

# **Covenants, Conditions, Restrictions, Easements and Reservations for Beaverdam Division 2**

## **IMPORTANT NOTICE**

**The following document is provided for reference only. This file has been created by the Board of Directors from a computer file supplied by the developer. Although the Board believes that it is consistent with the actual Declaration filed with the deeds to each property in the development, there may be differences. In the event of any discrepancies between this document and the declaration filed with King County, the declaration filed with King County shall take precedence.**

**DECLARATION AND COVENANTS, CONDITIONS, RESTRICTIONS,  
EASEMENTS AND RESERVATIONS FOR BEAVER DAM DIVISION NO. 2**

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Recorded at the request and  
After recording return to:

Quadrant Homes  
The Quadrant Corporation  
P. O. Box 130  
Bellevue, WA 98009-0120

**DECLARATION AND COVENANTS, CONDITIONS, RESTRICTIONS,  
EASEMENTS AND RESERVATIONS FOR BEAVER DAM DIVISION NO. 2**

THIS DECLARATION AND COVENANTS, CONDITIONS, RESTRICTIONS, EASEMENTS AND RESERVATIONS FOR BEAVER DAM DIVISION NO. 2 (the "Declaration") is made by **QV ASSOCIATES L.P.**, a Washington corporation ("Declarant") as of this [26<sup>th</sup>] day of December, 1996.

RECITALS

Declarant is the owner of certain real property (the "Property") in King County, Washington, legally described on Exhibit A hereto.

The Property is subdivided as shown in the Plat for Beaver Dam Division No. 2 recorded in Volume 178 of Plats, pages 88 through 98, records of King County, Washington (the "Plat").

Declarant wishes to subject the Property to this Declaration.

NOW, THEREFORE, Declarant declares that the Property subject to all restrictions and easements of the Plat, shall be held, transferred, sold, conveyed, leased, used and occupied subject to the covenants, conditions, restrictions, easements, assessments, and liens hereinafter set forth which are for the purpose of protecting the value and desirability of and which shall touch and concern and run with title to the Property and which shall be binding on all parties having any right, title, or interest in the Property or any portion thereof, and their respective heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE 1. DEFINITIONS

Section 1.1 Words Defined. In this Declaration and any amendments hereto, the following terms shall have the following meanings and all definitions shall be applicable to the singular and plural forms of such terms:

1.1.1 "Association" shall mean The Beaver Dam 2 Homeowners Association described in Article 4 of this Declaration, its successors and assigns.

1.1.2 "Board" shall mean the Board of Directors of the Association, and "Directors" shall mean members of the Board of Directors.

1.1.3 "Common Areas" shall mean the real property (including the improvements and facilities thereon) described as all areas of the Property outside the Lots, including roadways, walkways, parking areas and open space shown on the Plat which will be conveyed by Declarant to the Association and held for the common use and enjoyment of the members of the Association, but shall not include any streets or other areas now or hereafter dedicated for public use. Common Areas shall include Tracts A, B, F, I, K, N, Q, R, S, T, U and V.

1.1.4 "Conservancy Easement" shall mean that certain Reservation of Easement retained by Declarant in its conveyance of certain real property in accordance with the Stewardship Agreement and adjacent to the Property, unde King County Recording No. 9512290551, under which Q V Associates L.P. reserved for the benefit of constructing and maintaining a delineated pedestrian/equestrian trail and a temporary easement for the benefit of the Property for purposes of Water Quality Monitoring.

1.1.5 "Construction" and "Constructed" shall mean any construction, reconstruction, erection or alteration of an Improvement, except wholly interior alterations to a then existing Structure.

1.1.6 "Declarant" shall mean Beaver Dam 2, Inc. or such successor or assign (including a Participating Builder) as Declarant may designate by a writing recorded in the records of the Auditor of King County.

1.1.7 "Declaration" shall mean this Declaration of Covenants, Conditions, Restrictions, and Reservations for Beaver Dam Division No. 2, as it may from time to time be amended.

1.1.8 "First Mortgage" and "First Mortgagee" shall mean, respectively, (a) a recorded mortgage on a Lot that has legal priority over all other Mortgages thereon, and (b) the holder of a First Mortgage.

1.1.9 "Golf Course Property" and "Golf Course" and "Golf Club" shall mean the golf club known as the Plateau Golf and Country Club for which Taiyo Golf Development Corporation has developed a Golf Course located on the real property described in Exhibit B attached hereto, portions of which Golf Club share a common boundary line with some of the Lots.

1.1.10 "Lot" shall mean any legally platted plot of land shown upon any recorded subdivision map of the Property, with the exception of the Common Areas.

1.1.11 "Mortgage" shall mean a recorded mortgage or deed of trust that creates a lien against a Lot and shall also mean a real estate contract for the sale of a Lot.

1.1.12 "Mortgagee" shall mean the beneficial owner, or the designee of the beneficial owner, of an encumbrance on a Lot created by a mortgage or deed of trust and shall also mean the vendor, or the designee of a vendor, of a real estate contract for the sale of a Lot.

1.1.13 "Owner" shall mean the record owner, whether one or more Persons, of fee simple title to a Lot within the Property, including a contract purchaser entitled to beneficial possession.

1.1.14 "Participating Builder" shall mean a Person who acquires from Declarant one or more Lots for the purpose of improving the same for resale to future Owners.

1.1.15 "Person" shall mean an individual, corporation, partnership, association, trustee, or other legal entity.

1.1.16 "Plat" shall mean the recorded plat of Beaver Dam Division No. 2 and any amendments, corrections or addenda thereto subsequently recorded.

1.1.17 "Property" shall mean the land described on Exhibit A and such additions thereto as may hereafter be subjected to the terms of the Declaration, and all improvements and structures now or hereafter placed on the land.

1.1.18 "Structure" shall mean any building, fence, wall, driveway, walkway, patio, garage, storage shed, carport, mailboxes, swimming pool, rockery, dog run or the like.

1.1.19 "Stewardship Agreement" shall mean that Stewardship Agreement between King County and Seattle-King County Land Conservancy and Q V Associates L.P. and Taiyo American Corporation dated Decemberr 29, 1995.

1.1.20 "Trails" shall mean any and all pedestrian/equestrian trails established on the Conservancy Easement and Property pursuant to the requirements of King County with respect to approval of the Plat.

1.1.21 "Transition Date" shall be as defined in Section 4.10.

1.1.22 "Water Quality Monitoring" shall mean the responsibilities of Developer with respect to certain conditions relating to the Plat under which water quality in the storm water retention and detention systems serving the Property and Beaverdam Division 2 is required, in order to monitor for the effectiveness of surface and groundwater control, remediation of any failures of sediment or erosion control facilities,

post-construction hydrologic and water quality monitoring plan and the postinf of bonds related thereto.

Section 1.2 Form of Words. The singular form of words shall include the plural and the plural shall include the singular. Masculine, feminine, and neuter pronouns shall be used interchangeably.

Section 1.3 Exhibits. The following are exhibits to this Declaration:

Exhibit A - Legal Description of the Property.

Exhibit B – Golf Course Property

Exhibit C - Fence Detail

## ARTICLE 2. COMMON AREAS AND EASEMENT

Section 2.1 Conveyance to Association. Declarant hereby covenants to convey the Common Areas to the Association at recording of the Plat and filing of the Articles of Incorporation of the Association.

Section 2.2 Use. Each Owner shall have the right to use the Common Areas in common with all other Owners. The right to use the Common Areas shall be appurtenant to and pass with the ownership of each Lot and shall extend not only to each Owner, but also to his agents, tenants, members of his household, invitees, and licensees. The right to use the Common Areas shall be governed by the provisions of this Declaration, the Bylaws, and the rules and regulations of the Association.

Section 2.3 Abandonment of Common Areas. The Common Areas may not be abandoned, partitioned, subdivided, encumbered, sold, or transferred by the Association, any Owner or any third party, provided that, with the approval of at least 67% of the Owners and compliance with any restrictions on the face of the Plat, the Common Areas may be transferred to or encumbered for the benefit of a public agency, authority, or utility. The granting of easements for utilities or for other purposes consistent with the intended use of the Common Areas by the Owners shall not be deemed a partition or division.

Section 2.4 Alteration of Common Areas. Nothing shall be altered or constructed in or removed from any Common Areas except upon the prior written consent of the Board.

Section 2.5 Easements for Utilities. Declarant hereby creates and reserves a 10 foot easement along all property lines adjoining street frontage for the benefit of Puget Sound Power and Light Company, U.S. West Telephone Company, Washington Natural Gas Company, Sammamish Plateau Water and Sewer District, the cable television company and such other similar private utility and drainage users as may be authorized

by the Board, all for installation, repair, replacement and operation of the utility services provided by such entities, together with the right to enter upon the easements at all time for the purposes stated. No structures shall be constructed on any area reserved for this easement. For purposes of this section, "structures" shall not include landscaping, fencing, walkways, driveways or rockeries. The Board, with the consent of at least 51% of the voting power of the Association, shall be entitled to designate those additional private utilities that shall be entitled to utilize the easement area reserved in this Section 2.5.

Section 2.6 Easement for Water and Sewer District. Declarant hereby creates and reserves an easement for the benefit of the Sammamish Plateau Water and Sewer District (the "District") under and upon the easements shown on the face of the Plat and described as "Sanitary Sewer Easement" and "Water Easement" for installation, repair, replacement and operation of water mains and appurtenances and sanitary sewer mains and appurtenances for the Property and other property, together with the right to enter upon said easements at all times for the purposes stated. No structures or obstructions, including fences, shall be constructed on any area reserved for this easement and no trees, bushes or other shrubbery shall be planted in any area reserved for this easement, unless otherwise approved by the District.

Section 2.7 Permanent Open Area. Tracts A, B, F, I, K and N are hereby reserved for permanent open space and recreational use for the benefit of the Owners of the Lots and shall be owned and maintained by the Association as part of the Common Area. The Owners of all Lots whose rear Lot lines abut Open Space Tracts hereby acknowledge and agree that pedestrian and/or non-motorized vehicle pathways may be constructed on such Tracts in the future, at the sole discretion of the Board. Except as is shown on the face of the Plat, no buildings shall be placed on these Tracts. Clearing of vegetation from the Open Space Tracts shall be prohibited, except in the case of danger to life or property.

Section 2.8 Park Site. Tract F is hereby reserved for a park site and shall be owned and maintained by the Association as part of the Common Area.

Section 2.9 Monuments and Landscaping. Tracts Q, R, S, T, U and V are hereby reserved for installation, repair, replacement and operation of entry monumentation, other signage and landscaping. The Board shall be responsible for maintenance, operation and repair of the entry monumentation, other signage and landscaping in these Tracts, and expenses relating thereto shall be expenses of the Association subject to assessment pursuant to Article 7. The Association shall have the right at any time to trim trees within these areas, as the Association shall deem necessary or desirable, at its sole discretion, and the Owners of the Lots adjacent to these Tracts hereby waive any and all objections to such trimming.

2.10 Sight Distance Easements. Vehicular sight distance clearance shall be maintained by the underlying property owners within areas designated as "Sight Distance Easement" on the face of the Plat. Vegetation or other visual obstruction within those

areas so designated shall not exceed 24 inches in height. King County or its successor agency with jurisdiction shall have the right of entry to maintain said sight distance requirement if deemed necessary by said agency.

2.11 Trails. Equestrian/pedestrian trails are constructed partially within Tracts A and B and S.E. 1st Place right-of-way. Tracts which contain portions of Trails are subject to an easement for that purpose. Trails may also connect to off-site corridors. The Association shall maintain the trails described in this Section 2.11.

Section 2.12 Private Drainage Easements. Declarant hereby subjects all Lots to a private drainage easement, enforceable by the Association, 2.5 feet in width along each side of common side boundaries and 5 feet in width along rear boundaries (or along the top of bank when the top of bank is inset from rear boundaries). In the event lot lines are adjusted after the recording of this Plat, the easements shall move with the adjusted lot lines. No Lot Owner may alter the grade of or otherwise obstruct the flow of water within such private drainage easements. No structures other than fences shall be constructed within these easements.

Section 2.13 Drainage Easement Restrictions. Structures, fill or obstructions (including but not limited to decks, patios, outbuildings or overhangs) shall not be permitted beyond the building setback line or within drainage easements. Additionally, grading and construction of fencing shall not be allowed within the drainage easements shown on the face of the Plat unless otherwise approved by King County Surface Water Management Division.

Section 2.14 Conveyance of Joint Use Tracts. Each of the Lots identified below shall have an undivided one-half interest in the adjoining Joint Use Tracts (Tracts C, D, L, E, W, H, P and G, as applicable), as follows:

2.14.1 The Owners of Lots 37 and 38 shall each have an equal and undivided interest in and responsibility for the maintenance of Tract C for purposes of ingress, egress and utilities. Neither Lot Owner shall obstruct or interfere with the use of Tract C by the other Lot Owner.

2.14.2 The Owners of Lots 40 and 41 shall each have an equal and undivided interest in and responsibility for the maintenance of Tract D for purposes of ingress, egress and utilities. Neither Lot Owner shall obstruct or interfere with the use of Tract D by the other Lot Owner.

2.14.3 The Woner of Lot 77 shall ownd ad maintain Tract L for purposes of ingress, egress and utilities. The Owner of Lot 78 shall not enter onto, obstruct or interfere with use use of Tract L by the Owner of Lot 77.

2.14.4 The Owners of Lots 1 and 98 shall each have an equal and undivided interest in and responsibility for the maintenance of Tract E for purposes of

ingress, egress and utilities. Neither Lot Owner shall obstruct or interfere with the use of Tract E by the other Lot Owner.

2.14.5 The Owners of Lots 103 and 104 shall each have an equal and undivided interest in and responsibility for the maintenance of Tract W for purposes of ingress, egress and utilities. Neither Lot Owner shall obstruct or interfere with the use of Tract W by the other Lot Owner.

2.14.6 The Owners of Lots 114 and 115 shall each have an equal and undivided interest in and responsibility for the maintenance of Tract H for purposes of ingress, egress and utilities. Neither Lot Owner shall obstruct or interfere with the use of Tract H by the other Lot Owner.

2.14.7 The Owners of Lots 136 and 137 shall each have an equal and undivided interest in and responsibility for the maintenance of Tract P for purposes of ingress, egress and utilities. Neither Lot Owner shall obstruct or interfere with the use of Tract P by the other Lot Owner.

2.14.8 The Owners of Lots 156 and 157 shall each have an equal and undivided interest in and responsibility for the maintenance of Tract G for purposes of ingress, egress and utilities. Neither Lot Owner shall obstruct or interfere with the use of Tract G by the other Lot Owner.

Section 2.15 Planter Islands. Planter islands located within public rights-of-way shall be maintained by the Association. Expenses relating thereto shall be expenses of the Association subject to assessment pursuant to Article 7.

Section 2.16 Slope Easements. Tracts K and N are subject to an easement for cut and fill slopes for road construction.

Section 2.17 Storm Water Facilities. Upon recording the Plat, Declarant dedicated Tracts M and J to King County for storm water facilities.

### ARTICLE 3. CONSTRUCTION ON LOTS AND USE OF LOTS

Section 3.1 Uniformity of Use and Appearance. One of the purposes of this Declaration is to assure within the Property a uniformity of use and quality of workmanship, materials, design, maintenance and location of Structures with respect to topography and finish grade elevation. It is in the best interests of each Owner that such uniformity of use be maintained as hereinafter provided. Notwithstanding anything herein set forth, the Construction of any Structure shall comply with the more restrictive of either (i) the terms and conditions of this Declaration or (ii) the laws, codes, ordinances and regulations of any governmental entity having jurisdiction.

## Section 3.2 Submission and Approval of Plans

3.2.1 Construction. No Structure shall be Constructed or caused to be Constructed on any Lot unless the Plans for the Structure have been approved in writing by the Board. The Board's approval of any Plans shall not constitute any warranty or representation whatsoever by the Board or any of its members that such Plans were examined or approved for engineering or structural integrity or sufficiency or compliance with applicable governmental laws, codes, ordinances and regulations, and each Owner hereby releases any and all claims or possible claims against the Board or any of them, and their heirs, successors and assigns, or of any nature whatsoever, based upon engineering or structural integrity or sufficiency or compliance with applicable governmental laws, codes, ordinances and regulations.

3.2.2 Submission. At least 45 days before commencing Construction of any Structure on any Lot, the Owner shall submit to the Board two complete sets of detailed building, construction, surface water runoff control and specifications and a site plan showing the location of all proposed Structures (the plans, specifications and site plans are individually and collectively referred to herein as the "Plans").

3.2.3 Approval. The Board may withhold its approval by reason of its reasonable dissatisfaction with the location of the Structure on the Lot, color scheme, finish, architecture, height, impact on view from another Lot or Lots, appropriateness of the proposed Structure or materials used therein. The Board's approval or disapproval of Plans shall be made within 30 days of submission of a complete set of plans, shall be in writing, and approval shall be evidenced by written endorsement on such Plans, one copy of which shall be delivered to the owner of the Lot upon which the Structure is to be Constructed. Except for violation of those restrictions specifically set forth in Sections 3.3 through 3.5, if no suit challenging any construction has been commenced within six months after its completion, Board approval will not be required and the related Covenants shall be deemed to have been fully complied with.

3.2.4 Lot Coverage. Initial clearing for Construction of a Structure shall be limited to 70 percent of the Lot area. Each building permit application shall demonstrate compliance with this restriction by submittal of a clearing plan. The restriction shall not apply to a homeowner after a certificate of occupancy has been issued.

## Section 3.3 Size and Height

3.3.1 Floor Area. The floor area of the main house Structure, exclusive of open porches and garages shall be not less than: (i) 1,500 square feet for a dwelling containing a single level; and (ii) 2,200 square feet for a dwelling containing two levels.

3.3.2 Lot Size. No Lot or portion of a Lot in this Plat shall be divided and sold or resold, or ownership changed or transferred whereby the ownership of any portion

of this Plat shall be less than the area required for the use district in which the Lot is located.

3.3.3 Local Codes. All buildings or Structures shall be constructed in accordance with the King County and other applicable Codes. In the event of a conflict between any applicable codes and this Declaration, the codes shall govern.

Section 3.4 Appearance. Unless otherwise approved by the Board, the following design/construction requirements shall apply.

3.4.1 Siding. All siding material other than masonry, stucco, dryvit or lapsiding or similar construction material shall be wood siding painted with those colors commonly known as earth tones and shades of white.

3.4.3 Entry Walks, Porches and Decks. All front entry walks shall be exposed aggregate concrete, masonry or other accent materials such as brick or stone.

3.4.4 Driveways. All driveways shall be constructed of exposed aggregate concrete paving.

3.4.5 Window Coverings. Curtains, drapes, blinds or valances shall be installed on all windows facing or visible from the public roadways within ninety (90) days following occupancy. No newspapers, bed sheets or other makeshift window coverings shall be visible.

Section 3.5 Fireplace Restrictions. No Structure Constructed within the Plat shall have more than two wood-burning fireplaces. No Structure Constructed within the Plat shall contain wood-burning stoves or zero-clearance fireplaces.

### Section 3.6 Use Restrictions

3.6.1 Residential Use. The Lots shall be used only for single family residential purposes, and only one single family residence (and such accessory structures as are approved pursuant to this Article 3) shall be constructed on each Lot. Temporary "model homes" and real estate sales offices established for the purpose of marketing the Plat shall be considered a residential use until houses have been built and sold on all Lots.

3.6.2 Maintenance of Buildings and Lots. Each Owner shall, at the Owner's sole expense, keep the interior and exterior of the Structure on the Owner's Lot, as well as the Lot, in a clean and sanitary condition, free of rodents and pests, and in good order, condition and repair and shall do all redecorating, painting, landscaping, and maintenance at any time necessary to maintain the appearance and condition of the Structure and the Lot.

3.6.3 Maintenance of Landscaping. Owners shall at all times keep the front yard landscaping well maintained, including weed removal, mowing, fertilizing and watering (subject to governmental limitations on watering). If an Owner fails to so maintain the front yard, and fails to cure the defect within thirty (30) days after notice from the Board, then the Board may, by resolution adopted by seventy-five percent (75%) of the total Board membership, engage a commercial landscaping company to do necessary maintenance and may separately assess such maintenance as a charge against the Lot.

3.6.4 Completion of Construction. Any Structure erected or placed on any Lot shall be completed as to external appearance within eight months from the date Construction is started, however, with good cause shown, the Board may extend this term. All front landscaping must be completed within one month from the date of issuance of the certificate of occupancy, all side and rear landscaping must be completed within six (6) months of issuance of certificate of occupancy, however, with good cause shown, the Board may extend this term. All Lots shall be maintained in a neat and orderly condition during Construction.

3.6.5 Parking. No commercial-type trucks, campers, trailers, motorhomes, boats or motorcycles shall be parked or permitted to remain on any Lot, unless the same is stored or placed in a garage, in a rear yard area screened from adjoining lots, or in a screened carport. No such vehicles shall be parked overnight on any street adjoining any Lot; provided that such vehicles belonging to guests may occasionally be so parked. No motor vehicles, inoperative for reasons of mechanical failure, shall be parked and/or stored on any Lot or in the street right-of-way for more than 72 hours.

3.6.6 Signs. No sign of any kind shall be displayed to the public view on or from any Lot without the prior written consent of the Board, except for "For Rent" or "For Sale" signs in a form not prohibited by any rules and regulations of the Board. This Section shall not apply to the Declarant or any Participating Builder.

3.6.7 Animals. No horses, livestock, poultry, pigs or other non-domestic animals shall be kept on any lot. All animal enclosures must be kept in a clean, neat and odorfree condition at all times. Notwithstanding anything set forth herein all Owners shall comply with all applicable governmental laws, codes, ordinances, and relations pertaining to animals.

3.6.8 Temporary Structures. No Structure of a temporary character, trailer, tent, shack, garage, barn, or other outbuilding shall be installed, placed or used on any Lot as a residence, either temporarily or permanently.

3.6.9 Clothes Lines. No washing, rugs, clothing, apparel or any other article shall be hung from the exterior of any Structure or on a Lot so as to be visible from the streets and roadways adjoining the Lots.

3.6.10 Woodpiles. No woodpiles shall be located within the front yard, or in any other location visible from the street.

3.6.11 Radio and Television Aerials and Satellite. No television or radio aerial shall be erected or placed on any Lot. No rotary beams, separate towers or other similar devices shall be constructed on any Lot without the written approval of the Board. No satellite receiving dishes or other such electronic receiving devices shall be located on any Lot in a location that is visible from the adjoining homes, streets, and roadways. All aerial and satellite dish installations must receive prior written approval from the Board.

3.6.12 Trash Containers and Debris. All trash shall be placed in sanitary containers either buried or screened so as not to be visible from adjoining Structures or streets or roadways. No Lot or any portion thereof shall be used as a dumping ground for trash or rubbish of any kind. Yard rakings, dirt and debris resulting from landscaping work or Construction shall not be dumped onto adjoining lots or streets or roadways. Compost piles may be kept upon the Lots provided they are kept in a clean, neat, odorless and sanitary condition.

3.6.13 Offensive Activity. A limited-scale service activity undertaken for financial gain which is subordinate to the primary use of the Lot and Structures as a single-family residence and which would be permitted under the provisions of King County Code Section 21A.06.610 shall be permitted. Except, however, no day schools, nurseries, or church schools (except in-home day care for not more than two children, provided that there shall be no external signage of such activity), shall be conducted or permitted on any Lot, nor shall goods, equipment, vehicles or materials used in connection therewith or in connection with any use permitted hereunder, be kept, parked, stored, dismantled or repaired outside of any Lot or any street within the Property. No noxious activity, including but not limited to the creation of excess levels of noise and traffic, shall be carried on in any Lot, nor shall anything be done therein which may be or become an annoyance or nuisance to other Owners or tenants.

3.6.14 Underground Utilities. No outdoor overhead wire or service drop for the distribution of electric energy or for telecommunications purposes nor any pole, tower or other structure supporting said outdoor overhead wires shall be erected, placed or maintained within the Property. All Owners shall use underground service wires to connect any Structure to electric or telephone utility facilities.

3.6.15 Water Supply/Sewage Disposal. No individual water supply system or individual sewage system shall be permitted on any Lot.

3.6.16 Damage. Any damage to streets, Plat improvements, entry structure, fences, landscaping, mailboxes, lights and lighting standards by Lot Owners, their children, contractors, agents, visitors, friends, relatives or service personnel shall be repaired and restored to like new condition by such Owner within twelve (12) days from the occurrence of such damage.

3.6.17 Fences. All fences shall conform to the fence detail shown on Exhibit C unless otherwise authorized by the Board. Unless otherwise authorized by the Board, no fence, wall hedge or mass planting over three feet in height, other than foundation planting, shall be permitted to extend nearer to any street than the minimum setback line; however, nothing shall prevent 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 retaining wall. In addition, fences must be installed and maintained along all Lots paralleling either 244<sup>th</sup> Avenue SE or Southeast First Place. The fences must be of uniform style and color and approved by the Board. Construction of the fence on each Lot must be completed within 180 days of the issuance of the certificate of occupancy for a dwelling on any Lot. The Board shall have the right but not the obligation to construct the fence on any Lot after the 180 day period and to seek reimbursement for the cost of the fence from the Lot Owner.

3.6.18 Golf Course. Lots immediately adjacent to the Golf Course shall be subject to the following additional restrictions:

3.6.18.1 No Adverse Possession. Any use, landscaping or other encroachment of any kind whatsoever by any Owner upon any portion of the Golf Course Property shall be deemed to be permissive. Owners waive and forever renounce any right to maintain any portion of the Golf Course Property. Any use, landscaping, improvements or other encroachment upon any portion of the Golf Course Property by Owner shall be terminated and removed upon the request of the owner of the Golf Course Property, at the expense of Owner.

3.6.18.2 Restriction on Entry. Owners of Lots adjacent to the Golf Course Property shall refrain from entering the Golf Course Property, except to the extent that such Owners are members of the Golf Club and enter the Golf Course Property in connection with such membership and for the purpose of conducting activities permitted under such membership.

3.6.18.3 License To Retrieve Balls. Owners of Lots adjacent to the Golf Course property recognize that golfers may occasionally misplay golf balls onto Lots. Golfers will be permitted to retrieve balls which are in plain sight without damage or unreasonable disturbance to landscaping or other improvements on such Lots without interference. Golfers will not be permitted to play balls which leave the Golf Course, but will retrieve their ball and "drop" it in an appropriate location on the Golf Course.

3.6.18.4 No Reserved Rights No Owner has a preferential right to become a member of the Golf Course. Use of the Golf Course is reserved for its members, their guests and members of the general public who, subject to the rules and regulations of the Golf Club, may play on the Golf Course.

3.6.18.5 Setback and Fence Requirements Except as may be required by King County, no fence shall be constructed or maintained less than twenty

(20) feet from the common boundary between any Lot adjacent to the Golf Course and the Golf Course Property.

3.6.18.6 Golf Course Activities. Owners of Lots adjacent to the Golf Course Property acknowledge that:

1. Landscaping and maintenance activities will occur on the Golf Course Property on a regular basis, including at very early morning hours or very late evening hours, and that such activities will involve the use, delivery and storage of equipment and fertilizer and insecticides on site for mowing, maintenance and landscaping.

2. Ponds, streams and other water bodies on the Golf Course Property will be used for irrigation and storm water management and treatment, and their levels may fluctuate from time to time.

3. The Golf Course may be operated seven days a week, and the conducting of tournaments and other events may result in the presence of large numbers of people on the Golf Course Property.

4. The Owner of the Golf Course Property may, from time to time, make modifications to the Golf Course which, among other things, may involve the planting or removal of vegetation, including trees.

#### ARTICLE 4. BEAVER DAM DIVISION 2 HOMEOWNERS ASSOCIATION

Section 4.1 Form of Association The Owners of Lots within the Property shall constitute the members of the Beaver Dam Division 2 Association, a Washington nonprofit corporation to be formed by Declarant. The rights and duties of the members and of the Association shall continue to be governed by the provisions of this Declaration, and the Association's Articles of Incorporation and Bylaws.

Section 4.2 Board of Directors. The affairs of the Association shall be governed by a Board of Directors (the "Board"). The initial Board shall be as described in the Articles of Incorporation of Beaver Dam Division 2 Homeowners Association and shall serve until the Transition Date. After the Transition Date, the Board shall consist of such numbers of members as provided for in the Articles of Incorporation and Bylaws of the Association. Subject to any specific requirements hereof, the Board shall have authority to establish operating rules and procedures. Members of the Board shall not be entitled to any compensation for services performed as Directors pursuant to this Declaration. Upon the Transition Date and without further action by any person or persons, (i) the term of the initial Directors or their successors shall end, and (ii) the initial Directors and their then successors shall be released from any and all liability whatsoever for claims arising out of or in connection with this Declaration, excepting only claims arising prior to the Transition Date.

Section 4.3 Qualification for Membership. Each owner of all or a portion of the fee interest in a Lot (including Declarant) shall be a member of the Association. The persons constituting an Owner shall be entitled to one vote for each Lot owned; provided, that if a Lot has been sold on contract, the contract purchaser shall exercise the rights of an Owner for purposes of the Association and this Declaration except as hereinafter limited, and shall be the voting representative unless otherwise specified. Ownership of a Lot shall be the sole qualification for membership in the Association.

Section 4.4 Transfer of Membership. The Association membership of each person constituting an Owner (including Declarant) shall be appurtenant to the Lot giving rise to such membership, and, except as specifically permitted herein, shall not be assigned, transferred, pledged, hypothecated, conveyed, or alienated in any way except upon the transfer of title to the Lot and then only to the transferee of title to the Lot. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Lot shall operate automatically to transfer the membership in the Association to the persons constituting the new Owner.

Section 4.5 Number of Votes. The total voting power of the Association at any given time shall equal the number of Lots included within the Property at that time. Each Owner of a Lot or Lots shall be entitled to one vote for each Lot owned.

Section 4.6 Voting. If a Lot is owned by more than one person and only one of them is present or represented at a meeting, the one who is present or represented will represent the Owner. The vote for a Lot must be cast as a single vote, and fractional votes shall not be allowed. If joint owners are unable to agree among themselves how their vote shall be cast, they shall lose their right to vote on the matter in question. An Owner may, by written notice to the Board, designate a voting representative for the Lot. The designated voting representative need not be an Owner. The designation may be revoked at any time by written notice to the Board from a Person having an ownership interest in a Lot, or by actual notice to the Board of the death or judicially declared incompetence of any Person with an ownership interest in the Lot, except in cases in which the Person designated is a Mortgagee of the Lot. This power of designation and revocation may be exercised by the guardian of an Owner, the attorney in fact for the Owner under a durable power of attorney, and the administrator or executor of an Owner's estate. If no designation has been made, or if a designation has been revoked and no new designation has been made, the voting representative of each Lot shall be the group composed of all of its Owners.

Section 4.7 Pledged Votes. An Owner may, but shall not be obligated to, pledge his vote on all issues or on certain specific issues to a Mortgagee; provided, however, that if an Owner is in default under a Mortgage on his Lot for 90 consecutive days or more, the Owner's Mortgagee shall automatically be authorized to declare at any time thereafter that the Owner has pledged his vote to the Mortgagee on all issues arising after such declaration and during the continuance of the default. If the Board has been notified of

any such pledge to a Mortgagee, only the vote of the Mortgagee will be recognized on the issues that are subject to the pledge.

Section 4.8 Annual and Special Meetings. Within the period commencing 30 days before the Transition Date and ending 30 days after the Transition Date, there shall be a meeting of the members of the Association and thereafter there shall be an annual meeting of the members of the Association in the first quarter of each fiscal year at such reasonable place and time as may be designated by written notice from the Board delivered to the Owners no less than 30 days before the meeting. At the first such meeting, and at each annual meeting thereafter, the Owners shall elect by majority vote individuals to serve as Directors until a successor is elected at the next annual meeting. Each Lot shall be entitled to one vote for each Director and the voting for Directors shall be non-cumulative. The financial statement for the preceding fiscal year (if any) and the budget the Board has adopted for the pending fiscal year shall be presented at the annual meeting for the information of the members. Special meetings of the members of the Association may be called at any time upon not less than 14 days prior written notice to all Owners, for the purpose of considering matters which require the approval of all or some of the Owners, or for any other reasonable purpose. Any First Mortgagee of a Lot may attend or designate a representative to attend the meetings of the Association.

Section 4.9 Books and Records. The Board shall cause to be kept complete, detailed, and accurate books and records of the receipts and expenditures (if any) of the Association, in a form that complies with generally accepted accounting principles. The books and records, authorizations for payment of expenditures, and all contracts, documents, papers, and other records of the Association shall be available for examination by the Lot Owners, Mortgagees, and the agents or attorneys of either of them, during normal business hours and at any other reasonable time or times.

Section 4.10 Transition Date. The "Transition Date" shall be the date control of the Board passes from the initial Board to the Association. Prior to the Transition Date, Declarant shall be entitled to exercise all rights and powers of the Board and the Association. At Declarant's option, the Transition Date will be either: (i) the date designated by Declarant in a written notice to the Owners, which date may be by Declarant's election any date after this Declaration has been recorded; or (ii) the 120th day after Declarant has transferred title to all Lots in the Plat to retail purchasers. For purposes of the foregoing clause (ii) transfer of title to a Lot by Declarant to any Participating Builder shall be disregarded and title to any Lot owned by a Participating Builder shall not be deemed transferred for purposes of determining the Transition Date until the Lot is further transferred by Participating Builder to a retail purchaser who is not either a Participating Builder or Declarant.

## ARTICLE 5. NOTICES FOR ALL PURPOSES.

All notices given under the provisions of this Declaration or rules or regulations of the Association shall be in writing and may be delivered either personally or by mail.

If delivery is made by mail, the notice shall be deemed to have been delivered on the third day of regular mail delivery after a copy has been deposited in the United States mail, first class, postage prepaid, addressed to the Person entitled to such notice at the most recent address known to the Board. Mailing addresses may be changed by notice in writing to the Board. Notices to the Board may be given to any Director or mailed to the following address:

Board of Directors c/o George Reece  
Beaver Dam Division 2 Homeowners Association  
14410 Bel-Red Road, Suite 200  
Bellevue, Washington 98007

and to Peter Orser  
The Quadrant Corporation  
11100 N.E. 8<sup>th</sup> Street Suite 500  
Bellevue, WA 98004

The Board's address may be changed from time to time by the execution and recording of an instrument in the real property Records of King County, Washington which (i) refers to this Declaration and this Article V and (ii) sets forth the Board's new address.

#### ARTICLE 6. AUTHORITY OF THE BOARD

Section 6.1 Adoption of Rules and Regulations. The Board is empowered to adopt, amend, and revoke on behalf of the Association detailed administrative rules and regulations necessary or convenient from time to time to insure compliance with the general guidelines of this Declaration to promote the comfortable use and enjoyment of the Property and to govern the operation and procedures of the Association. The rules and regulations may, without limitation, authorize voting by proxy or mail, or both, on Association matters. The rules and regulations of the Association shall be binding upon all Owners and occupants and all other Persons claiming any interest in the Property.

Section 6.2 Enforcement of Declaration, Etc. The Board shall have the power to enforce the provisions of this Declaration, and the rules and regulations of the Association for the benefit of the Association. The failure of any Owner to comply with the provisions of this Declaration, or the rules and regulations of the Association will give rise to a cause of action in the Association (acting through the Board) and any aggrieved Lot Owner for recovery of damages, or injunctive relief, or both. If a legal action is brought to interpret or enforce compliance with the provisions of this Declaration, or the rules or regulations of the Association, the prevailing party shall be entitled to judgment against the other party for its reasonable expenses, court costs, and attorneys' fees in the amount awarded by the Court.

Section 6.3 Goods and Services. The Board shall acquire and pay for as common expenses of the Association all goods and services reasonably necessary or convenient for the efficient and orderly functioning of the Association and maintenance of all

portions of the Common Areas not maintained by public utility companies or a governmental entity and of any planter islands within the King County Right of Way inside the Plat. The goods and services shall include (by way of illustration and not limitation) utility services for the Common Areas; policies of insurance; and maintenance, repair, landscaping, gardening and general upkeep of the Common Areas. The Board may hire such employees as it considers necessary. The goods and services shall include (by way of illustration and not limitation) the following:

6.3.1 Taxes. The real property taxes, if any levied upon the Association for the Common Areas;

6.3.2 Insurance. The cost of maintaining all required insurance coverage and fidelity bonds on any Common Areas, and for directors and officers of the Association and the ACC;

6.3.3 Common Areas. The cost of maintaining, repairing and replacing all Common Area entrance improvements, including, but not limited to, signs, lights fences, walls, plantings and landscaping;

6.3.4 Landscaped Areas. The cost of maintaining landscaped street borders or parking strips in which the Association holds an easement;

6.3.5 Other Any other expense which shall be designated as a common expense in this Declaration or from time to time by the Association.

6.3.6 Storm Drainage. The cost of maintaining storm drainage detention facilities owned by the Association, together with the acknowledgment of the right of King County to enter on to the Property for the purposes of observing that the Association is properly operating and maintaining the drainage facilities thereon.

6.3.7 Stewardship Agreement For the purpose of this Declaration, and to fulfill the responsibilities of Developer under that certain Stewardship Agreement, the Common Expenses shall include 70% of the payments and obligations due from Developer pursuant to the Operating Fund of the Land Conservancy and other obligations as described in the Stewardship Agreement. This obligation of the Association to make payment to the Operating Fund and other obligations under the Stewardship Agreement shall be an easement and equitable servitude which shall run with the land and shall be binding upon the Property in the same manner as this Declaration, notwithstanding that the land maintained by the Land Conservancy is not included in the Common Areas controlled by the Association.

6.3.8 Water Quality Monitoring. The actual costs of the Water Quality Monitoring prorated on a per Lot basis for all the Lots in the Property and Beaverdam Division 1 together with a management and administrative fee to The Quadrant Corporation, General Partner of Q V Associates, L P of 15% of the foregoing described costs.

6.3.9 Trails Any and all maintenance of any portion of the Trail as may be located on the Property, or any portion thereof; and 70% of the maintenance of any portion of the Trail located within the Conservancy Easement.

6.3.10 Administrative Legal, accounting, administrative and other similar expenses.

Section 6.4 Protection of Common Areas. The Board may spend such funds and take such action as it may from time to time deem necessary to preserve the Common Areas, settle claims, or otherwise act in what it considers to be the best interests of the Association.

## ARTICLE 7. BUDGET AND ASSESSMENT FOR COMMON EXPENSES

Section 7.1 Fiscal Year; Preparation of Budget. The Board may adopt such fiscal year for the Association as it deems to be convenient. Unless another year is adopted, the fiscal year will be the calendar year. As soon as the Board in its discretion deems advisable and prior to the expiration of each fiscal year thereafter, the Board shall establish a budget for the ensuing fiscal year. The Board shall then assess each Lot within the Property with its pro rata share, based upon the number of Lots then within the Property, of such estimated costs. The Board, at its election, may require the Lot Owners to pay the amount assessed in equal monthly or quarterly installments or in a lump sum annual installment. The Board shall notify each Lot Owner in writing at least ten days in advance of each assessment period of the amount of the assessment for said period, which notice shall be accompanied by a copy of the budget upon which the assessment is based. The assessments levied by the Board shall be used exclusively to promote the recreation, health, safety and welfare of the Lot Owners and for the improvement and maintenance of the Common Areas.

Section 7.2 Certificate of Unpaid Assessments. Any failure by the Board or the Association to make the budget and assessments hereunder before the expiration of any fiscal year for the ensuing fiscal year shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of the owners from the obligation to pay assessments during that or any subsequent year, and the assessment amount and payment method established for the preceding fiscal year (if any) shall continue until a new assessment is established. Upon the request of any Owner or Mortgagee or prospective Owner or prospective Mortgagee of a Lot, the Board will furnish a statement of the amount, if any, of unpaid assessments charged to the Lot. The statement shall be conclusive upon the Board and the Association as to the amount of such indebtedness on the date of the statement in favor of all purchasers and Mortgagees of the Lot who rely on the statement in good faith. All assessments and other receipts received by the Association shall belong to the Association.

Section 7.3 Initial Contribution, Annual Assessments. Each Owner, at the time of purchase of his/her home (and Lot), shall make a start-up contribution to the

Association in the amount of \$150 (which shall be used to reimburse Declarant for maintenance and operating expenditures). The initial annual assessment (which is in addition to the start-up fee) shall not be in excess of \$150 per year and shall be prorated for any partial year at the time of purchase of the lot. Commencing on the first January 1 following the Transition Date, and continuing each year thereafter, the annual assessment shall not be increased by more than 15% without the approval of a majority of the members voting at a meeting duly called for such purpose. Notwithstanding the provisions set forth above, the Declarant shall not be liable for any fees or assessments assessed or due prior to the Transition Date.

Section 7.4 Special Assessments; Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of the Improvements upon the Common Area or any other area owned or required to be maintained by the Association, provided that such assessment shall be approved by a majority of the members voting at a meeting duly called for such purpose.

## ARTICLE 8. LIEN AND COLLECTION OF ASSESSMENTS

Section 8.1 Assessments Are a Lien; Priority. All unpaid sums assessed by the Association for the share of the common expenses chargeable to any Lot and any sums specially assessed to any Lot under the authority of this Declaration shall constitute a lien on the Lot and all its appurtenances from the date the assessment becomes due and until fully paid. The lien for such unpaid assessments shall be subordinate to tax liens on the Lot in favor of any assessing unit and/or special district, and to all sums unpaid on all First Mortgages of record, but, to the extent permitted by applicable law, shall have priority over all other liens against the Lot. A First Mortgagee that obtains possession through a Mortgage foreclosure or deed of trust sale, or by taking a deed in lieu of foreclosure or sale, or a purchaser at a foreclosure sale, shall take the Lot free of any claims for the share of common expenses or assessments by the Association chargeable to the Lot which became due before such possession, but will be liable for the common expenses and assessments that accrue after the taking of possession. The Lot's past-due share of common expenses or assessments shall become new common expenses chargeable to all of the Lot owners, including the Mortgagee or foreclosure sale purchaser and their successors and assigns, in proportion to the number of Lots owned by each of them. Notwithstanding any of the foregoing, however, the Owner and the real estate contract purchaser shall continue to be personally liable for past due assessments as provided in Section 8.3. For purposes of this Section, "Mortgage" does not include a real estate contract and "Mortgagee" does not include the vendor or the assignee or designee of a vendor of a real estate contract.

Section 8.2 Lien May Be Foreclosed. The lien for delinquent assessments may be foreclosed by suit by the Board, acting on behalf of the Association, in like manner as the foreclosure of a mortgage of real property. The Board, acting on behalf of the

Association, shall have the power to bid in the Lot at the foreclosure sale, and to acquire and hold, lease, mortgage, and convey the same.

Section 8.3 Assessments are Personal Obligations. In addition to constituting a lien on the Lot, all sums assessed by Association chargeable to any Lot together with interest, late charges, costs and attorneys' fees in the event of delinquency, shall be the joint and several personal obligations of the Owner and any contract purchaser of the Lot when the assessment is made and their grantees. Suit to recover personal judgment for any delinquent assessments shall be maintainable without foreclosing or waiving the liens securing them.

Section 8.4 Late Charges and Interest on Delinquent Assessments. The Board may from time to time establish late charges and a rate of interest to be charged on assessments delinquent for a period of more than 10 days after the date when due. In the absence of another established, nonusurious rate, delinquent assessments shall bear interest at the rate of 12% per annum. If an installment on an assessment against a Lot is not paid when due, the Board may elect to declare the entire assessments against the Lot for the remainder of the fiscal year to be immediately due and payable.

Section 8.5 Remedies Cumulative. The remedies provided herein are cumulative and the Board may pursue them, and any other remedies which may be available under law although not expressed herein, either concurrently or in any order.

Section 8.6 No Avoidance of Assessments. No Owner may avoid or escape liability for assessments provided for herein by abandoning his or her Lot.

#### ARTICLE 9. FAILURE OF BOARD TO INSIST ON STRICT PERFORMANCE NO WAIVER

The failure of the Board in any instance to insist upon the strict compliance with this Declaration or rules and regulations of the Association, or to exercise any right contained in such documents, or to serve any notice or to institute any action, shall not be construed as a waiver or a relinquishment for the future of any term, covenant, condition, or restriction. The receipt by the Board of payment of any assessment from an Owner, with knowledge of any breach by the Owner, shall not be a waiver of the breach. No waiver by the Board of any requirement shall be effective unless expressed in writing and signed for the Board.

#### ARTICLE 10. LIMITATION OF LIABILITY

So long as a Director, or Association member, or Declarant, acting on behalf of the Board or the Association, has acted in good faith, without willful or intentional misconduct, upon the basis of such actual information as is then possessed by such Person, then no such Person shall be personally liable to any Owner, or to any other Person, including the Association, for any damage, loss, or prejudice suffered or claimed on account of any act, omission, error, or negligence of such Person; provided that this

Article shall not apply to the extent the liability of such person for such act, omission, error, or negligence is covered by any insurance actually obtained by the Board.

#### ARTICLE 11. INDEMNIFICATION

Each Director, and Declarant shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed in connection with any proceeding to which such person may be a party, or in which such person may become involved, by reason of holding or having held such position, or any settlement thereof, whether or not such person holds such position at the time such expenses or liabilities are incurred, except to the extent such expenses and liabilities are covered by insurance actually obtained by the Board and except in such cases wherein such Director or Declarant is adjudged guilty of willful misfeasance in the performance of his or her duties; provided, that in the event of a settlement, the indemnification shall apply only when the Board approves such settlement and reimbursement as being for the best interests of the Association.

#### ARTICLE 12. INSURANCE

At such times as the Board deems appropriate, the Board shall cause the Association to purchase and maintain as a common expense a policy or policies which the Board deems necessary or desirable to provide casualty insurance; comprehensive liability insurance; with such deductible provisions as the Board deems advisable; insurance, if available, for the protection of the Association's Directors, and representatives from personal liability in the management of the Association's affairs; and such other insurance as the Board deems advisable. The Board shall review the adequacy of the Association's insurance coverage at least annually.

#### ARTICLE 13. DAMAGE AND REPAIR OF DAMAGE TO PROPERTY

In the event of any casualty, loss or other damage to the Common Area for which the then current assessments by the Board are insufficient to repair, or restore or for which there are not insurance proceeds or insufficient insurance proceeds available to the Board for such restoration or repair, the Board may make a special assessment against each Lot within the Property for its pro rata share of the cost and expenses to repair and/or restore the Common Areas. The special assessment shall be payable, at the determination of the Board, in either monthly or quarterly installments or in a single lump sum amount. The Board shall notify each Lot Owner of any such special assessment not less than 20 days prior to the date such special assessment or the first installment thereon is due and payable, which notice shall be accompanied by a reasonably detailed statement of the Board's estimated costs and expenses of repairing and/or restoring the Common Areas.

#### ARTICLE 14. AMENDMENTS OF DECLARATION AFTER TRANSITION DATE

After the Transition Date, any Lot Owner may propose amendments to this Declaration to the Board. A majority of the members of the Board may cause a proposed amendment to be submitted to the members of the Association for their consideration. If an amendment is proposed by Owners of 20% or more of the Lots, then, irrespective of whether the Board concurs in the proposed amendment, it shall be submitted to the members of the Association for their consideration at their next regular or special meeting for which timely notice may be given. Notice of a meeting at which an amendment is to be considered shall include the text of the proposed amendment. Amendments may be adopted at a meeting of the Association or by written consent of the requisite number of Persons entitled to vote, after notice has been given to all Persons entitled to receive notice of a meeting of the Association. The unanimous consent of all Owners shall be required for adoption of an amendment changing the voting power or portion of assessments appurtenant to each Lot. All other amendments shall be adopted if approved by at least 67% of all Lot Owners. Once an amendment has been adopted by the Association, the amendment will become effective when a certificate of the amendment, executed by a member of the Board, has been recorded in the real property Records of King County, Washington.

#### ARTICLE 15. ANNEXATION AND SUBDIVISION

Residential property other than Common Areas may be annexed or added to the Property only with the consent of 67% of the Lot Owners.. No Lot shall be subdivided or combined without the approval of all Lot Owners.

#### ARTICLE 16. DURATION

The covenants, conditions, and restrictions of this Declaration shall run with and bind the Property and shall inure to the benefit of and be enforceable by the Owners, their respective legal representatives, heirs, successors, and assigns, for a period of 15 years from the date this Declaration is recorded, after which time the covenants, conditions and restrictions shall be automatically extended for successive periods of 10 years each unless an instrument signed by a majority of the then Owners has been recorded agreeing to terminate the covenants, conditions and restrictions.

#### ARTICLE 17. RESERVATION OF DECLARANT'S RIGHT TO AMEND

Section 17.1 Amendment by Declarant. Declarant reserves the right to amend the Declaration as may be necessary to comply with Federal Home Loan Mortgage Corporation ("FMC") or Federal National Mortgage Association ("FNMA") or Federal Housing Administration ("FHA") regulations or requirements as necessary to enable the holders of first mortgages or deeds of trust to sell first mortgages or deeds of trust to FHLMC or FNMA or if such amendment is necessary to secure funds or financing provided by, through or in conjunction with FHLMC or FNMA or FHA or, if such

amendment is necessary, in Declarant's sole opinion, for the efficient functioning of the Association, the Property, or the Plat.

Section 17.2 Authorization to Amend. If Declarant, at its option, determines that it is necessary so to amend the Declaration, then Declarant, on behalf of all Lot Owners in the Association, is hereby authorized to execute and to have recorded (or filed, in the case of the Articles) said required amendment or amendments. All Lot Owners hereby grant to Declarant a full and complete power of attorney to take any and all actions necessary to effectuate and record said amendment or amendments and agree that said amendment or amendments shall be binding upon their respective Lots and upon them and their heirs, personal representatives, successors and assigns to the same extent as if they had personally executed said amendment or amendments. All Lot owners hereby acknowledge and agree that the power of attorney granted herein shall be deemed coupled with an interest and shall be irrevocable.

Section 17.3 Duration. Declarant's rights under this Article 17 shall exist for so long as Declarant owns any Lot within the Plat.

#### ARTICLE 18. SEVERABILITY

The provisions of this Declaration shall be independent and severable, and the unenforceability of any one provision shall not affect the enforceability of any other provision, if the remainder affects the common plan.

#### ARTICLE 19. EFFECTIVE DATE

This Declaration shall be effective upon recording.

#### ARTICLE 20. ASSIGNMENT BY DECLARANT

Declarant reserves the right to assign, transfer, sell, lease, or rent all or any portion of the Property and reserves the right to assign or delegate all or any of its rights, duties, and obligations created under this Declaration.

DATED as of the date first written above.

DECLARANT:

Q V ASSOCIATES L. P.

By THE QUADRANT CORPORATION

By: \_\_\_\_\_  
Peter Orser

