

DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, AND EASEMENTS FOR LAKEMONT WOODS

THIS DECLARATION is made on this 22ND day of January, 1988, by the undersigned ("Declarant") who is the owner of certain real property situated in the City of Bellevue, King County, State of Washington, and known as Lakemont Woods, which property is more specifically described on Exhibit A, which is attached hereto and incorporated herein by this reference.

DESCRIPTION OF DECLARATION

Declarant desires to develop Lakemont Woods as a residential community. Declarant also desires to create common areas and facilities for the benefit of the Lakemont Woods community to provide for the preservation of the natural values in Lakemont Woods.

This Declaration establishes a plan for the private ownership of lots and the buildings constructed thereon, for the dedication of certain areas to the public, and for the beneficial ownership through a nonprofit corporation of certain other land and related easements, hereafter defined and referred to as the "Common Areas. The nonprofit corporation is the Lakemont Woods Association ("Association"), to which shall be delegated and assigned the duties and powers of maintaining and administering the Common Areas, administering and enforcing these covenants, conditions, and restrictions, and collecting and disbursing the assessments and charges hereinafter created.

This Declaration contemplates the possibility of phased development for Lakemont Woods. Accordingly, Declarant may, from time to time during the Development Period, without Association action, subject additional adjacent real property owned by Declarant, its successors or assigns to this Declaration by an appropriate recording.

NOW, THEREFORE, Declarant hereby covenants, agrees, and declares that all of Lakemont Woods, as defined herein and described in Exhibit A hereto, and the buildings and structures hereafter constructed thereon are, and will be held, sold, and conveyed subject to and burdened by the following covenants, conditions, restrictions, and easements, all of which are for the purpose of enhancing and protecting the value, desirability, and attractiveness of Lakemont Woods for the benefit of the Owners thereof, their heirs, successors, grantees, and assigns. All provisions of this Declaration shall be binding upon all parties having or acquiring any right, title, or interest in Lakemont Woods or any part thereof, and shall inure to the benefit of the Owners thereof and to the benefit of the Association and are intended to be and shall in all respects be regarded as covenants running with the land.

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ARTICLE 1

DEFINITIONS

Section 1.1 “Architectural Control Committees” shall mean and refer to the duly appointed Committee of the Association as further described in Section 2.7 and as sometimes referred to herein as the "Committee".

Section 1.2. "Association" Shall mean and refer to the Lakemont Woods Association, a Washington nonprofit corporation, its successors and assigns.

Section 1.3. "Association Action" shall mean and refer to a written corporate action of the Association in the form of either a bylaw or resolution duly passed by either the Board or the Owners.

Section 1.4. "Board" shall mean and refer to the board of directors of the Association.

Section 1.5. "Building Setback Line" shall mean and refer to the various setback requirements designated on the face of the final plat of Lakemont Woods, beyond which no structures, filling, grading or other obstructions are permitted as set forth in Section 5.2 hereof.

Section 1.6. "Common Areas" shall mean and refer to all easements and Tracts and any improvements thereto that are owned by the Association, for the benefit of the Lot Owners, and subjected to this Declaration by an appropriate recording. The Declarant may add to the Common Areas during the Development Period by recording an amendment to this Declaration.

Section 1.7. "Declarant" shall mean and refer to GENERAL WESTERN 1 LIMITED PARTNERSHIP, a Washington limited partnership, its successors and assigns, if such successors or assigns should acquire all or substantially all of the then—undeveloped portions of Lakemont Woods from Declarant for the purpose of development (excluding Participating Builders) .

Section 1.8. "Declaration" shall mean and refer to this instrument, as the same may be supplemented or amended from time to time.

Section 1.9. "Development period" shall mean and refer to that period of time beginning on the date of this Declaration and ending whenever any of the following first occurs:(i) 7 years from the date hereof; or (i i) upon receipt of written notice from Declarant to the Association in which Declarant elects to terminate the Development Period.

Section 1. 10. "Governing Documents" shall mean and refer to this Declaration and the Articles of Incorporation, Bylaws and rules and regulations of the Association, and rules and procedures of the Architectural Control Committee as any of the foregoing may be amended from time to time.

Section 1.11. "Lakemont Woods" shall mean and refer to that certain real property which is legally described on Exhibit A attached hereto, and such additions thereto as may hereafter be brought within the terms and conditions hereof by an appropriate recording.

Section 1.12. "Lot" shall mean and refer to any legally segmented and alienable portion of Lakemont Woods created through subdivision or any other legal process for dividing land and subjected to this Declaration by an appropriate recording, with the exception of dedicated rights of way and Tracts designated as Common Areas.

Section 1.13. "Mortgage" shall mean and refer to any recorded mortgage or deed of trust encumbering one or more of the Lots. "First Mortgage" shall mean and refer to a Mortgage with priority over other Mortgages. "Mortgagee" shall mean and refer to the holder or beneficiary of any Mortgage and shall not be limited to Institutional Mortgagees. As used herein, the term "Institutional Mortgagee" or "Institutional Holder" shall include banks, trust companies, insurance companies, mortgage companies, mortgage insurance companies, savings and loan associations, trusts, mutual savings banks, credit unions, pension funds, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, all corporations, and any agency or department of the United States Government or of any state or municipal government.

Section 1.14. "Native Growth Protection Easement" shall mean and refer to an area in a Lot or Tract so designated on the final plat of Lakemont Woods in which the removal of trees and significant natural ground cover, as well as the conduct of other activities, are restricted pursuant to the provisions of Article 5 herein.

Section 1.15. "Owner" shall mean and refer to the record owner (whether one or more persons or entities) of a fee interest in any Lot, including the Declarant and Participating Builders but excluding Mortgagees or other persons or entities having such interest merely as security for the performance of any obligation. Purchasers or assignees under recorded real estate contracts shall be deemed Owners as against their respective sellers or assignors.

Section 1.16. "Participating Builder" shall mean and refer to a person or entity that acquires a portion of Lakemont Woods for the purpose of improving such portion for resale to individual Owners.

Section 1.17 "Phase" shall mean and refer to any portion of Lakemont that is subjected to this Declaration from time to time by Declarant by an appropriate recording.

Section 1.18. "Single Family" shall mean and refer to a single housekeeping unit that includes not more than 4 adults who are legally unrelated.

Section 1.19 "Supplementary Declaration" shall mean and refer to any recorded documents which extends the provisions of this Declaration to a Phase.

Section 1.20. "Tract" shall mean and refer to any legally segmented and alienable portion of Lakemont Woods created through subdivision or any other legal process for dividing land and subjected to this Declaration by an appropriate recording, with the exception of Lots and dedicated rights of way.

ARTICLE 2

LAKEMONT WOODS ASSOCIATION

Section 2.1. Description of Association. The Association is a nonprofit corporation organized and existing under the Laws of the State of Washington charged with the duties and vested with the powers prescribed by law and set forth in the Governing Documents, as they may be amended from time to time; provided, however, that no Governing Documents other than this Declaration shall for any reason be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration.

Section 2.2. Association Board. During the Development Period the Declarant shall manage the Association and shall have all the powers of the Board set forth herein. The Declarant may, from time to time, select a temporary board of not fewer than 3 persons who need not be Owners to manage the Association during the Development Period. The temporary board shall have the full authority to manage the Association under the Governing Documents and shall be subject to all provisions of the Governing Documents; provided that, after selecting a temporary board, Declarant may at any time terminate the temporary board and reassume its management authority under this Section 2.2 or select a new temporary board. Upon termination of the Development Period, the terms of the temporary Board selected by the Declarant, if any, shall terminate and the Board shall manage the Association as provided herein. The Board shall be elected from among the Owners, as provided in the Bylaws of the Association. The Board shall elect officers Of the Association from among the Board members, which shall include a president who shall preside over meetings of the Board and meetings of the Association.

Section 2.3. Votes Appurtenant to Lots. Every Owner shall be a member of the Association and shall be entitled to cast one vote in the Association for each Lot owned. A vote shall be appurtenant to and held and owned in the same manner as the beneficial fee interest in the Lot to which it relates. A vote shall not be separated from ownership of the Lot to which it relates; provided, however, that when more than one entity holds the beneficial fee interest in any Lot, the vote therefor shall be cast as the Owners among themselves determine, but in no event shall more than one vote be cast with respect to any Lot; and if the several Owners of a Lot are unable to agree as to the casting of their vote, such vote shall not be counted. If a Lot is further subdivided as provided in Section 5.1 hereof, the owner of each additional Lot created shall be entitled to one vote in the Association for each Lot owned.

Section 2.4. Initial Number of Votes. From the commencement of the existence of the Association, there shall be a total number of outstanding votes in the Association equal to the number of Lots initially subject to this Declaration. During the Development Period, the Declarant shall be entitled to cast all such votes, less one vote for each Lot then owned by an Owner other than Declarant. Upon the addition of Phases during the Development period, the number of votes shall be adjusted to reflect the increased number of Lots.

Section 2.5. Owner's Compliance with Governing Documents. By acceptance of a deed to a Lot, recording of a real estate contract conveying title to a Lot, or any other means of acquisition of an ownership interest, the owner thereof covenants and agrees, on behalf of themselves and their heirs, successors, and assigns, to observe and comply with all terms of the Governing Documents and all rules and regulations duly promulgated pursuant to Association Action.

Section 2.6. Bylaws Rules and Regulations. The Board on behalf of the Association shall have the power to adopt, modify, and amend rules and regulations governing the use of Lakemont Woods, provided that such rules and regulations shall not be inconsistent with this Declaration. The rules and regulations shall apply uniformly to all Owners, except as specifically provided herein. The Board shall have the power to enforce the rules and regulations on behalf of the Association and may prescribe penalties for the violation of such rules and regulations, including but not limited to suspension of the right to use the Common Areas or portions thereof. Any such rules and regulations shall become effective 30 days after promulgation and shall be mailed to all Owners prior to their effective date. A copy of the rules and regulations then in force shall be retained by the secretary of the Association. The Declarant on behalf of the Board may adopt the initial Bylaws and rules and regulations.

Section 2.7. Architectural Control Committee. Within thirty (30) days of the recording of this Declaration, Declarant shall appoint an Architectural Control Committee of three (3) or more persons. The members of the Committee need not be members of the Association. One member of the Committee shall be appointed for a term of one (1) year, one member shall be appointed for a term of two (2) years, and the third member shall be appointed for a term of three (3) years. Thereafter, members of the Committee shall be appointed for three-year terms. After termination of the Development Period, the Board shall appoint members to the Committee, who need not be members of the Association, as vacancies occur.

2.7.1 Jurisdiction and Purpose. The Committee shall review proposed plans and specifications for construction of all residences and other structures within Lakemont Woods, and including any additions, exterior alterations, landscaping, clearing, painting and excavation. The Owner shall submit architectural and landscaping plans and specifications to the Committee for its review. The Committee shall adopt and publish rules and procedures for the review of such plans and specifications. It shall be the obligation of each Owner to be familiar with the rules and procedures of the Committee.

2.7.2 Approval Procedures. A preliminary application for approval must be submitted in writing by the Owner to the Committee at the registered office of the Association. Within fifteen (15) days following receipt of a preliminary application, the Committee shall notify the Owner in writing as to whether the application is complete and, if not, of any additional information that may be required before the Committee can review the application. The application must, in form and substance, comply with the Committee's rules and procedures including the payment of a nonrefundable fee of \$125.00 for purposes of defraying the costs associated with the Committee's review of the preliminary application. This fee may be adjusted from time to time by the Committee in accordance with its rules and procedures. The Committee shall review the application in accordance with the provisions of this Section 2.7 as soon as possible after a complete application has been filed. The decision of a majority of the members of the Committee shall be the decision of the committee. One copy of approved plans will remain in the Committee's files. All disapproved plans will be returned to the owner.

2.7.3 Failure of Committee to Take Action. Except as provided in section 2.7.5 below, in the event that the Committee fails to respond to an Owner's complete and properly submitted application within twenty (20) days after the committee has notified the Owner that the application is complete, formal written approval will not be required, and the provisions for approval shall be deemed to have been fully complied with.

2.7.4 Committee's Obligation. The Committee, in its deliberations and in the discharge of its obligations hereunder, shall act objectively and fairly in making decisions concerning various plans, specifications, plot plans and landscape plans submitted to it by various owners for consideration in accordance with the provisions of this Declaration. Further, the determinations of the Committee as to noncompliance shall be in writing, signed by the committee, and shall set forth in reasonable detail the reason for noncompliance. The Committee may approve, approve with conditions, or disapprove an application or any part thereof. In all cases, the ultimate responsibility for satisfying all local building codes and governmental requirements rests with the Owner. The Committee shall be held harmless from building requirements not complied with.

2.7.5 Exemptions and Variances from Committee

Requirements. The Committee may, upon application, grant exemptions and variances from the rules and procedures of the Committee and the requirements of this Declaration when the party requesting such exemption or variance establishes to the satisfaction of the Committee that the improvement or other matters which are desired by the applicant are aesthetically as appealing, suited to climatic conditions, and compatible with the overall character of the development as are similar improvements or matters which conform to the requirements of this Declaration. Requests for an exemption or variance shall be submitted in writing to the Committee and shall contain such information as the Committee shall from time to time require. The committee shall consider applications for exemption or variance and shall render its decisions within thirty (30) days after notice to the owner of proper submission. The failure of the Committee to approve an application for an exemption or variance shall constitute disapproval of such application.

2.7.6 Failure of Owner. to comply. Failure of the Owner to comply with the rules and procedures of the Committee or the final application as approved by the Committee shall, at the election of the Association's Board exercised after thirty (30) days' written notice to such Owner, constitute a violation of this Declaration. In that event, the Board shall be empowered to assess a penalty commensurate with the violation which shall constitute a lien against such Lot, enforceable as provided herein and/or pursue any other remedy at law including, but not limited to, an action for specific performance.

ARTICLE 3

ASSOCIATION BUDGET, ASSESSMENTS, AND LIENS

Section 3.1. Owner's covenants to Pay Assessments. By

acquisition of any ownership interest in a Lot, the owner thereof covenants and agrees thereby, on behalf of themselves and their heirs, successors, and assigns, to pay the Association, in advance, all general and specific assessments levied as provided herein.

Section 3.2. Association Budget. The Association shall prepare, or cause the preparation of, an operating budget for the Association at least annually, in accordance with generally accepted accounting principles. The operating budget shall set forth all sums required by the Association, as estimated by the Association, to meet its annual costs and expenses, including but not limited to all management and administration costs, operating and maintenance expenses of the Common Areas, and services furnished to or in connection with the Common Areas, including the amount of all taxes and assessments levied against, and the cost of liability and other insurance on, the Common Areas, and including charges for any services furnished by or to the Association; the cost of utilities and other services; and the cost of funding all reserves established by the Association. The funds required to meet the Association's annual expenses shall be raised from a general assessment against each Owner as provided hereafter. The Association may revise the operating budget after its preparation at any time and from time to time, as it deems necessary or advisable in order to take into account and defray additional costs and expenses of the Association.

Section 3.3. Levy of General Assessment. In order to meet the costs and expenses projected in its operating budget, the Association shall by Association Action determine and levy in advance on every Owner a general assessment. The amount of each Owner's general assessment shall be the amount of the Association's operating budget divided by the sum of the number of Lots. The Association shall make reasonable efforts to determine the amount of the general assessment payable by each Owner for an assessment period at least 30 days in advance of the beginning of such period and shall at that time prepare a roster of the Owners and the general assessment allocated to each, which shall be open to inspection by any Owner upon reasonable notice to the Association. Notice of the general assessment shall thereupon be sent to each Owner; provided, however, that notification to an Owner of the amount of an assessment shall not be necessary to the validity thereof. The omission by the Association, before the expiration of any assessment period, to fix the amount of the general assessment hereunder for that or the next period, shall not be deemed a waiver or modification in any respect of the provisions of this Article or a release by any Owner from the obligation to pay the general assessment, or any installment thereof, for that or any subsequent assessment period, but the general assessment fixed for the preceding period shall continue until a new assessment is fixed. Upon any revision by the Association of the operating budget during the assessment period for which such budget was prepared, the Association shall, if necessary, revise the general assessment levied against the Owners and give notice to each owner.

Section 3.4. Payment of General Assessment. Upon Association Action, installments of general assessments may be collected on a monthly, quarterly, semi—annual, or annual basis. Any Owner may prepay one or more installments on any assessment levied by the Association without penalty.

Section 3.5 Nondiscriminatory Assessment. Except as provided Section 5.15 hereof, no assessment shall be made at any time which may unreasonably discriminate against any particular Owner or group of Owners in favor of other Owners. However, a special assessment may be made against a particular Owner by a two—thirds majority vote of the Board if, after notice from the Association of failure to maintain such Lot in a condition comparable to the other Lots has been given, the Association elects to expend funds to bring such Owner's Lot up to such comparable standard.

Section 3.6 Commencement of Assessments. Liability of an Owner for assessments shall commence on the first day of the month following the date upon which any instrument of transfer to such Owner becomes operative (such as the date of a deed or the date of a recorded real estate contract for the sale of any Lot or, if earlier, the first day of the calendar month following Owner's occupancy of such Lot; provided, however, that a Participating Builder shall not be liable for any assessments with respect to a Lot acquired from Declarant for a period of one year from the date of acquisition. The Declarant, its successors and assigns, shall not be liable for any assessments with respect to any Lot unless such Lot is occupied. The Association may in its rules and regulations provide for an administratively convenient date for commencement of assessments that is not more than 90 days after the effective date established above. The due dates of any special assessment payments shall be fixed by the Association Action authorizing such special assessment.

Section 3.7 Certificates of Assessment Payment. Upon request, the Board shall furnish written certificates certifying the extent to which assessment payments on a specified Lot are paid and current to the date stated therein. A reasonable charge may be made by the Association for the issuance of such certificate.

Section 3.8. Special Assessments. In addition to the general assessments authorize* by this Article, the Association may, by Association Action, levy a special assessment or assessments at any time, applicable to that year only, for the purpose Of defraying, in whole or in part, the cost of any construction or reconstruction, inordinance repair, or replacement of a capital improvement located upon or forming a part of the Common Areas, including necessary fixtures and personal property related thereto, or for such other purposes as the Association may consider appropriate; provided, however that any such special assessment in excess of \$250 per Lot must have prior favorable vote of two—thirds of the Owners.

Section 3.9 Effect of Nonpayment of Assessment. If any assessment payment is not made in full within 30 days after it was first due and payable, the unpaid amounts shall constitute a lien against the Lot assessed and shall bear interest from such due date at a rate set by the Board in its rules and regulations which shall not exceed the highest rate then permitted by law. By acceptance of a deed to a Lot, recording of a real estate contract therefor, or any other means of acquisition of an ownership interest, and whether or not it shall be so expressed in any such deed or other instrument, each Owner shall be deemed to grant thereby to the Association, its agents and employees, and to Declarant during the Development period, the right and power to bring all actions against such Owner personally for the collection of such

assessments as a debt, and to enforce the liens created by this Declaration in favor of the Association by foreclosure of the continuing liens in the same form of action as is then provided for the foreclosure of a mortgage on real property. The liens provided for in this Declaration shall be for the benefit of the Association, and the Association shall have the power to bid at any lien foreclosure sale and to acquire, hold, lease, mortgage, and convey the Lot foreclosed against.

Section 3.10 Lien to Secure Payment of Assessments. Declarant hereby creates in the Association perpetually the power to create a lien in favor of the Association against each Lot, to secure to the Association the payment to it of all assessments, interest, costs, and attorneys' fees; and Declarant hereby subjects all Lots perpetually to such power of the Association. Such lien shall arise in accordance with the terms of this Declaration without the necessity of any further action by the Association, and any such lien when created, shall be a security interest in the nature of a mortgage in favor of the Association. Such lien shall become a continuing lien in the amount stated in the assessment from the time of the assessment, but expiring pro rata as the assessment payments are made, and shall also be the personal obligation of the person or entity who is the Owner of the Lot at the time of the assessment. The personal obligation to pay a prior assessment shall not pass to successors in interest unless expressly assumed by them; provided, however, that in the case of a sale or contract for the sale of any Lot which is charged with the payment of an assessment, the person or entity who is the owner immediately prior to the date of such sale shall be personally liable for the amounts of the monthly installments due prior to said date, and the new Owner shall be personally liable for monthly installments becoming due on or after such date. The foregoing limitation on the duration of the personal obligation of an Owner to pay assessments shall not, however, affect the validity or duration of the continuing lien for unpaid assessments against the respective Lot.

Section 3.11 Suspension for Nonpayment of Assessment. If an Owner shall be in arrears in the payment of any assessment due, or shall otherwise be in default of the performance of any terms of the Governing Documents of the Association for a period of 30 days, said Owner's voting rights shall without the necessity of any further action by the Association, be suspended (except as against foreclosing secured parties) and shall remain suspended until all payments, including interest thereon, are brought current and any other default is remedied. No Owner is relieved of liability for assessments by nonuse of the Common Areas or by abandonment of a Lot.

Section 3.12 Reserves for Replacement. As a common expense, the Association shall establish and maintain a reserve fund for replacement of the Common Areas and any improvements thereon. Such fund shall be deposited with a banking institution. The reserve fund shall be expended only for the purpose of effecting the replacement of the Common Areas and any improvements and community facilities thereon, and to any sidewalks, parking areas, or pathways developed as a part of Lakemont Woods, equipment replacement, and for operating contingencies of a nonrecurring nature. The Association may establish such other reserves for such other purposes as it may from time to time consider to be necessary or appropriate. The proportional interest of any Owner; in any such reserves shall be considered appurtenance of their Lot and shall not be separately withdrawn, reassigned, or transferred from the Lot to which it appertains.

Section 3.13 Certain Areas Exempt. The Tracts and all portions of Lakemont Woods dedicated to and accepted by the City of Bellevue or other public authority shall be exempt from assessments by the association.

ARTICLE 4

SUBORDINATION OF LIENS

Section 4.1 Intent of Provisions. The provisions of this Article 4 apply for the benefit of each Mortgagee who lends money for purpose of construction or to secure the payment of the purchase price of a Lot.

Section 4.2 Mortgagee's Nonliability. The holder of a Mortgage shall not, by action of its security interest only, be liable for the payment of any assessment or charge, nor for the observance or performance of any covenant or restriction, excepting only those enforceable by equitable relief and not requiring the payment of money, and except as hereafter provided.

Section 4.3 Mortgagee's Rights During Foreclosure. During foreclosure of a Mortgage, including any period of redemption, the holder of the Mortgage may exercise any or all of the rights and privileges of the Owner of the encumbered Lot, including but not limited to the right to vote in the Association to the exclusion of the Owner's exercise of such rights and privileges.

Section 4.4 Mortgagee as Owner. At such time as a Mortgagee shall become the record Owner of the Lot, previously encumbered by the Mortgage, the Mortgagee shall be subject to all of the terms and conditions of this Declaration, including the obligation to pay for all assessments and charges in the same manner as any Owner.

Section 4.5 Mortgagee's Title Free and Clear of Liens. A Mortgagee or other secured party acquiring title to a Lot through foreclosure, deed in lieu of foreclosure, or equivalent method, shall acquire title to the encumbered Lot free and clear of any lien authorized by or arising out of the provisions of this Declaration, insofar as such lien secures the payment of any assessment due but unpaid before the final conclusion of any such proceeding, including the expiration date of any period of redemption. The Association may treat any unpaid assessments against a Lot foreclosed against as an expense of the Association pursuant to Section 3.2.

Section 4.6 Survival of Assessment Obligation. After the foreclosure of a security interest in a Lot, any unpaid assessment shall continue to exist and remain as a personal obligation of the Owner against whom the same was levied, and the Association shall use reasonable efforts to collect the same from such Owner.

Section 4.7 Subordination of Assessment Liens. The liens for assessments provided for in this Declaration shall be subordinate to the lien of any first Mortgage or other security interest placed upon a Lot as a construction loan security interest or as a purchase price security interest, and the Association will, upon demand, execute a written subordination document to confirm such priority. The sale or transfer of any Lot or of any interest therein shall not affect the liens provided for in this Declaration except as otherwise specifically provided for herein, and in the case of a transfer of a Lot for purposes of realizing a security interest, liens shall arise against the Lot for any assessment payments coming due after the date of completion of foreclosure.

ARTICLE 5

USE COVENANTS, CONDITIONS AND RESTRICTIONS

Section 5.1 Authorized Uses. Lots in Lakemont Woods shall be used solely for residential purposes and related facilities normally incidental to a residential community. During the Development period, no Lot shall be further subdivided without Declarant's prior written approval. Thereafter, no Lot shall be further subdivided, except as permitted in this Declaration without prior approval conferred by Association Action.

Section 5.2 Approval of Building or Clearing Plans Required.

No building, fence, deck, patio, wall, kennel, or other structure shall be commenced, erected, or maintained upon a Lot or any other portion of Lakemont Woods, nor shall any exterior addition to or change or alteration therein be made, nor shall a Lot be cleared or excavated for use, nor shall any tree of 12 inches or more in diameter on any Lot, measured one foot above ground level, be cut, until after the details and written plans and specifications showing the nature, kind, shape, height, materials, colors, and location of the same shall have been submitted to and approved in writing by the Architectural Control Committee. Any structure so approved must be completed as to external appearance, including finished staining, within six (6) months after the date construction is commenced unless the Committee elects to grant an extension. Although the Committee shall have full authority to approve or disapprove of any specific proposal, the following restrictions shall apply to Lakemont Woods in general;

Section 5.2.1 Building Setbacks. No structures, filling, grading or obstruction, including but not limited to decks, patios, outbuildings or overhangs, shall be permitted beyond the Building Setback Lines, or within any drainage easement area as shown on the face of the final plat or within any Native Growth Protection Easement unless otherwise approved by the Committee and by the City of Bellevue. In addition, construction of fencing shall not be permitted within any drainage easement or Native Growth Protection Easement, nor shall clearing or removal of trees or vegetation be permitted therein, unless trees or vegetation represent a threat to life or property due to decay or other natural causes, and unless otherwise approved by the Committee and the City of Bellevue.

Section 5.2.2 Approval of Building or Clearing Plans

Required. Each home constructed on a Lot shall be built of new materials except, with approval of the Architectural Control Committee, decorative items such as used brick, weathered planking, and similar items. All visible masonry shall be native stone, brick or stucco. Composition roofs, aluminum or U "T-111" siding and aluminum window frames are not permitted. Types and colors of exterior paint and stain must be submitted to the Committee for approval.

Section 5.2.3 Landscaping and Fencing. Front yards shall be fully landscaped within twelve (12) months after the date construction of the home commences unless extended by the committee. Side yards and rear yards shall also be landscaped. No trees outside the building footprint which are greater than twelve (12) inches in diameter when measured one foot above ground shall be cut without the approval of the Committee. No fence erected within Lakemont Woods shall be over six (6) feet in height. No barbed wire,

chain link or corrugated fiberglass fences shall be erected on any Lot. All fences, open and solid, are to meet the standards set by the Committee and must be approved by the Committee prior to construction.

Section 5.2.4 Floor Area. Only one Single Family home shall be permitted on each Lot. Two story or split level homes shall include no less than 3,200 gross square feet of living space with no less than 1,800 gross square feet on the first floor. One story homes shall include no less than 3, 000 gross square feet of living space.

Section 5.2.5 Contractor. No home may be constructed on any Lot by other than a contractor licensed as a general contractor under the statutes of the State of Washington without the prior approval of the Architectural Control Committee.

Section 5.2.6 Driveways. All driveways and parking areas shall be paved with material approved by the Architectural Control Committee; provided that all driveway entrance culverts shall be made of concrete pipe.

Section 5.2.7 Yard Lamps. Each Owner shall install and maintain, at the sole expense of such Owner, at least one yard lamp at the driveway entrance to the Lot for the purpose of street and driveway illumination. Said yard lamp shall be between three (3) and five (5) feet in height above the road grade and shall be of a design and installation compatible with the house design. Such lamps shall be kept lighted during all periods of darkness.

Section 5.3 Leasing Restrictions. No Lot may be leased or rented by any party for a period of fewer than 30 days, nor shall less than the whole of any Lot be leased or rented. Each lease or rental agreement shall be in writing and shall by its terms provide that it is subject in all respects to the provisions of the Governing Documents. Any failure by a lessee to comply with the terms of the Governing Documents shall be a default under the lease, whether or not it is so expressed therein. Other than the foregoing, there is no restriction on the right of any Owner to lease their Lot.

Section 5.4 Animals. No animals, livestock, or poultry of any kind shall be raised, bred, or kept; provided, however, that dogs, cats, or other conventional household pets may be kept if they are not kept, bred, or maintained for any commercial purposes. No domestic pet may be kept if it is a source of annoyance or a nuisance. The Association shall have the authority to determine whether a particular pet is a nuisance or a source of annoyance, and such determination shall be final and conclusive. Pets shall be registered, licensed, and inoculated from time to time as required by law.

Section 5.5 Commercial Uses. No commercial enterprise, including itinerant vendors, shall be permitted on any Lot; provided, however, that the Association may, by adopting rules and regulations, permit specified home occupations to be conducted if allowed by law and if such occupation will not, in the reasonable judgment

of the Association, cause traffic congestion or other disruption of the Lakemont Woods community; and provided further that no signs or advertising devices of any character shall be permitted.

Section 5.6 Vehicle Storage No storage of goods, vehicles, boats, trailers, trucks, campers, recreational vehicles or other equipment or device shall be permitted in open view from any Lot, except this shall not exclude temporary (less than 24 hours) parking of vehicles on the designated driveway areas adjacent to garages on the Lots. Upon 48 hours notice to the owner of an improperly parked or stored vehicle, boat, or other equipment, the Association has authority to have removed at the Owner's expense any such items visible from the street that are parked on any Lot or within the public right of way for more than 24 hours.

Section 5.7 Garbage. No garbage, refuse, or rubbish shall be deposited or left in Lakemont Woods, unless placed in a suitable covered container. Trash and garbage containers shall not be permitted to remain in public view except on days of trash collection. No incinerator shall be kept or maintained, and no burning of any trash, refuse, or scrap of any kind shall be permitted.

Section 5.8 Utilities Underground. Except for hoses and the like which are reasonably necessary in connection with normal lawn maintenance, no water pipe, sewer pipe, gas pipe, drainage pipe, telephone, power, or television cable, or similar transmission line shall be installed or maintained above the surface of the ground.

Section 5.9 Mining Prohibited. No portion of Lakemont Woods shall be used for the purpose of boring, mining, quarrying, or exploring for or removing oil or other hydrocarbons, minerals, gravel, or earth.

Section 5.10 Signs. Except for entrance, street, directional, traffic control, and safety signs, and such promotional signs as may be maintained by Declarant and participating Builders, or agents or contractors thereof, or the Association, no signs or advertising devices of any character shall be posted or displayed in Lakemont Woods; provided, however, that one temporary real estate sign not exceeding 6 square feet in area may be erected upon any Lot or attached to any residence placed upon the market for sale or lease. Any such temporary real estate sign shall be removed promptly following the sale or rental of such Lot or residence.

Section 5.11 No Obstruction of Easements. No structure, planting, or other material shall be placed or permitted to remain upon Lakemont Woods which may damage or interfere with any easement or the installation or maintenance of utilities, or which may unreasonably change, obstruct, or retard direction or flow of any drainage channels. No decorative planting, structure or fence may be maintained within an easement area unless specifically approved by the Architectural Control Committee.

Section 5.12 Antennae. No external shortwave or citizens' band antennae, free standing antenna towers, or satellite reception dishes of any kind shall be permitted in Lakemont Woods. All television and/or FM radio antennae must be physically attached to a structure and must comply with applicable governmental standards and guidelines and any Association rules and regulations.

Section 5.13 Owners Maintenance Responsibilities. The maintenance, upkeep, and repair of individual Lots and homes shall be the sole responsibility of the individual Owners thereof, and in no way shall it be the responsibility of the Association, its agents, officers or directors. Owners shall maintain their Lots and homes in good repair and in a clean, sightly, and sanitary condition at all times. Without limitation as to the foregoing, each Owner shall be obligated to keep their Lot and home

in a clean, sightly and sanitary condition and maintain the landscaping on their Lot in a healthy and attractive state and in a manner comparable to that on the other Lots in Lakemont Woods. No storage of firewood shall be permitted in front yards. After thirty (30) days' written notice to an Owner from the Association of such Owner's failure to so maintain their home or Lot, and after approval of a two—thirds majority vote by the Board or other Association committee to which such oversight responsibility shall have been delegated, the Association shall have the right, through its agents and employees, to enter upon any Lot which has been found to violate the foregoing standards in order to restore the home or Lot to such standards. The cost of such work shall be a special assessment on such Owner and their Lot only.

Section 5.14 Weapons. No firearms of any kind or nature, including rifles, handguns, bows, slingshots, BB guns, slings, traps, or any other like weapon, shall be used or discharged within Lakemont Woods except by authorized governmental officials.

Section 5.15 Nuisances prohibited. No noxious or offensive activity shall be conducted in any portion of Lakemont Woods, nor shall anything be done or maintained therein in derogation or violation of the laws of the State of Washington, City of Bellevue, or any other applicable governmental entity. Nothing shall be done or maintained on any portion of Lakemont Woods neighborhood or detract from the value of the Lakemont Woods community. The Association shall determine by Association Action whether any given use of a Lot unreasonable interferes with the rights of the other Owners to the use and enjoyment of their respective Lots or of the Common Areas, and such determination shall be final and conclusive.

Section 5.16 Relief from Certain Provisions. In cases where an owner has made a factual showing that strict application of the provisions of Sections 5.4, 5.5, 5.6, 5.10, and 5.12 only of this Article (regulating animals, commercial uses, vehicle storage, signs and antennae, respectively) would work a severe hardship upon them, the Board by Association Action may grant the owner relief from any of such provisions; provided, however, that such relief shall be limited by its scope or by conditions to only that necessary to relieve the hardship; and provided further, that no such relief shall be granted if the condition thereby created would in the reasonable judgment of the Board violate the provisions of section 5.15 of this Article. The decision of the Board in granting or denying such relief shall be final and conclusive.

ARTICLE 6

COMMON AREAS

Section 6.1. Title to Common Areas. Declarant shall from time to time during the Development period convey to the Association by deed or easement the Common Areas designated on a final plat or other recorded map or plan creating Lakemont Woods. Upon its creation as a Common Area, every Common Area shall be subject to an easement of common use and enjoyment in favor of the Association and every Owner, their heirs, successors, and assigns, in accordance with the terms and conditions of the Governing Documents.

Section 6.2 Owners' Common Rights. Owners in each Phase shall have equal rights with the Owners in all other Phases to use the Common Areas in all Phases, unless certain Common Areas are specifically designated as limited Common Areas for the exclusive use of a particular Lot or Lots on the face of a plat or other recorded instrument creating a Phase or in an amendment to this Declaration or in a Supplementary Declaration. All easements for ingress, egress, utilities, and use of facilities, unless otherwise specifically limited, shall exist in favor of all Owners in each and all Phases.

Section 6.3 Maintenance of Common Areas. The Association shall maintain, repair, replace, improve, and otherwise manage all of the common Areas so as to keep them in good repair and condition and shall conduct such additional maintenance, repair, replacement, construction, or reconstruction as may be determined pursuant to Association Action. The Association shall take any action necessary or appropriate to the maintenance and up keep of the Common Areas and improvements thereon.

Section 6.4 Description of Native Growth Protection

Easements. Native Growth Protection Easements may include, but are not limited to, portions of Lots and certain Common Areas that have as one of their major functions the maintenance of significant vegetation or the natural retention and transmission Of Storm water drainage; provided, however, that no area shall be deemed to be a Native Growth Protection Easement unless it is so designated on the face of a plat or other recorded instrument.

Section 6.5 Pruning and Vegetation Removal in Native Growth

Protection Easements. Pruning of trees for view maintenance or solar access within Native Growth protection Easements shall be permitted only upon prior written approval of the Architectural Control Committee. Such approval shall be granted only after the Committee has determined that the proposed pruning will not endanger soil stability, will not defeat the intent or purposes meant to be served by the establishment of Native Growth Protection Easements, will not adversely affect the tree or trees to be pruned, and will not violate any applicable governmental rules and regulations. Trees and significant ground cover within a Native Growth Protection Easement located on a Lot may be removed if such action is necessary to remove a clear and present danger. Lead,

dying, or diseased trees and ground cover, or trees and ground cover which present a fire hazard, may also be removed.

ARTICLE 7

INSURANCE; CASUALTY LOSSES; CONDEMNATION

Section 7.1 Insurance Coverage. The Association shall, subject to change by Association Actions, maintain at all times as an Association expense a policy or policies and bonds written by companies licensed to do business in Washington providing:

Section 7.1.1 Insurance against loss or damage by fire and other hazards covered by the standard extended coverage endorsement in an amount as near as practicable to the full insurable replacement value (without deduction for depreciation) of the Common Areas, with the Association named as insured as trustee for the benefit of Owners and Mortgagees as their interests appear.

Section 7.1.2 General comprehensive liability insurance insuring the Association, the Owners, and Declarant against any liability to the public or to the Owners and their guests, invitees, licensees, or tenants, incident to the ownership or use of the Common Areas.

Section 7.1.3 Worker's compensation insurance to the extent required by applicable laws.

Section 7.1.4 Fidelity coverage naming the Association as an obligee to protect against dishonest acts by the Board, Association officers, committees, managers, and employees of any of them, and all others who are responsible for handling Association funds, in an amount equal to three months general assessments on all Lots, including reserves.

Section 7.1.5 such other insurance as the Association deems advisable; provided, that notwithstanding any other provisions herein, the Association shall continuously maintain in effect casualty, flood, and liability insurance and a fidelity bond meeting the insurance and fidelity bond requirements for similar projects established by Federal National Mortgage Association, Governmental National Mortgage Association, Federal Home Loan Mortgage corporation, Federal Housing Authority, and Veterans Administration, so long as any of them is a Mortgagee or Owner, except to the extent such coverage is not available or has been waived in writing by such agencies.

Section 7.2 Casualty Losses. In the event of substantial damage to or destruction of any of the Common Areas, the Association shall give prompt written notice of such damage or destruction to the Owners and to the holders of all First Mortgages. Insurance proceeds for damage or destruction to any part of the Common Areas shall be paid to the Association as a trustee for the Owners, or its authorized representative, including an insurance trustee, which shall segregate such proceeds from other funds of the Association.

ARTICLE 8

ENFORCEMENT

Section 8.1 Right to Enforce. The Association, Declarant, or any Owner, shall have the right to enforce, by any appropriate proceeding at law or in equity, all covenants, conditions, restrictions, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration. Failure or forbearance by any person or entity so entitled to enforce the provisions of this Declaration to pursue enforcement shall in no event be deemed a waiver of the right to do so thereafter.

Section 8.2 Remedies Cumulative. Remedies provided by this Declaration are in addition to, cumulative with, and are not in lieu of, other remedies provided by law. There shall be, and there is hereby created, a conclusive presumption that any breach or attempted breach of the covenants, conditions, and restrictions herein cannot be adequately remedied by an action at law or exclusively by recovery of damages.

Section 8.3 Covenants Running with the Land. The covenants, conditions, restrictions, liens, easements, enjoyment rights, and other provisions contained herein are intended to and shall run with the land and shall be binding upon all persons purchasing, leasing, subleasing, or otherwise occupying any portion of Lakemont Woods, their heirs, executors, administrators, successors, grantees, and assigns. All instruments granting or conveying any interest in any Lot shall be subject to this Declaration.

ARTICLE 9

AMENDMENT AND REVOCATION

Section 9.1 Amendment by Declarant or Association. Declarant may, on its sole signature, during the Development period, amend this Declaration and record one or more Supplementary Declarations extending the provisions of this Declaration to additional Phases. This Declaration may also be amended at any time by an instrument executed by the Association for and on behalf of the Owners, provided, however, that such amendments shall have received the prior approval of a vote of the owners having 60 percent of the total outstanding votes in the Association; and provided, further, that no such amendment shall be valid during the Development period without the prior written consent of the Declarant. Notwithstanding any of the foregoing, the prior written approval of 51 percent of all Mortgagees who have requested from the Association notification of amendments shall be required for any material amendment to the Declaration or the Association's Bylaws of any of the following: voting rights; assessments, assessment liens, and subordination of such liens; reserves for maintenance, repair, and replacement of Common Areas; insurance or fidelity bonds; responsibility for maintenance and repair; reallocation of interest in the Common Areas; leasing of Lots other than as set forth herein; imposition of any restrictions on the right of an Owner to sell or transfer their Lot; a decision by the Association to establish self management when professional management had been required previously by an eligible Mortgagee; any action to terminate the legal status of the Lakemont Woods Association after substantial destruction or condemnation occurs; or any provisions which are for the express benefit of Mortgagees or eligible insurers or guarantors of First Mortgages.

Section 9.2. Effective Date. Amendments shall take effect only upon recording with the King County Department of Records and Elections or any successor recording office.

ARTICLE 10

GENERAL PROVISIONS

Section 10.1 Taxes. Each Owner shall pay without abatement, deduction, or offset, all real and personal property taxes, general and special assessments, including local improvement assessments, and other charges of every description levied on or assessed against their Lot, or personal property located on or in the Lot. The Association shall likewise pay without abatement, deduction, or offset, all of the foregoing taxes, assessments, and charges levied or assessed against the Common Areas.

Section 10.2 Non-Waiver. No waiver of any breach of this Declaration shall constitute a waiver of any other breach, whether of the same or any other covenant, condition, or restriction.

Section 10.3 Attorney's Fees. In the event of a suit or action to enforce any provision of this Declaration or to collect any money due hereunder or to foreclose a lien, the unsuccessful party in such suit or action shall pay to the prevailing party all costs and expenses, including title reports, and all attorney's fees that the prevailing party has incurred in connection with the suit or action, in such amounts as the court may deem to be reasonable therein, and also including all costs, expenses, and attorneys' fees incurred in connection with any appeal from the decision of a trial court or any intermediate appellate court.

Section 10.4 No Abandonment or Obligation. No Owner, through their nonuse of any Common Area, or by abandonment of their Lot, may avoid or diminish the burdens or obligations imposed by this Declaration.

Section 10.5 Interpretation. The captions of the various articles, sections and paragraphs of this Declaration are for convenience of use and reference only and do not define, limit, augment, or describe the scope, content or intent of this Declaration or any parts of this Declaration.

Section 10.6 Severability. Invalidation of any one of these covenants, conditions, restrictions, easements, or provisions by judgment or court order shall in no way affect any other of the same, all of which shall remain in full force and effect.

Section 10.7 Notices. All notices, demands, or other communications ("Notices") permitted or required to be given by this Declaration shall be in writing and, if mailed postage prepaid by certified or registered mail, return receipt requested, shall be deemed given three days after the date of mailing thereof, or on the date of actual receipt, if sooner; otherwise, Notices shall be deemed given on the date of actual receipt. Notice to any Owner may be given at any Lot owned by such owner; provided, however, that an Owner may from time to time by Notice to the Association designate such other place or places or individuals for the receipt of future Notices. If there is more than one Owner of a Lot, Notice to any one such Owner shall be sufficient. The address of Declarant and of the Association shall be given to each Owner at or before the time he becomes an Owner. If the address of Declarant or the Association shall be changed, Notice shall be given to all Owners.

Section 10.8 Applicable Law. This Declaration shall be construed in all respects under the laws of the State of Washington.