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Section Four: Water service and street lighting service shall be furnished by Covington Water District, or its successors and assigns, to all lots covered by this Declaration. All such lots shall benefit from street lighting service, directly or indirectly, and each Lot Owner shall be required to pay street lighting monthly service charges. Unpaid charges for street lighting and for water service shall be a lien upon any lot or lots for which such charges remain unpaid for a period of fifteen (15) days from the date billed, provided notice of intent to file a lien shall be given to the Lot Owner at least ten (10) days prior to the filing of such lien with the King County Records and Elections Office.

ARTICLE EIGHT

Assessments

Section One: Each Lot shall be subject to monthly assessments or charges and certain special assessments in an amount to be determined by the Association.

Section Two: The Board of Directors of the Association shall determine the amount of monthly assessment necessary to pay Common Expenses. The amount of monthly assessment may be increased or decreased periodically as may be necessary from time to time to provide properly for payment of the Common Expenses. The amount of such monthly assessments shall be equal for all Lots subject to said monthly and special assessments; except that the monthly assessment for Lots owned by Developer which do not have a completed residence thereon shall not exceed Five Dollars (\$5) per month. The Association shall create and maintain from regular monthly assessments a reserve fund for replacement of those common areas which can reasonably be expected to require maintenance or replacement.

Section Three: The Association shall, upon written demand, furnish a certificate in writing setting forth whether the assessment on a specified Lot has been paid. A reasonable charge may be made for the issuance of the certificate.

Section Four: In addition to the monthly assessments authorized above, the Association, by and through its Board of Directors, may levy, in any year, a special assessment 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 facilities in the Common Areas, including the necessary fixtures and personal property related thereto, provided, however, Lots owned by the Developer which do not have a completed residence shall not be subject to special assessments and the Developer shall not be obligated to pay any special assessments.

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Section Five: At such time as additional Lots are subject to assessment by virtue of having been subjected to these Protective Covenants, Conditions and Restrictions, the monthly assessment for all Lots subject to assessment shall be reduced so as to reflect a proportional reduction based on the increased total Lots obligated to contribute to the Association budget.

ARTICLE NINE

Collection of Assessments, Enforcement of Declaration, Attorney's Fees and Costs

Section One: All assessments, together with interest hereon and cost of collection thereon, as herein provided, shall be a charge on the land and will be a continuing lien upon the Lot against which each such assessment is made. Said lien shall have all the incidents of a mortgage on real property. Each such assessment, together with interest, costs and reasonable attorney's fees shall also be the personal obligation of the person who was the Owner of such Lot at the time the assessment fell due.

Section Two: If any assessment is not paid within thirty (30) days after its due date, the assessment shall bear interest from said date at the rate of eighteen (18%) percent per annum. Each Member hereby expressly vests in the Association, or its agents, the right and power to bring all actions against each Member personally for the collection of such assessments as a debt and to enforce lien rights of the Association by all methods for the enforcement of such liens, including foreclosure by an action brought in the name of the Association in like manner as a mortgage of real property, and such member hereby expressly grants to the Association the power of sale in connection with such liens. The liens provided for in this section shall be in favor of the Association, and shall be for the benefit of the Association. The Association shall have the power to bid in an interest foreclosed at foreclosure sale and to acquire and hold, lease, mortgage and convey the same. In the event the Association employs an attorney to enforce said liens, or the collection of any amounts due, or to enforce compliance with or specific performance of the Articles or By laws of the Association, rules or regulations adopted by the Association, or the provisions of the Declaration, the prevailing party in said action shall be entitled to the award of reasonable attorney's fees and costs incurred.

Section Three: In the event any Member shall be in arrears in the payment of the assessments due or shall be in default of the performance of any of the terms of the Articles and Bylaws of the Association, the rules or regulations adopted by the Association, or the Declaration for a period of thirty (30) days, said Member's right to vote shall be suspended and shall remain suspended until all payments are brought current and all defaults remedied. In addition, the Association shall have such other remedies against such delinquent Members as may be provided in the Articles, Bylaws or Declaration.

ARTICLE TEN

Building, Use and Architectural Restrictions

Section One: The Developer hereby reserves for itself, its successors and assigns, the right to exercise any and all powers and controls herein given to the Board of Directors or its authorized representative in this Article of the Declaration. Said reserved right shall automatically terminate when the Developer no longer owns any Lot, or at such earlier time as said reserved right is relinquished to the Board of Directors of the Association. Each Lot shall be subject to this reserved right and the Developer and each Owner shall take subject thereto.

Section Two: Except as to construct, alteration, or improvements performed by the Developer, no construction activity of any type including clearing and grading, cutting or transplanting of natural vegetation may begin on a Lot and no building, structure or other improvement shall be erected, placed, or altered on any Lot or Tract until, at a minimum, the building plans, specifications and plot plan showing the nature, kind, shape, height, materials, exterior color and location of such building, structure or other improvement have been submitted and approved in writing by the Board of Directors of the Association or its authorized representative as to harmony of exterior design and location in relation to and its effect upon surrounding structures and topography. The minimum finished square footage of any house shall not be less than 1,200 square feet of ground coverage and have a living area of not less than 1500 square feet unless approved by the Board of Directors of the Association or its authorized representative. Further, no fences, hedges or walls shall be erected or altered and no exterior changes of any kind shall be made to any building including, but not limited to, exterior color changes, additions or alterations until such written approval shall have been obtained.

If the Board of Directors, or its authorized representative, shall fail to notify the Owner of its action for a period of thirty (30) days following the date of the submission of the required items to the Board of Directors, or its authorized representative, the Owner may proceed with the proposed work notwithstanding the lack of written approval by the Board of Directors or its authorized representative.

Section Three: No trailer, recreational vehicle, basement, tent, shack, garage, barn or other outbuilding or buildings or any structure of a temporary character erected or placed on the Properties shall at any time be used as living quarters except as hereinafter specifically authorized.

Section Four: No noxious or offensive activity shall be carried on upon any Lot nor shall anything be done thereon which may be or may become an annoyance or nuisance to other Lot Owners.

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Section Five: No animal, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except cats, dogs, birds or fish may be kept if they are not kept, bred or maintained for any commercial purpose, and they shall not be kept in numbers or under conditions reasonably objectionable in a closely built-up residential community. Animals shall not be allowed to roam loose outside the limits of any Lot on which they are kept.

Section Six: No sign of any kind shall be displayed to public view on any Lot, except upon written approval of the Board of Directors, its authorized representative, or Developer as herein provided.

Section Seven: The exterior of any building, structure or other improvement, including front yard landscaping, shall be completed within nine (9) months from the commencement of construction so as to present a finished appearance when viewed from any angle, and all construction materials and debris shall be removed.

Section Eight: No unsightly conditions shall be permitted to exist on any Lot. Unsightly conditions shall include, without limitation, laundry hanging or exposed in view for drying, litter, trash, junk or other debris; inappropriate, broken or damaged furniture or plants; nondecorative gear, equipment, cans, bottles, ladders, trash barrels and other such items; and no awnings, air conditioning units, heat pumps or other projections shall be placed on the exterior walls of any Housing Unit unless prior written approval shall have been obtained as provided in the Declaration. Trash containers shall be properly screened and shielded from adjacent properties and roadways.

Section Nine: No radio or television antenna or transmitting tower or satellite dish shall be erected unless approved in writing as provided in this Declaration.

Section Ten: Except as hereinafter expressly provided, the Common Areas and/or streets located on the Properties shall not be used for the overnight parking of any vehicle other than private family automobiles; and no boat, boat trailer, house trailer, camper, truck or other recreational vehicle or similar object or on any part of the Properties, except as specified in Article 10, Section Sixteen.

Section Eleven: Setbacks. No building shall be located on any Lot nearer to the front lot line or nearer to the side street than the minimum building setback lines shown on the recorded plat. In any event, no building shall be located on any Lot nearer than 20 feet to the front line, or nearer than 15 feet to any side street line. No building shall be located nearer than 10 feet to an interior lot line (side yard lot line). No building shall be located on an interior Lot nearer than an average of 20 feet to the rear lot line. For purposes of this covenant, eaves, steps and open porches shall not be considered a part of a building, provided, however, that this shall not be construed to permit any portion of a building on a Lot to encroach upon another Lot.

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Section Twelve: Roofs. Roofs on all buildings must be finished with cedar shakes or shingles unless approval for use of other material is granted by the Board of Directors or its authorized representative.

Section Thirteen: Driveways. All driveways shall be concrete or asphalt unless approval for use of other material is granted by the Board of Directors or its authorized representative.

Section Fourteen: Fences. No fence, wall or hedge shall be erected or placed on any lot unless prior written approval has been obtained as provided in this Declaration, except that nothing shall prevent the erection of a necessary retaining wall the top of which does not extend more than two feet above the finished grade at the back of said wall. Fences bordering common areas shall be of stained cedar or redwood, not to exceed six feet in height, with finished side facing common areas. No chain link fencing shall be visible from any street or common area. All fences shall be per approved standard fence design.

Section Fifteen: Business & Commercial Use. Except for builder's temporary sales offices and model homes, no Lot shall be used for other than one detached single family dwelling with parking for not more than three cars, plus a recreational vehicle and/or boat, owned by the Lot Owner, per the restrictions and limitations as specified in Article 10, Section 16, and no trade, craft business, commercial or manufacturing enterprise or business or commercial activity of any kind shall be conducted or carried on upon any lot or within any building located on a lot; nor shall any goods, materials or supplies used in connection with any trade, service or business, wherever the same may be conducted, be kept or stored, outside any building on any lot; nor shall any goods, used for private purposes and not for trade or business be kept or stored outside any building on any lot.

Section Sixteen: Vehicles. No recreation vehicles, including but not limited to boats, campers and trailers - whether operable or not - of any kind shall be parked, stored, maintained, or constructed on any lot or street unless it is screened from the street and all adjacent lots by a decorative privacy screen, fence or other means as approved by the Board of Directors or its authorized representative.

Notwithstanding the foregoing, Lot Owners who have guests visiting them intending to stay in a camper, trailer, or other form of recreational vehicle, may secure written permission from the Board of Directors or its authorized representative, for said guests to park said vehicle upon the Lot owned by said Lot Owner or the public street adjacent to said Lot for a period of up to two weeks. Said privilege shall only exist, however, after the written permission has been obtained from the Board of Directors or its authorized representative.

The Board of Directors or its authorized representative shall give written notice of a violation to the Lot owner or occupant and said Lot Owner or occupant shall have ten (10) days from the date of receipt of said written notice to take whatever actions are necessary to remedy

period, the Board of Directors or its authorized representative is hereby granted the right to remove at the expense of the owner thereof, any boats, trailers, campers, trucks, recreational vehicles, or similar items which are parked or stored in violation of the terms and provisions hereof. Said Lot Owners hereby grant to the Association an express easement for the purpose of going upon the Lots of said Lot Owners or public streets for the purpose of removing said boats, trailers, campers, trucks, recreational vehicles, or similar items which are parked or stored in violation of the terms and provisions hereof.

Section Seventeen: Signs. All signs and advertising devices for display to public view are prohibited except one sign, not to exceed 18 inches by 24 inches, advertising the Lot (whereon posted) for sale or rent by the owner thereof, or such owner's authorized agent. In addition to other rights reserved to the Developer or its successors or assigns in the Declaration, the Developer hereby reserves for itself, its successors or assigns so long as it owns any lot, the right to maintain upon the Properties such signs as in the sole opinion of the Developer are required, convenient or incidental to the merchandising and sale of lots.

ARTICLE ELEVEN

Easements

Section One: There is no easement of view, light or air expressed or implied from the terms and provisions of this Declaration over, upon or across any portion of the Properties.

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

ARTICLE TWELVE

Mortgage Protection

Section One: As used in this Article Twelve, references to mortgage or mortgages shall be deemed to include deeds of trust.

Section Two: Notwithstanding and prevailing over any other provisions of the Declaration, the Association's Articles of Incorporation or Bylaws, or any rules, regulations or management agreements, the following provisions shall apply to and benefit each Institutional First Mortgagee given for the purpose of obtaining funds

for the construction or purchase of a Housing Unit on any Lot or the improvement of any Lot.

Section Three: The Institutional First Mortgagee entitled to the protection hereof shall not in any case or manner be personally liable for the payment of any assessment or charge, nor for the observance or performance of any covenant, restriction, regulation, rule, Association Article of Incorporation or Bylaw, or management agreement, except for those matters which are enforceable by injunctive or other equitable actions, not requiring the payment of money, except as hereinafter provided.

Section Four: During the pendency of any proceeding to foreclose said mortgage, the Institutional First Mortgagee or the receiver, if any, may exercise any or all of the rights and privileges of the Owner of the mortgaged Lot, including but not limited to the right to vote as a Member of the Association to the exclusion of the Owner's exercise of such rights and privileges.

Section Five: At such time as said mortgagee shall become entitled to possession of the Lot, said mortgagee shall be subject to all of the terms and conditions of the Declaration, and the Articles, Bylaws, rules and regulations of the Association, including but not limited to the obligation to pay for all assessments and charges accruing thereafter, in the same manner as any Owner; provided, however, said mortgagee shall acquire the title to said Lot free and clear of any lien authorized by or arising out of any provisions of the Declaration which secure the payment of any assessment for charges accrued prior to the date said mortgagee became entitled to possession of the Lot.

Section Six: If it is deemed necessary by the Association, any unpaid assessment against a Housing Unit foreclosed against may be treated as a common expense of other Lots. Any such unpaid assessment shall continue to exist as a personal obligation of the defaulting Owner of the respective Lot to the Association.

Section Seven: The liens for assessments provided for in this instrument shall be subordinate to the lien of any mortgage, deed of trust, or other security interest placed upon a Lot or housing unit as a construction loan security interest or as a purchase price security interest, and the Association will, upon demand, execute a written subordination document to confirm the particular superior security interest.

Section Eight: Any Institutional First Mortgagee shall have the right on request therefor to : (a) inspect the books and records of the Association during normal business hours; (b) receive an annual audited financial statement of the Association within (90) days following the end of any fiscal year; and (c) receive written notice of all meetings of the Association and designate a representative to attend all such meeting.