

**THIRD AMENDMENT TO THE DECLARATION OF
COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS OF
DIAMOND RIDGE ESTATES**

This Third Amendment dated the 31st day of January, 2007, amends the Declaration of Covenants, Conditions, Restrictions and Easements ("Declaration") of Diamond Ridge Estates, (the "Association") recorded under King County Auditor Nos. 200011 09000392, 200001100 01121 and 2000 0110001122, as further amended and recorded under King County Auditor Nos. 200204160 01599 (First Amendment) and 200 406230016 95 (Second Amendment).

This Amendment was passed by a resolution duly adopted by the Board of Directors and Lot Owners of the Association at a regular meeting on December 9th, 2006. Proper notice of the meeting is hereby acknowledged by all of the undersigned representatives. This Amendment addresses certain provisions of the Declaration deemed to be in the best interests of the Association and except as expressly added, deleted or modified herein, all other provisions of the Declaration shall remain in full force and effect and are incorporated herein by this reference. The Amendment affects that real property legally described by **Exhibit "A"**, attached hereto and incorporated herein.

NOW, THEREFORE, the following amendments are hereby made to the Declaration of Diamond Ridge Estates:

1. (Revision) **Section 3.9 Effect of Nonpayment of Assessment.** If any assessment payment is not paid in full within thirty (30) days after it was first due and payable, the unpaid amounts shall constitute a lien against the Lot assessed and shall bear penalty interest from such due date at a rate of ten percent (10%) applicable to each month of non-payment. By acceptance of a deed to a Lot, recording of a real estate contract the reformation, 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, 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 shall arise in accordance with the terms of this Declaration without the necessity of any further action by the Association. 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.

2. (New) **Section 5.2.2.1 Painting.** All exterior painting must be approved by the ACC, in the manner set forth in Section 5.19 prior to commencing application of any paint, whether new construction or repainting of an existing home

3. (Revision) **Section 5.2.3 Landscaping.** Yards shall be fully landscaped no later than sixty (60) days after substantial completion of construction, or full-time occupancy of the home, whichever occurs first, unless extended by the ACC. 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 ACC. The owners of Lots 45 - 58 and Lots 90 - 91 shall plant and maintain desirable trees in their rear yards facing the Golf Course in a clustered or staggered fashion, where needed, at approximately ten (10) foot intervals in order to provide aesthetic visual screening and for safety purposes. See Article 7. Residential Landscape and Water Use for further landscape restrictions.

4. (Revision) **5.2.4 Fencing.** No fence shall be over six (6) feet in height. In general, fences will not be allowed except along side yards or to enclose backyard areas for pools, pets, children and the like provided the Lot does not front any portion of the Golf Course. Fences shall not be allowed on any portion of a Lot fronting the Golf Course without prior written approval from the ACC. Under no circumstances shall any fence be permitted to run along any portion of a rear yard of a Lot fronting the golf Course. No barbed wire, welded wire or corrugated fiberglass fences shall be erected on any Lot. All fences are to be designed per detail as shown in **Exhibit B** and must be approved by the ACC prior to construction. All fences adjacent Lots 79, 80, 81, 82, 83, 84, 85, 86, 87, 88 and 89 shall be limited to an open, ornamental metal fence not to exceed a maximum height of six (6) feet around that perimeter not facing the pond, then no more than a maximum of five (5) feet, at that point which is thirty (30) feet from the pond property line, and then no more than four (4) feet at that point which is twenty (20) feet from the rear property line and not to exceed a maximum height of four (4) feet along the entire rear property line. All fencing must be submitted to the ACC in the manner set forth in Section 5.19, prior to commencing any construction.

5. (New) **Section 5.13.1 Vacant Lots.** Lots, which are not presently under construction or in the process of development, must be adequately maintained by the

Owner, to control the growth of weeds, shrubs and trees, whether or not the failure to maintain may spread to adjacent Lots or property. All Lots shall be maintained in such fashion so as not create an unsightly appearance or constitute a nuisance, or otherwise detract from the value and/or image of the Association. At a minimum, each Owner shall remove, treat and/or protect against the growth of scotch broom, cotton wood, alder and other intrusive vegetation until such time as the Lot is under construction. Failure to comply with this provision shall result in action by the Board as provided in Section 5.19.

6. (New) **Section 5.19 Construction and/or Revision of Lots; ACC Approval Required.** All Owners shall submit written building plans and specifications, product information and any applicable color samples to the Architectural Control Committee (ACC) for approval, prior to proceeding with any new construction, modification and/or revision to an existing Lot or other improvement within Diamond Ridge Estates. The required information shall be provided to the ACC at least fifteen (15) days prior to the date of commencement of any construction, modification, or revision. If no objection is provided by the ACC to the Owner within the fifteen (15) days after the ACC's receipt of all required information then the proposed construction or revision shall be deemed to be approved by the ACC. The "required information" shall include, but is not limited to: architectural design plans and/or detailed descriptions of exterior modification proposal, landscape plans and/or modifications, tree removal as specified in 5.2.3., driveway and pathways as specified in 5.2.8., exterior painting or stucco applied finishes, exterior stone and brick work, fences and roofing. Failure to submit the required information for ACC approval prior to starting work shall constitute a material violation of the Declaration. Said failure shall result in the immediate notification of a fine in the amount of \$1,000 per infraction, if each infraction is not corrected within thirty (30) days then an assessment of \$1,000 shall be immediately due and an additional assessment of \$1,000 shall accrue each month thereafter, for each applicable infraction, until the violation is completely remedied. In the event that an assessed Lot Owner fails to pay the applicable fine for violating the requirement of prior ACC approval, a lien shall be recorded on the Owner's Lot and further legal action shall be taken, as warranted.

7. (New) **Section 5.20 Diamond Ridge Estates Architectural Standards.** It is the intention of the Association to have the ACC implement a style of home design that is consistent with and depicts Northwest taste, appeal and architectural design, incorporating a color scheme utilizing earth-tones and applying the highest standards of construction and use of quality materials, similar to the type of homes presented along that portion of 139th Terrace SE, which was the former "Street of Dreams" development site.

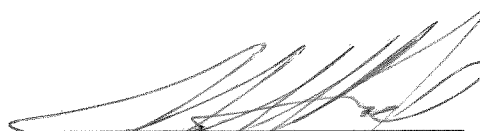
8. (Replaces existing Section 5.28 in its entirety) **Section 5.28 Driveways.** All driveways shall conform to King County Road and Highway Standards. The first ten (10) feet of the driveway (within the designated easement area) shall be asphalt conforming to King County standards. All other portions of the driveway, parking areas and walkways shall be exposed standard gray concrete. Any proposal for any other surface materials shall be submitted to the ACC in the manner set forth in Section 5.19.


9. (Revision) **Section 8.3 Monuments and Landscaping.** Within private roads and cul-de-sacs, the Association may reserve areas for installation, repair, replacement and operation of entryway monuments, signage and landscaping. The Association shall be responsible for costs and expenses relating to maintenance, operation and repair of the entryway monuments, signage and landscaping in the private roads and cul-de-sacs, except as set forth in Section 8.4. This Association expense is subject to assessments pursuant to Article 3. The Association shall have the right to trim trees within these areas, as the Association shall deem necessary or desirable, at its sole discretion and the Owners of the Lots adjacent to these Areas hereby waive any and all objections to such trimming.


10. (Revision) **Section 8.4 Private Roads & Cul-de-sacs.** The Owners of Lots located in the following private cul-de-sacs (Lots 1 through 8, 145th Place SE (North); Lots 9 through 16, 145th Place SE (South); Lots 17 through 24, 143rd Court SE; Lots 27 through 34, 139th Terrace SE; and Lots 35 through 42, 135th Place SE) shall be responsible for all costs and/or expense in excess of the Association annual budget to repair, maintain, replace and insure all materials and work associated with each of said cul-de-sacs, including security gates and private streets abutting all said Lots, plus any other costs associated with the private improvements benefitting or affecting these Lots in the following manner: each of the gates applicable to the referenced cul-de-sacs shall be maintained by the Association to the maximum amount included in the approved annual budget. All costs over the annual budget and any costs associated with new and/or replacement gate parts and/or components shall be the sole responsibility of and paid equally (pro rata) by each of the Owners of the Lots serviced by said gate.

IN WITNESS WHEREOF, the following authorized representatives of the Board of Directors of the Association have witnessed and approve the foregoing Third Amendment to the Declaration and direct that the same be immediately recorded with the King County Auditor.


Donald Knight, President, Board Member


Mark Howell, ACC Chairman,
Board Member, Member at Large


Sherri Crawford, Treasurer,
Board Member


William Staley, Vice President,
Board Member



William Deaver, Secretary, Board Member

EXHIBIT "A"
LEGAL DESCRIPTION