

DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS, EASEMENTS & RESTRICTIONS FOR MOUNTAIN VIEW

Grantor: Evergreen: State Builders, LLC a Washington limited liability company
Grantee: Mountain View
Legal Description (abbreviated): Lots 1 through 4 of the plat Mountain View, as recorded
under Pierce County Auditor's Recording Number 200402055004
Assessor's Tax Parcel No.: _____

The Declarant herein as the owner in fee of the real property legally described in this Declaration, hereby covenant, agree, and declare, that all of the properties and housing units constructed on the properties are and will be held, sold, and conveyed subject to this Declaration which is made for the purpose of enhancing and protecting the value, the desirability and attractiveness of the properties for the benefit of all the properties and their owners. The covenants, restrictions, reservations, and conditions, contained in this Declaration shall run with the land as easements and equitable servitudes, and shall be binding upon the properties and each portion thereof and all persons owning, purchasing, leasing, subleasing, or occupying any lot on the properties and upon their respective heirs, successors and assigns.

ARTICLE ONE: DEFINITIONS

For purposes of the Declaration, Articles of Incorporation and Bylaws of the Association, certain words and phrases have particular meanings, which are as follows:

1. "ACC" shall mean the Architectural Control Committee, as described in the is Agreement.
2. "Articles" shall mean the Association's articles of incorporation and any amendments.
3. "Association" shall mean the homeowner's association formed as a nonprofit corporation for the purpose of administering/his Declaration.
4. "Board" or "Board of Directors" shall mean the Board of Directors of the Association.
5. "Bylaws" shall mean the Association's Bylaws and any amendments.

6. "Common Areas" shall include any areas which may be designated on the plat of Mountain View. Common areas shall also mean all the property, both real and personal, in which the Association has been granted an ownership interest, or an easement or right of control by any written instrument including this Declaration or by delineation and declaration of the same on the plat map recorded under the above referenced recording number.
7. "Declaration shall mean this Declaration of Protective Covenants, Conditions and Restrictions.
8. "Developer-Declarant" The Developer and Declarant shall mean Evergreen State Builders, LLC, a Washington limited liability company. However, Developer shall also include any entity which purchases multiple lots from Evergreen State Builders, LLC for the purposes of constructing residences thereon. Until such time as Evergreen State Builders, LLC or any other entity purchasing multiple lots has sold all the lots by that party, then such party shall jointly exercise all rights reserved to the Declarant as set forth in this Declaration. At any time as such party has sold or conveyed all the lots held by that entity then that party shall no longer be considered a Developer or Declarant.
9. "Development Period" shall mean the period of time from the date of recording of this Declaration until 180 days after the date upon which 100% of the lots have been sold by the Developer or any shorter period, as determined by the Developer. A partial delegation of authority by the Developer of any of the management duties described in this Declaration shall not terminate the development period. In the event any loans with respect to any of the lots are insured through the Federal Housing Administration (FHA), the Veteran's Administration (VA), the Federal National Mortgage Association (FNMA), and the Federal Home Loan Mortgage Corporation, then in that event, the Development Period shall terminate at such time as 75% of all of the lots have been closed and sold to other than Developers.
10. "Housing Unit" shall mean the building occupying a Lot.
11. "Institutional First Mortgagee" or "Mortgagee" shall mean a bank or savings and loan association or established mortgage company, or other entity chartered under federal or state-laws, any corporation or insurance company or state or federal agency which holds a first mortgage or deed of trust against a Lot or Housing Unit thereon.
12. "Lot" shall refer to one of the Lots located in the Real Property described herein. (Lots 1 through 44 of the plat of Mountain View)
13. "Member" shall mean every person or entity that holds a membership in the Association.
14. "Mortgage" shall mean a mortgage or deed of trust encumbering a Lot or other portion of the Properties.

15. "Owner" shall mean the recorded owner of a Lot, whether one or more persons or entities, but excluding those having such interest merely as security. A real estate contract purchaser shall be deemed the Owner.
16. "Person" shall mean a natural person, a corporation, a partnership, trustee, or other legal entity.
17. "Real Property" that is subject to this declaration is legally described as Lots 1 through 44 of the plat of Mountain View.
18. "Sale" or "Sold" shall mean the date/upon which ownership of a Lot is transferred from an Owner to another person or entity by recordation of an instrument of transfer such as a deed or real estate contract.

ARTICLE TWO: MANAGEMENT OF COMMON AREAS AND ENFORCEMENT OF DECLARATION

Section One: Development Period. During the development period the Declarant, Evergreen State Builders, LLC, shall appoint the sole director of the Association. The Declarant may also appoint members of the Association to other committees of positions in the Association as the Declarant deems appropriate to serve at the Declarant's discretion and may assign such responsibilities, privileges, and duties to the Members as the Declarant determines for such time as the Declarant determines. Any member appointed by the Declarant during the development period may be dismissed at the Declarant's discretion. The Declarant shall also appoint members to the Architectural Control Committee. At such time as the Declarant has sold and conveyed all lots, then the Declarant may resign as a director of the Association and from any other committees for the duration of the development.

At such time as the Declarant has sold and conveyed all lots then any Developer as defined in this Agreement for the duration of the development period shall be entitled to appoint a director to the Association as well as a Member to the Architectural Control Committee.

Section Two: Purpose of Development Period. The Developer's control of the Association during the Development Period is established in order to ensure that the Properties and the Association will be adequately administered in the initial phases of development, ensure an orderly transition of Association operations, and to facilitate the Developers completion of construction of Housing Units.

Section Three: Authority of Association After Development Period. At the expiration of Developer's management authority, the Association shall have the authority and obligation to manage and administer the Common Areas and to enforce this Declaration. Such authority shall include all authority provided for in the Association's Articles, Bylaws, rules and regulations and this Declaration. The Association shall also have the authority and obligation to manage and administer the activities of the ACC in its responsibilities as described in this agreement.

Section Four: Delegation of Authority. The Board of Directors or the Developer may delegate any of its managerial duties, powers, or functions to any person, firm, or corporation. The Board and the Developer shall not be liable for any breach of duty, negligence, omission, intentional act or improper exercise by a person who is delegated any duty, power or function by the Board of Directors or the Developer.

Section Five: Notice to Owners. Not less than ten nor more than thirty days prior to the termination of the development, the Declarant or any Developers who then constitute the Board, shall give written notice of termination of the development period to the owner of each lot. Said notice shall specify the date when the development period will terminate and that at such time a meeting of the Members shall be called in accordance with the by-laws which Members shall then elect directors in accordance with the terms and provisions of the Articles of Incorporation and by-laws of this Declaration.

ARTICLE THREE: MEMBERSHIP

Every person or entity who is an Owner of any Lot agrees to be a Member of the Association by acceptance of a deed for such Lot. Membership may not be separated from ownership of any Lot. All Members shall have rights and duties as specified in this Declaration, and in the Articles and Bylaws of the Association.

ARTICLE FOUR: VOTING RIGHTS

Members shall be entitled to one vote for each Lot owned. No more than one vote shall be cast with respect to any Lot. The voting rights of any Member may be suspended as provided in the Declaration, or the Articles or Bylaws of the Association. Members' votes may be solicited and tabulated by mail or facsimile.

ARTICLE FIVE: MAINTENANCE AND COMMON EXPENSES

Section One: Standard of Maintenance - Lots and Planting Strips. Each Lot Owner hereby covenants and agrees to maintain his respective Lot (including as a part of said Lot the Planting Strip located between the street and the sidewalk adjacent to the Owner's respective Lot, if any), and the Housing Unit located thereon in the same condition as a reasonably prudent homeowner would maintain his own home so that the Real Property will reflect a high pride of ownership. Each Lot Owner shall perform at the Lot Owner's expense the maintenance and upkeep of any drainage swales and/or underground drain lines and catch basins installed on their Lot.

Section Two: Remedies for Failure to Maintain. If any Lot Owner shall fail to conduct maintenance on his Lot or the exterior of the Housing Unit located thereon or fails to maintain the Lot and the exterior of the Housing Unit in the same condition as a reasonably prudent homeowner, or in a manner which preserves the drainage for other Lots, the

Association shall notify the Lot Owner in writing of the maintenance required. If the maintenance is not performed within thirty (30) days of the date notice is delivered, the Association shall have the right to provide such maintenance, and to levy an assessment against the non-performing Lot Owner and its Lot for the cost of providing the maintenance: The assessment shall constitute a lien against the Lot owned by the non-performing Lot Owner and may be collected and foreclosed in the same manner as any other delinquent monthly or special assessment. The Association shall have all remedies for collection as provided in this Declaration. In the event that emergency repairs are needed to correct a condition on a Lot which pose a substantial risk of injury or significant property damage to others, the Association may immediately perform such repairs as may be necessary after the Association has attempted to give notice to the Lot Owner of the repairs necessary. Such notice in emergency circumstances shall be sufficient if attempted orally or in writing immediately prior to the Association's undertaking the necessary repairs. Emergency repairs performed by the Association, if not paid for by the Lot Owner, may be collected by the Association in the manner provided for herein notwithstanding the failure of the Association to give the Lot Owner the thirty (30) day notice.

Section Three: Common Expenses. The Association shall perform such work as is necessary to carry out the duties described in this Declaration, and shall delegate the responsibility for management and supervision of such work to the Board, the AC or to a manager or agent hired by the Board for the purpose of such management and supervision. Expenses for such work shall be paid by the Association for the benefit of all Lot Owners and shall be referred to as Common Expenses. The Common Expenses shall be paid by the Association from funds collected from assessments paid by Lot Owners. The Common Expenses shall include, but shall not be limited to the following:

1. The cost of maintaining all required insurance coverage and fidelity bonds on any Common Areas, and for directors and officers of the Association and the ACC;
2. The cost of maintaining, repairing, and replacing any signs, lights, perimeter fences, or any other Common Area landscaping which the Association is obligated to maintain pursuant to city ordinance, code, or regulation.
3. The cost of maintaining and replacing streetlights (if not maintained by applicable governmental jurisdictions);
4. Any other expense which shall be designated as a Common Expense in the Declaration, in its Exhibits, or from time to time by the Association.

Section Four: Management. Each owner expressly covenants that the Declarant (during the development period) and the board thereafter, may delegate all or any portion of management authority to a managing agent, manager or officer of the Association and may enter into such management contracts or other service contracts to provide for the maintenance of the common areas and common maintenance areas and any portion thereof.

Any management agreement or employment agreement for maintenance or management may be terminable by the Association without cause upon not more than ninety (90) days written notice thereof. (However, this shall not be applicable if the management agreement provides for any other specific termination.) The term of any such agreement shall not exceed one year, renewable by Agreement of the parties for successive periods of up to three years each. Each owner is bound to observe the terms and conditions of any management agreement or employment contract, all of which shall be made available for inspection by any owner upon request. Any fees or salary applicable to any such management employment or service agreement shall be assessed to each owner.

ARTICLE SIX: ASSESSMENTS

Section One: Covenants for Maintenance Assessments.

- a. Declarants, for each Lot owned by it, agrees, and each Owner of a Lot by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to agree to pay to the Association annual or other regular assessments.
- b. The annual or other regular and special assessments, together with interest, costs and reasonable attorney's fees, shall be a charge and a continuing lien upon the Lot against which each such assessment is made. Such lien may be foreclosed by the Association in like manner as a Mortgage on real property.
- c. Each assessment; together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of the Lot assessed at the time the assessment fell due. The personal obligation shall not pass to the Owner's successors-in-interest unless expressly assumed by them. The new Owner shall be personally liable for assessments which become due on and after the date of sale or transfer.
- d. Unless otherwise provided for in this Declaration, no lot owned by a Declarant shall be subject to any annual or other assessments.

Section Two: Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents of the Property, including the improvement, repair and maintenance of the Common Areas and the services and facilities related to the use and enjoyment of said areas, for the payment of insurance premiums on the Common Areas, and for the maintenance of other areas as provided for in this Declaration.

Section Three: Board to Fix Annual or Regular Assessment. The Board of Directors shall fix the regular or annual assessment at least thirty (30) days prior to the commencement of the annual or regular assessment period. Written notice of the annual or regular assessment shall be sent to every Owner. In the event the Board fails to Fix an annual or regular assessment for any assessment period, then the assessment established for the annually or regular assessment for the prior year shall automatically be continued until such time as the Board acts. The annual or regular assessment established for the prior year shall automatically be continued until such time as the Board acts. The annual or regular assessments shall be sufficient to meet the obligations imposed by the Declaration and any supplementary declarations; and shall be sufficient to establish an adequate reserve fund for the maintenance, repair and replacement of those Common Areas which require such actions on a periodic basis. That in the event there is any increase in the annual or regular assessment of more than five percent (5%) of the annual or regular assessment for the prior assessment period, then it must be approved as provided for in the Bylaws of the Association which are incorporated herein as though fully set forth.

Section Four: Rate of Assessment. Both annually or regular and special assessments shall be fixed at a uniform rate for all Lots.

Section Five: Street Repair, Maintenance and Cleaning. All Developers or owners shall use due diligence to avoid placing unnecessary dirt, debris, and any other material washing onto or coming on the road as a result of any construction activities and each Developer or owner shall-at all times remain responsible for keeping the road clean of any such debris, dirt, and material. In addition, all Developers, or owners shall use due diligence to avoid causing any damage to the road or sidewalks and all roads and sidewalks and other improvements constructed by the Declarant as a condition for obtaining plat approval shall remain in the same condition as they were as of the date of final plat approval. Any Developer or owner who violates the provisions of this paragraph shall reimburse the Declarant upon request for any expenses incurred by Declarant because of the failure of the Developer or owner to abide by the terms and provisions of this Declaration. In the event any Developer or owner does not pay the same upon request, then the Declarant shall have a lien against the property of said Developer or owner to secure payment of said reimbursement. In the event it cannot be determined which Developer or owner was responsible for the violation of the above referenced provisions, in that event the Homeowners Association shall reimburse the Declarant for any expenses incurred by the Declarant. Regardless of any other provision in this Declaration, this paragraph cannot be amended for a period of ten (10) years after recording of this Declaration.

Section Six: Maintenance of Storm Drain System. All Developers or owners shall use due diligence to avoid materials from washing into or being put into the storm water drain system as a result of construction activities conducted by the Developer or owner which would

include any sediment, cement slurry, or any other material washing off of or coming off of any lot upon which a Developer or owner are constructing a residence and flowing into the storm water drain system. In the event any Developer or owner are in violation of the terms and provisions of this paragraph, this Developer or owner shall agree to pay a maintenance charge to the-Developer in an amount to be determined by the Developer but not to exceed \$500.00 for each such violation by a Developer or owner. In addition, each Developer or owner agrees to-indemnify the Declarant from any costs or charges which the Declarant may incur in connection with the cleaning and maintenance of the storm water system as a result of any Violation of this paragraph by such Developer or owner and that this liability on the part of the Developer or owner shall be joint and several. Any Developer or owner who violates the provisions of this paragraph shall reimburse the Declarant upon request for any expenses incurred by Declarant because of the failure of the Developer or owner to abide by the terms and provisions of this Declaration. In the event any Developer or owner does not pay the same upon request, then the Declarant shall have a lien against the property of said Developer or owner to secure payment of said reimbursement. In the event it cannot be determined which Developer or owner was responsible for the violation of the above referenced provisions, in that event the Homeowners Association shall reimburse the Declarant for any expenses incurred by the Declarant. Regardless of any other provision in this Declaration, this paragraph cannot be amended for a period of ten (10) years after recording of this Declaration.

Section Seven: Reimbursement: Charge to be Paid to Developer. A reimbursement charge of \$500.00 shall be paid to the Developer upon the closing of the sale of a lot upon which a home has been constructed to either the initial purchaser or upon initial occupation of the home, whichever occurs first. Said reimbursement charge shall be for the purpose of reimbursing the Developer for sums advanced by the Developer relative to the organization of the Homeowners Association and payment of costs and expenses relating to the initial development period.

Section Eight: Annual Assessment. The annual assessment shall be \$100.00 per lot commencing on January 1 of each year. The annual assessment shall be due on or before January 30" of each year in which said assessment is made. Each lot owner who shall purchase either from the Developer or from a builder after a residence has been constructed thereon shall pay at time of closing the prorata portion of said \$100.00 annual assessment which amount shall be paid to the Homeowners Association. The above referenced annual assessment and all subsequent annual assessments: shall be paid to the Homeowners Association who shall then pay for the expenses of the Association as required under the terms of this Declaration. In the event the expenses of the Association are in excess of the assessments collected, then the Developers who subsequently purchase from the Declarant shall pay the difference to the Association on a pro rata basis as determined by the number of lots owned by al such Developers. At such time as there had been sufficient assessments collected by the Association, then said Developer shall be reimbursed. The Declarant shall not be responsible or liable for the payment of any assessment against-any-lot owned by the Declarant. During the development period, the Declarant shall have the authority to increase

the annual assessment to reflect (1) maintenance costs, (2) repair costs, or (3) plat management costs. All increases during the development period must directly reflect increase in the above recited costs. During the development period, the Declarant shall have authority to reduce the annual assessments as economic data supports such a reduction because of reduced maintenance costs or other anticipated association expenses. After the development period expires, the board of directors shall fix the annual assessment in accordance with the above recited standards.

Section Nine: Certificate of Payment. The Association shall, upon written demand, furnish a certificate in writing setting forth whether the assessment on a specified Lot has been paid. A reasonable charge may be made for the issuance of the certificate. Such certificate shall be conclusive evidence of payment of any assessment stated to have been paid.

Section Ten: Special Assessments. In addition to the assessments authorized above, the Association, by its Board of Directors may levy, in any year, a special assessment applicable to that year only, for the purpose of defraying the cost of any construction or reconstruction, unexpected repair or replacement of facilities in the Common Areas. However, the Developer shall not be obligated to pay any special assessments on Lots owned by the Developer. Assessments may be made based upon the estimated cost of such work, prior to the works' commencement, provided such estimate has been provided by a contractor retained by the Board for the purpose of such estimate. All special assessments for construction of new facilities or acquisition of new equipment, which is not for the upgrade, repair or replacement of existing construction or equipment, shall require by approved as provided by the By-Laws.

Section Eleven: Fines Treated as Special Assessments. Any fines levied by the Association pursuant to RCW Chapter 64.38 (or successor statute authorizing the imposition of fines) shall be treated as a special assessment of the Owner fined, and may be collected by the Association in the manner described in this Declaration.

ARTICLE SEVEN: COLLECTION OF ASSESSMENT

Section One: Lien - Personal Obligation. All assessments, together with interest and the cost of collection shall be a continuing lien upon the Lot against which each such assessment is made. The lien shall have all the incidents of a mortgage on real property. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of the Lot at the time the assessment was due. No Owner may waive or otherwise avoid liability for assessments by non-use of the Common Areas or abandonment of the Lot.

Section Two: Delinquency. If any assessment is not paid within thirty (30) days after its due date, the assessment shall bear interest from said date at twelve percent (12%), or, in the event that twelve percent (12%) exceeds the maximum amount of interest that can be charged by law, then the highest permissible rate as provided for the law a late charge of five percent (5%) of the amount overdue shall be charged for any payment more than ten (10) days past due. Each Member hereby expressly grants to the Association, or its agents, the authority to bring all actions against each Member personally for the collection of such assessments as a debt and to enforce lien rights of the Association by all methods for the enforcement of such liens, including foreclosure by an action brought in the name of the Association in a like manner as a mortgage of real property, and such Member hereby expressly grants to the Association the power of sale in connection with such liens. The liens provided for in this section shall be in favor of the Association, and shall be for the benefit of the Association. The Association shall have the power to bid at a foreclosure sale and to acquire, hold, lease, mortgage and convey any Lot obtained by the Association.

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

Section Four: Enforcement of Assessments. The Board may take such action as is necessary, including the institution of legal proceedings, to enforce the provisions of this Article. In the event the Board begins an action to enforce any such rights, the prevailing party shall be entitled to its attorney's fees, costs and expenses incurred in the course of such enforcement action as provided in this Declaration.

ARTICLE EIGHT: ARCHITECTURAL CONTROL

Section One: Development Period. The Declarant hereby reserves the right to exercise any and all powers and controls herein given to the Board of Directors, the ACC or its authorized representative in this Article of the Declaration, during the Development Period. At the expiration of the Development Period, Declarant reserves the right to continue to exercise all powers and controls granted herein to the ACC and to appoint Members of the ACC until such time as there has been constructed on all lots a residence and said residence has been sold and conveyed by either a Developer or the Declarant.

Section Two: Authority of ACC After Relinquishment of Control by Declarant. At such time as all residences have been constructed on all lots and said residences have been sold and conveyed by either a Developer or the Declarant, the ACC shall have the authority and obligation to manage and administer the review of building plans, specifications, and plot plans and such after submissions as described in this Article and to enforce those covenants, conditions, and restrictions. Such authority shall include all authority provided for the ACC in the Association's Articles, Bylaws, Rules, and Regulations as initially adopted or amended, and all authority granted to the ACC by this Declaration.

Section Three: Delegation of Authority of ACC. The ACC or the Declarant may delegate any of its duties, powers, or functions described in this Article to any person, firm, or corporation.

Section Four: Appointment of ACC. The Declarant during the development period reserves the right to act as the ACC or to appoint the Member(s) of the ACC. At such time as all of the lots have been sold by the Declarant and/or Developers, then the Board of the Association shall appoint at least one but not more than three Members of the ACC and if all the Members of the ACC shall resign and no replacements have been appointed by the Board, then the Board shall act as the ACC until the Members of the ACC are appointed by the Board.

Section Five: Approval by ACC Required. Except as to construction, alteration, or improvements performed by the Declarant, no construction activity of any type including clearing and grading, cutting or transplanting of significant natural vegetation may begin on a Lot or Common Area and no building, structure, fence or other improvement shall be erected, placed or altered on any Lot or Common Area until, at a minimum, the building plans, specifications, plot plans, and landscape plan showing the nature, kind, shape, height, materials, exterior color and location of such building, structure or other improvements have been submitted and approved in writing by the ACC or its authorized representative as to harmony of exterior design and location in relation to and its effect upon surrounding structures and topography. Further, no fences, hedges or walls shall be erected or altered and no significant exterior changes shall be made to any building including, but not limited to, exterior color changes, additions or alterations until such written approval shall have been obtained.

Section Six: Time Limits. If the ACC or its authorized representative shall fail to notify the Owner of its action for a period of thirty (30) days following the date of the submission of the required information to the ACC, or its authorized representative, the Owner may proceed with the proposed work notwithstanding the lack of written approval by the ACC or its authorized representative. The required information shall be considered submitted to the ACC upon personal delivery of a complete set of all required information to the person designated to receive such items by the ACC or by mail three days after deposit in the U.S.

Mail, postage prepaid, certified, return receipt requested, to the ACC in care of the Board of Directors of the Association at the address designated in the most recent notice of assessment by the Board, or at such other address as is designated by the Board by written notice to the Members.

Section Seven: Donation of Time. No member of the ACC shall be entitled to any compensation for services performed on behalf of the ACC. ACC members shall have no financial liability resulting from ACC actions.

Section Eight: Address of the ACC. The address of the ACC shall be at the registered office address of the Association.

Section Nine: Voting. ACC decisions shall be determined by a majority vote of the members of the ACC.

Section Ten: Submission of Plans. All plans and specifications required to be submitted to the ACC shall be submitted by mail to the address of the ACC in duplicate. The written submission shall contain the name and address of the Owner submitting the plans and specifications, identify the Lot involved, and the following information about the proposed structures:

- A. The location of the structure upon the Lot;
- B. The elevation of the structure with reference to the existing and finished Lot grades;
- C. The general design;
- D. The exterior finish materials and color, including roof materials; and,
- E. Other information which may be required in order to determine whether the structure conforms to the standards articulated in this Declaration and the standards employed by the ACC in evaluating development proposals.

Section Eleven: Evaluating Development Proposals. The ACC shall have the authority to establish aesthetic standards for evaluating development proposals. In addition to these guidelines, in evaluating development proposals, the ACC shall determine whether the external design, color, building materials, appearance, height, configuration, location on the Lot, and landscaping of the proposed structure (the "design elements" harmonize with (1) the various features of the natural and built environment, (2) the aesthetic character of the other homes in Mountain View, and (3) any other factors which affect the desirability or suitability of a proposed structure or alteration (collectively the "approval factors"). The ACC shall decline to approve any design in which (1) the design elements fail to harmonize with the approval factors described in the previous sentence or which fail to meet any aesthetic standards promulgated by the ACC, (2) impacts adversely on nearby Properties and Common Areas, or (3) is of a temporary or non-permanent nature. ACC determinations may be amended by a majority vote of ACC members. Any changes subject to review per the terms set forth herein which are undertaken without submission to the ACC, shall be deemed to

have been disapproved. The ACC has the authority to stop further work as well as the authority to have prior work undone.

Section Twelve: Exclusions. The Declarant shall have the right to waive the plans and specifications review for Developers in Mountain View. Any such waiver shall not exempt said Developer from any of the standards or restrictions articulated in this Declaration and all structures and improvements shall meet all standards and restrictions contained in these declarations.

Section Thirteen: Approval Procedures: Within fourteen (14) days after the receipt of plans and specifications, the ACC shall approve or disapprove the proposed structure. The ACC may decline to approve plans and specifications which, in its opinion, do not conform to restrictions articulated in this Declaration and criteria or to its aesthetic standards. The ACC shall indicate its approval or disapproval on one of the copies of the plans and specification provided by the applicant and shall return the plans and specification to the address shown on the plans and specifications. In the event that no disapproval of such plans and specification is given within fourteen (14) days of submission, then the plans shall be deemed to be approved. In any event, the Association shall hold the ACC members (and the Declarant) harmless from any actions taken (or actions not taken) relative to the approval, disapproval, or non-action on any plans submitted for review "Non-action" on the part of the ACC shall not exempt the applicant from any of the provision of this Declaration or the restrictions articulated herein. By purchasing a Lot in Mountain View, the Owners agree that, to the extent permitted by law, the Declarant shall have no liability to the Owners or the Association for any actions taken, or actions not taken, while acting as the ACC.

Section Fourteen: Compliance with Codes/Environmental Laws. In all cases, ultimate responsibility for satisfying all local building codes and requirements rests with the Owner and contractor employed by the Owner. The ACC has no responsibility for ensuring that plans and specification which it reviews comply with local building codes and requirements. The Owner shall hold the ACC members (and Declarant) harmless in the event that a structure which the ACC (or Declarant) authorizes fails to comply with relevant building and zoning requirements or these covenants and restrictions contained herein. No person on the ACC or acting on behalf of the ACC, nor the Declarant acting as the ACC, or anyone acting on behalf of the Declarant, shall be held responsible for any defect in any plans or specifications which are approved by the ACC or Declarant nor shall any member of the ACC or any person acting on behalf of the ACC or Declarant be held responsible for any defect in a structure which was built pursuant to plans and specification approved by the ACC or by the Declarant. Neither the Declarant, the ACC; not any member of the ACC, nor the Association, nor anyone acting on behalf of the ACC or the Association shall have any responsibility for compliance by the Owner (or any agent, representative, guest, or invitee of Owner) with any environmental laws, regulations, or rules; including, but not limited to, those relating to hazardous waste and placement of underground oil tanks.

Section Fifteen: - Variation. The ACC shall have the authority to approve plans and specifications which do not conform to these restrictions in order to (1) overcome practical difficulties or (2) prevent undue hardship from being imposed on an Owner as a result of applying these restrictions: However, such variations may only be approved in the event that the variation will not (1) detrimentally impact on the overall appearance of the development, (2) impair the attractive development of the subdivision or (3) adversely affect the character of nearby Lots. Granting such a variation shall not constitute a waiver of the restrictions articulated in this Declaration. Variations shall only be granted if the ACC determines that the variation would further the purposes and intent of these restrictions. Variations shall only be granted in extraordinary circumstances.

Section Sixteen: Enforcement. The Association (including the Declarant on behalf of the Association), Board, or any Owner shall have the right to bring a suit for judicial enforcement of a determination of the ACC, or, after the Development Period, to seek an order requiring the ACC to exercise its authority, and perform its functions, under this Article Nine. In any judicial action to enforce a determination of the ACC, the losing party shall pay the prevailing party's attorney's fees, expert witness fees, and other costs incurred in connection with such a legal action or appeal.

Section Seventeen: ACC/Declarant Liability. The Association shall hold the ACC Members and the Declarant, if acting as the ACC, harmless from any actions taken (or actions not taken) under any provision of this Declaration, including, but not limited to, actions taken (or not taken) under the Articles of this Declaration. By purchasing a Lot in Mountain View, the Owners agree that, to the extent permitted by the law, neither the Declarant (nor any officer, director, or representative of the Declarant), nor the ACC (nor any member of the ACC) shall have any liability to the Owners or to the Association for-any-actions taken, or actions not taken, while acting as the Declarant or the ACC under this Declaration. "Non- action!" on the part of the ACC or the Declarant shall not exempt the applicant from any of the provisions of this Declaration or restrictions contained in this Declaration.

Section Eighteen: Guidelines. The ACC may adopt and amend, subject to approval by the Board, written guidelines to be applied in its review of plans and specifications, in order to further the intent and purpose of this Declaration and any other covenants or restrictions covering Real Property. If such guidelines are adopted, they shall be available to al interested parties upon request.

Section Nineteen: No Waiver. Approval by the ACC of any plans, drawings, or specifications shall not be a waiver of the right to withhold approval of any similar plan, drawing, specification, or matter submitted for approval.

Section Twenty: Consultation. The ACC may retain and consult persons or entities to assist in the evaluation of plans submitted to the Board for review.

Section Twenty-One: Appeals. After the Development Period, the Board shall serve as an appellate panel to review decisions of the ACC upon request of a party aggrieved by the ACCs' decision. The Board shall provide, through rules and regulations, a procedure by which decisions of the AC may be appealed to the Board. The Board may choose, in its discretion, to limit the scope of such appeal and provide time limitations for appeals to be made to the Board.

ARTICLE NINE. LAND USE RESTRICTIONS

Section One: Use of Lots. All Lots within the Property shall be used solely for private single-family residential purposes, provided, however, that with such single-family residences the Owners) thereof may, upon formal written application to the Board, request permission to operate a licensed day care business. The Board shall be authorized, but not obligated, to grant such approval and such approval may only be granted by the Board, whose approval cannot be unreasonably withheld, provided (1) all applicable governmental zoning and land use classifications lawfully permit such usage AND, (2) the business and Owners) are licensed by all applicable governmental authorities to operate such a day care-business, AND (3) the day care business will be operated only Monday through Friday AND (4) no more than four (4) children, in addition to those of the Owner's immediate family, and are enrolled in either a part or full-time capacity in such day care AND (5) the Owner(s) of such Lot(s) operating such day care facility will fully oversee, strict and supervise all children enrolled and will limit such activities strictly within the confines of their residence(s) and Lot(s) and not outside the same AND, (6) the Owners) of said Lot(s) agree to indemnify and hold the Declarant and the Association fully harmless from any and all liability and causes of action of whatever kind arising by virtue of the Owner's operation of such a day care business AND, (7) the Owner(s) of said Lot(s) will provide the Association, prior to commencing such business operations, and at all times during such business operations, with verification of liability insurance coverage in an amount not less than \$500,000.00 naming the Association and the Declarant and such other parties as the Association may deem appropriate as additional insureds AND, (8) such operation does not interfere or otherwise violate any other provisions of this Declaration, including, but not necessarily limited to Vehicle parking and signage restrictions. Should the Board give written authorization for such usage, such authorization may be revoked by at least five (5) days prior written notice delivered to Owner should the Owners) operating such day care business fail to strictly adhere to the provisions contained within this Declaration as well as any additional Rules and Regulations imposed, from time to time, by the Board. No other uses are permitted. Neither the Declarant, the Board and/or the Association shall be deemed to be a partner or joint venturer and/or an interest in such business operation to the extent permission to operate such a day care business is authorized. That nothing contained herein shall permit an owner from conducting an "in home business" provided that all business activity is carried on within the residence and that no employees, clients, customers, tradesmen, suppliers, or similar individuals come to said residence or are situated therein during the conduction of such business.

Section Two: Minimum Size of Residences and Location of Garages. Each residence must have a private enclosed car shelter for not less than two (2) cars. No single structure shall be altered to provide for more than one (1) family. Residences shall contain at least 1600 square feet. In computing the total square footage of a residence, the basement may be included but garages and/or enclosed decks shall not be included. In all lots which are adjacent to alleys, the garage constructed on that lot must be located facing the alley unless otherwise approved by the ACC.

Section Three: Use of Lot Not To Interfere With Rights of Others. No Lot shall be used in a fashion which unreasonable interferes with any other Owner's right to use and enjoy the other Owner's Lots. The Board, the ACC designated by it, of the Declarant during the Development Period shall determine whether any given use of a Lot unreasonable interfere with those rights; such determinations shall be conclusive.

Section Four: No Offensive Activity on Lots. No noxious or offensive activity shall be conducted on any Lot, nor shall anything be done or maintained on the Property which may become an activity or condition which unreasonably interferes with the rights this Declarant gives other Owners to use and enjoy any part of the Property. No activity or condition shall be conducted or maintained on any part of the Property which detracts from the value of the Property as a residential community. No untidy or unsightly condition shall be maintained on any property. Untidy conditions shall include, but are not limited to, publicly visible storage of wood, garbage receptacles, boats, trailers, mobile homes, recreational vehicles, disabled vehicles of any kind. The Board (or the Declarant during the Development Period) shall make the final determination of any violations of this section. Notwithstanding, anything in this Article Ten to the contrary, during the Development Period the Declarant may permit trailers (temporary trailers) or homes(s), which may be used to the Declarant and its authorized representatives, to be placed upon Owner's Lots to facilitate the sale of the Lots and the construction of residences (and residence-associated improvements) upon the Lots.

Section Five: Fences: Fences, walls or shrubs are permitted on side and rear property lines. Fences shall not be placed within the greater of (1) twenty (20) feet of the front property line, or (2) the distance between the front Lot line and the front wall (facade) at the garage of the primary Residence, subject to (1) the material for the fence, the location, and the size and construction details shall be subject to the approval of the ACC and (2) determination whether such fences, walls or shrubs would interfere with utility easements reflected on the face of the Plat and other easements recorded elsewhere. In no event shall any fences be allowed between the front Lot line and the front wall (facade) of the primary Residence. No barbed wire, chain link or corrugated fiberglass fences shall be erected on any Lot, except that chain link fencing for any common areas may be considered for approval by the Declarant during the Development Period or by the ACC thereafter. All fences, open and solid, are to be constructed not to be considered as part of the dwelling; provided, however, that this shall not be considered to permit any portion of a dwelling on a Lot to encroach any required setbacks by local codes, or to encroach upon another Lot or upon any easements indicated on the face of the Plat or as otherwise recorded, or upon the Common Areas or

Common Maintenance Areas. In no event shall any structures violate any provisions of any county zoning ordinance, or any specific setbacks as set forth on the recorded plat map; or any setbacks imposed through the establishment of easements for utilities or access.

Section Six. Sign. No signs, billboards, or other advertising structures or device shall be displayed to the public view on any Lot except one (1) sign not to exceed three square feet in area may be placed on a Lot to offer the property for sale or rent and with the exception of any entry monumentation and signage which may be installed by the Declarant. Political yard sign on lots, not more than three (3) square feet in area, of a temporary nature, not to exceed thirty (30) days, will be allowed during campaign periods on Lots. Within five (5) days after the date of the election to which the sign refers, such signs must be removed from Lots. This Section Six (including, but not limited to, the restrictions on the number of signs and the sign size limit) shall not apply to signs approved under this Section Six-of Article Ten by the Declarant during the Development Period. The Declarant may establish, for the duration of the Development Period, signage guidelines and standards for Lot identification signs, Realtor identification signs, "for sale" signs and other signage that may be placed by parties other than the Declarant on any part of the Lots within Mountain View, the Common Areas, the Common Maintenance Areas, or public rights-of-way. The Declarant may also develop an overall theme of signage within the project, including specific requirements for physical sign installations and size-requirements which theme will then become a part of the established guidelines and standards for signage in Mountain View during the Development Period. During the Development Period; the Declarant shall have the sole and exclusive right to approve, in the Declarant's sole discretion; any and all signage installations within any part of the real property encompassed within the plat of Mountain View, including the adjacent rights-of-way. Every Owner of a Lot in Mountain View and any Developer or real estate agent on behalf of an Owner, shall submit any proposed signs to the Declarant for approval prior to installation of the signs. Any signs not specifically approved by the Declarant found anywhere within Mountain View, the Common! Areas, the Common Maintenance Areas, on any Lot, or on adjacent rights-of-way, maybe promptly removed and disposed of by the Declarant. The absolute right of the Declarant to remove unauthorized signs from the Property or adjacent rights-of-way specifically includes, but is not limited to, the Declarant's right to remove any signs placed by real estate agencies or their representatives, including temporary reader board signs and other signage installations. No person, including but not limited to, the person or persons owning any interest in, the signs removed, shall be entitled to compensation of any kind for sign(s) removed by Declarant pursuant to this Section.

The Board may cause any sign placed on the Property or any adjacent rights-of-way, in violation of this Article Ten to be removed and destroyed without compensation of any kind to anyone including, but not limited to, any persons having an ownership interest in the sign. This Section shall not apply to signage placed by Declarant.

Additional signage may be installed by Declarant during the Development Period to promote the sale of Lots or houses and to promote Declarant's project and company and representatives. Notwithstanding anything in this Section Six of Article Ten to the contrary, signs placed by the Declarant shall not be subject to any sign restrictions and specifically shall not be subject to the limitation set forth in this Article Ten on the number of signs and

the size of signs. The Declarant shall not be subject to any guidelines or standards established by Declarant for other parties pursuant to this Section Six of Article Ten.

Under no circumstances shall the Declarant be liable for, or be required to pay, for all or any part of the construction, installation, or maintenance of any signs. which are placed upon any Lot not owned by the Declarant. This Section shall apply even if Declarant requires an Owner to place a sign pursuant to this Section Six of Article Ten.

Section Seven: Animals. No animals, except dogs, cats, caged birds, fish in tanks, and other small household pets, will be permitted on Lots. Dogs shall not be allowed to run at large or to create a disturbance for other Owners in the plat. No animals will be allowed to be leashed; chained or otherwise tied to any portion of the front or sides of Residences. Leashed animals are permitted within rights-of-ways when accompanied by their owners. The person accompanying the animal must exercise "scooping" of animal waste. All pens and enclosures must be screened from view of other Residences and Lots and must be approved by the AC prior to construction and shall be kept clean and odor free at all times. If the investigation of the Board indicates that animals are kept in violation of this Section, the Declarant, during the Development Period, or the Board thereafter, will give the Owner ten (10) days written notice of the violation. Such violation must be remedied by the Owner within such ten (10) day period. Failure to comply with the written notice will result in a fine of \$25.00 per day. Any fine imposed by this Section shall be the personal obligation of the fined Owner and a lien on the Lot of the fined Owner. The Association shall be entitled to attorney's fees and costs for any action taken to collect such fines in accordance with the provisions of this Declaration.

Section Eight: Driveways. All driveways shall be paved with concrete, unless otherwise approved by the ACC:

Section Nine: Landscaping-Standards. The entire front yard landscaping should be installed prior to occupancy (weather permitting): "The entire landscaping, including the remaining portions of the side and rear yard shall be installed within six (6) months of the receipt of a Certificate of Occupancy. Each Lot Owner shall be responsible for installing and maintaining the landscaping within the adjacent right-of-way. If inclement weather conditions prevent the timely installation of said landscaping improvements for either front or back yard, the Lot Owner must make application to the ACC for an extension of time until weather conditions sufficiently improve.

"Front yard" shall be defined as the lot area extending from the front property line back to a line measured parallel with the front property line which would coincide with the front wall of the main dwelling on the Lot, exclusive of any garage projections. The front yard landscaping shall include all of the adjacent public street right-of-way along the Lot frontage and side frontage out to the edge of the curb or sidewalk in the public street. Each lot Owner shall be responsible for installing and maintaining the landscaping within his adjacent right-of-way, except as otherwise provided above.

Section Ten: Antennas, Satellite Reception. Satellite dishes of no more than one meter in diameter or diagonal measurement are permitted on the Properties with ACC approval of the location of the satellite dish in the manner described in Article Nine. Except as provided above, no radio or television antenna or transmitting tower or satellite dish shall be installed on the exterior of any home without approval of the ACC obtained pursuant to Article Nine, and a showing by the Owner that such installation will be visually shielded from the view of the residents traveling upon streets located on the Properties.

Section Eleven: Setbacks. No building shall be located on any Lot nearer to the front lot line or nearer to the side street than the minimum building setback lines adopted by the governmental authority with jurisdiction over the Properties.

Section Twelve: Roofs. Roofs on all buildings must be finished with a twenty-year composition material, the color of which shall be approved by the ACC. Any other material must be approved by the ACC.

Section Thirteen: Underground Utilities Required. Except for any facilities or equipment provided by the Declarant or any utility, all electrical service, telephone lines and other outdoor utility lines shall be placed underground.

Section Fourteen: Vehicle Parking and Storage. No vehicle may be parked on any building Lot, except on designated and approved driveways or parking areas which shall be hard-surfaced or within an approved garage or structure. All other vehicles, boats, trailers, campers, recreational vehicles, or equipment or other device may only be parked or stored within garages or other structures which have been approved for construction by the ACC. This provision shall not exclude parking of up to a combination of two (2) automobiles and regular sized pickup trucks owned or used by the lot owner on the designated driveway areas adjacent to the garages on the Lot. A lot owner may also park on the driveway recreational vehicles and/or boat trailers for a period not to exceed 24 hours...Upon 48 hours' notice to the Owner of an improperly parked vehicle, the Board has the authority to have towed, at the Owner's expense, any vehicles, (except up to a combination of two automobiles and regular sized pickup trucks owned or used by the lot owners); still visible from the right-of-way or adjacent residences that have been parked on any Lot or within the right-of-way for more than 24 hours. Notwithstanding the foregoing, Owners who have visiting guests intending to stay in such a vehicle may secure written permission from the Board for such guests to park the vehicle upon the Lot owned by the Owner for a maximum period of one (1) week. Such a privilege shall only exist, however, after the written permission has been obtained from the Board.

Section Fifteen: Easements for Enforcement Purposes: Owners hereby grant to the Association an express easement for the purpose of going upon the Lots of Owners for the purpose of removing vehicles or other similar objects which are parked or stored in violation of the terms of this Declaration.

Section Sixteen: Excavation and Fill. Except with the permission of the ACC, or except as maybe necessary in connection with the construction of any approved

improvement, no excavation or fill' shall be made, nor shall any dirt be removed from any Lot herein.

Section Seventeen: Drainage. The owner of any lot shall not take any action which would interfere with surface water drainage across that lot either through natural drainage or drainage easements, nor shall there be any inference with any underground drainage facilities. Any change of drainage, either through natural drainage areas or through drainage easements or any relocation or interference with underground drainage facilities must be approved by the ACC. All drainage improvements must be completed prior to occupancy in accordance with the drainage plan submitted to the ACC. In the event any lot owner or builder shall violate any of the terms and provisions of this section, they shall immediately restore the drainage or underground drainage facilities to its prior condition and also agree to indemnify and hold the Developer harmless from any claims arising out of any such change or interference with surface water drainage or underground. water drainage facilities.

Section Eighteen: Use During Construction. Except with the approval of the Board, no persons shall reside upon the premises of any Lot until such time as the improvements to be erected thereon in accordance with the plans and specifications approved by the Board have been completed.

Section Nineteen: Garbage and Refuse. No garbage, refuse, rubbish, cuttings, or debris of any kind shall be deposited on or left upon any Lot unless placed in an attractive container suitably located and screened from public view. All equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition

Section Twenty: Tanks, Etc. No elevated tanks of any kind shall be erected, placed, or permitted on any part of such premises. Any tanks for use in connection with any residence constructed on such premises, including tanks for the storage of fuels, must be buried or walled sufficiently to conceal them from the view from neighboring Lots, roads, or streets. All clothes lines, garbage cans, equipment, coolers, wood piles, or storage piles shall be waled in or otherwise suitably screened to conceal them from the view of neighboring Lots, Common Areas, roads, or streets. Plans for all enclosures of this nature must be approved by the ACC prior to construction.

Section Twenty-One: Auto Repair. No major auto repair shall be permitted except within enclosed garages which are kept closed. The only repairs permitted on the balance of the property are occasional casual repairs and maintenance activities such as tune-ups or oil changes.

Section Twenty-Two: Exterior Finish. The exterior finishes shall be of cedar, hardi-plank or equivalent. No T-111 or single wall siding is permitted. Any other types of siding must be approved by the ACC. The entire residence must be stained or painted in colors approved by the ACC. All metal fireplace chimneys shall be either wood or stone wrapped.

Section Twenty-Three: Maintenance of Structures and Grounds. Each owner shall maintain his lot and residence thereon in a clean and attractive condition, in good repair and in such fashion as not to create a fire hazard.

Section Twenty-Four: Firearms. The use of firearms is expressly prohibited

Section Twenty-Five: Dirt bikes and/or ATV. No motor vehicles not licensed for use on the public roads of this state, including motorcycles, dirt bikes, motor scooters, ATV's etc., shall be permitted on any road within the plat, nor shall dirt bikes or ATV's be permitted to operate on any owner's lot.

Section Twenty-Six: Damage Repair. All owners agree to repair immediately any damage to any utilities adjacent to their lot or lots, in the event any of the utilities are cracked, broken, or otherwise damages as a result of dwelling construction activities, or other activities by owner, by persons acting for owner, or by persons in or around the property at the request or with the consent of the owner.

Section Twenty-Seven: Building Materials: All homes constructed on each lot shall be built of new materials, with the exception of "decor" items such as used brick, weathered planking, and similar items. The Committee will determine whether a used material is a "decor" item. In making this determination, the Committee will consider whether the material harmonizes with aesthetic character of Mountain View development and whether the material would add to the attractive development of the subdivision.

The exterior of all construction on any Lot shall be designed, built, and maintained in such a manner as to blend in with the natural surroundings and landscaping. Exterior colors must be approved by the Committee. Exterior trim, fences, doors, railings, decks, eaves, gutters and the exterior finish of garages and other accessory buildings shall be designed, built, and maintained to be compatible with the exterior of the structure they adjoin.

The Committee or Board will establish an approval process and color guidelines. Any change of color as to the exterior of any existing home within Mountain View will be subject to the same approval process.

Section Twenty-Eight: Codes. All construction shall conform to the requirements of the State of Washington's rules and regulations for installing electric wires and equipment, and the uniform codes (building mechanical, plumbing), in force at the commencement of the construction, including the latest revisions thereof.

Section Twenty-Nine: Entry for Inspection. Any agent or member of the Declarant or any member of the architectural control committee may at any reasonable predetermined hour upon 24-hour's notice during construction or exterior remodeling, enter and inspect the structure to determine if there has been complied with the provisions of this Declaration. The above recited individuals shall not be guilty of trespass for such entry or inspection. There is created an easement over, under and across, residential lots for the purpose of making and carrying out such inspections.

Section Thirty: Authority to Adopt Additional Rules and Restrictions. The Association shall have the authority to adopt additional written rules and restrictions governing the use of the Properties, provided such rules and restrictions are consistent with the purposes of the Declaration, and to establish penalties for violation of those rules and restrictions. If rules and restrictions are adopted, they, along with the established penalties, shall be available to all Members upon request.

Section Thirty-One: Enforcement. The Association, or the Declarant during the Development Period, may, but is not required to, take any action to enforce the provisions of the Declaration available to it under law, including but not limited to imposition of fines as authorized by RCW Chapter 64.38, specific performance, injunctive relief, and damages. Any Member may also enforce the terms of this Article (although a Member may not impose a fine as authorized by RCW Chapter 64.38) but the Member must first obtain an order from a court of competent jurisdiction entitling the Member to relief. In the event that a Member takes any action to enforce the terms of this Article, the Association shall not be in any way obligated to join in such action, or pay any of the attorney's fees, costs and expenses incurred in such action.

ARTICLE TEN: EASEMENTS

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

Section Two: Easements on Exterior Lot Lines. In addition to easements reserved on any plat of the Properties or shown by instrument of record, easements for utilities and drainage are reserved for the Declarant or its assigns, over a five-foot wide strip along each side of the interior Lot lines, and seven feet over the rear and front of each Lot, and over, under, and on the Common Areas. Within all of the easements, no structure, planting or fill material shall be placed or permitted to remain which may, in the opinion of the Board or ACC, damage or interfere with the installation and maintenance of utilities, or which may obstruct or retard the flow of water through drainage channels and the easements. The easement area of each Lot and all improvements within it shall be maintained continuously by the Owner of such Lot, except those improvements for which a public authority, utility company or the Association is responsible.

Section Three: Association's Easement of Access. The Association, the ACC, and its agents shall have an easement for access to each Lot and to the exterior of any building located thereon during reasonable hours as may be necessary for the following purposes: (a) cleaning, maintenance, or repair of any home or Lot as provided in this Declaration; (b) repair, replacement or improvement of any Common Area accessible from that Lot; (c) emergency repairs necessary to prevent damage to the Common Areas or to another Lot, or to the improvements thereon; (d) cleaning, maintenance, repair or restoration work which the

Owner is required to do but has failed or refused to do; and (e) all acts necessary to enforce these Covenants.

Section Four: Easement for Declarant. Declarant shall have an easement across all Common Areas for ingress, egress, storage and placement of equipment and materials, and other actions necessary or related to the development or maintenance of the Real Property.

ARTICLE ELEVEN: MORTGAGE PROTECTION

Section One: Mortgagees. Notwithstanding and prevailing over any other provisions of the Declaration, the Association's Articles of Incorporation or Bylaws, or any rules, regulations or management agreements, the following provisions shall apply to and benefit each Institutional First Mortgagee ("Mortgagee") which holds a Mortgage given for the purpose of obtaining funds for the construction or purchase of a Housing Unit on any Lot or the improvement of any Lot.

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

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

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

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

Section Six: Subordination. The liens for assessments provided for in this instrument shall be subordinate to the lien of any Mortgage; or other security interest placed upon a Lot or Housing Unit as a construction loan security interest or as a purchase price security interest, and the Association will, upon demand, execute a written subordination document to confirm the particular superior security interest.

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

Section Eight: Limitation on Abandonment of Common Areas. The Association shall not, without the prior written approval of sixty-seven percent (67%) of the Mortgagees, seek to abandon the Common Areas for reasons other than substantial destruction or condemnation of the property.

Section Nine: Notice. If such notice has been requested in writing, Mortgagees shall be entitled to timely written notice of: (a) substantial damage or destruction of any Housing Unit or any part of the Common Areas or facilities; (b) any condemnation or eminent domain proceedings involving any Housing Units or any portion of Common Areas or facilities; (c) any default under this Declaration or the Articles, Bylaws or rules and regulations of the Association by an Owner of any Housing Unit on which it holds the mortgage which is not cured within thirty (30) days; (d) any sixty (60) day delinquency in the payment of assessments or charges owed by the Owner of any Housing Unit on which it holds the mortgage; (e) ten (10) days' prior written notice of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and (f) any proposed action that requires the consent of a specific percentage of Mortgagees.

ARTICLE TWELVE: MANAGEMENT CONTRACTS

Each Member hereby agrees that the Association and the ACC may enter into agreements for the performance of any or-all of the functions of the Association and the ACC with such persons or entities as the Association deems appropriate; however, any agreement for professional management of the Properties, or any other contract providing for services by the Declarant must provide for termination by either party without cause after reasonable notice.

ARTICLE THIRTEEN: INSURANCE

Section One: Coverage. The Association may purchase comprehensive public liability insurance with respect to any liability claims which may be made against the Association as well as insurance to cover the Board, the ACC, its agents, and employees from any action

brought against them arising out of actions taken in furtherance of the Association's duties under this Declaration.

ARTICLE FOURTEEN: RULES AND REGULATIONS

The Association and/or its Board of Directors is hereby authorized and empowered to adopt rules and regulations governing the use of the Properties and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof, in the manner described by RCW Chapter 64.38, the Bylaws and any resolutions passed by the Board: All Lot Owners shall be given written notice of the rules and regulations in the manner required by RCW Chapter 64.38.

ARTICLE FIFTEEN: REMEDIES AND WAIVER

Section One: Remedies Not Limited. The remedies provided herein, including those for collection of any assessment or other charge or claim against any Member, for and on behalf of the Association, the ACC, or Declarant, are in addition to, and not in limitation of, any other remedies provided by law.

Section Two: No Waiver. The failure of the Association, the ACC, the Declarant or of any of their duly authorized agents or any of the Owners to insist upon the strict performance of or compliance with the Declaration or any of the Articles, Bylaws or rules or regulations of the Association, or to exercise any right or option contained therein, or to serve any notice or to institute any action or summary proceedings, shall not be construed as a waiver or relinquishment of such right for the future, but such right to enforce any of the provisions of the Declaration or of the Articles, Bylaws or rules or regulations of the Association shall continue and remain in full force and effect. No waiver of any provision of the Declaration or of the Articles, Bylaws, rules, or regulations of the Association shall be deemed to have been made, either expressly or implied, unless such waiver shall be in writing and signed by the Board of Directors of the Association pursuant to authority contained in a resolution of the Board of Directors.

ARTICLE SIXTEEN: GENERAL PROVISIONS

1. Binding Effect. All present and future Owners or occupants of Lots shall be subject to and shall comply with the provisions of this Declaration, and the Bylaws and rules and regulations of the Association, as they may be amended from time to time, are accepted and ratified by such Owner or occupant, and all such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at the time any interest or estate in such Lot, as though such provisions were

recited and stipulated at length in each and every deed and conveyance or lease thereof.

2. Enforcement by Court Action. The Association, the Declaration, the ACC, the Homeowner's Association, or any lot owner shall have the right to enforce, by any proceedings at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration; Should the Association or any Owner employ counsel to enforce any of the foregoing covenants, conditions, reservations, or restrictions, all costs incurred in such enforcement, including a reasonable fee for counsel, shall be paid by the Owner found to be in violation of said condition, covenants, reservation, or restriction, or found to be delinquent in the payment of said lien or charge.
3. Enforcement by Self Help. The Declarant, the ACC, the Association, or the duly appointed agent of either, may enter upon any lot, which entry shall not be deemed a trespass, and take whatever steps are necessary to correct a violation of the provisions of this Declaration. Provided, this provision shall not be construed as a permission to breach the peace.
4. Condition Precedent to Action. Prior to taking action either by court or by self-help, written notice shall be given to the offending lot owner. Such notice shall specify the nature of the offense and shall also specify the action necessary to cure. Such action shall also provide a reasonable opportunity to cure which, except in the case of an emergency, shall not be less than 30 days.
5. Expenses of Action. The expenses of any corrective action or enforcement of this declaration, if not paid by the offending owner within thirty (30) days after written notice and billing, may be filed as a line upon such lot, enforceable as other liens herein.
6. Owner Objection. Should a lot owner object to the complaints of the Declarant, the Association or ACC in writing within a period of fifteen (15) days after the complaint is made and, further, should the parties not agree on property maintenance or other matters complained of the matter shall be submitted to arbitration. The arbitration shall be binding upon the parties. If the parties cannot agree upon an arbitrator, each party shall choose one arbitrator and they, in turn, shall choose a third." The arbitration shall be conducted in accordance with the rules of arbitration under the laws of the State of Washington in existence at the time of any such arbitration.
7. Costs and Attorney's Fees. In the event of legal action, the prevailing party shall be entitled to recover actual costs and attorney fees. For the purpose of this Declaration, "legal action" shall include arbitration, laws suit, trial, appeals, and any action, negotiations, demands, counseling or otherwise where the prevailing party has hired an attorney. It is the intent of this provision to reimburse the prevailing party for all reasonable attorney fees and actual costs incurred in defending or enforcing the provisions of this Declaration, or the owner's rights hereunder.

8. Failure to Enforce. No delay or omission on the part of the Declarants or the Owners of other Lots in exercising any rights, power, or remedy provided in this Declaration shall be construed as a waiver or acquiescence in any breach of the covenants, conditions, reservations, or restrictions set forth in the Declaration. No action shall be brought or maintained by anyone whatsoever against the Declarants for or on account of its failure to bring any action for any breach of these covenants, conditions, reservations, or restrictions, or for imposing restrictions which may be unenforceable.
9. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall not affect any other provisions which shall remain in full force and effect.
10. Interpretation. In interpreting this Declaration, the term "person" may include natural persons, partnerships, corporations, Associations, and personal representatives. The singular may also include the plural and the masculine may include the feminine, or vice versa, where the context so admits or requires. This Declaration shall be liberally construed in favor of the party seeking to enforce its provisions to effectuate the purpose of protecting and enhancing the value; marketability; and desirability of the Properties by providing a common plan for the development of Mountain View.
11. Term. This Declaration shall be effective for an initial term of 20 years, and thereafter by automatic extension for successive periods of 5 years each, unless terminated, at the expiration of the initial term or any succeeding 5 year term by a termination agreement executed by the then owners of not less than 75% of the lots then subject to this Declaration. Any termination agreement must be in writing, signed by the approving owners, and must be recorded with the County Auditor.
12. Perpetuities. In the event that any provision of this Declaration violates the rule against perpetuities, such provision shall be construed as being void and of no effect as of twenty-one (21) years after the death of the last surviving incorporator of the Association, or twenty-one (21) years after the death of the last survivor of all of the said incorporators' children and grandchildren who shall be living at the time this instrument is executed, whichever is later.
13. Method of Notice. Any notice required by the Declaration or the Articles or Bylaws of the Association or the rules and regulations adopted by the Association shall be deemed properly given when personally delivered, deposited in the United States mail, postage prepaid, or when transmitted by facsimile.
14. Successors and Assigns. This Declaration binds and is for the benefit of the heirs, successors and assigns of Declarant, the Declarant, the Members, and the Owners.

ARTICLE SEVENTEEN: AMENDMENT AND REVOCATION

Section One: Exclusive Method. This instrument may be amended, and partially or completely revoked only as herein provided or otherwise provided by law.

Section Two: Amendment by Declarant. Notwithstanding any other provision of this Declaration, this Declaration can be amended at any time by the Declarant prior to the time that 75% of the lots have been sold to others than Declarant Developers. That all lot owners agree to be bound by such amendment or amendments as made by the Declarant pursuant to this provision. Thereafter this Declaration can be amended only as provided for in this Declaration.

Section Three: Prior approval by FHA/HUD. Regardless of whether or not 75% of the lots have been sold to others than Declarant Developers, in the event any loan with respect to any lot or building constructed thereon is insured through either the Federal Housing Administration or the Department of Veterans Affairs or any programs sponsored by either such agency, then the insuring agency must give written approval before any of the following actions can be approved by either the Declarant or the lot owners:

- a) Annexation of additional
- b) Dedication of any properties
- c) Amendment to this declaration

Section Four: Voting. This Declaration may be amended at any annual meeting of the Association, or at a special meeting called for such purpose, if sixty-seven percent (67%) or more of the Owners vote for such amendment, or without such meeting if all Owners are notified in writing of such amendment, and if sixty-seven percent (67%) or more of the Owners vote for such amendment by written ballot. Notice of any proposed amendment shall be given to all Owners not less than ten (10) days prior to the date of the annual meeting or of any special meeting at which the proposed amendment shall be considered. Notwithstanding any of the foregoing, fifty-one percent (51%) of all Institutional First Mortgagees who have requested notification of amendments must give prior written approval to any material amendment to the Declaration or Bylaws, including any of the following:

1. Voting rights;
2. Assessments, assessment liens and subordination of such liens;
3. Reserves for maintenance, repair and replacement of Common Areas;
4. Insurance or fidelity bonds;
5. Responsibility for maintenance and repair;
6. Contraction of the project or the withdrawal of property from the Properties;

7. The boundaries of any Lot;
8. Leasing of Housing Units other than as set forth herein;
9. Imposition of any restrictions on the right of an Owner to sell or transfer his or her Lot;
10. Any decision by the Association to establish self-management when professional management had been required previously by an Institutional First Mortgagee;
11. Restoration or repair (after hazard damage or partial condemnation) in a manner other than that specified in this Declaration.
12. Any action to terminate the legal status of the Properties after substantial destruction or condemnation occurs; or
13. Any provisions which are for the express benefit of Institutional First Mortgagees.

Section Five: Effective Date. Amendments shall take effect only upon recording with the Pierce County Auditor of the county in which this Declaration is recorded.

Section Six. Protection of Declarant. For such time as Declarant shall own Lots located in the Properties there shall be no amendments to the Declaration, the Articles of Incorporation, the Bylaws of the Association, or any Rules and Regulations adopted by the Association which:

1. Discriminate or tend to discriminate against the Declarant's rights.
2. Change Article One ("Definitions") in a manner which alters the Declarant's right or status.
3. Alter the character and rights of membership or the rights of the Declarant as set forth in Article Two.
4. Alter its rights as set forth in Article Nine relating to architectural controls.
5. Alter the basis for assessments, or the Declarant's exemption from assessments.
6. Alter the number or selection of Directors as established in the Bylaws.

7. Alter the Declarant's rights as they appear under this Article.

Section Seven: Notice: Any notice required hereunder shall be deemed effective when personally delivered or three days after mailing by certified and regular mail to the owner of public record at the time of such mailing to such owner's address as it appears on the Pierce County Assessor's tax records and to the street address of the lots) herein. Notices to lenders shall be sent to the last address the lender has given to the Association. The Association is not required to provide notice of any matter to any lender who has not notified the Association in writing of such lender's desire to receive notice, and or has not given the Association written notice of the lender's address for receipt of notices. The Association shall not undergo investigation outside of its own records into the name or location of any lender or lienholder.

IN WITNESS WHEREOF, the undersigned have caused this Declaration to be executed this 1st day of June, 2004.