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DECLARATION  
OF COVENANTS, CONDITIONS AND RESTRICTIONS  
OF THE PLAT OF SUNWOOD LAKES

"This Declaration, made on the date hereinafter set forth by  
SPURGEON CREEK, INC., hereinafter referred to as "Declarants",

WITNESS:

WHEREAS, The Declarants are the Owners of the real property  
described herein and desire to create thereon a residential  
community with permanent open spaces and other common facilities  
for the benefit of said community, said property being described as:

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WHEREAS, Declarants desire to provide for the preservation of  
the values and amenities in said community and for the maintenance  
of said open spaces and other common facilities; and, to this end,  
desire to subject the real property described together with such  
additions as may hereafter be made thereto, as provided in this  
Declaration, to the Covenants, Restrictions, easements, charges  
and liens, hereinafter set forth, each and all of which is and are  
for the benefit of said property and each owner thereof; and

WHEREAS, Declarant has deemed it desirable for the efficient  
preservation of the values and amenities of said community, to  
create an agency to which should be delegated and assigned the  
powers of maintaining and administering community properties and  
facilities and administering and enforcing the covenants and re-  
strictions and collecting and disbursing the assessments and  
charges hereinafter created; and

WHEREAS, Declarants have incorporated under the laws of the  
State of Washington, as a non-profit corporation, The Sunwood  
Lakes Homeowners Association, for the purpose of exercising the  
functions aforesaid;

NOW, THEREFORE, Declarants hereby declare that all of the  
properties within the Plat of Sunwood Lakes shall be held, sold

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and conveyed subject to and shall be brought within the jurisdiction of the Sunwood Lakes Association, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the real property. These easements, covenants, restrictions, and conditions shall run with the real property and shall be binding on all parties having or acquiring any right, title or interest in the described properties or any part thereof, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to The Sunwood Lakes Association, Inc., its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean all real property owned or to be owned by the Association for the common use and enjoyment of the members of the Association.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the properties with the exception of the Common Area.

Section 5. "Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 6. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 7. "Declarants" shall mean and refer to Spurgeon Creek, Inc.

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ARTICLE II

ANNEXATION OF ADDITIONAL PROPERTIES

Section 1. Annexation of additional property to Sunwood Lakes shall require the assent of two-thirds (2/3) of all members of the Association, at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than Thirty (30) days nor more than Sixty (60) days in advance of the meeting setting forth the purpose of the meeting. The presence of members entitled to cast sixty percent (60%) of the votes of the membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called subject to the notice requirements set forth above and the required quorum at such subsequent meeting shall be one-half (1/2) of the required quorum of the preceding meeting. No such subsequent meeting will be held more than sixty (60) days following the preceding meeting. In the event that two-thirds (2/3) of the entire membership are not present in person, members not present may give their written assent to the action taken thereat.

Section 2. If within ten years from August 28, 1968, the date of incorporation of the Association, the Declarant should develop additional lands within the area adjacent to Sunwood Lakes such additional land may be annexed to said properties without the assent of the members.

The additions authorized under this section shall be made by filing of record declaration of covenants and restrictions with respect to the additional property which shall extend the scheme of covenants and restrictions of this Declaration to such additional property; providing that such declarations for the additional property may contain such complementary additions and modifications of the covenants and restrictions contained in this Declaration, as may be necessary to reflect the different character, if any of the added properties and as are not inconsistent with

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the scheme of this Declaration. In no event shall such declarations for the additional property revoke, modify or add to the covenants established by this Declaration within the existing property.

ARTICLE III

MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No Owner shall have more than one membership. Membership shall be appurtenant to and may not be separated from ownership of a Lot which is subject to assessment by the Association. Ownership of such Lot shall be the sole qualification for membership.

ARTICLE IV

VOTING RIGHTS.

The interest of each incorporator or member shall be equal to that of any other member and no incorporator or member can acquire any interest which will entitle him to any greater voice, authority, vote or interest in the corporation than any other member. When more than one person hold such interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

ARTICLE V

PROPERTY RIGHTS

Section 1. Members Easements of Enjoyment. Every member

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shall have a right and easement of enjoyment in and to the Common area and such easement shall be appurtenant to and shall pass with the title to every assessed Lot, subject to the following provisions:

(a) The right of the Association to limit the number of guests of members:

(b) The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area:

(c) The right of the Association, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Common Area and facilities and in aid thereof to mortgage said property, and the rights of such mortgages in said properties shall be subordinate to the rights of the homeowners hereunder:

(d) The right of the Association to suspend the voting rights and right to use of the recreational facilities by a member for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed one hundred eighty (180) days for any infraction of its published rules and regulations:

(e) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by members entitled to cast two-thirds (2/3) of the votes of the entire membership has been recorded, agreeing to such dedication or transfer, and unless written notice of the proposed action is sent to every member not less than thirty (30) days nor more than Sixty (60) days in advance.

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Section 2. Delegation of Use. Any member may delegate, in accordance with the By-Laws, his right of enjoyment to the Common area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

Section 3. Title to the Common Area. The Declarants hereby covenant for themselves, their heirs and assigns, that they will convey fee simple title to the Common Area of this plat to the Association, free and clear of any encumbrances and liens, prior to the conveyance of the first Lot.

#### ARTICLE VI

##### COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed or other conveyance, is deemed to covenant and agree to pay to the Association: (1) Annual assessments or charges, and (2) special assessments for capital improvements, such assessment to be fixed, established and collected from time to time as hereinafter provided. The annual and special assessments, together with such interest thereon and cost of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest, costs and reasonable attorney's fees shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the

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residents in the Properties and in particular for the improvement and maintenance of the Properties, services, and facilities devoted to this purpose and related to the use and enjoyment of the Common Area, and of the homes situated upon the Properties.

Section 3. Basis and Maximum of Annual Assessments. Until January 1 of the year immediately following the conveyance of the first lot to an Owner, the maximum annual assessment shall be Fifty Dollars (\$50.00) per lot.

(a) From and after January 1 of the year immediately following the conveyance of the first lot to an Owner, the maximum annual assessment may be increased effective January 1 of each year without a vote of the membership in conformance with the rise, if any, of the Consumer Price Index (published by the Department of Labor, Washington, D.C.) for the preceding month of July.

(b) From and after January 1 of the year immediately following the conveyance of the first lot to an Owner, the maximum annual assessment may be increased above that established by the Consumer Price Index formula by a vote of the members for the next succeeding three (3) years and at the end of each such period of three (3) years for each succeeding period of three (3) years, provided that any such change shall have the assent of two-thirds (2/3) of the votes of all members who are voting in person, at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than Thirty (30) days nor more than Sixty (60) days in advance of the meeting setting forth the purpose of the meeting. The limitations hereof shall not apply to any change in the maximum and basis of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.

(c) After consideration of the current maintenance costs and future needs of the Association, the Board of Trustees may fix the annual assessment at any amount not in excess of the maximum.

Section 4. Special assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy in any assessment year, a special assessment

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applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction unexpected repair or replacement of a described capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of all members who are voting in person at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting.

Section 5. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all similar lots and may be collected on a monthly basis. At the discretion of the Trustees, two categories of lots may be created; "improved" and "unimproved". "Unimproved" lots may be assessed at one-half of the rate of "improved" lots. A lot will be deemed to be "improved" one hundred and twenty days (120) after start of a permanent structure thereon. A lot will be deemed "unimproved" if no permanent structure exists or has been started thereon.

Section 6. Quorum for any Action Authorized Under Sections 3 & 4. At the first meeting called, as provided in Sections 3 and 4 hereof, the presence at the meeting of members entitled to cast sixty percent (60%) of all the votes of the entire membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth in Sections 3 and 4, and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty days following the preceding meeting.

Section 7. Date of Commencement of Annual Assessments; Due Dates. The annual assessments provided for herein shall commence as to all lots on the first day of the month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board

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of Trustees shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Trustees. The Association shall upon demand at any time furnish a certificate in writing signed by an officer of the Association setting forth whether the assessments on a specified lot have been paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 8. Effect of Nonpayment of Assessments; Remedies of the Association. Any assessments which are not paid within thirty (30) days after due date, the assessment shall bear interest from the date of delinquency at the rate of seven percent (7%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 9. Subordination of the lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages. Sale or transfer of any Lot shall not effect the Assessment lien. However, the sale or transfer of any Lot which is subject to any mortgage, pursuant to a decree of foreclosure under such mortgage or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to payments thereof which become due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

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Section 10. Exempt property. The following property subject to this Declaration shall be exempt from the assessments created herein:

- (a) All properties dedicated to and accepted by a local public authority;
- (b) The Common Area
- (c) All properties owned by a charitable or nonprofit organization exempt from taxation by the laws of the State of Washington. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

ARTICLE VII  
ARCHITECTURAL CONTROL COMMITTEE

Section 1.

(a) It is hereby designated that the Architectural Control Committee of the Sunwood Lakes Association, Inc. shall act as Administrators of the provisions of this Article.

(b) The Architectural Control Committee shall consist of as many persons as the Board of Trustees of the Sunwood Lakes Association, Inc. shall designate but not less than three, and no more than nine. The Trustees of the Sunwood Lakes Association, Inc. shall have the right to terminate the term of office of any member of the Architectural Control Committee at any time and to appoint new or additional members. The Sunwood Lakes Association, Inc. shall keep on file at its principal office a list of the names and addresses of the members of the Architectural Control Committee.

Section 2. Approval of Plans by Architectural Control Committee.

(a) No building or other structure shall be constructed or altered until there has been filed with and approved by the Architectural Control Committee, two sets of plans and specifications showing: (1) the size and dimension of the improvements; (2) the exterior design; (3) the exterior color scheme; (4) the exact location of the improvement on the lot; (5) the location of drive-

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ways and parking area; (6) the scheme for drainage and grading; and (7) proposed landscaping.

(b) Approval of said plans and specifications may be withheld if the proposed improvement is at variance with these covenants. Approval may also be withheld if, in the opinion of the Architectural Control Committee, the proposed improvement will be detrimental to the community because of; grading and drainage plan, location of the structure on the building site, color scheme, finish design, proportions, shape, height, style, appropriateness, material used thereon, or landscaping plan.

(c) Changes in exterior color schemes of all structures shall be submitted to the Architectural Control Committee for approval.

(d) Landowners may appeal any decision made by the Architectural Control Committee to the Board of Trustees of the Sunwood Lakes Association, Inc. whose decision shall be final.

(e) The Architectural Control Committee's approval or disapproval as required in these Covenants shall be in writing. In the event that the Committee, or its designated representative fails to approve or disapprove within thirty (30) days after plans and specifications have been submitted to it, or in any event, if no suit to enjoin the construction has been commenced prior to the completion thereof, approval will not be required and the related covenants shall be deemed to have been fully complied with.

(f) It shall be the responsibility of the Architectural Control Committee to determine that improvements have been completed in accordance with the plans as submitted and approved. Such determination must be made within sixty (60) days of the completion of the improvement. In the event the Architectural Control Committee shall determine that the improvement does not comply with the plans and specifications as approved, it shall notify the landowner within said sixty (60) days period, whereupon the owner, within such time as the Architectural Control Committee shall specify, but not less than thirty (30) days, shall either remove or alter the improvement or take such action as the

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Architectural Control Committee shall designate. If no action by the Architectural Control Committee is taken within sixty (60) days of the date of completion of the improvements, the improvement shall conclusively be deemed to be satisfactory to the Architectural Control Committee.

ARTICLE VIII  
PRIVATE ROADS

The Declarants shall deed to the Association private roads upon the plat accompanying the those covenants in the same manner as the Common Areas as provided for herein, and the Association shall grant easements for usage to the abutting property owners on said private roads, provided that the cost of maintenance and reasonable repairs shall be shared by the abutting owners of the private road, and such maintenance costs shall be added to and become a part of the assessment to which such Lot is subject.

ARTICLE IX  
PERMITTED AND PROHIBITED USES

(a) All property in Sunwood Lakes, Division Two, shall be used solely and exclusively for private one-family residences with appurtenant garages as hereinafter provided. A building site shall consist of not less than one (1) lot as shown on the recorded plat, and no Lot shall be divided except for the purpose of attaching portions thereof to adjacent building sites.

(b) Where it is architecturally possible, all garages shall be incorporated in or made a part of the dwelling house. On-site parking provisions for no less than two (2) automobiles shall be provided in addition to garage automobile storage.

(c) No animals, livestock, or poultry of any kind other than house pets shall be kept or maintained on any part of said property. Dogs and cats, not to exceed a total of two (2), may be kept on said property, provided that they are not kept, bred, or maintained for any commercial use or purpose.

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(d) No building or structure shall be moved onto any land embraced in said subdivision from any land outside of said subdivision. No trailers shall be maintained on any building site as a residence. No building of any kind shall be erected or maintained on a building site prior to the erection of a dwelling house thereon, except that a garage or other small building of permanent construction may be erected for the storing of tools and other articles, but shall not be used for residence purposes.

(e) Except with the approval of the Architectural Control Committee land owners at no time shall keep or permit to be kept on their premises any house trailer, truck, camper, mobile home or boat trailer, unless housed within a garage or suitable screened from view from street or park areas.

(f) The work of construction of all buildings and structures shall be prosecuted diligently and continuously from commencement of construction until the structures are fully completed and painted. All structures shall be completed as to external appearance, including finish painting, within ten (10) months from date of commencement of the construction, unless prevented by cause beyond the owner's control.

(g) No garbage, refuse, rubbish or cuttings shall be deposited on or left on the lot premises unless placed in an attractive container suitably located and screened from public view. No building material of any kind shall be placed or stored upon any property in said subdivision until the Owner is ready to commence construction and then such material shall be placed within the property line of the building site upon which structures are to be erected, and shall not be placed in the street.

(h) No noxious or undesirable thing, or noxious or undesirable use of the property in said Addition, whatsoever, shall be permitted or maintained upon said building sites in said Addition. If the Architectural Control Committee shall determine what trade, business or use is undesirable or noxious, such determination shall be conclusive.

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(i) No signs of any kind nor for any uses, except public notice by a political division of the State, or as required by law, shall be erected, posted, painted or displayed on any building site or portion of this subdivision whatsoever. Provided, however, that any builder may erect and display signs during the period he is building and selling property in said subdivision, and that any owner wishing to sell his or her home may place one (1) sign, not larger than four hundred (400) square inches, advertising the property for rent or sale.

(j) Oil drilling or oil development operations, refining, mining operations of any kind or the operation of quarries, gravel and sand pits, soil removing or top soil stripping shall not be permitted on any of the building sites of the subdivision described herein.

(k) No individual water supply system shall be permitted on any lot unless such system is located, constructed and equipped in accordance with the requirements, standards and recommendations of the Thurston County Health Department. Approval of such systems as installed shall be obtained from such authority.

(l) No clothesline shall be located on a Lot premises so as to be visible from the street, a private way, dwelling houses on other residential lots, or public areas.

(m) No fuel tank shall be maintained above ground on any Lot unless screened from view in a manner satisfactory to the Architectural Control Committee.

(n) Except with the approval of the Architectural Control Committee the natural drainage of any Lot shall not be changed.

(p) Except with the approval of the Architectural Control Committee, no persons shall reside upon the premises of any Lot until such time as the improvements to be erected thereon in accordance with the plans and specifications approved by the Architectural Control Committee have been completed.

(q) Exterior lighting of any sort which is visible from any street or from park areas or from any other dwelling house in this subdivision shall not be installed without first obtaining the permission of the Architectural Control Committee.

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(r) Except with the approval of the Architectural Control Committee, no fence may be erected on any lot.

ARTICLE X

EASEMENTS

Easements for drainage facilities are reserved over a two and one-half (2½) foot wide strip along each side of the exterior Lot lines and over the rear five (5) feet of each Lot. Easements for installation and maintenance of other utilities are reserved as shown on the recorded plat or other instruments of record.

ARTICLE XI

PRESERVATION OF VIEW RIGHTS

The Architectural Control Committee shall have the responsibility of determining whether trees or other vegetation on the premises of any Lot unreasonably interferes with the view of other residences of this subdivision. In any case in which the Architectural Control Committee shall determine that there is such interference, it shall send a notice in writing to the land owner involved. Which notice shall set forth the extent to which the trees or other vegetation shall be pruned or removed. If within thirty (30) days after receipt of such notice the land owner has not caused the trees or other vegetation to be pruned or removed to the extent required by the Architectural Control Committee, the Sunwood Lakes Association, Inc., at its expense may do such work provided that the Sunwood Lakes Association, Inc., if it so desires, may charge the cost of such work to the residents of this subdivision who have refused to perform the pruning or removal of such trees or other vegetation.

ARTICLE XII

GENERAL PROVISION

Section 1. Enforcement. The Association, or any Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges

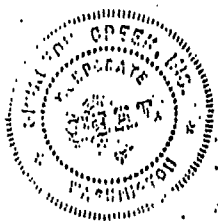
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now or hereafter imposed by the provisions of this Declaration. Failure by the Association or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgement or court order shall in no wise effect any other provisions which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, or the Owner of any Lot subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of thirty (30) years from the date of this Declaration is recorded, after which time said covenants shall automatically be extended for successive periods of ten (10) years. The covenants and restrictions of this Declaration may be amended during the first thirty (30) year period by an instrument signed by not less than ninety percent (90%) of the Lot Owners, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners. Any amendment must be properly recorded.

IN WITNESS WHEREOF, the undersigned being the Declarants herein have hereunto set their hand and seal this 10 day of April, 1968.



SPURGEON CREEK, INC.

*[Signature]*  
President

*[Signature]*  
Secretary

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STATE OF WASHINGTON )  
                          ) SS  
COUNTY OF PIERCE )

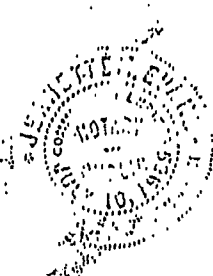
On this 10 day of Nov., A.D. 1968, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Curtis F. Peterson and William D. Winston, to me known to be the President and Secretary respectively of

SPURGEON CREEK, INC.

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 uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument, and that the seal affixed is the corporate seal of said corporation.

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

*Annabelle M. Jones*  
Notary Public in and for the State of Washington, residing at Tacoma



THURSTON COUNTY  
CLERK, WASH.

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*J. Branson*  
DEPUTY

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