar Fence
	Area To Be Maintained By Association Within The Lots
	Servient Tenement Over That Lot In Which It Appears In Favor Of The Adjacent Dominant Tenement Lot As Noted By Arrow

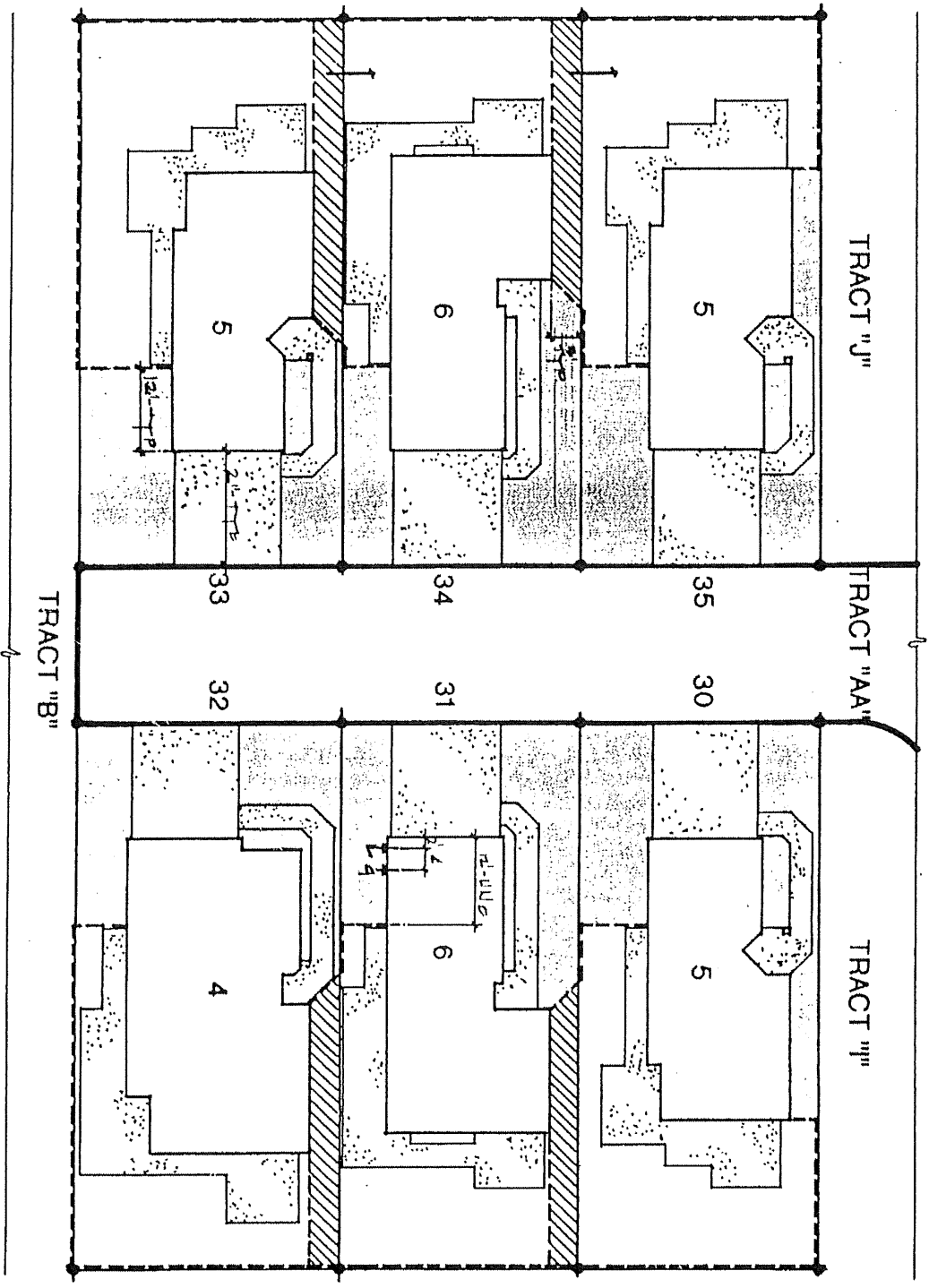
*NOTE Typical Easement To Be 5 Feet Wide

SET #	PLAN #
4	3140
5	3250
6	3260



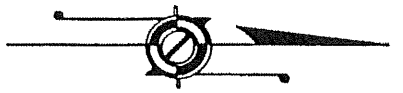
RAINIER PARK P.R.D. - PHASE I
Site Plan Lots 30 - 35
Scale: 1" = 20'-0"

LEGEND	
	Property Line
	Concrete
	6' Cedar Fence
	Area To Be Maintained By Association Within The Lots
	Servient Tenement Over That Lot In Which It Appears In Favor Of The Adjacent Dominant Tenement Lot As Noted By Arrow



SET #	PLAN #
4	3140
5	3250
6	3260

XHIBIT A
age 6 of 11



RAINIER PARK P.R.D. - PHASE I

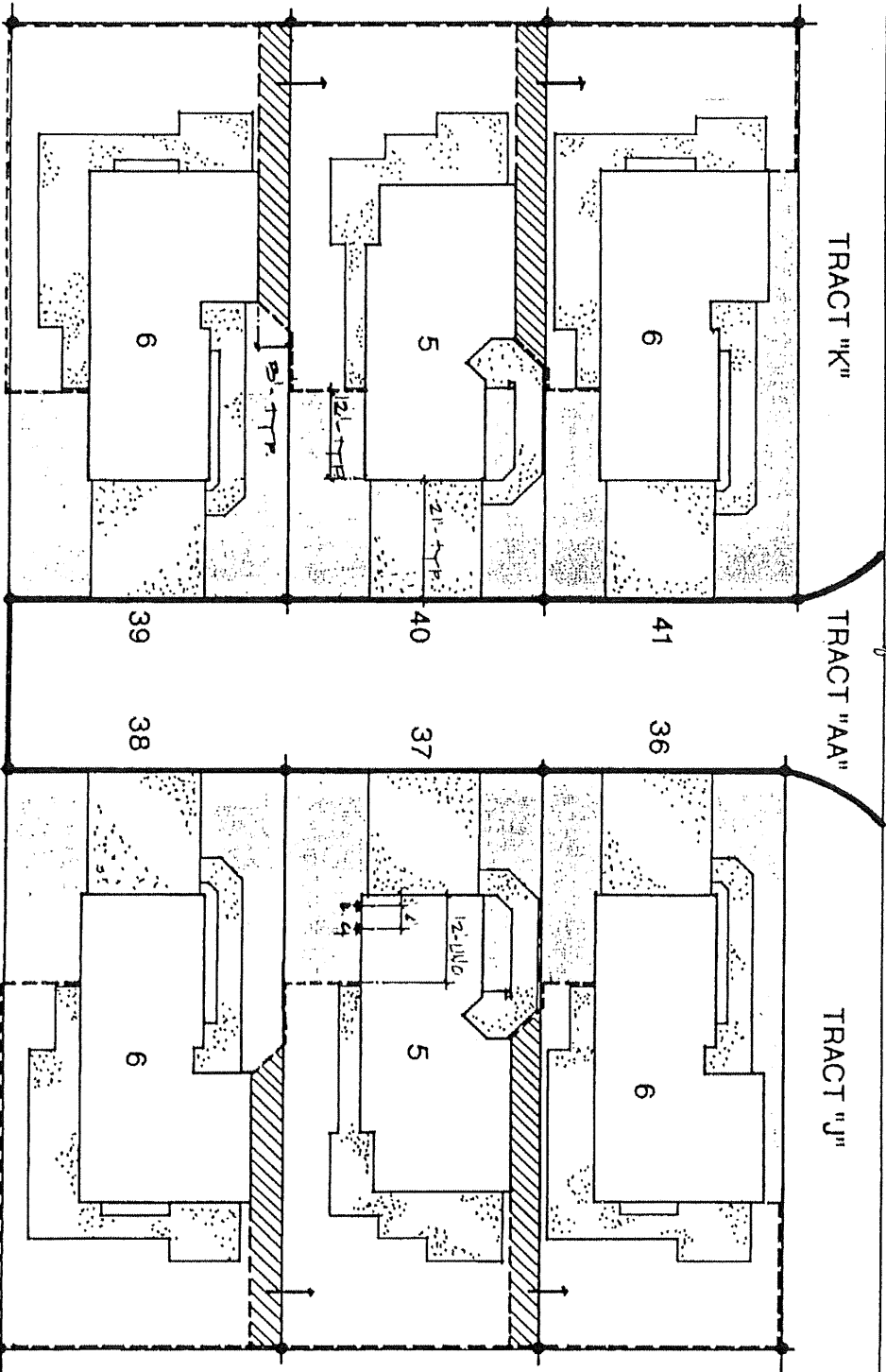
Site Plan Lots 36 - 41

Scale: 1" = 20'-0"

LEGEND

	Property Line
	Concrete
	6' Cedar Fence
	Area To Be Maintained By Association Within The Lots
	Servient Tenement Over That Lot In Which It Appears In Favor Of The Adjacent Dominant Tenement Lot As Noted By Arrow

*NOTE Typical Easement To Be 5 Feet Wide



SET #	PLAN #
4	3140
5	3250
6	3260

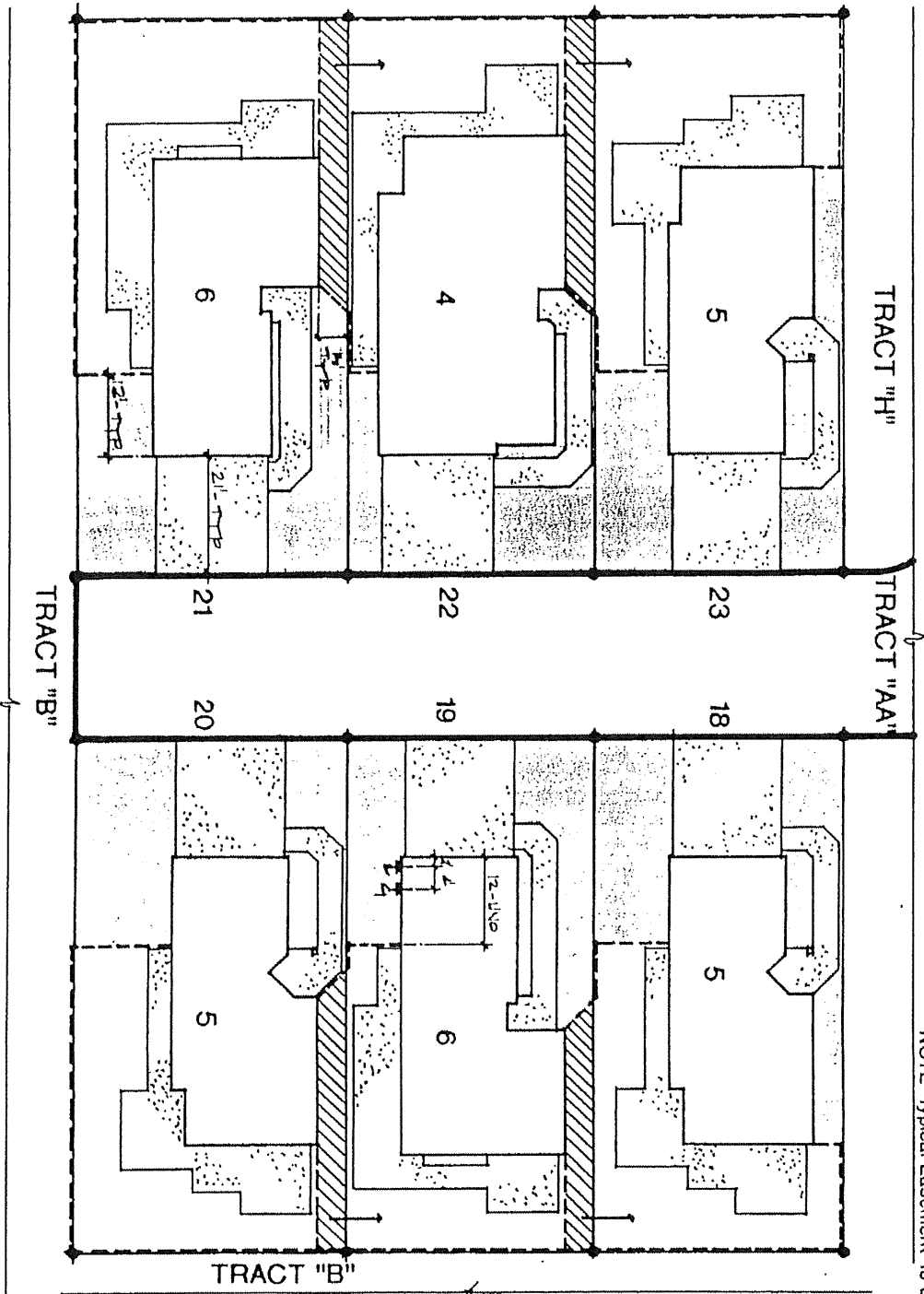


RAINIER PARK P.R.D. - PHASE I
Site Plan Lots 18 - 23
Scale: 1" = 20'-0"

LEGEND

	Property Line
	Concrete
	6' Cedar Fence
	Area To Be Maintained By Association Within The Lots
	Servient Tenement Over That Lot In Which It Appears In Favor Of The Adjacent Dominant Tenement Lot As Noted By Arrow

*NOTE Typical Easement To Be 5 Feet Wide



SET #	PLAN #
4	3140
5	3250
6	3260



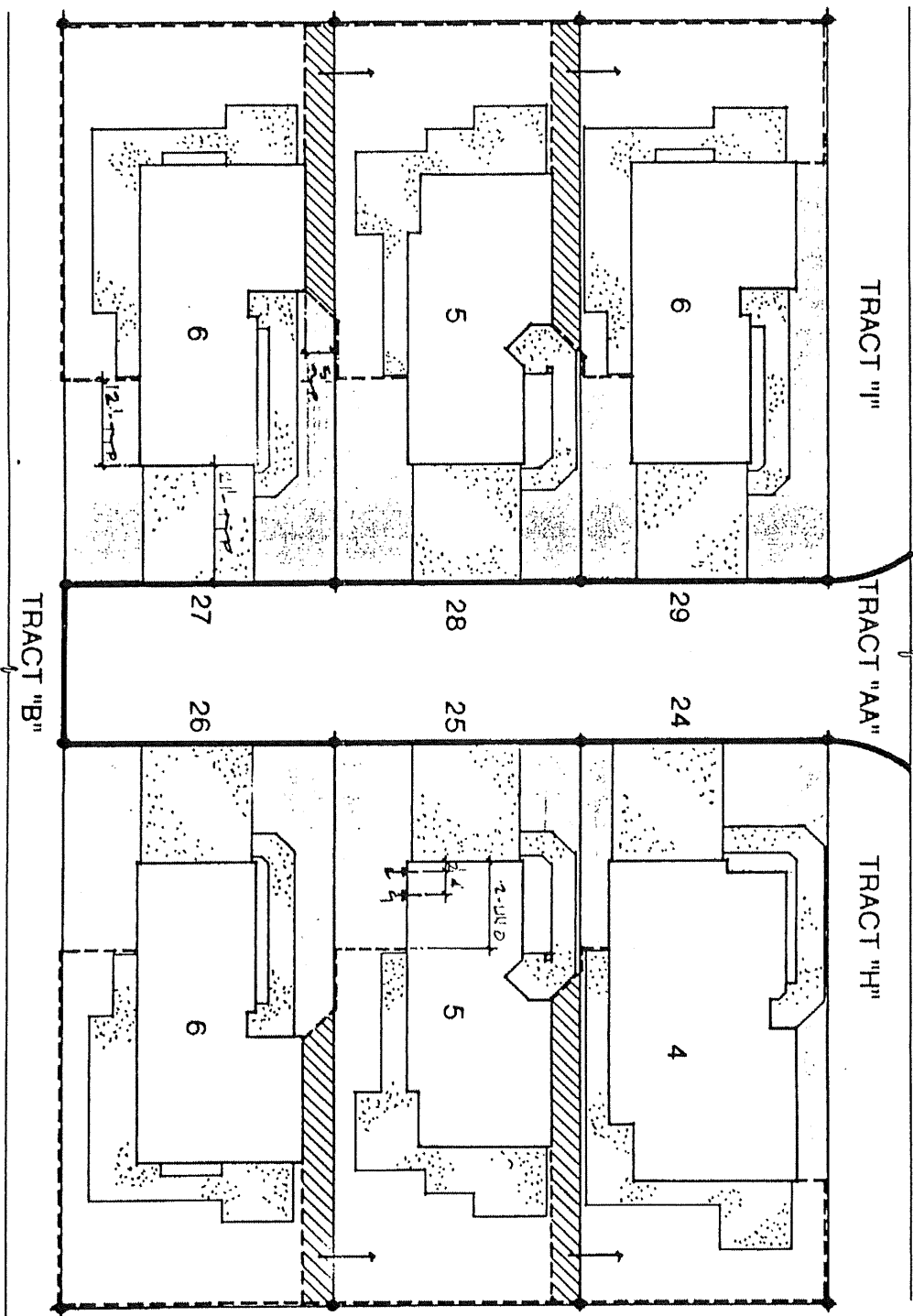
RAINIER PARK P.R.D. - PHASE I

Site Plan Lots 24 - 29

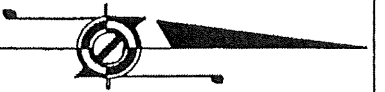
Scale: 1" = 20'-0"

LEGEND

- Property Line
- Concrete
- 6' Cedar Fence
- Area To Be Maintained By Association Within The 10' S Servient Tenement Over That Lot In Which It Appears In Favor Of The Adjacent Dominant Tenement Lot As Noted By Arrow

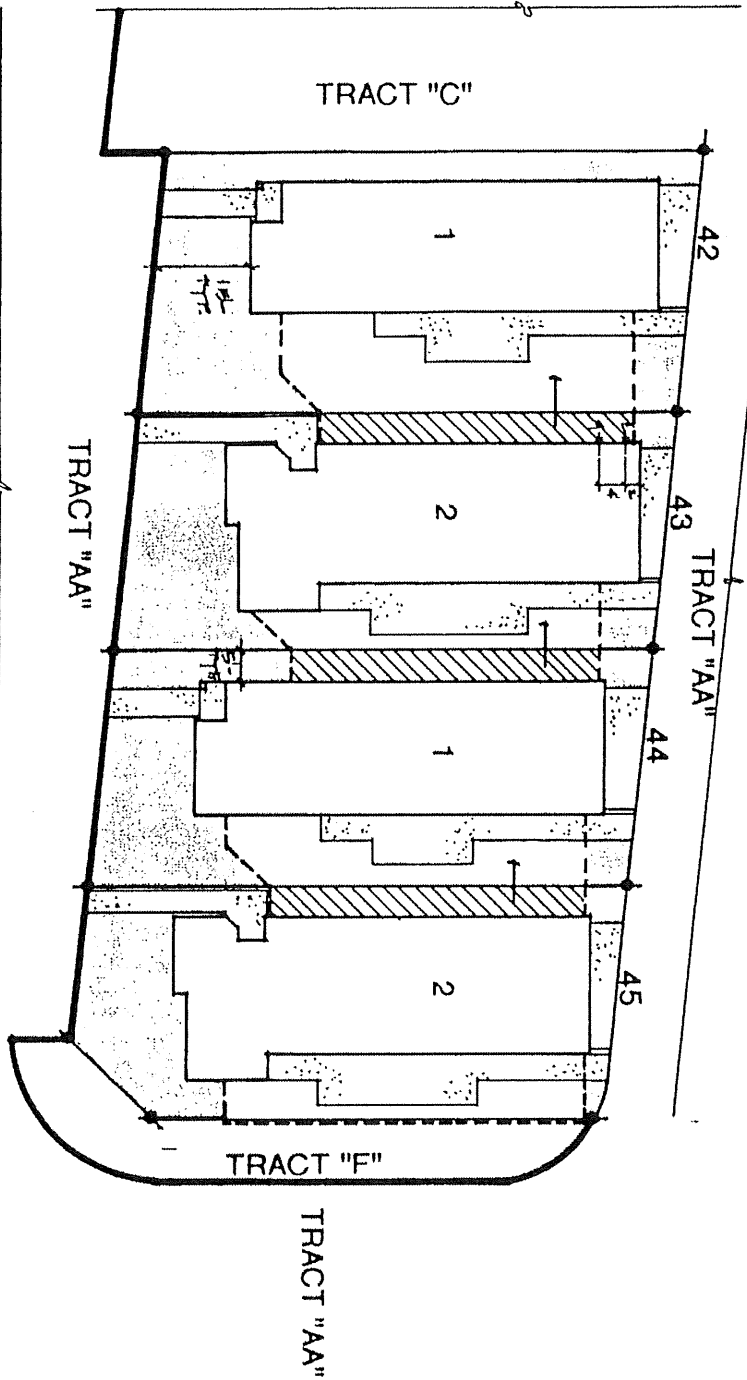


SET #	PLAN #
4	3140
5	3250
6	3260



RAINIER PARK P.R.D. - PHASE I
Site Plan Lots 42 - 45
Scale: 1" = 20'-0"

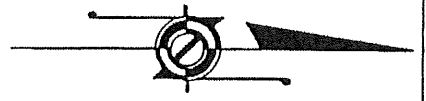
EXHIBIT A
Page 8 of 11



LEGEND	
	Property Line
	Concrete
	6' Cedar Fence
	Area To Be Maintained By Association Within The Lots
	Servient Tenement Over That Lot In Which It Appears In Favor Of The Adjacent Dominant Tenement Lot As Noted By Arrow

*NOTE Typical Easement To Be 5 Feet Wide

SET #	PLAN #
1	3210
2	3220
3	3130



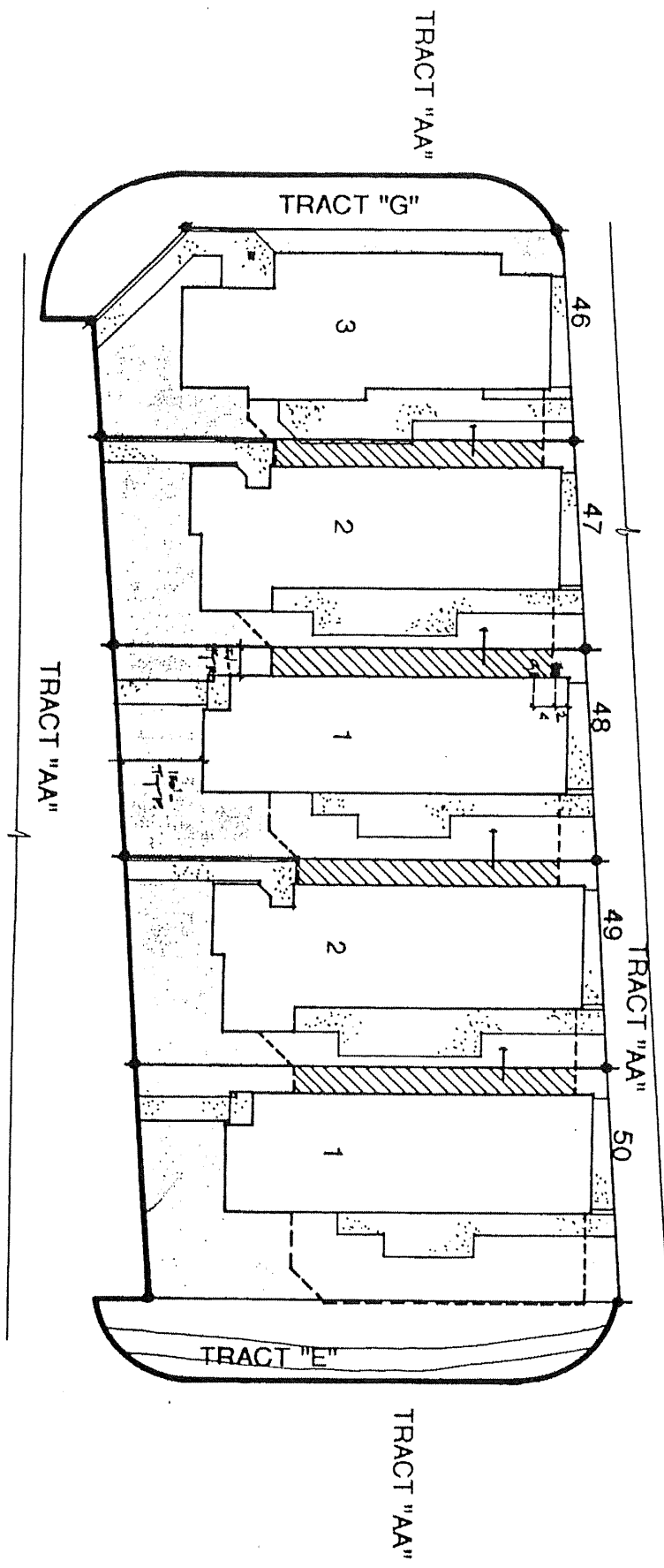
RAINIER PARK P.R.D. - PHASE I

Site Plan Lots 46 - 50

Scale: 1" = 20'-0"

EXHIBIT A

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LEGEND

- Property Line
- Concrete
- 6' Cedar Fence
- Area To Be Maintained By Association Within The Lots
- Servient Tenement Over That Lot In Which It Appears In Favor Of The Adjacent Dominant Tenement Lot As Noted By Arrow

*NOTE Typical Easement To Be 5 Feet Wide

SET #	PLAN #
1	3210
2	3220
3	3130

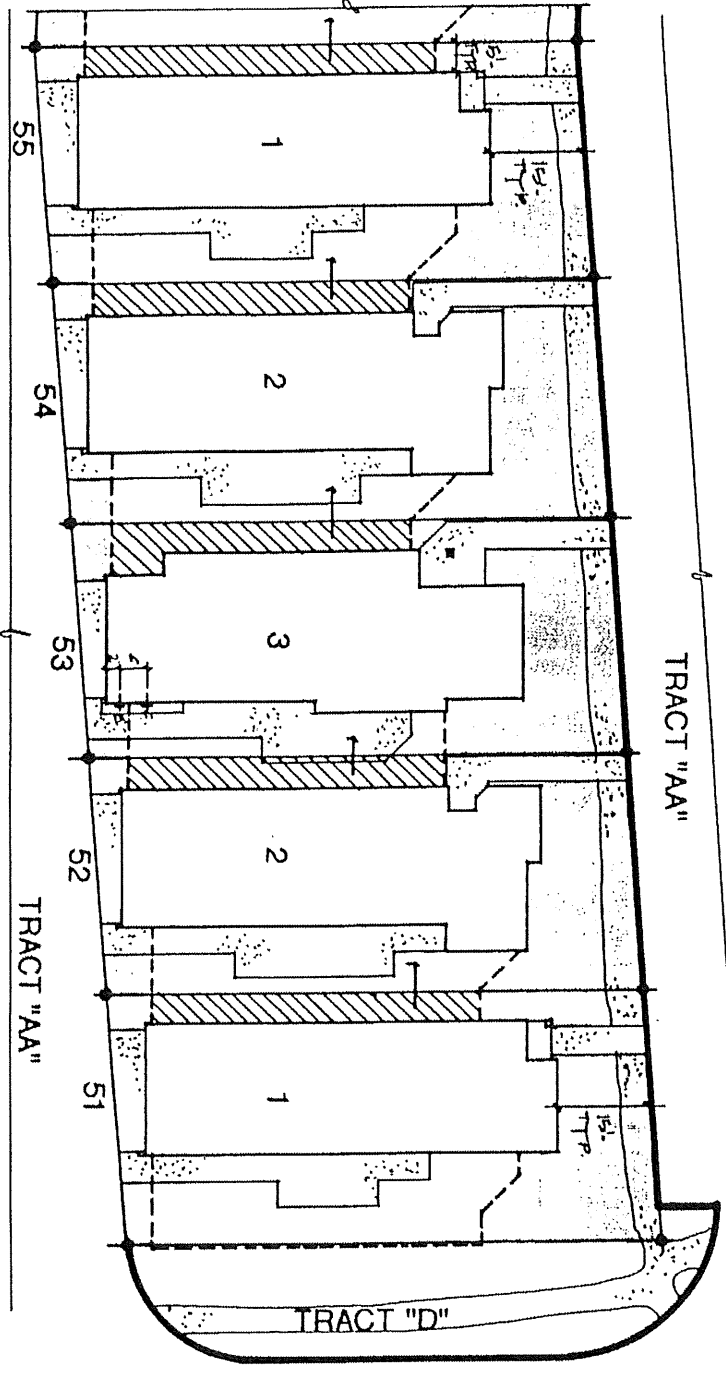
RAINIER PARK P.R.D. - PHASE I
Site Plan Lots 51 - 55
Scale: 1" = 20'-0"

EXHIBIT A
Page 10 of 11

LEGEND	
	Property Line
	Concrete
	6' Cedar Fence
	Area To Be Maintained By Association Within The Lots
	Servient Tenement Over That Lot In Which It Appears In Favor Of The Adjacent Dominant Tenement Lot As Noted By Arrow

*NOTE Typical Easement To Be 5 Feet Wide

SET #	PLAN #
1	3210
2	3220
3	3130



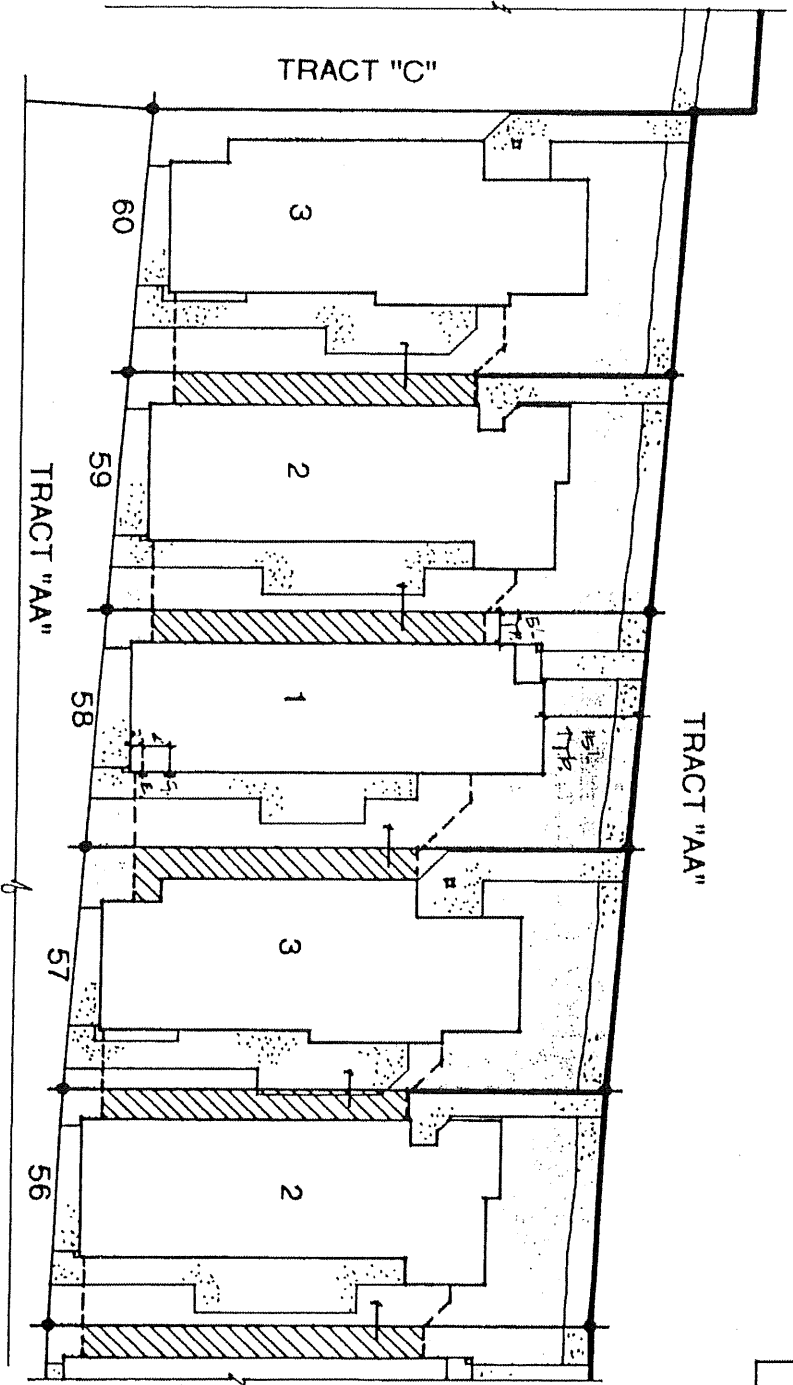


RAINIER PARK P.R.D. - PHASE I

Site Plan Lots 56 - 60

Scale: 1" = 20'-0"

EXHIBIT A
Page 11 of 11



LEGEND	
	Property Line
	Concrete
	6' Cedar Fence
	Area To Be Maintained By Association Within The Lots
	Servient Tenement Over That Lot In Which It Appears In Favor Of The Adjacent Dominant Tenement Lot As Noted By Arrow

*NOTE Typical Easement To Be 5 Feet Wide

SET #	PLAN #
1	3210
2	3220
3	3130

EXHIBIT B

LEGAL DESCRIPTION

RAINIER PARK, P.R.D.

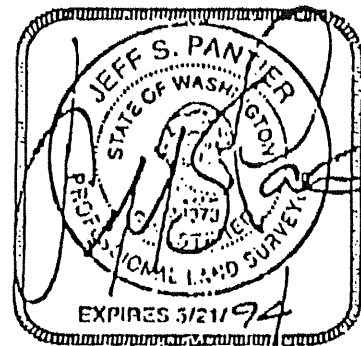
DESCRIPTION PREPARED FOR GEMINI DEVELOPMENT CORPORATION

RAINIER PARK P.R.D.
PHASE ONE

That portion of Lot 4 of Amended Short Subdivision No. 6199 as recorded July 21, 1992 under Auditor's File No. 9207210153, records of Thurston County, Washington, lying Easterly of the following described line:

Commencing at the Southwest corner of said Lot 4; thence South 87° 36' 53" East along the South line of said Lot 4, a distance of 66.38 feet to the True Point of Beginning of this described line; thence North 02° 23' 07" East; 173.00 feet; thence South 87° 36' 53" East, 73.00 feet; thence North 23° 34' 36" East, 30.03 feet to a point of curvature to the left, the radius point of which bears North 02° 23' 07" East, 25.00 feet; thence Northeasterly along said curve through a central angle of 90° 00' 00" an arc length of 39.27 feet; thence North 02° 23' 07" East, 13.72 feet; thence South 87° 36' 53" East, 110.00 feet; thence North 02° 23' 07" East, 319.00 feet to a point on the North line of said Lot 4 South 07° 59' 23" East, 293.24 feet from the Northwest corner thereof and the terminus of this described line.

Containing 9.79 acres.



10/13/92

EXHIBIT C - RAINIER PARK P.R.D.

