

RECEIVED THIS DAY

JUN 14 1 41 PM '90

BY THE DEPUTY CLERK OF
RECORD & DEEDS
RING COUNTY

DECLARATION

of

COVENANTS, CONDITIONS, RESTRICTIONS

AND

EASEMENTS AND RESERVATIONS

of

ASPENWOOD

9006141185

90/06/14		#1185	A
RECD F	36.00		
RECFEE	2.00		
CASHSL		***38.00	

For Record at Request

CASEY GORDON & CO INC

155 - 108TH AVE NE

X 700 BELLEVUE WA
98007

INDEX

	Page
RECITALS	1
ARTICLE 1. <u>DEFINITIONS</u>	2
Section 1.1 <u>Words Defined</u>	2
Section 1.2 <u>Form of Words</u>	4
Section 1.3 <u>Construction</u>	4
ARTICLE 2. <u>COMMON AREAS, IMPROVEMENTS AND EASEMENTS</u> .	4
Section 2.1 <u>Common Areas and Common Area Improvements.</u>	4
2.1.1 <u>Common Areas</u>	4
2.1.2 <u>Common Area Improvements</u>	4
Section 2.2 <u>Future Easements and Improvements</u>	5
2.2.1 <u>Future Easements</u>	5
2.2.2 <u>Future Improvements</u>	5
Section 2.3 <u>Utility Easements and</u> <u>Easements Upon Face of Plat</u>	5
Section 2.4 <u>Entrance Easement</u>	5
Section 2.5 <u>Landscaping Easements &</u> <u>Signage Easements</u>	6
ARTICLE 3. <u>CONSTRUCTION ON LOTS AND USE OF LOTS</u> . . .	6
Section 3.1 <u>Uniformity of Use and Appearance</u>	6
Section 3.2 <u>Submission and Approval of Plans</u>	6
3.2.1 <u>Submission</u>	6
3.2.2 <u>Form</u>	7
3.2.3 <u>Written Action</u>	7
3.2.4 <u>No Alteration Without Approval</u>	7
3.2.5 <u>Enforceability</u>	7

9006141185

9006141185

Section 3.3.	<u>Size and Height Requirements and Restrictions</u>	8
3.3.1	<u>Floor Area</u>	8
3.3.2	<u>Height</u>	8
Section 3.4	<u>Construction and Use Restrictions</u>	8
3.4.1	<u>Residential Use</u>	8
3.4.2	<u>Maintenance of Buildings and Lots</u>	8
3.4.3	<u>Completion of Construction</u>	8
3.4.4	<u>Garages & Parking</u>	8
3.4.5	<u>Signs</u>	9
3.4.6	<u>Animals</u>	9
3.4.7	<u>Temporary Structures</u>	9
3.4.8	<u>Clothes Lines</u>	9
3.4.9	<u>Radio and Television Aerials</u>	9
3.4.10	<u>Trash Containers and Debris</u>	9
3.4.11	<u>Offensive Activity</u>	10
3.4.12	<u>Setbacks</u>	10
3.4.13	<u>Fences</u>	10
3.4.14	<u>Underground Utilities</u>	10
3.4.15	<u>Drainage</u>	10
3.4.16	<u>Tree Cutting</u>	11
3.4.17	<u>Damage</u>	11
3.4.18	<u>Yard Lamps</u>	11
3.4.19	<u>Sewage Disposal</u>	11
3.4.20	<u>Driveways</u>	12
3.4.21	<u>Landscaping Completion</u>	12
3.4.22	<u>No Obstruction of Sight Lines</u>	12

9006141135

3.4.23	<u>Covenants With Respect to the Woodland Heights Maintenance Association .</u>	13
Section 3.5	<u>Minimum Standard Materials</u>	13
Section 3.6	<u>Architectural Control Committee</u>	13
3.6.1	<u>Membership</u>	13
3.6.2	<u>Representatives</u>	14
3.6.3	<u>No Compensation</u>	14
3.6.4	<u>Quorum for Action</u>	14
3.6.5	<u>Termination of Initial Membership</u>	14
ARTICLE 4.	<u>ASPENWOOD ESTATES IMPROVEMENT ASSOCIATION</u>	14
Section 4.1	<u>Form of Association</u>	14
Section 4.2	<u>Board of Directors</u>	14
Section 4.3	<u>Qualification for Membership</u>	14
Section 4.4	<u>Transfer of Membership</u>	15
Section 4.5	<u>Number of Votes</u>	15
Section 4.6	<u>Voting Rights</u>	15
Section 4.7	<u>Pledged Votes</u>	15
Section 4.8	<u>Annual and Special Meetings</u>	15
Section 4.9	<u>Books and Records</u>	16
ARTICLE 5.	<u>NOTICE FOR ALL PURPOSES</u>	16
ARTICLE 6.	<u>AUTHORITY OF THE BOARD</u>	16
Section 6.1	<u>Adoption of Rules and Regulations</u>	16
Section 6.2	<u>Enforcement of Declaration, Etc.</u>	17
Section 6.3	<u>Goods and Services</u>	17
Section 6.4	<u>Protection of Common Area</u>	17
Section 6.5	<u>Maintenance of Wetlands, Buffers and Open Space</u>	17

9006141125

ARTICLE 7.	<u>BUDGET AND ASSESSMENT FOR COMMON EXPENSES</u>	17
Section 7.1	<u>Fiscal Year; Preparation of Budget</u>	17
Section 7.2	<u>Assessment of Lots</u>	17
Section 7.3	<u>Notice of Assessment</u>	18
Section 7.4	<u>Certificate of Unpaid Assessments</u>	18
Section 7.5	<u>Commencement Date of Annual Assessments</u>	18
ARTICLE 8.	<u>LIEN AND COLLECTION OF ASSESSMENTS</u>	18
Section 8.1	<u>Assessments Are a Lien; Priority</u>	18
Section 8.2	<u>Lien May Be Foreclosed</u>	19
Section 8.3	<u>Assessments Are Personal Obligations</u>	19
Section 8.4	<u>Late Charges and Interest on Delinquent Assessments</u>	19
Section 8.5	<u>Remedies Cumulative</u>	19
Section 8.6	<u>No Avoidance of Assessments</u>	19
ARTICLE 9.	<u>FAILURE OF BOARD TO INSIST ON STRICT PERFORMANCE NO WAIVER</u>	20
ARTICLE 10.	<u>LIMITATION OF LIABILITY</u>	20
ARTICLE 11.	<u>INDEMNIFICATION</u>	20
ARTICLE 12.	<u>INSURANCE</u>	21
ARTICLE 13.	<u>DAMAGE AND REPAIR OF DAMAGE TO PROPERTY</u>	21
Section 13.1	<u>Payment in Installments</u>	21
Section 13.2	<u>Notice to Owners</u>	21
ARTICLE 14.	<u>AMENDMENTS OF DECLARATION</u>	22
Section 14.1	<u>Notice of Proposed Amendment</u>	22
Section 14.2	<u>Adoption of Amendments</u>	22
Section 14.3	<u>Amendments by Declarant</u>	22
Section 14.4	<u>Unanimous Consent for Certain Amendments</u>	22

9006141185

ARTICLE 15.	<u>SUBDIVISION</u>	22
ARTICLE 16.	<u>DURATION</u>	22
ARTICLE 17.	<u>RESERVATION OF RIGHT TO AMEND TO COMPLY WITH FNMA, FHLMC, OR FHA REQUIREMENTS</u> . .	23
Section 17.1	<u>Amendment by Declarant</u>	23
Section 17.2	<u>Authorization to Amend</u>	23
Section 17.3	<u>Duration</u>	23
ARTICLE 18.	<u>ATTORNEYS FEES</u>	23
ARTICLE 19.	<u>SEVERABILITY</u>	23
ARTICLE 20.	<u>EFFECTIVE DATE</u>	23
ARTICLE 21.	<u>ASSIGNMENT BY DECLARANT</u>	24

THIS DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, EASEMENTS AND RESERVATIONS, (this "Declaration") is made by Aspenwood Associates, a Washington general partnership ("Declarant") this 14th day of June, 1990.

RECITALS

Declarant is the owner and developer of that certain real property (the "Property") in King County, Washington, described as the plat of Aspenwood, recorded in Volume 152 of Plats, pages 80 through 87, King County recording No. 9006130380, records of King County, Washington.

Declarant wishes to subject the Property to this Declaration.

NOW THEREFORE, Declarant declares that the following described real property, located in King County, Washington:

Aspenwood, an addition to King County, Washington according to the plat thereof, recorded in Volume 152 of Plats, pages 80 through 87, records of King County, Washington

Which real property was previously legally described as:

PARCEL A:

THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 4, TOWNSHIP 26 NORTH, RANGE 6 EAST, W.M., IN KING COUNTY, WASHINGTON; AND

THE SOUTH 30 FEET OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 4, TOWNSHIP 26 NORTH, RANGE 6 EAST, W.M., IN KING COUNTY, WASHINGTON;

EXCEPT THE WEST 60 FEET THEREOF.

PARCEL B:

THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER; ALSO

THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER; ALSO

THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER; ALSO

THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER; EXCEPT THE EAST HALF OF THE NORTHEAST QUARTER OF SAID NORTHWEST QUARTER OF THE SOUTHEAST QUARTER; AND EXCEPT THE SOUTH 30 FEET OF THAT PORTION OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER, LYING EAST OF THE WEST 60 FEET THEREOF;

ALL IN SECTION 4, TOWNSHIP 26 NORTH, RANGE 6 EAST, W.M., IN KING COUNTY, WASHINGTON;

is hereby made subject to, and shall be held, conveyed and occupied subject to the covenants, conditions, restrictions, easements, assessments and liens set forth herein in addition to any set forth on the recorded plat, OR IN ANY OTHER INSTRUMENTS of record affecting the Property. The matters set forth herein are for the purpose of enhancing the value and desirability of the Property, and shall be deemed to be covenants running with the land, and shall be binding upon Declarant and all of Declarant's grantees, assigns and successors, until the expiration of this Declaration.

ARTICLE 1. DEFINITIONS

Section 1.1 Words Defined. For the purposes of this Declaration and any amendments hereto, the following terms shall have the following meanings:

"Architectural Control Committee" shall mean the Architectural Control Committee of Aspenwood.

"Association" shall mean Aspenwood Estates Improvement Association described in Article 4 of this Declaration, its successors and assigns.

"Board" shall mean the board of directors of the Association.

"Common Areas" is defined in Section 2.1.1.

"Common Area Improvements" is defined in Section 2.1.2.

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

"Declarant" shall mean Aspenwood Associates, a Washington General Partnership and its heirs, successors and assigns.

"Declaration" shall mean this Declaration of Covenants, Conditions, Restrictions, and Reservations for Aspenwood, as it may from time to time be amended.

"Entrance Easement" shall have the meaning set forth in Section 2.4 hereof.

"Easements for Utilities and Drainage", "Utilities' Easements", and "Drainage Easements" shall have the meaning set forth in Section 2.3 hereof.

"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. For purposes of determining the percentage of First Mortgagees approving a proposed decision or course of action in

cases where a Mortgagee holds First Mortgages on more than one Lot, such Mortgagee shall be deemed a separate Mortgagee for each such First Mortgage so held.

"Future Easements" is defined in Section 2.2.1.

"Future Improvements" is defined in Section 2.2.1.

"Lot" shall mean any one of the Ninety-three (93) lots numbered 1 through 93 on the Plat of Aspenwood, and (unless specifically provided herein to the contrary) tract P which has been reserved for future development, all of which are described in the plat thereof, recorded in Volume 152 of Plats, pages 80 through 87, records of King County, Washington. Tract P shall have all of the rights, duties and benefits of any of the other lots within Aspenwood; PROVIDED THAT, Declarant reserves the right to hereafter convey title to Tract P to the Association, and upon doing so the same shall become a Common Area, to be treated for all purposes as a Common Area, retroactive to the date of this Declaration. In the event that an Owner hereafter purchases adjoining lots, and irrevocably combines the same into a single Lot, the Lot thereby created shall be deemed to be a single Lot for all purposes of this Declaration, excepting only for purposes of assessment and voting, for which purpose said lots shall retain their prior separate status.

"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.

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

"Owner" shall mean the record owner, whether one or more persons, of fee simple title to a Lot within the Property, including a contract seller (except those having such interest merely for the performance of an obligation).

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

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

"Plat" shall mean the recorded plat of Aspenwood and any amendments, corrections, or addenda thereto subsequently recorded.

"Property" shall mean the land contained in the plat of Aspenwood Estates, described hereinabove.

"Structure" shall mean any building, fence, wall, driveway, walkway, patio, swimming pool or the like.

Section 1.2 Form of Words. The singular forms 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 Construction. In construing words herein, words shall their usual and ordinary meaning, except as specifically defined herein or in any other documents recorded with respect to the Plat; provided that words which are not defined herein or in such other recorded documents, shall, if ambiguous, have the meaning given them (if any) in zoning and building regulations, ordinances and regulations of the governmental entity with jurisdiction in the area in which the Property is located.

ARTICLE 2. COMMON AREAS, IMPROVEMENTS AND EASEMENTS

Section 2.1 Common Areas and Common Area Improvements.

2.1.1 "Common Areas" shall mean and include any and all areas reserved for easements, as set forth, described or depicted in the Plat or otherwise reserved by Declarant, including without limitation, trails, access easements, storm water retention and detention system easements, drainage channel easements, native growth protection easements, open space, recreation tracts (if any) and any other parcels which may be conveyed to the association.

2.1.2 "Common Area Improvements" shall mean and include all improvements and facilities installed upon any of the Common Areas, including without limitation, storm water retention and detention systems, drainage channels, signs, landscaping, and other amenities.

2.1.3 The Owners of Lots which are burdened by any Common Areas shall not in any manner interfere with the Association's maintenance, use and operation of the Common Areas, but such Owners may use the Common Areas within their respective Lots in any lawful manner that does not so interfere. Declarant makes no warranty or representation as to what, if any, uses may be made of any Common Areas.

2.1.4 Nothing shall be altered or constructed upon, or removed from the Common Areas, except upon the prior written consent of the Board; and, if such consent is obtain, then no such activity shall take place without the consent (including issuance of permits if applicable) by all governmental bodies with jurisdiction over the area.

9006141185

Section 2.2 Future Easements and Improvements.

2.2.1 "Future Easements" shall mean those additional areas over which Declarant may elect to reserve landscaping easements, sign easements and such other easements as Declarant deems appropriate.

2.2.2 Future Improvements" shall mean those improvements which may hereafter be installed upon "Future Easement" areas.

2.2.3 The Future Easements and the Future Improvements shall: (1) be described as to location and purpose in either the Final Plat Certificate or another recorded instrument executed by Declarant which refers to this Section 2.2; (2) be for the benefit of the Association, all Owners and Declarant; and, (3) be deemed part of the Common Areas upon the recording of such Final Plat Certificate or other recorded instrument.

Section 2.3 Utility Easements and Easements Upon Face of Plat.
Upon the face of the plat for Aspenwood, certain easements are created. Further, Declarant does hereby establish create and reserve for the benefit of Declarant, the Association and all Owners, an easement for the installation and maintenance of utility lines and drainage facilities under, over and upon a ten (10) foot wide strip measured from the front line. The front line shall be deemed to be the line parallel to the street on which the lot fronts. Said easements may be referred to from time to time by any of the following: "Utilities and Drainage Easement", or "Easements for Utilities and Drainage", or "Utilities Easement", or "Drainage Easement".

2.3.1 No Lot Owner shall allow or permit any structure or landscaping to be located, installed or grown upon the area subject to the Utilities and Drainage Easements which might in any way damage or interfere with the installation and operation of utility lines or drainage facilities. Each Lot Owner shall maintain the area of his Lot subject to the Utilities and Drainage Easement in a condition which will not interfere with the operation and maintenance of utility lines and drainage facilities.

2.3.2 Each person utilizing the Utilities and Drainage Easement areas located on another's Lot shall promptly restore such area to a condition as close to its original condition as reasonably practical after making such use.

Section 2.4 "Entrance Easement" shall mean those easements reserved by Declarant for signage and landscaping at the southerly entrance to Aspenwood (in tracts A and N), and upon the following portions of Lots 86, 87, and 22: The Northerly Twenty (20) feet of the westerly One Hundred-Fifty (150) feet of lot 22; The Northerly Ten (10) feet of the easterly One Hundred-Fifty (150) feet of lot 87; and the Southerly Fifteen (15) feet of the easterly One Hundred-Fifty (150) feet of lot 86. Said easements may be described with greater particularity in the "Reservation of

Entrance Easements" hereafter recorded. The above described "Entrance Easements" shall be used solely for the purpose of signage and landscaping (including fencing and placing of monuments).

Section 2.5 "Landscaping Easements" & "Signage Easements" shall mean those easements obtained for the purposes of signage and landscaping including those described above, those hereafter reserved (if any), and those off-site (whether now held or hereafter obtained). To date, Aspenwood has obtained the benefit of four (4) easements outside of the boundaries of Aspenwood for the purpose of landscaping and signage. These easements have been recorded under King County Recording Numbers 8910090515, 8911031387, 8911171289 and 8911171290, respectively. Each document creating said easements imposes obligations upon the Aspenwood Estates Improvement Association, and upon the owners of lots in Aspenwood, which are deemed to have been accepted by each person who comes into title to any of the lots, as well as by the Association. Said obligations arise solely by virtue of the ownership of lots, and shall terminate upon the termination of such ownership. Further easements for landscaping and signage may be obtained, imposing similar rights and obligations.

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:

- (1) a uniformity of use and quality of workmanship, materials, design, maintenance and location of Structures with respect to topography and finish grade elevation and
- (2) that there will be no undue repetition of external designs.

It is in the best interest of each Owner that such uniformity of use be maintained as hereinafter provided. No building shall be erected, altered, placed or permitted to remain on any Lot other than one single family dwelling. Accessory Structures including carports and storage buildings are prohibited, except as allowed by the provisions of this Article 3. Notwithstanding anything herein set forth, the Construction of any Structure shall comply with the more restrictive of either (1) the terms and conditions of this Declaration, or (2) the laws, ordinances and regulations of any governmental entity having jurisdiction.

Section 3.2 Submission and Approval of Plans.

3.2.1 Submission. Before commencing Construction of any Structure on any Lot, the Owner shall submit to the Architectural Control Committee two (2) complete sets of detailed building and construction plans and specifications, surface water runoff control plans, landscaping plans, and a site plan showing the location of all proposed Structures (the foregoing plans, speci-

fications and site plans are collectively referred to herein as the "Plans").

3.2.2 Form. The Plans shall be submitted in a form satisfactory to the Architectural Control Committee, which may withhold its approval by reason of its reasonable dissatisfaction with the location of the Structure of the Lot, exterior color scheme, finish, architecture, height, impact on view from another Lot or Lots, appropriateness of the proposed Structure, materials used therein, or because of its reasonable dissatisfaction with any other matter which, in the reasonable judgment of the Architectural Control Committee, would render the proposed structure inharmonious with the general plan of development of Aspenwood or other Structures nearby.

3.2.3 Written Action. The Architectural Control Committee's approval or disapproval 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. If the Architectural Control Committee, or its designated representative fails to approve or disapprove Plans in writing within thirty (30) days of submission of the Plans, then the Plans shall be deemed approved as submitted. No Plans shall be deemed to be submitted, until all of the Plans (complete in all respects) associated with the development of a Lot have been submitted. Prior to commencement of construction, the Owner shall deliver to the Architectural Control Committee, a copy of the Erosion Control plans for the lot showing the approval of King County.

3.2.4 No Alteration Without Approval. No portion of any Plan shall be altered without the prior written approval of the Architectural Control Committee. No alteration of the exterior appearance of any structure (including, but not limited to, alteration of the color of any structure) shall be made without prior written approval of the Architectural Control Committee.

3.2.5 Enforceability. The Architectural Control Committee's review and approval or disapproval of Plans on the basis of cost, aesthetic design, harmony with previously approved Structures on or about other Lots in the Property, and location, shall be absolute and enforceable in any court of competent jurisdiction, including, but not limited to the obtaining of injunctive relief. In the event injunctive relief is sought, if any bond is required, the cost of said bond shall be paid by the lot owner whose activity would be enjoined. The Architectural Control Committee's approval of any Plan, however, shall not constitute any warranty or representation whatsoever by the Architectural Control Committee or any of its members that such Plans were examined or approved for engineering or structural integrity or sufficiency of compliance with applicable governmental laws, codes, ordinances and regulations, and each owner hereby releases any and all claims or potential claims against the Architectural Control Committee, each member of the Commit-

9006141135

tee, the Board, each member of the Board, and their heirs, successors and assigns, of any nature whatsoever, based upon engineering or structural integrity or sufficiency of compliance with applicable governmental laws, codes, ordinances and regulations.

Section 3.3. Size and Height Requirements and Restrictions.

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) 2,600 square feet for a dwelling containing a single level;
- (ii) 3,000 square feet for a dwelling containing two levels; except that dwellings containing two levels which are situated on lots numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 24, 25, 26, 27, 28, 87, 88, 89, 90, 91, 92, or 93, shall consist of at least 2,800 square feet; and,
- (iii) 3,000 square feet for a dwelling containing three levels.

3.3.2 Height. No Structure may be built to a level higher than (2) stories above grade.

Section 3.4 Construction and Use Restrictions

3.4.1 Residential Use. The Lots are intended for and restricted to use for single family residences only, on an ownership, rental or lease basis, and for social, recreational, or other reasonable activities normally incident to such use. Provided that, Declarant and Participating Builders may use dwellings owned by them as sales offices and models.

3.4.2 Maintenance of Buildings and Lots. Each Owner shall, at his sole expense, keep the interior and exterior of every Structure on his Lot, and 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 good appearance and condition of the Structure and the Lot.

3.4.3 Completion of Construction. Any Structure erected or placed on any Lot shall be completed as to external appearance within eight (8) months after the date of commencement of construction. All Lots shall be maintained in a neat and orderly condition during Construction.

3.4.4 Garages & Parking. Each residence shall include a garage sufficient to hold at least three (3) motor vehicles. Trucks, campers, trailers, boats, motorcycles or vehicles not in

operable condition and current use shall not be parked on any Lot in a location visible from any street. No vehicles shall be parked over night on any street; provided that vehicles owned by guests may occasionally be so parked.

3.4.5 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 permitted by any rules and regulations of the Board. In the absence of any such rule or regulations, there may only be placed on each Lot one (1) "For Sale" or "For Rent" sign, not larger than five (5) square feet. This shall not be deemed to apply to Declarant or to restrict Builders from placing such signs on Lots sufficient to meet the requirements of any law, ordinance or government regulation.

3.4.6 Animals. No Animals, livestock or poultry of any kind shall be raised, bred or kept on any lot except that not more than three (3) household pets may be kept on a Lot. The restriction shall not apply to unweaned puppies or kittens. No animals shall be kept for commercial purposes. Said permitted animals must be kept in the rear yard areas of Lots. All animal enclosures must be kept in a clean, neat and odor-free condition at all times; and shall be at a distance of not less than 70 feet from Lot lines and erosion control Structures if directed by the Board. The Board may at any time require the removal of any animal which it finds is disturbing other Owners or tenants unreasonably, in the Board's determination, and may exercise this authority for specific animals even though other animals of the same type are permitted to remain. Notwithstanding anything set forth herein all owners shall comply with all applicable governmental laws, codes, ordinances and regulations. No horses may be kept at any time on any lot.

3.4.7 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.

3.4.8 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, roadways, or any other Lot.

3.4.9 Radio and Television Aerials. No television or radio aerial shall be erected or placed on any Lot which is visible from the streets, roadways, or any other Lot. No rotary beams, separate towers or other similar devices shall be constructed on any Lot. No satellite receiving dishes or other such electronic receiving devices shall be located on any Lot.

3.4.10 Trash Containers and Debris. All trash shall be placed in containers which shall be either buried or screened so as not to be visible from adjoining Lots, streets or roadways.

No Lot or any portion thereof shall be used as dumping ground for trash or rubbish of any kind. Yard rakings, dirt and debris resulting from landscaping work or Construction shall not be dumped on to adjoining Lots or streets or roadways. Compost piles may be kept upon the Lots provided they are kept in a clean, neat and sanitary condition.

3.4.11 Offensive Activity. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done therein which may be or become an annoyance or nuisance to other Owners or tenants.

3.4.12 Setbacks. No Structure shall be located closer than:

- (i) thirty (30) feet from the front line of any Lot;
- (ii) fifteen (15) feet from the sidelines of any Lot; and
- (iii) twenty-five (25) feet from the rear line of any Lot.

Provided That, if due to special configuration characteristics of a Lot, said Setback provisions would work an unreasonable hardship, the Board may approve lesser setbacks in the particular case. Accessory buildings may be located closer to the various Lots lines, if approved by the Board in writing in advance. For purposes of this Section, eaves, steps and open porches shall not be considered as part of the Structure; provided that this Section shall not be construed to permit any portion of a Structure on any Lot to encroach upon any other Lot. All Structures shall also comply with all applicable governmental laws, codes, ordinances and regulations pertaining to setbacks.

3.4.13 Fences. No fences shall be constructed on any Lot except as approved by the Board. All such fences shall be constructed in a good and workmanlike manner of suitable fencing materials and shall be artistic in design and shall not detract from the appearance of any adjacent Structures. No chain link fence will be allowed.

3.4.14 Underground Utilities. All utility lines located outside a dwelling unit shall be in conduits attached to such units or placed underground.

3.4.15 Drainage. Any and all drainage from a Lot which causes erosion problems in the reasonable opinion of the Board (and notwithstanding any approvals for on-site erosion control obtained from any governmental entity), shall be piped at the Lot Owner's expense to the nearest underground public storm drains. Roof drains shall be connected to public storm sewer systems, and where they cannot be so connected they shall be (1) connected to gravel drywells at least two (2) feet wide, twenty

9006141185

(20) feet long and two (2) feet deep, and (ii) covered with six (6) feet of earth with an overflow pipe at the top. The foregoing requirements are the minimums imposed by these Covenants. In the event that more stringent requirements are imposed by King County, Washington, or such other governmental entity with jurisdiction to do so, then those more stringent requirements shall be complied with by the Lot Owner. The Lot Owner shall be fully responsible to all persons (including, but not limited to Declarant) for any legally compensable damages suffered as a result of runoff leaving the Lot.

3.4.16 Tree Cutting. No trees with a diameter of six (6) inches or more, measured at a height three (3) feet above ground level, may be cut or removed from any Lot without the prior approval of the Architectural Control Committee and the Board. The cutting and removal of any such trees reasonably necessary to construct or install any approved Structures, walkways and driveways, in their approved location, shall be deemed authorized. For the purpose of this provision, the Structure that will serve as the single family residence constructed on the Lot shall include the area covered by the house foundation plus clearances of 15 feet from front, side and rear house walls.

3.4.17 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, invitees, or service personally shall be repaired by such Owner within twelve (12) days from the occurrence of such damage.

3.4.18 Yard Lamps. Each Lot shall have at least one (1) yard lamp in the front ten (10) feet thereof. Such lamps shall be attractive in appearance and at least three (3) feet, but not more than eight (8) feet in height. All lamps must be approved by the Architectural Control Committee before installation. All yard lamps must be on photo cell and must be activated between dusk and dawn.

3.4.19 Sewage Disposal. No individual sewage disposal system shall be permitted on any Lot unless such system shall be designed, located, constructed and maintained in accordance with all applicable governmental laws, ordinances, standards and regulations. No Lot Owner shall disturb drain field areas on adjacent Lots for any reason. No drain field areas on an Owner's Lot shall be disturbed in any way except during installation and maintenance activities, and then only after approval of such system shall be obtained from the responsible public agency. The Lot Owner shall bear the full risk of loss of damage to drain fields. Individual sewage disposal systems must be approved by the applicable governmental agencies prior to any activity on any Lot, including but not limited to, clearing or construction of any kind.

NOTE: As stated on the face of the Plat for Aspenwood - soils in drainfield areas on all lots may be marginal and must not be altered or disturbed. Disturbance of drainfield areas prior to installation of drainfields could render a lot non-buildable. The drainfield and reserve areas must be staked by the on-site sewage disposal designer prior to clearing or grading. No grading or cuts are to be made without the sewage system designer's approval. Some areas now considered seasonal water could later be considered surface water, depending on development and drainage work done. This could affect suitability of those lots in the future.

3.4.20 Driveways. All driveways shall be surfaced with asphalt or a better material. All concrete driveways shall have an expansion joint at the property line and shall be properly drained, either to street drainage systems or by other appropriate means. Owner shall insure that no contractor, subcontractor (including but not limited to concrete suppliers and finishers), or other person, shall permit any material of any kind to enter a drainage ditch, catch-basin, drainage pipe, drainage easement, or Common Area.

3.4.21 Landscaping Completion. Within thirty (30) days following final house inspection by King County (but not later than the time required by any governmental entity with jurisdiction), each lot shall be regraded and landscaped so as to meet or exceed the following minimum standards:

1. All construction material and debris shall be removed from the lot and subdivision;
2. The front and back yard area shall be landscaped with a mixture of grass, shrubbery, stone, trees or bark; and,
3. All other areas of the lot where native soil is exposed, shall be vegetated with grass or better vegetation.

All such landscaping shall be maintained in good condition and repair at all times.

3.4.22 No Obstruction of Sight Lines. No fence, wall, tree, hedge, shrub or planting which obstructs street intersection sight lines at elevations between two (2) and eight (8) feet above the level of adjacent roadways, shall be placed or permitted to remain on any corner lot, including any rounded property corner, in such location as to create a hazard. If the Board determines that any such hazard exists, which has not been remedied by a Lot Owner, the Board may require the Lot Owner to promptly remedy such hazard by removal or modification of the obstructing object.

9006141125

3.4.23 Covenants With Respect to the Woodland Heights Maintenance Association. No owner or resident of any lot in Aspenwood, and no invitee of any owner or occupant of any lot in Aspenwood, shall use N.E. 195th Street, if subsequently improved, as a means of ingress or egress, to or from Aspenwood. This prohibition shall continue until such time as the roads in the Woodland Heights area bordering on the east of Aspenwood have become public roadways.

The Woodland Heights Maintenance Association, and each of its members, is hereby given the right to full enforcement of any violation of this covenant, and is specifically identified as the beneficiary of this covenant. The Woodland Heights Maintenance Association is hereby authorized to commence an action at any time that a violation of this covenant occurs, against any violator of this covenant, which action may, but is not required to, seek any of the following relief: injunction against further violation; damages for trespass and for any damages suffered; attorney's fees and costs in bringing such action; and, such other relief as a court may deem appropriate.

Section 3.5 Minimum Standard Materials. In addition to the foregoing standards for improvement of lots within Aspenwood, and in addition to any other minimum standards which the Architectural Control Committee may hereafter establish, all structures within Aspenwood shall meet or exceed the following:

Masonry Chimneys - All exterior chimneys shall be constructed of Masonry;

Wooden Windows - All windows shall be constructed of wood components - no metal windows will be accepted;

Shake Roofs - Only shake cedar shingle and concrete tile roofing will be accepted; and,

Siding - All exterior siding shall be of cedar, stucco or brick, or such superior material as is approved by the Architectural Control Committee.

Section 3.6 Architectural Control Committee. In addition to being governed by the foregoing provisions of this Declaration, the Architectural Control Committee shall be governed by the following provisions:

3.6.1 Membership. The Architectural Control Committee shall be composed of Erwin Wood and Darrel Potter. In the event any of them is unable to serve, the Board shall select a replacement; and, until such replacement is selected the other member(s) shall comprise the committee, with full power to act.

9006141185

3.6.2 Representatives. A majority of the Committee may designate a representative to act for it.

3.6.3 No Compensation. No member of the committee shall be entitled to compensation for services performed in such capacity.

3.6.4 Quorum for Action. Approval or Disapproval of any plans or other matters to be submitted to the Committee may be signified in a writing signed by any one (1) member of the Committee, and such writing shall be conclusively deemed to be the action of the Committee.

3.6.5 Termination of Initial Membership. The initial members of the Committee shall serve until such time as one hundred percent (100%) of the Lots in Aspenwood (including tract P, unless conveyed to the Association) have had homes constructed on them; or until the members die or resign; whichever event shall first occur. Following termination of the service of the initial membership of the Committee, the Board may select successors to serve for such time as the Board may determine; or, the Board may assume the duties of the Committee and shall thereafter have all of the rights, duties and powers of the Committee.

ARTICLE 4. ASPENWOOD ESTATES IMPROVEMENT ASSOCIATION

Section 4.1 Form of Association. The Aspenwood Estates Improvement Association is a nonprofit association. The rights and duties of the members and of the association shall be governed by the provisions of this Declaration, the Articles of Incorporation (which are Exhibit 2, hereto) and such other Bylaws, Rules and Regulations as may hereafter be adopted.

Section 4.2 Board of Directors. The affairs of the Association shall be governed by a Board of Directors (the "Board") which shall be composed of three members. The initial Board shall be composed of three (3) members. The initial Board shall be composed of Erwin Wood, Vicki Potter, and Darrel Potter. Subject to any specific requirements hereof, or contained in the Articles of Incorporation, the Board shall have authority to establish bylaws and operating rules and procedures. A majority of the Board may designate one or more of its members as a representative to act for it. Members of the Board shall not be entitled to any compensation for services performed as such. Nor shall Board Members be subject to liability for the faithful performance by them of their duties.

Section 4.3 Qualification for Membership. The persons identified in Section 5.1 of the Articles of Incorporation shall be the members of the Association. Membership rights may be suspended in accordance with Section 5.3 of the Articles of Incorporation.

9006141183

Section 4.4 Transfer of Membership. The Association membership shall be appurtenant to the Lot(s) giving rise to such membership, and shall be 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. Transfer of title to a Lot shall operate automatically to transfer the membership in the Association to the 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. The Owner or Owners of each Lot within the Property shall be entitled to one vote. If a Person (including Declarant, except as limited by Section 5.2 of the Articles of Incorporation) owns more than one Lot, he or she shall have the votes appertaining to each Lot owned.

Section 4.6 Voting Rights. Voting rights are determined by Section 5.2 of the Articles of Incorporation.

Section 4.7 Pledged Votes. Any 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 ninety (90) consecutive days or more, the Owners' Mortgagee shall automatically be authorized to declare at any time thereafter that the Lot 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. There shall be a meeting of the members of the Association within sixty (60) days of the date Declarant turns over management of the affairs of the Association to the owners of Lots in Aspenwood. (See Section 17.3 "Duration", below.) Declarant shall cause notice of said meeting to be given, but shall not be required to perform any other duty with respect to such meeting. Thereafter there shall be an annual meeting of the members of the Association in the first quarter of each calendar year thereafter at such reasonable place and time as may be designated by written notice from the Board delivered to the Owners no less than thirty (30) days before the meeting. At the first such meeting, and at each annual meeting thereafter, the Owners shall elect, by majority vote, Board members to serve for the term specified in the Articles of Incorporation (Sections 8.2 and 8.3). Each Lot shall be entitled to one vote for each director. 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 fourteen (14) days prior 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.

9006141135
ARTICLE 5. NOTICE 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 (3rd) 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 Board member or mailed to the following address:

Board of Directors
Aspenwood Estates Improvement Association
c/o Kevin P. Casey, Attorney at Law
700 Pacific First Plaza Building
155-108th Avenue N.E.
Bellevue, Washington 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 convenience from time to time to insure compliance with the general guideline 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 shall be binding upon all Owners, occupants and all other Persons claiming any interest in the Property.

9006141185

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.

Section 6.3 Goods and Services. The Board shall acquire and pay for as commons expenses of the Association all goods and services reasonably necessary or convenient for the efficient and orderly maintenance of all portions of the Common Areas not maintained by public utility companies or a governmental entity. 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.

Section 6.4 Protection of Common Area. 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.

Section 6.5 Maintenance of Wetlands, Buffers and Open Space. Pursuant to the conditions of approval of the Plat of Aspenwood, the Aspenwood Estates Improvement Association is hereby charged with responsibility for the continued maintenance of the wetlands, wetland buffers, open space tracts, and common areas as described on the face of the Plat for Aspenwood.

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 costs of maintaining the Common Area during the ensuing fiscal year.

Section 7.2 Assessment of Lots. 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 amount of the Assessment against each lot shall be equal. The Board, at its election, may require the Lot Owners to pay the amount assessed in equal monthly or quarterly installments or in a single lump sum installment.

9006141185

Section 7.3 Notice of Assessment. The Board shall notify each Lot Owner in writing at least ten (10) 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 7.4 Certificate of Unpaid Assessments. Upon its own volition, 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. No error or omission in such Certificate shall constitute a release of the person(s) failing to pay such assessments. All assessments and other receipts received by the Association shall belong to the Association.

Section 7.5 Commencement Date of Annual Assessments. The annual assessments provided for herein shall commence as to each Lot at such time as title to the Lot passes from the Declarant. The first annual assessment shall be adjusted according to the number of months remaining in the fiscal year; and, notwithstanding anything to the contrary herein, may be assessed after the beginning of the fiscal year. 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. The assessment amount and payment method established for the preceding fiscal year (if any) shall continue until a new assessment is established.

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

9006141125

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 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 on 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 the 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 Owners 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 that may thereafter become delinquent. In the absence of another established, nonusurious rate, delinquent assessments shall bear interest at the rate of Twelve percent (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.

9006141185

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 of 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, conditions, 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 Member of the Architectural Control Committee, or Board member, or Association member, or Declarant has acted in good faith, without willful or intentional misconduct, upon the basis of such 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 where the consequences of such act, omission, error, or negligence are covered by any insurance actually obtained by the Board.

ARTICLE 11. INDEMNIFICATION. Each Board member and member of the Architectural Control Committee, including any members of Declarant who so act, shall be indemnified by the Association to the full extent permitted by law, against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of holding or having held such position, or any settlement thereof, whether or not he held such position at the time such expenses or liabilities are incurred; except to the extent such expenses and liabilities are covered by insurance; and, except in such cases wherein such Person did not conduct himself in good faith, or he did not reasonably believe his conduct to be in the Association's best interest (in the case of conduct in his own official capacity with the Association), or he did not reasonably believe his conduct to be at least not opposed to the Association's best interests (in cases other than conduct in his own official capacity with the Association), or, in a criminal proceeding where he had reasonable cause to believe his conduct to be unlawful; Provided that no indemnification shall be made in respect of any proceeding in which such Person shall have been adjudged to be liable to the Association. No indemnification may be made unless authorized in the specific case as provided in RCW 23A.08.025 (as hereafter amended). Reasonable expenses may be paid or reimbursed in advance of final adjudication upon compliance with

the provisions of RCW 23A.08.025(7) (as hereafter amended). The Association may purchase and maintain insurance on behalf of any person who is, or was a director, officer, employee, member or the Architectural Control Committee, or agent, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Section or RCW 23A.08-.025.

9006141185

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, which such deductible provisions as the Board deems advisable, insurance (if available) for the protection of the Association's Directors, members of the Architectural Control Committee, and representatives from personal liability in the management of the Associations' 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 Areas or Common Area Improvements, which the current assessments, in the opinion of the Board are insufficient to repair, or restore, and if there are 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 expense to repair and/or restore the Common Area.

Section 13.1 Payment in Installments. The special assessment declared by the Board shall be payable, at the determination of the Board, in either monthly or quarterly installments or in a single lump sum amount.

Section 13.2 Notice to Owners. The Board shall notify each Lot Owner of any such special assessment not less than twenty (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 estimate of the expense of repairing and/or restoring the Common Area and/or Common Area Improvement.

ARTICLE 14. AMENDMENTS OF DECLARATION. Any Lot Owner may propose amendments to this Declaration. All proposed amendments must be submitted 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

9006141135

amendment is proposed by Owners of twenty (20) or more of the Lots, then, regardless 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.

Section 14.1 Notice of Proposed Amendment. The notice of a meeting at which an amendment is to be considered shall include the text of the proposed amendment.

Section 14.2 Adoption of Amendments. 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. Except as specified in Section 14.3, below, amendments shall be adopted if approved by the Owners of two-thirds (2/3) of the lots. Once an amendment has been adopted by the Association, the amendment will become effective when a Certificate of Amendment, executed by two (2) members of the Board, has been recorded in the real property division of the Records and Elections Division of King County, Washington.

Section 14.3 Amendments by Declarant. Until such time as Declarant has sold, and received full payment for, at least Sixty (60) lots in the Plat, Declarant may amend this Declaration without approval of any Owners, provided that no such amendment may be made which would have the effect of changing the voting power or portion of assessments appurtenant to each Lot.

Section 14.4 Unanimous Consent for Certain Amendments. The unanimous consent of all Owners shall be required for adoption of either (1) an amendment changing the voting power or portion of assessments appurtenant to each Lot, or (2) an amendment of this Article 14.

ARTICLE 15. SUBDIVISION. No Lot shall be subdivided without the approval of all Lot Owners.

ARTICLE 16. DURATION. The covenants, conditions, and restriction 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 thirty (30) years from the date this Declaration is recorded, after which time the covenants, conditions and restrictions shall be automatically extended for successive periods of ten (10) years each, unless an instrument concurred in and signed by a majority of the then Owners has been recorded, terminating the covenants, conditions and restriction.

9006141135

ARTICLE 17. RESERVATION OF RIGHT TO AMEND TO COMPLY WITH FNMA, FHLMC, OR FHA REQUIREMENTS.

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 ("FHLMC") or Federal National Mortgage Association ("FNMA") or Federal Housing Administration ("FHA") regulations or requirements, in order 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.

Section 17.2 Authorization to Amend. If Declarant, at its option, determines that it is necessary 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 shall exist only until such time as ninety percent (90%) of the Lots in Aspenwood have had completed homes constructed on them; or until that date which is three (3) years from the date this Declaration is recorded; whichever event shall first occur.

ARTICLE 18. ATTORNEYS FEES. 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 attorney's fees in the amount fixed by the Court.

ARTICLE 19. 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 effects the common plan.

ARTICLE 20. EFFECTIVE DATE. This Declaration shall be effective upon recording.

ARTICLE 21. 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 all or any of its rights, duties, and obligations created under this Declaration.

ASPENWOOD ASSOCIATES

BY: Erwin Wood
ERWIN WOOD, Partner, by
~~Kevin P. Casey, his attorney~~
~~in fact~~

LANDMARK HOMES NORTHWEST, INC.,
a Washington corporation, Partner

BY: Darrel V. Potter
DARREL V. POTTER, President

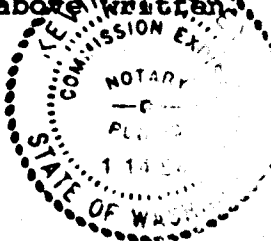
BY: Bonnie Wood, by Erwin Wood her attorney in fact
BONNIE WOOD, Partner, by
~~Kevin P. Casey, her attorney~~
~~in fact~~

9006141185

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this 14 day of June, 1990, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn personally appeared Darrel V. Potter, to me known to be the President of Landmark Homes Northwest, Inc., a partner in Aspenwood Associates, a Washington General Partnership, 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 he signed the same as his free and voluntary act and deed for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day and year in this certificate above written.



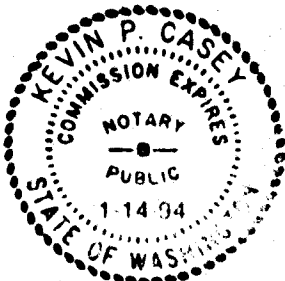
Kevin P. Casey
NOTARY PUBLIC in and for the State of
Washington, residing at Seattle

My Commission Expires: 1/14/94

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this 14 day of June, 1990, before me, the undersigned, a Notary Public in and for the state of Washington, duly commissioned and sworn personally appeared Erwin Wood, partner in Aspenwood Associates, a Washington General Partnership, known to me to be the individual named in and who executed the foregoing document, and acknowledged to me that he signed the same as his free and voluntary act and deed for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day and year in this certificate above written.



Kevin P. Casey
NOTARY PUBLIC in and for the State of
Washington, residing at Seattle

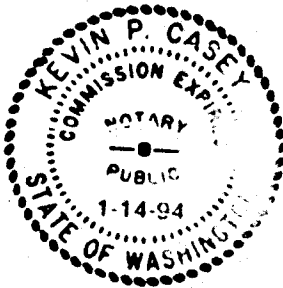
My Commission Expires: 1/14/94

9006141135

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this 14 day of June, 1990, before me personally appeared Erwin Wood, who executed the within instrument as Attorney in Fact for Bonnie Wood, partner in Aspenwood Associates, a Washington General Partnership, known to me to be the individual who executed the foregoing document, and acknowledged to me that he signed the same as his free and voluntary act and deed for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day and year in this certificate above written.



Kevin P. Casey
NOTARY PUBLIC in and for the State
of Washington, residing at Seattle.

My Commission Expires: 1/14/94

