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**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
EVANS PARK
A Plat Community**

Subject to the Washington Uniform Common Interest Ownership Act, Ch. 64.90 RCW

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| DOCUMENT TITLE | Declaration of Covenants, Conditions and Restrictions for Evans Park, a Plat Community |
| REFERENCE NO. OF DOCUMENTS ASSIGNED/ RELEASED | N/A |
| GRANTOR | Evans Park, LLC |
| GRANTEE | Plat of Evans Park PRD/BSP |
| LEGAL DESCRIPTION | Parcel B, Snohomish Co. SP No. 109 (4-84), Recording No. 8406140256, being a ptn of NE 1/4, SW 1/4, Sec. 20, T. 31 N., R. 5 E., W.M. |
| ASSESSOR'S PARCEL NO. | 310520-003-015-00 |

Note to Recorder: Please insert the recording number of Plat of Evans Park in the blank in Section 1.15 on Page 3. Thank you.

I am an attorney licensed to practice in the State of Washington, WSBA #25110. In my opinion, this draft Declaration of Covenants, Conditions and Restrictions for Evans Park, which I prepared, fulfills the requirements for covenants and deed restrictions for the PRD/BSP as set forth in Section 2.16 of the City of Marysville Preliminary Administrative Binding Site Plan and Planned Residential Development Approval, dated May 11, 2022, and fulfill the requirements of MMC 22G.080.060-.120 relating to restrictive covenants.

HANSON BAKER LUDLOW DRUMHELLER P.S.



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**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
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Subject to the Washington Uniform Common Interest Ownership Act, Ch. 64.90 RCW

This Declaration of Covenants, Conditions and Restrictions (this "Declaration") is made by Evans Park, LLC, a Washington limited liability company ("Developer"), as of the date set forth on the signature page hereof. Developer owns the real property legally described on **Exhibit A**, attached hereto, which property is referred to in this Declaration as the "Property" or "Evans Park."

NOW, THEREFORE, Developer hereby publishes and declares that the Property shall be held, conveyed, encumbered, leased, occupied and improved subject to the following covenants, conditions, restrictions, easements, reservations, and agreements, all of which are for the purpose of enhancing and protecting the character, attractiveness, and desirability of Evans Park. Those covenants, conditions, restrictions, easements and reservations shall run with the Property and shall be a burden upon and a benefit to the Property and binding upon any person, firm, corporation or entity of any kind whatsoever acquiring or owning an interest in the Property or any part thereof, and their respective lessees, guests, heirs, executors, personal representatives, successors and assigns. Acceptance of an interest in any portion of the Property shall be deemed acceptance of the terms and provisions of this Declaration.

ARTICLE 1 - DEFINITIONS

1.1 Act

The term "Act" shall mean the Washington Uniform Common Interest Ownership Act, Ch. 64.90 RCW, as it shall be amended from time to time.

1.2 Assessment

The term "Assessment" shall mean all sums chargeable by the Association against a Lot including, without limitation: (a) regular and special Assessments for Common Expenses, fees and any other charges imposed by the Association; (b) interest and late charges on any delinquent account; and (c) costs of collection, including reasonable attorneys' fees, incurred by the Association in connection with the collection of a delinquent Lot Owner's account.

1.3 Association

The term "Association" shall mean and refer to the Evans Park Homeowners Association, a Washington nonprofit corporation, an association of Lot Owners of Evans Park acting collectively in accordance with its governing documents and this Declaration.

1.4 Board

The term "Board" shall mean and refer to the Board of Directors of the Association, which shall have primary authority to manage the affairs of the Association.

1.5 Common Areas

The term "Common Areas" shall mean and refer to (a) Tract 999 as shown on the Map; and (b) any other portions of the Property that benefit the Lot Owners or the Association for the common use and enjoyment of all of the Lot Owners, including but not limited to storm water infiltration facilities. Any tracts or other areas dedicated or conveyed to a governmental entity for public use are not Common Areas. In the event the Common Areas described on the Map are different from those described herein, the Common Areas described on the Map shall be deemed the Common Areas unless this Declaration has been amended or modified to change the Common Areas shown on the Map.

1.6 Common Expenses

The term "Common Expenses" shall mean and refer to any expense of the Association, including any allocations to reserves, allocated to all of the Lot Owners in accordance with common expense liability set forth in Section 11.8.

1.7 Declaration

The term "Declaration" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions for Evans Park.

1.8 Developer

The term "Developer" shall mean and refer to Evans Park, LLC, or a person or entity to which it assigns its rights as Developer. The term "Developer" shall have the same meaning as the term "Declarant" as defined in the Act, except to the extent defined otherwise in this Declaration.

1.9 Development Period

The term "Development Period" shall mean that period of time from the date of recording this Declaration until the date when all of the original Lots have been sold, but in any event the Development Period shall terminate ten (10) years after the recording of this Declaration.

1.10 Development Right

The term "Development Right" means the right to: (a) add real estate or improvements to Evans Park; (b) create Lots, Common Areas, or Limited Common Areas within Evans Park; (c) subdivide or combine Lots or convert Lots into Common Areas; or (d) withdraw real estate from Evans Park.

1.11 Governing Documents

The term "Governing Documents" means articles of incorporation and bylaws of the Association, Map, Declaration, rules, or other written instrument by which the Association has the authority to exercise any of the powers provided for in the Act or to manage, maintain, or otherwise affect the Property.

1.12 Improvements

The term "Improvements" shall mean and include Residences, structures, landscaping and other improvements on any Lot or Common Areas.

1.13 Lot

The term "Lot" means any one of the residential lots located within the Property as shown on the Map. The term "Lot" shall have the same meaning as the term "Unit" as defined in the Act, except to the extent defined otherwise in this Declaration.

1.14 Lot Owner

The term "Lot Owner" shall mean and refer to the record owner, whether one or more persons or entities, of any Lot, including any persons or entities purchasing a Lot pursuant to the terms of a recorded real estate contract, but excluding those persons or entities having an interest in any Lot merely as security for the performance of an obligation. The Developer shall be the sole Lot Owner until it sells a Lot. The term "Lot Owner" shall have the same meaning as the term "Unit Owner" as defined in the Act, except to the extent defined otherwise in this Declaration.

1.15 Map

The term " Map" shall mean the official Map for the Plat of Evans Park PRD/BSP, City of Marysville File No. PA-22-003, recorded under Snohomish County Auditor's File No. _____, and any amendments thereto.

1.16 Member

The term "Member" shall mean and refer to every Lot Owner who, as a result of such ownership, holds a membership in the Association with rights and responsibilities as set forth herein and in the governing documents of the Association. Each Lot shall have one (1) membership inseparably appurtenant to it.

1.17 Mortgage

The term "Mortgage" means a mortgage, deed of trust or real estate contract covering a Lot or other portion of the Property.

1.18 Mortgagee

The term "Mortgagee" means an institutional lender (i.e., a bank, savings and loan association, insurance company, FHA-approved mortgage lender, or FannieMae), which is the holder of a note and mortgage or the beneficiary of a deed of trust covering a Lot or other portion of the Property, and shall also mean the vendor under a real estate contract covering a Lot.

1.19 Occupant

The term "Occupant" shall mean any person residing in a Lot, including Lot Owners, family members, guests, and tenants.

1.20 Period of Developer Control

The term "Period of Developer Control" means that period of time beginning on the date that this Declaration is recorded and continuing until the earliest of: (a) sixty (60) days after conveyance of seventy-five percent of the Lots that may be created to Lot Owners other than Developer; (b) two (2) years after the last conveyance of a Lot, except to a dealer; (c) two (2) years after any right to add new Lots was last

exercised; (d) the day the Developer, after giving notice in a record to Lot Owners, records an amendment to the Declaration voluntarily surrendering all rights to appoint and remove officers and board members; or (e) ten (10) years after the date of recording of this Declaration.

1.21 Property

The term "Property" shall mean the Property as more specifically described on **Exhibit A**, attached hereto. The Property is commonly referred to as Evans Park.

1.22 Residence

The term "Residence" shall mean the single-family dwelling structure constructed on any Lot.

1.23 Special Declarant Rights

The term "Special Declarant Rights" means rights hereby reserved for the benefit of the Developer to: (a) complete any improvements indicated on the map or described in the declaration or the public offering statement pursuant to RCW 64.90.610(1)(h); (b) exercise any Development Right; (c) maintain sales offices, management offices, signs advertising Evans Park and models; (d) use easements through the Common Area for the purpose of making improvements within the Property; (e) appoint or remove any officer or Board member of the Association or to veto or approve a proposed action of the Board or the Association, pursuant to RCW 64.90.415; (f) control the Design Review Committee (if any) and any other construction, design review, or aesthetic standards committee or process; (g) attend meetings of the Lot Owners and, except during an executive session, the Board; and (h) have access to the records of the Association to the same extent as a Lot Owner.

ARTICLE 2 - COMMON AREAS

2.1 Grant of Authority

The Developer and the Owners of all Lots within Evans Park hereby grant and convey the Common Areas to the Association, together with the exclusive right and obligation to manage and control the Common Areas and to administer the covenants, conditions, restrictions and easements set forth in this Declaration on behalf of and in the interest of the Members, in accordance with the general terms and conditions set forth on the Map and subject to the rights reserved to the Developer herein.

2.2 Association Control

Subject to the Developer's rights set forth in Section 2.7 and ARTICLE 7, and pursuant to the authority granted to the Association set forth in Section 2.1, the Association shall manage and control the Common Areas for the benefit of the Lot Owners. Except as otherwise limited by law, prior restriction and the restrictions set forth in the Declaration, each Lot Owner shall have a non-exclusive right to use and enjoy the Common Areas.

2.3 Association Responsibilities

The Association shall have the right and obligation to maintain, repair, replace, reconstruct and make necessary improvements to the Common Areas, or shall contract for such maintenance, repair, replacement, reconstruction and improvements, to keep the Common Areas and all Improvements thereon in a good, sanitary and attractive condition. Such maintenance, repairs, replacement, reconstruction and improvements shall include, without limitation: (a) maintenance, repair, replacement and reconstruction of

perimeter fences enclosing Common Areas (if any), landscaping, shrubs, native vegetation, irrigation systems (if any), lighting (if any), and other recreational or landscaping Improvements (if any) located on the Common Areas; (b) inspection, maintenance, pruning, and replacement of trees, including but not limited to hazardous trees, located on the Common Areas; (c) maintenance, repair of and payment for all centrally metered utilities, mechanical and electrical equipment (if any) serving the Common Areas; and (d) maintenance, repair, replacement and reconstruction of the drainage facilities located in Tract 999 and elsewhere within the Common Areas. The Association may provide such additional common maintenance which it determines to be in the best interest of the Lot Owners. The Board shall acquire and pay for as a Common Expense of the Association all goods and services reasonably necessary or convenient to perform its responsibilities set forth in this Section 2.3 for the efficient and orderly maintenance of the Common Areas.

2.4 Restrictions on Use

Except with regard to utility easements, the Common Areas may be used (a) only by Lot Owners, Occupants and their respective guests and invitees, and (b) for the purposes set forth on the Map. The Common Areas shall also be subject to the other restrictions, limitations and reservations contained or provided for in this Declaration or the Bylaws.

2.5 Rules and Regulations

The Association shall have the authority to establish reasonable rules and regulations for the maintenance and use of the Common Areas consistent with this Declaration.

2.6 Conveyance of Common Area

Portions of the Common Area may be conveyed or subjected to a security interest by the Association if Lot Owners entitled to cast at least eighty percent (80%) of the votes in the Association, including eighty percent (80%) of the votes allocated to Lots not owned by Developer, agree to that action. An agreement to convey Common Area must be evidenced by the execution of an agreement, or ratifications of an agreement, in the same manner as a deed, by the requisite number of Lot Owners. The agreement must specify a date after which the agreement will be void unless recorded before that date.

2.7 Developer's Rights in the Common Area

The Developer shall have and hereby reserves for itself, its successors and assigns, an easement for the right, during the Development Period and any period thereafter in which Developer is a Lot Owner, to utilize the Common Area for its business uses and purposes, including, but not limited to, completion of improvements thereon and other uses and purposes related to the construction, promotion and development of Evans Park.

ARTICLE 3 - EASEMENTS

3.1 In General

Each Lot shall have an easement for access in, over and through the Common Areas.

3.2 Utility Easements

As described and shown on the Map, the Association and public and/or private utility entities and their respective successors and assigns have been granted certain utility easements. Lot Owners shall not

interfere with utility representatives' access to the utility easement areas or meters at any time, and shall otherwise comply with all terms of such easements.

3.3 Private Storm Drainage Easements

Private storm drainage easements over, under and across the burdened Lots, as set forth in the following table, are hereby granted and conveyed to the Owners of the benefited Lots as shown on the following table in the locations shown on the Map. The Owners of said benefited Lots shall be equally responsible for the maintenance, repair and/or reconstruction of that portion of the private storm drainage facilities they benefit from, except no Owner shall be responsible for the maintenance, repair and/or reconstruction of that portion of the commonly used storm sewer located upstream from the point of connection of that respective Lot Owner:

| Burdened Lots | Benefitted Lots |
|----------------------|------------------------|
| 1-3 | 1-4 |
| 4-8 | 5-9 |
| 10-12 | 11-13 |

3.4 Association Functions

The Association, its employees, agents and contractors, shall have a perpetual, non-exclusive easement over, under and across the Property with a right of immediate entry and continued access for the construction, improvement, maintenance, repair and reconstruction of the Common Areas. No Lot Owner or Occupant shall place or permit to be placed any structure, planting or other material, or permit such items to remain under, on or in, any easement area on the Property which (i) interferes with the use of the easement, (ii) may damage or interfere with the installation and maintenance of utilities within easements for installation and maintenance of utilities, or (iii) may damage, interfere with or change the direction or flow of drainage facilities within easements for installation and maintenance of drainage facilities.

3.5 Running with the Land

The easements set forth in this ARTICLE 3 shall run with the land and shall bind the heirs, successors and assigns of the Association and the Owners of the respective benefited and burdened Lots.

ARTICLE 4 - MAINTENANCE

4.1 Maintenance of Common Areas

As set forth in Section 2.3, the Association shall have the right and duty to maintain, repair, replace and make necessary improvements to the Common Areas. The Association shall also maintain all landscaped areas within the bioretention storm water planting areas and the public right of way adjacent to Lots and Tracts. In the event that, in connection with such duties, the Association disturbs or damages any Improvements located on a Lot, the Association shall restore said Improvements as close as practicable to their condition prior to such disturbance, damage or commencement of such repairs or other work. The Association shall maintain the Common Areas at a minimum standard consistent with that required by the City of Marysville Municipal Code. Lot Owners may not change the appearance of the Common Areas without the prior permission of the Board.

4.2 Maintenance of Lots and Improvements

Each Lot Owner shall keep the Owner's Lot, the Residence, perimeter fencing enclosing the Lot, and all other Improvements thereon (excluding the Common Areas therein, if any) in a safe, neat and operable condition, including without limitation the removal of debris and refuse to the extent necessary to keep the Property in a clean and orderly condition. If a Lot Owner fails to correct a problem in maintenance or repair of the Owner's Lot called to such Lot Owner's attention by written notice by Developer or the Association within thirty (30) days of such notice, the Association shall have the right to effect such maintenance, and the Owner of such Lot shall reimburse the Association for the reasonable cost of the services performed. In the event that the estimated cost of such repair, maintenance or restoration exceeds one-half (1/2) of one percent (1%) of the assessed value of the Lot, a majority of the Lot Owners must approve such repair, maintenance or restoration before the Board may begin such repair, maintenance or restoration. Any such sums the Association expends maintaining or replacing said Improvements shall be secured by a lien on the Lot, which lien shall include collection costs, including attorneys' fees.

ARTICLE 5 - PROPERTY RESTRICTIONS

5.1 Alterations

No alterations, additions or deletions to the exterior of any Residence shall be made without the prior written consent of the Board.

5.2 Exterior Finish

The color of any paint or stain and the color of any replacement or new roofing or siding shall be approximately the original color unless a different color is permitted by prior written consent of the Board.

5.3 Signs

No signs, billboards or other advertising structure or device shall be displayed to the public on any Lot or the Common Areas, except that one sign not to exceed four (4) square feet in area may be placed on a Lot to offer the Lot for sale or rent, unless the Board has designated an area within the Property for placing signs offering Lots for sale or rent. All such signs shall be of a quality equivalent to those used by Developer. Signs may be used by Developer, or an agent of Developer, to advertise the Lots during the construction and sale period. Notwithstanding the foregoing, a Lot Owner or Occupant may display political yard signs on the Lot Owner's or Occupant's Lot for the sixty (60) days immediately before any primary or general election, or such longer period as may be permitted by applicable law. The Board may remove any sign placed on any Lot or Common Areas in violation of these restrictions.

5.4 Solar Energy Panels

Solar energy panels may be installed within a Lot so long as the solar energy panel: (a) meets applicable health and safety standards and requirements imposed by Washington State and local permitting authorities; (b) if used to heat water, is certified by the solar rating certification corporation or another nationally recognized certification agency for both the solar energy panel and for installation; and (c) if used to produce electricity, meets all applicable safety and performance standards established by the national electric code, the institute of electrical and electronics engineers, accredited testing laboratories, such as Underwriters Laboratories, and, where applicable, rules of the utilities and transportation commission regarding safety and reliability. Solar energy panel frames, support brackets, or any visible piping or wiring shall be painted to coordinate with the roofing or other adjacent material. Solar energy panels may be attached to the slope of a roof facing the street only if the panel conforms to the slope of the

roof and the top edge of the panel is parallel to the roof ridge. Ground-mounted solar energy panels must be shielded if shielding the panel does not prohibit economic installation of the solar energy panel or degrade the operational performance quality of the solar energy panel by more than ten percent (10%).

5.5 Satellite Dishes

A Lot Owner may install, use and maintain, at the Lot Owner's sole cost and expense, an antenna, satellite dish or other device for the transmission or reception of television or radio (including ham radio) signals, or any other similar device ("Satellite Dish") on the Owner's Lot so long as such installation, use and maintenance comply with this Section. Satellite Dishes must have a diameter or diagonal measurement of one (1) meter or less. Lot Owners desiring to install a Satellite Dish are encouraged, but not required, to notify the Association in writing at least ten (10) days prior to installation with a description of the Satellite Dish and the location of the intended installation. In any event, the Lot Owner shall notify the Board within five (5) days after the installation of the Satellite Dish. The Board shall review the location and determine whether an alternative, less obtrusive location can be used. Satellite Dishes should be screened from view from the street when possible. However, a Lot Owner may install a Satellite Dish without such screening if the Lot Owner desiring to install such device demonstrates to the Association that such screening would unreasonably delay or prevent installation, maintenance, or use of the Satellite Dish, unreasonably increase the cost of installation, maintenance or use of Satellite Dish, or preclude reception of an acceptable quality signal. The Board may (a) require additional screening and/or the painting of the Satellite Dish to match the color of the Residence so long as such action does not unreasonably interfere with the signal strength or (b) require the relocation of the Satellite Dish, if the Board demonstrates that an alternative location may be used that is less visible or less obtrusive, but still does not unreasonably delay or prevent installation, maintenance, or use of the Satellite Dish, unreasonably increase the cost of installation, maintenance or use of Satellite Dish, or preclude reception of an acceptable quality signal.

5.6 Accessory Dwelling Units

No accessory dwelling unit, as defined by the Marysville Municipal Code, shall be permitted on any Lot.

5.7 Partition

No part of the Property shall be partitioned, nor shall any Lot Owner or any person acquiring any interest in the Property or any part thereof seek judicial partition, except in accordance with the express provisions of this Declaration.

5.8 Subdivision or Combination

No Lot or any part of the Property shall be divided or combined except upon the written approval of sixty-seven percent (67%) of the Members and only to the extent permitted by all applicable provisions of the Marysville Municipal Code. Following approval by the Members, the Association shall file with the Snohomish County Auditor an amendment to this Declaration as may be necessary to describe fully such combined or subdivided Lot or Lots or Property.

5.9 Development Activities Exempted

Nothing in this Declaration shall prevent Developer, its successors and assigns, and their contractors and employees from performing, developing and marketing the Property, including erecting and maintaining such structures and signs and conducting such business as Developer deems necessary in

order to accomplish such purpose. As used in this Section, “successors and assigns” shall not include purchasers of Lots improved with completed residences.

ARTICLE 6 - USE RESTRICTIONS

6.1 Number of Lots

By recording the Map, Developer created thirteen (13) Lots and one (1) Tract.

6.2 Residential Use

All Lots shall be used solely for private single family residential purposes and related activities, on an ownership, rental or lease basis, and for social, recreational or other reasonable uses normally incident to such purposes.

6.3 Home Businesses

A Lot Owner may conduct a home trade or business within the Owner's Lot provided that (a) the existence or operation of the trade or business activity within the Lot is not apparent or detectable by sight, sound, vibration or smell from the exterior of the Lot; (b) the trade or business activity conforms to all applicable zoning requirements; (c) the trade or business activity does not involve persons coming onto the Property; (d) the trade or business activity does not increase the liability or casualty insurance obligation or premium of the Association; and (e) the trade or business activity is consistent with the residential character of the Lots and does not constitute a nuisance or hazardous or offensive use, as determined in the sole discretion of the Board. The Board shall have final authority to determine if a home trade or business conducted on a Lot is in compliance with this Section.

6.4 Parking

Trailers, trucks and vans rated over one ton, campers, recreation vehicles, boats and other vehicles and equipment may be kept within the Lots only subject to the rules and regulations of the Association. The Board may require removal of any inoperative or unsightly vehicle, and any other equipment or item improperly stored in or on any Lot or Tract, all in accordance with the rules and regulations duly adopted from time to time by the Board. If such vehicle or equipment is not removed, the Board may cause removal at the risk and expense of the Lot Owner thereof. The Board may adopt rules and regulations regarding use of the driving and parking areas.

6.5 Unreasonable Interference

No Lot or the Common Areas shall be used in any manner which unreasonably interferes with other Lot Owners' right to use and enjoy their respective Lots or the Common Areas. The Board or, during the Development Period, the Developer, shall determine whether any given use of a Lot or the Common Areas unreasonably interferes with those rights and such determinations shall be conclusive.

6.6 Nuisances and Untidy Conditions

No noxious, offensive or illegal activity shall be conducted on any Lot or the Common Areas nor shall anything be done or maintained on the Property which may be or become an activity or condition which is an annoyance or a nuisance or otherwise unreasonably interferes with the right of other Lot 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 the Property. No Lot Owner shall hang laundry within the Property so that it is visible from any other Lot or the public street. No outdoor activity, including, but not limited to, noise, sports playing and/or music, shall continue past the curfew time established by applicable City Ordinance, if any, or if no curfew is established by City Ordinance, then as established by the Association.

6.7 Animals

No animals, other than dogs, cats, caged birds, tanked fish and other conventional small household pets, may be kept on any Lot. Animals shall not be allowed to run at large. Dogs shall be kept on a leash or otherwise confined in a manner acceptable to the Board whenever outside the Residence. Lot Owners shall be responsible for the removal of their animal's waste wherever it is deposited within the Property. Those animals which are permitted to roam free, or, in the sole discretion of the Board, make objectionable noise, endanger the health or safety of, or constitute a nuisance or inconvenience to the occupants of other Lots, shall be removed on the Board's request, even though the Board does not require removal of other animals.

6.8 Tenants and Guests

In the event a Lot Owner rents or leases the Owner's Lot, a copy of this Declaration, as well as any rules and regulations that may be adopted by the Association, shall be delivered by the Lot Owner to the prospective renter at the time of commitment to the rental agreement. Each Lot Owner shall also be responsible for informing guests and service personnel of the contents of this Declaration, as well as any rules and regulations that may be adopted by the Association as they may relate to appropriate community behavior.

ARTICLE 7 - DEVELOPMENT PERIOD; DEVELOPER'S RIGHTS DURING DEVELOPMENT PERIOD

7.1 Developer's Authority During Development Period

The Development Rights and Special Declarant Rights are hereby reserved for use by the Developer. Until the termination of the Development Period, the Developer hereby reserves for itself, its successors or assigns, all rights to manage and control the Common Areas, including all of the rights, and all powers and functions of the Association, or the Board thereof. All such reserved rights may be exercised and/or performed solely by the Developer without further authority from or action by the Lot Owners. Upon termination of the Development Period, administrative power and authority for management of the Property shall pass to the Association, acting through the Board, and to the Lot Owners as provided herein and in the Bylaws. The Development Rights and Special Declarant Rights reserved to Developer in this Declaration shall be exercised by Developer at Developer's sole discretion.

7.2 Dedication to Governmental Entities

Until the termination of the Development Period, Developer reserves the right to withdraw any undeveloped part of the Property from this Declaration and to dedicate, transfer or convey to any state, county, municipal or other governmental entity any such part of the Property.

7.3 Termination of Development Period

The Developer, at its option, may elect to terminate the Development Period at any time by recording with the Snohomish County Auditor a Notice of Termination of Development Period referencing this Declaration and stating that the Development Period is terminated.

ARTICLE 8 - EVANS PARK OWNERS ASSOCIATION

8.1 Establishment

There is hereby created an association to be called the "Evans Park Homeowners Association." The Association shall be a nonprofit corporation formed and operated pursuant to RCW Ch. 24.03 and the Act. The Association shall have all powers of an association as set forth in the Act except to the extent provided otherwise in this Declaration.

8.2 Membership

The membership of the Association at all times consists exclusively of all Lot Owners. Each Lot Owner shall automatically become a member of the Association and shall be subject to its Bylaws and such rules and regulations as may from time to time be adopted by the Association. The membership shall be appurtenant to and non-severable from the Ownership of each Lot. The membership shall automatically pass to the succeeding Lot Owner with the conveyance of each Lot.

8.3 Voting

After termination of the Development Period, each Member shall be entitled to cast, at any meeting of the Association, one (1) vote for each Lot owned by that Member. The Association may suspend voting rights of any Member as provided in this Declaration or the Governing Documents.

8.4 Proxies

Members may vote at any meeting of the Association in person or by proxy. A proxy must be in writing, signed by the designated voting Member for the Lot and filed with the Board in advance of the meeting at which such vote is taken. No Member may revoke any proxy given by a Member to or in favor of a holder of indebtedness secured by any recorded first mortgage (meaning a mortgage with priority over all other mortgages) upon the Member's Lot, without the prior written consent of the holder of such indebtedness.

8.5 Vote Without a Meeting

The Association may conduct a vote of the Lot Owners without a meeting provided such vote complies with the Act. The Bylaws shall set forth the procedures for such vote

8.6 Adoption of Bylaws and Amendments

Prior to the termination of the Development Period, the Developer, acting pursuant to its authority to act on behalf of the Association, shall adopt Bylaws of the Association ("Bylaws"), consistent with this Declaration and the Act. After termination of the Development Period, except as expressly provided to the contrary herein, the Bylaws may be amended from time to time as set forth in the Bylaws.

8.7 Management of the Association by the Board

The Association shall be administered and managed by a Board of at least three (3) persons who shall serve as established by the Bylaws.

8.7.1 Temporary Board of Directors. Until termination of the Period of Developer Control, Developer shall have the right to appoint and remove officers and directors of the Association and veto or approve any proposed action of the Board or the Association. In the exercise of such right, Developer may, at such time as it deems appropriate, appoint a Temporary Board of one (1) or more persons who need not be Lot Owners. The Temporary Board (and Developer, until the Board is appointed) shall exercise the rights, duties and functions of the Board as set forth in this Declaration until the entire Board is elected by the Lot Owners pursuant to Section 8.7.4.

8.7.2 Election After Sale of Lots. Not later than sixty (60) days after conveyance of twenty-five percent (25%) of the Lots that may be created to Lot Owners other than Developer, at least one member and not less than twenty-five percent (25%) of the members of the Board must be elected by Lot Owners other than the Developer. Not later than sixty (60) days after conveyance of fifty percent (50%) of the Lots that may be created to Lot Owners other than a Developer, not less than thirty-three and one-third percent (33 1/3%) of the members of the Board must be elected by Lot Owners other than the Developer. Until such members are elected and take office, the existing Board may continue to act on behalf of the Association.

8.7.3 Removal of Directors and Officers. During the Period of Developer Control, Developer may remove any director or officer appointed by Developer at any time and for any reason. Developer may not remove any director elected by the Lot Owners. After the entire Board is elected by the Lot Owners pursuant to Section 8.7.4, Lot Owners may remove any director or officer as set forth in the Bylaws.

8.7.4 Election of Complete Board. Within thirty (30) days after the termination of the Period of Developer Control, the Lot Owners shall elect a Board of at least three (3) directors as set forth in the Bylaws.

8.7.5 Employment of Manager. The Board may, to the extent it deems advisable, employ a person or firm to manage the Property, as well as such other persons as are necessary in its opinion for the proper operation thereof; provided, that the employment of a person or firm to manage the Property, shall be under a written contract for a term not in excess of one (1) year and shall permit the Board to revoke the same without cause and without payment of a termination fee, upon no more than thirty (30) days' notice.

8.8 Authority of the Association

8.8.1 Mandatory Authority. The Association, acting by and through the Board, its officers, manager or other duly authorized agents or representatives, shall:

- (a) Adopt Bylaws;
- (b) Adopt budgets for revenues, expenditures, and reserves;
- (c) Impose and collect Assessments for Common Expenses from Lot Owners;

- (d) Prepare financial statements as set forth in Section 8.14; and
- (e) Deposit and maintain funds of the Association in accounts as set forth in Section 8.13.

8.8.2 Discretionary Authority. The Association, acting by and through the Board, its officers, manager or other duly authorized agents or representatives, shall have the power to:

- (a) Amend Bylaws and adopt and amend rules and regulations;
- (b) Amend budgets for revenues, expenditures, and reserves;
- (c) Hire and discharge or contract with managing agents and other employees, agents, and independent contractors;
- (d) Institute, defend, or intervene in litigation, arbitration, mediation or administrative proceedings or any other legal proceedings in its own name on behalf of itself or two (2) or more Lot Owners on matters affecting Evans Park;
- (e) Make contracts and incur liabilities;
- (f) Regulate the use, maintenance, repair, replacement, and modification of the Common Areas and contract with third parties to accomplish these objectives;
- (g) Cause additional improvements to be made as a part of the Common Areas provided that any improvements or series of related improvements in excess of twenty-five thousand dollars (\$25,000) within one (1) year must be approved by a majority of the Lot Owners;
- (h) Acquire, hold, encumber, and convey in its own name any right, title, or interest to real or personal property;
- (i) Grant easements, leases, licenses, and concessions through or over the Common Area, petition for or consent to the vacation of streets and alleys, and upon agreement of sixty-seven percent (67%) of the Lot Owners, dedicate, sell, or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members;
- (j) Impose and collect any payments, fees, or charges for the use, rental, or operation of the Common Areas or for services provided to Lot Owners;
- (k) Impose and collect charges for late payment of Assessments pursuant to Section 11.10 of this Declaration;
- (l) Enforce the Governing Documents, and after notice and an opportunity to be heard by the Board or by such representative designated by the Board and in accordance with such procedures as provided in the Declaration or Bylaws or rules and regulations adopted by the Board, impose and collect reasonable fines for violations of the Governing Documents in accordance with a previously established schedule of fines adopted by the Board and furnished to the Lot Owners;
- (m) Provide for the indemnification of its officers and Board and maintain directors' and officers' liability insurance;

(n) Borrow money and assign its right to future income, including the right to receive Assessments, subject to Section 8.15;

(o) Require that disputes between the Association and Lot Owners or between two (2) or more Lot Owners regarding Evans Park, other than those governing by Chapter 64.50 RCW, be submitted to non-binding alternative dispute resolution as a prerequisite to commencement of a judicial proceeding;

(p) Suspend any right or privilege of a Lot Owner who fails to pay an Assessment, but may not (i) deny a Lot Owner or other occupant access to the Owner's Lot, (ii) suspend a Lot Owner's right to vote, or (iii) withhold services provided to a Lot or Lot Owner by the Association if the effect of withholding the service would be to endanger the health, safety or property of any person;

(q) Establish and administer a reserve account and prepare a reserve study;

(r) Exercise any other powers conferred by the Declaration or Bylaws;

(s) Exercise all other powers that may be exercised in this state by the same type of corporation as the Association; and

(t) Exercise any other powers necessary and proper for the governance and operation of the Association.

8.9 Rules

The Board must, before adopting, amending, or repealing any rule, give all Lot Owners notice of (a) its intention to adopt, amend, or repeal a rule and provide the text of the rule or the proposed change, and (b) the date on which the Board will act on the proposed rule or amendment after considering comments from Lot Owners. Following adoption, amendment, or repeal of a rule, the Association must give notice to the Lot Owners of its action and provide a copy of any new or revised rule. The Association's internal business operating procedures need not be adopted as rules. Every rule must be reasonable.

8.10 Notices

Notices to the Association and to Lot Owners and Occupants shall be delivered and effective as set forth in the Bylaws.

8.11 Association Records

The Association must maintain the following:

(a) The current budget, detailed records of receipts and expenditures affecting the operation and administration of the Association, and other appropriate accounting records within the last seven (7) years;

(b) Minutes of all meetings of its Lot Owners and Board other than executive sessions, a record of all actions taken by the Lot Owners or Board without a meeting, and a record of all actions taken by a committee in place of the Board on behalf of the Association;

(c) The names of current Lot Owners, addresses used by the Association to communicate with them, and the number of votes allocated to each Lot;

- (d) Its original or restated Declaration, organizational documents, all amendments to the Declaration and organizational documents, and all rules currently in effect;
- (e) All financial statements and tax returns of the Association for the past seven (7) years;
- (f) A list of the names and addresses of its current Board members and officers;
- (g) Its most recent annual report delivered to the Washington Secretary of State;
- (h) Financial and other records sufficiently detailed to enable the Association to provide resale certificates as required by the Act;
- (i) Copies of contracts to which it is or was a party within the last seven (7) years;
- (j) Materials relied upon by the Board to approve or deny any requests for design or architectural approval for a period of seven (7) years after the decision is made;
- (k) Materials relied upon by the Board or any committee concerning a decision to enforce the governing documents for a period of seven (7) years after the decision is made;
- (l) Copies of insurance policies under which the Association is a named insured;
- (m) Any current warranties provided to the Association;
- (n) Copies of all notices provided to Lot Owners or the Association in accordance with the Act or the Governing Documents; and
- (o) Ballots, proxies, absentee ballots, and other records related to voting by Lot Owners for one (1) year after the election, action, or vote to which they relate.

8.12 Examination of Records

Any Lot Owner, Mortgagee or their authorized agents may examine the books and records of the Association on reasonable advance notice during working hours at the offices of the Association. The Association may charge a reasonable fee for producing and providing copies of any such records and for supervising the Lot Owner's inspection. A right to copy records under this Section includes the right to receive copies by photocopying or other means, including through an electronic transmission if available upon request by the Lot Owner. An Association is not obligated to compile or synthesize information. Information provided pursuant to this Section shall not be used for commercial purposes.

8.13 Association Funds

The Association must keep all funds of the Association in the name of the Association with a bank, savings association, or credit union whose deposits are insured by the federal government. The funds must not be commingled with the funds of any other Association or with the funds of any managing agent of the Association or any other person, or be kept in any trust account or custodial account in the name of any trustee or custodian.

8.14 Financial Statements; Reconciliation

At least annually, the Board shall prepare, or cause to be prepared, a financial statement of the Association in accordance with accrual-based accounting practices. If the aggregate annual Assessments of the Association are \$50,000 or more, the Board shall obtain an audit of the financial statements by a certified public accountant. If the aggregate annual Assessments of the Association are less than \$50,000, an annual audit is also required but may be waived annually by Lot Owners other than the Developer of Lots to which a majority of the votes in the Association are allocated, excluding the votes allocated to Lots owned by the Developer. Such audit obtained by the Board shall be a Common Expense.

8.15 Borrowing

Any borrowing by the Association that is to be secured by an assignment of the Association's right to receive future income pursuant to Sections 8.8.2(e) and 8.8.2(n) requires ratification by the Lot Owners as follows:

(a) The Board must provide notice of the intent to borrow to all Lot Owners. The notice must include the purpose and maximum amount of the loan, the estimated amount and term of any Assessments required to repay the loan, a reasonably detailed projection of how the money will be expended, and the interest rate and term of the loan.

(b) In the notice, the Board must set a date for a meeting of the Lot Owners, which must not be less than fourteen (14) and no more than sixty (60) days after mailing of the notice, to consider ratification of the borrowing.

(c) Unless at that meeting, whether or not a quorum is present, Lot Owners holding a majority of the votes in the Association reject the proposal to borrow funds, the Association may proceed to borrow the funds in substantial accordance with the terms contained in the notice.

ARTICLE 9 - INSURANCE

9.1 Lot Owner's Insurance

Every Lot Owner, at the Owner's own expense, shall insure the Owner's own Residence against loss or damage by fire or other casualty in an amount equal to the full replacement value thereof. Every Lot Owner shall secure liability insurance covering the Owner's Lot. However, no Lot Owner shall be entitled to maintain insurance coverage in any manner that would decrease the amount that the Board, or any trustee for the Board, on behalf of all of the Lot Owners, would otherwise realize under any insurance policy that the Board may have in force at any particular time. The Board may adopt rules that establish other requirements for Lot Owner's coverage. The Association shall have no liability for an Owner's failure to obtain insurance coverage. At the request of the Board, Lot Owners shall provide the Board with a copy of such individual policy or policies, and the Board may review its effect with the Association's insurance consultants.

9.2 Insurance provided by the Association

Commencing not later than the time of the first conveyance of a Lot to a person other than a Developer, the Association shall maintain, to the extent reasonably available:

9.2.1 Property insurance on the Improvements within the Common Area, if insurable, insuring against all risks of direct physical loss commonly insured against. The total amount of insurance

after application of any deductibles shall not be less than eighty percent (80%) of the actual cash value of the insured property at the time the insurance is purchased and at each renewal date, exclusive of land, excavations, foundations, and other items normally excluded from property policies.

9.2.2 Liability insurance, including medical payments insurance, in an amount determined by the Board but not less than \$1,000,000 per occurrence and \$2,000,000 aggregate, covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the Common Area or other areas under control and supervision of the Association. The policy may insure against liability in connection with employment contracts of the Association, host liquor liability, employers' liability, automobile liability and such other risks as are customarily covered with respect to residential common interest community project of similar construction, location and use.

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

9.2.4 Insurance against loss of personal property of the Association by fire, theft and other losses with deductible provisions as the Board deems advisable.

9.2.5 Fidelity insurance covering all Persons responsible for handling Association funds in an amount determined in the Board's business judgment.

9.2.6 Insurance coverage, in such amounts as the Board may in its discretion determine, to indemnify, directors, officers and agents of the Association pursuant to Section 15.2.

9.2.7 Such other insurance (including directors and officers liability) as the Board deems advisable.

9.3 Insurance Not Available

If the insurance specified in Section 9.2 is not reasonably available, the Association must promptly cause notice of that fact to be delivered in the form of a Record to all Lot Owners.

9.4 Common Area Repair and Replacement

If the property covered by the insurance specified in Section 9.2.1 is damaged or destroyed, the Association shall (to the extent permitted by any persons or entities to whom the damaged property is pledged as collateral), upon receipt of the insurance proceeds, contract to rebuild or repair such property to as good a condition as it was in when the loss occurred unless (a) Evans Park is terminated, (b) repair or replacement would be illegal, or (c) eighty percent (80%) of the Lot Owners vote not to rebuild. The Association may contract with any licensed contractor for reconstruction or rebuilding of such property. During the Development Period, the Developer may elect to rebuild the damaged or destroyed portions of the property to the extent it receives insurance proceeds to cover said repair or reconstruction.

9.5 Repair and Replacement of Residence

The Lot Owner of any Residence on a Lot damaged or destroyed by fire or other casualty shall, upon receipt of the insurance proceeds, contract to repair or rebuild the damaged or destroyed portions of the Residence in a good workmanlike manner in conformance with the original plans and specifications of said Residence. The plans and specifications for said Residence may be modified and said Residence may be reconstructed in accordance with said modified plans and specifications if the Lot Owner secured approval as required by Section 5.1. If the Lot Owner refuses or fails to commence such repair or rebuilding

within thirty (30) days after such damage or destruction, the Association is hereby authorized by such Lot Owner to repair and rebuild any such Residence in a good workmanlike manner in conformance with the original plans and specifications. The Lot Owner shall then repay the Association the amount actually expended for such repairs. The Association shall have a lien against the Lot for such amount and the rights to collect said lien as provided in ARTICLE 12.

9.6 Special Policy Requirements

Insurance policies carried pursuant to Section 9.2 shall provide that:

(a) Each Lot Owner is an insured person under the policy with respect to liability arising out of the Lot Owner's interest in the Common Areas or membership in the Association;

(b) The insurer waives its right to subrogation under the policy against any Lot Owner, and any member of the Lot Owner's household;

(c) Any act or omission by any Lot Owner, unless acting within the scope of the Lot Owner's authority on behalf of the Association, will not void the policy or is not a condition to recovery under the policy;

(d) If, at the time of a loss under the policy, there is other insurance in the name of a Lot Owner covering the same risk covered by the policy, the Association's policy provides primary insurance;

(e) The insurer shall not be relieved from liability for loss occurring while the hazard to such Improvement(s) is increased, whether or not within the knowledge or control of the Board, or because of any breach of warranty or condition or any other act or neglect by the Board, the Lot Owners or any other persons acting under authority of any of them;

(f) The policy may not be cancelled (whether or not requested by the Board) except by the insurer giving at least thirty (30) days prior written notice thereof to the Board and every other person in interest who shall have requested such notice of the insurer;

(g) The policy contains a cross-liability endorsement wherein the rights of an insured party under the policy or policies shall not be prejudiced as respects actions against another insured party thereunder, or other equivalent coverage in cases of liability of the Association or Lot Owners to other Lot Owners; and

(h) The policy contains a standard mortgagee clause which shall:

(i) Provide that any reference to a Mortgagee in such policy shall mean and include all holders of Mortgages of a Lot or a Lot lease or sublease, in their respective order and preference, whether or not named therein;

(ii) Provide that such insurance as to the interest of any Mortgagee shall not be invalidated by any act or neglect of the Board, and Lot Owners or any persons acting under authority of any of them; and

(iii) Waive any provision invalidating such mortgage clause by reason of the failure of any Mortgagee to notify the insurer of any hazardous use or vacancy, any requirement that the Mortgagee pay any premium thereon, and any contribution clause.

ARTICLE 10 - ENFORCEMENT

10.1 Enforcement

The Board may enforce all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration, the Articles of Incorporation, the Bylaws, and any rules and regulations promulgated by the Board by any proceeding at law or in equity. During the Period of Developer Control, Developer may exercise this enforcement power on behalf of the Association.

10.2 Fines

The Board is hereby authorized and empowered to impose fines and other penalties for the infraction of any restrictions, conditions, covenants or reservations set forth in this Declaration, the Bylaws or the rules and regulations. Said fines and penalties must be reasonable and in accordance with a previously established schedule thereof adopted by the Board and furnished to the Lot Owners for violations of the Declaration, Bylaws, and rules and regulations of the Association. The Board shall notify all Lot Owners in writing within thirty (30) days of the adoption of said rules and regulations, although the failure to provide such notice shall not cause any rule or regulation to become void.

10.3 Remedies

The remedies provided herein for collection of any assessment, charge or claim against any Lot Owner, for and on behalf of the Association or Developer, are in addition to, and not in limitation of, any other remedies provided by law.

10.4 Non-Waiver

The failure of the Association, the Developer, any Lot Owner or any of their duly authorized agents to insist in any one or more instances upon the strict performance of or compliance with this Declaration, the Bylaws, or the rules and regulations of the Association, or to exercise any right or option contained therein, or to serve notice or to institute any action or summary proceedings, shall not be construed as a waiver or relinquishment of such right for the future, such enforcement right shall continue and remain in full force and effect. No waiver of any provision of this Declaration, the Bylaws, or the rules or regulations of the Association shall be deemed to have been made, either expressly or impliedly, unless such waiver shall be in writing and signed pursuant to a resolution of the Board. The receipt by the Association of payment of any assessment with knowledge of any breach of any covenant hereof shall not be deemed a waiver of such breach.

10.5 Costs and Attorneys' Fees

If any authorized person or entity (including Developer) employs an attorney to enforce any provision of this Declaration, the Articles of Incorporation, the Bylaws, or the rules and regulations adopted by the Association, the court or arbitrator may award reasonable attorneys' fees and costs incurred in said action to the prevailing party whether such fees and costs are incurred in negotiation, mediation, arbitration, litigation, appeal, bankruptcy or pre- or post-judgment collection.

ARTICLE 11 - COVENANT FOR ASSESSMENTS

11.1 Purpose of Assessments

The regular and special Assessments levied by the Association shall be used exclusively to perform the obligations of the Association set forth in this Declaration, including but not limited to maintaining the Common Areas, insuring the Improvements on the Common Areas, and other such activities as are, in the reasonable determination of the Board, in the best interests of the health, safety and general welfare of the Lot Owners. All funds collected hereunder shall be expended for the purposes designated herein.

11.2 Initial Assessment

Until the termination of the Development Period, the Developer shall pay all operating costs to maintain the Common Areas, unless the Developer has elected to commence the Assessments prior to termination of the Development Period. Whenever Assessments are commenced and required from any Lot Owner other than Developer, Assessments shall be required from all Lot Owners except Developer. If Developer has commenced Assessments from Lot Owners, then at the time of the purchase of a Lot by a residential buyer, such Lot Owner shall pay an initial regular Assessment. The initial regular Assessment shall be collected by the escrow agent at the closing of the purchase of the Lot.

11.3 Regular Assessments

Each year the Board shall assess each Lot Owner for regular Assessments in an amount which, in the aggregate, is sufficient to meet the obligations of the Association. Commencing on January 1 following the termination of the Development Period and continuing each year thereafter, the regular Assessments shall not be increased by more than twenty-five percent (25%) in any year without the approval of sixty-seven percent (67%) of the Lot Owners voting at a meeting duly called for such purpose. Notwithstanding the provisions set forth in this Section 11.3, Developer shall not be liable for any fees or Assessments assessed or due prior to the termination of the Development Period.

11.4 Estimated Assessments – Budget

Commencing on January 1st following the termination of the Development Period and continuing each year thereafter, but within sixty (60) days prior to the beginning of each calendar year or such fiscal year as the Board may adopt, the Board shall (a) estimate the annual Assessments and special Assessments for the Lots to be paid during such year; (b) make provisions for creating, funding and maintaining reasonable reserves for contingencies and operations, for maintenance repair, replacement and acquisition of Common Area and/or (c) take into account any expected income and any surplus available from the prior year's operating fund.

Within thirty (30) days after the Board's adoption of any proposed regular or special budget of the Association, the Board shall provide a copy of the budget to all Lot Owners and set a date for a meeting of the Lot Owners to consider ratification of the budget. The Board shall give written notice of such meeting to all Lot Owners. The meeting date shall be not less than fourteen (14) and not more than fifty (50) days after providing the budget. Unless at the meeting the Lot Owners holding a majority of the votes in the Association, in person or by proxy, reject the budget, the budget and the Assessments against the Lots included in the budget shall be deemed ratified, whether or not a quorum is present. In the event the proposed budget is rejected or the required notice is not given, the periodic budget last ratified by the Lot Owners shall be continued until such time as the Lot Owners ratify a subsequent budget proposed by the Board. The budget must include: (a) the projected income to the Association by category; (b) the projected Common Expenses and those specially allocated expenses that are subject to being budgeted, both by

category; (c) the amount of the Assessments per Lot and the date the Assessments are due; (d) the current amount of regular Assessments budgeted for contribution to the reserve account; (e) a statement of whether the Association has a reserve study that meets the requirements of the Act and, if so, the extent to which the budget meets or deviates from the recommendations of that reserve study; and (f) the current deficiency or surplus in reserve funding expressed on a per Lot basis.

11.5 Special Assessments

In addition to the regular Assessments authorized above, the Association may levy in any fiscal year as the Board designates, a special Assessment for the purposes of defraying, in whole or in part, the cost of (a) any unplanned or unforeseen maintenance, litigation or similar unexpected event or emergency not included in the annual budget, as the Board in its discretion shall determine is necessary or appropriate, or (b) any construction, reconstruction, repair, acquisition or replacement of a capital Improvement upon the Common Areas, including fixtures and personal property related thereto. Any special Assessment shall be adopted only pursuant to a special budget, approved pursuant to the procedures set forth in Section 11.4. No aggregate special Assessment for construction, reconstruction, repair, acquisition or replacement of a capital Improvement upon the Common Areas in excess of \$20,000 shall be levied against Lot Owners except upon a majority affirmative vote of the Lot Owners in attendance at a meeting duly called for said purposes, or in excess of \$50,000 except upon a sixty-seven percent (67%) affirmative vote of the Lot Owners in attendance at a meeting duly called for said purpose. The limitation on maximum annual Assessments and special Assessments shall not apply to an assessment levied against a Lot Owner which is imposed by the Board to reimburse the Association for costs incurred in bringing the Member or the Lot owned by the Member into compliance with the provisions of this Declaration or the Bylaws.

11.6 Initial Payment for Working Capital

The Association shall collect \$500 from each initial residential purchaser of each Lot at the time of the first conveyance of each Lot to establish a sufficient initial working capital fund. This initial payment into the fund shall be in addition to any Assessments which each purchaser of a Lot from Developer will pay at the time of closing of the sale. Each Lot's share of the working capital fund must be collected and transferred to the Association at the time of closing of the sale of each Lot for the use and benefit of the Association. The purpose of the fund is to ensure that the Association will have cash available to meet unforeseen expenditures, or to acquire additional equipment or services deemed necessary or desirable by the Board. Amounts paid into the fund are not to be considered as advance payments of regular Assessments. The Developer shall not use any of the working capital fund to defray any of its expenses or construction costs, or to make up any budget deficits prior to the date that control of the Association is transferred to the Lot Owners.

11.7 Reserve Study

The Board shall comply with the requirements set forth in the Act for reserve studies for the Common Areas and portions of the Lots which the Association must maintain, repair or replace pursuant to Section 4.1. Unless the Board, in its reasonable discretion, determines that that the Association has only nominal reserve costs or if the cost of the reserve study or update exceeds ten percent (10%) of the Association's annual budget, the Association shall prepare and annually update a reserve study. A "reserve component" means any physical component of Evans Park which the Association is obligated to maintain, repair, or replace, which has an estimated useful life of less than thirty (30) years, and for which the cost of such maintenance, repair, or replacement is infrequent, significant, and impractical to include in an annual budget. An initial reserve study conducted by a reserve study professional must be prepared and based upon a visual site inspection or a review of plans and specifications of or for unbuilt improvements, or both when construction of some but not all of the improvements is complete. At least every three (3) years, an

updated reserve study must be prepared and based upon a visual site inspection conducted by a reserve study professional. If more than three (3) years have passed since the date of the last reserve study prepared by a reserve study professional, the Owners of Lots to which at least twenty percent (20%) of the votes are allocated may demand, in a record delivered to the Board, that the cost of a reserve study be included in the next budget and that the study be obtained by the end of the budget year. The demand shall refer to RCW 64.90.555 of the Act. Unless the Board determines that preparing a reserve study would impose an unreasonable hardship on the Association and the Lot Owners, the Board shall, upon receipt of the written demand, include the costs of a reserve study in the next budget and, if the budget is not rejected by the Lot Owners pursuant to Section 11.4, will arrange for the preparation of the reserve study.

11.8 Uniform Rate of Assessment

Both regular and special Assessments shall be assessed in equal shares against all Lots, except for Assessments against a specific Lot Owner imposed by the Board to reimburse the Association for costs incurred in bringing the Lot Owner or Lot into compliance with the provisions of this Declaration, the Bylaws, or the Association's rules and regulations, or as otherwise provided in this Declaration, which Assessments shall be assessed solely against such Owner's Lot. The formula used to establish allocations of interests is based on an equal share.

11.9 Payment by Lot Owners

Each Lot Owner shall be obligated to pay its regular and special Assessments to the Treasurer of the Association. Regular Assessments shall be paid annually or in equal monthly or other periodic installments on or before the due date established by the Board. Special Assessments shall be paid annually or in equal monthly or other periodic installments or before the first day of each month during each year or at such time and in such other reasonable manner as the Board designates.

11.10 Interest; Late Charges

As part of its collection of delinquent Assessments, the Association shall be entitled to recover interest for the period of delinquency, late charges, interest and expenses of collection, including but not limited to and attorneys' fees. In addition, the Association shall be entitled to recover costs and reasonable attorneys' fees if it prevails on appeal and in the enforcement of a judgment. The Association may, from time to time, establish reasonable late charges and a rate of interest to be charged on all subsequent delinquent Assessments or installments thereof. Delinquent Assessments shall bear interest from the date of delinquency at the maximum rate permitted under RCW 19.52.020 on the date on which the Assessments became delinquent. The Association may impose a late charge in an amount not exceeding twenty-five percent (25%) of any unpaid Assessment or charge which had remained delinquent for more than fifteen (15) days.

11.11 Payment by Mortgagees

Subject to Section 12.2.2, the holder of a Mortgage or other purchaser of a Lot who obtains the right of possession of the Lot through foreclosure shall not be liable for Assessments or installments of Assessments that became due prior to such right of possession. Such unpaid Assessments shall be deemed to be Common Expenses collectible from all the Lot Owners, including such holder of the Mortgage or other purchaser of such Lot. Foreclosure of a Mortgage does not relieve the prior Lot Owner of personal liability for Assessments accruing against the Lot prior to the date of such sale.

11.12 Surplus Funds

Any surplus funds of the Association remaining after the payment or of provision for Common Expenses and any prepayment of reserves must be paid annually to the Lot Owners in proportion to their Common Expense liabilities or credited to them to reduce their future Assessments.

11.13 Record of Assessments; Reconciliation

The Association shall keep an accurate record of its receipt and expenditures in chronological order. Such record shall specify and itemize the operation, maintenance, replacement and repair expenses of the Common Area and any other expenses incurred. Records and vouchers authorizing such payments shall be available for examination by the Lot Owners for any proper purpose at any reasonable time. To assure that the Lot Owners are correctly assessed for the actual expenses of the Association, the accounts of the Association must be reconciled at least annually unless the Board determines that a reconciliation would not result in a material savings to any Lot Owner.

11.14 Owner Misconduct

11.14.1 To the extent that any expense of the Association is caused by willful misconduct or gross negligence of any Lot Owner or that Lot Owner's tenant, guest, invitee, or occupant, the Association may assess that expense against the Lot Owner's Lot after notice and an opportunity to be heard, even if the Association maintains insurance with respect to that damage or Common Expense.

11.14.2 To the extent that any expense of the Association is caused by the negligence of any Lot Owner or that Lot Owner's tenant, guest, invitee, or occupant, the Association may assess that expense against the Lot Owner's Lot after notice and an opportunity to be heard, to the extent of the Association's deductible and any expenses not covered under an insurance policy issued to the Association.

ARTICLE 12 - LIEN FOR ASSESSMENTS; COLLECTION

12.1 Lien in Favor of Association

The Association has a lien on a Lot for any unpaid Assessments levied against a Lot from the time the Assessment is due. Attorney's fees, collection costs, late charges, fines, and interest charged by the Association are enforceable as Assessments and are subject to the Association's lien on said Lot.

12.2 Priority of Association Lien

12.2.1 General Priority. The lien of the Association under this Section shall be prior to all other liens and encumbrances on a Lot, except: (a) liens and encumbrances recorded before the recording of the Declaration; (b) except as provided in Section 12.2.2, a Mortgage on the Lot recorded before the date on which the Assessment sought to be enforced became due; or (c) liens for Real Property taxes and other governmental assessments or charges against the Lot.

12.2.2 Priority Over Mortgages Encumbering Individual Lots.

(a) If the Association elects to foreclose its lien under Section 12.5 of this Declaration, the lien shall also be prior to the Mortgages described in Section 12.2.1(b) to the extent of an amount equal to Assessments for Common Expenses, excluding any amounts for capital improvements, based on the periodic budget adopted by the Association pursuant to this Declaration, along with any specially allocated Assessments, which would have become due, in the absence of acceleration, during the

six (6) months immediately preceding (i) the date of recording of a notice of trustee's sale by a deed of trust beneficiary; (ii) the date of commencement, pursuant to applicable court rules, of an action for judicial foreclosure either by the Association or by the holder of a recorded security interest; or (iii) the date of recording of a notice of intention to forfeit in a real estate contract forfeiture proceeding by the vendor under a real estate contract.

(b) In addition, the lien shall also be prior to the Mortgages described in 12.2.1 to the extent of the Association's actual costs and reasonable attorneys' fees incurred in foreclosing its lien but incurred after the giving of the notice described in Section 12.2.2(c); provided, however, that the costs and reasonable attorneys' fees that will have priority under this Section 12.2.2(b) shall not exceed two thousand dollars (\$2,000) or an amount equal to the amounts described in Section 12.2.2(a), whichever is less.

(c) The amounts described in Section 12.2.2(b) shall be prior only to the security interest of the holder of a security interest on the Lot recorded before the date on which the unpaid Assessment became due and only if the Association has given that holder not less than sixty (60) days' prior written notice that the Owner of the Lot is in default in payment of an Assessment. The notice shall contain the name of the borrower, the recording date of the deed of trust or mortgage, recording information, the name of the plat, Lot owner, and Lot number, the amount of unpaid Assessment, and a statement that failure to, within sixty (60) days of the written notice, submit to the Association payment of six (6) months of Assessments as described Section 12.2.2(a) will result in the priority of the amounts described in Section 12.2.2(b).

(d) Upon payment of the amounts described in Section 12.2.2(a) by the holder of a security interest, the Association's lien shall thereafter be fully subordinated to the lien of such holder's security interest on the Lot.

12.2.3 Department of Veterans Affairs Financing. To the extent that any provision set forth in this Declaration and the Bylaws regarding relative priority of the Association's lien is inconsistent with the requirements of guaranteed or direct loan programs of the United States Department of Veterans Affairs, as set forth in 38 U.S. Code Chapter 37 or 38 C.F.R. Part 36 (collectively, "DVA Financing"), such provision shall not apply to any Unit that is (a) encumbered by DVA Financing, or (b) owned by the Department of Veterans Affairs, and the priority of such lien shall be modified to be the same as that set forth in such requirements for DVA Financing.

12.3 Recording Not Required

Recording of this Declaration constitutes record notice and perfection of the lien for Assessments. While no further recording of any claim of lien for Assessment under this Section shall be required to perfect the Association's lien, the Association may record a notice of claim of lien for Assessments under this Section in the Real Property records of the County in which the Property is located. Such recording shall not constitute the written notice of delinquency to a Mortgagee referred to in Section 12.2.2 of this Declaration.

12.4 Limitations on Enforcement

12.4.1 The Association may not commence an action to foreclose a lien on a Lot unless the Lot Owner, at the time the action is commenced, owes a sum equal to at least three (3) months of Assessments and the Board approves commencement of a foreclosure action specifically against that Lot.

12.4.2 A lien for unpaid Assessments is extinguished unless legal proceedings to enforce the lien are instituted within six (6) years after the full amount of the Assessments sought to be recovered becomes due.

12.5 Enforcement of Lien

12.5.1 The lien arising under this Section may be enforced judicially by the Association or its authorized representative in the manner set forth in Chapter 61.12 RCW or nonjudicially in the manner set forth in Chapter 61.24 RCW for nonjudicial foreclosure of deeds of trust. For the purpose of preserving the Association's nonjudicial foreclosure option, this Declaration shall be considered to create a grant of each Lot in trust to Chicago Title Insurance Company or its successors and assigns ("Trustee"), to secure the obligations of each Lot Owner ("Grantor") to the Association ("Beneficiary") for the payment of Assessments. Grantor shall retain the right to possession of Grantor's Lot so long as Grantor is not in default of an obligation to pay Assessments. The Trustee shall have a power of sale with respect to each Lot, which becomes operative in the case of a default in a Grantor's obligation to pay assessments. The Lots are not used principally for agricultural or farming purposes.

12.5.2 The Association or its authorized representative shall have the power to purchase the Lot at the foreclosure sale, whether judicial or nonjudicial, and to acquire, hold, lease, mortgage, or convey the Lot to a third party. Upon an express waiver in the complaint of any right to a deficiency judgment in a judicial foreclosure action, the period of redemption shall be eight (8) months. Nothing in this Section shall prohibit the Association from accepting a deed in lieu of foreclosure from the Owner of the Lot subject to the lien.

12.6 Appointment of Receiver

In an action by the Association to collect Assessments or to foreclose a lien on a Lot under this ARTICLE 12, the court may appoint a receiver to collect all sums alleged to be due and owing to a Lot Owner before commencement or during pendency of the action. The receivership is governed by Chapter 7.60 RCW. During pendency of the action, the court may order the receiver to pay sums held by the receiver to the Association for any Assessments against the Lot. The exercise by the Association of the foregoing rights shall not affect the priority of preexisting liens on the Lot.

12.7 Personal Liability of Lot Owners

In addition to constituting a lien on the Lot, each Assessment shall be the joint and several obligation of the Lot Owner of the Lot to which the same are assessed as of the time the Assessment is due. A Lot Owner may not exempt himself or herself from liability for Assessments. In a voluntary conveyance other than by foreclosure, the grantee of a Lot is jointly and severally liable with the grantor for all unpaid assessments against the grantor up to the time of the grantor's conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee. Suit to recover a personal judgment for any delinquent Assessment shall be maintainable in any court of competent jurisdiction without foreclosing or waiving the lien securing such sums.

12.8 Statement of Assessment

The Association, upon written request, shall furnish to a Lot Owner or a Mortgagee of a Lot a statement signed by an officer or authorized agent of the Association setting forth the amount of unpaid Assessments against that Lot. The statement shall be furnished within fifteen (15) days after receipt of the request and is binding on the Association, the Board, and every Lot Owner, unless and to the extent known

by the recipient to be false. The liability of a recipient who reasonably relies upon the statement must not exceed the amount set forth in any statement furnished pursuant to this Section 12.8 or any resale certificate.

ARTICLE 13 - MORTGAGEE PROTECTION

The following provisions shall apply to and benefit each holder of a Mortgagee of a deed of trust given for the purpose of obtaining funds for the construction or purchase of a Residence on any Lot or the improvement of any Lot, notwithstanding and prevailing over any other provisions of this Declaration, the Bylaws, or any rules, regulations or management agreements.

13.1 Before Possession

Prior to the time a Mortgagee is entitled to possession of a Lot, the Mortgagee shall not be personally liable for the payment of any Assessment or charge, or for the observance or performance of any covenant, restriction, regulation, rule, Bylaw or management agreement, except for those matters which are enforceable by injunctive or other equitable relief, not requiring the payment of money, as hereinafter provided.

13.2 During Foreclosure

During the pendency of any proceeding to foreclose said mortgage or deed of trust, the Mortgagee may exercise any or all of the rights and privileges of the Lot 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 Lot Owner's exercise of such rights and privileges.

13.3 During Possession

At such time as said Mortgagee shall become entitled to possession of the Lot, the Mortgagee shall be subject to all of the terms and conditions of this Declaration and the Bylaws, including, but not limited to, the obligation to pay for all Assessments and charges accruing thereafter, in the same manner as the Lot 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 this Declaration which secures the payment of any Assessment for charges accrued prior to the date said Mortgagee became entitled to possession of the Lot.

13.4 Unpaid Assessments

If it is deemed necessary by the Association, any unpaid Assessment against a Lot foreclosed by a Mortgagee may be treated as a common expense of the other Lots. Any such unpaid Assessments shall continue to exist as a personal obligation of the defaulting Lot Owner of the respective Lot.

13.5 Subordination

A breach of any of the provisions contained in this Declaration or any reentry by reason of such breach shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value as to said premises or any part thereof; but said provisions shall be binding upon and effective against any Lot Owner of said premises whose title thereto is acquired by foreclosure, trustee's sale or otherwise.

ARTICLE 14 - AMENDMENT OF DECLARATION

14.1 Developer's Reserved Rights

The Developer reserves the right to execute and to have recorded any amendments to this Declaration it deems necessary prior to the conveyance of a Lot to a Lot Owner. Developer hereby reserves the right to prepare, execute, and record amendments to the Declaration and Map in accordance with the requirements of the Act as may be necessary for Developer to exercise any Development Right reserved in this Declaration. Developer shall be the Owner of any Lots created by such amendments. The amendments shall describe any Common Elements and any Limited Common Elements created and, in the case of Limited Common Elements, designate the Lot to which each is allocated. The amendments are effective upon recording.

14.2 Amendment by Members

Except as otherwise set forth herein or in the Act, this Declaration may be amended only by vote or agreement of Lot Owners of Lots to which at least sixty-seven percent (67%) of the votes in the Association are allocated. After such approval, the President and Secretary of the Association, for and on behalf of the Lot Owners, shall certify that the amendment was properly adopted and execute and record said amendment.

14.3 Exceptions

Except to the extent expressly permitted or required by the Act, an amendment may not create or increase Special Declarant Rights, increase the number of Lots, change the boundaries of any Lot, or change the allocated interests of a Lots without the consent of Lots Owners to which at least ninety percent (90%) of the votes in the Association are allocated, including the consent of any Lot Owner of a Lot, the boundaries of which or allocated interest of which is changed by the amendment.

14.4 Corrective Amendments

Upon thirty (30) days' advance notice to Lot Owners, (a) the Developer may, without a vote of the Lot Owners or approval by the Board, and within five (5) years after the recordation or adoption of the Governing Documents containing or creating a mistake, inconsistency, error, or ambiguity, or (b) the Board may, upon a vote of two-thirds (2/3rds) of the members of the Board: adopt, execute, and record a corrective amendment or supplement to the Governing Documents to correct a mathematical mistake, an inconsistency, or a scrivener's error, or clarify an ambiguity in the Governing Documents with respect to an objectively verifiable fact. Any such amendment or supplement may not materially reduce what the obligations of the Developer would have been if the mistake, inconsistency, error, or ambiguity had not occurred.

14.5 Limitation of Action

In the absence of fraud, any action to challenge the validity of an amendment adopted pursuant to this Section may not be brought more than one (1) year after the amendment is recorded.

ARTICLE 15 - LIMITATION OF LIABILITY; INDEMNIFICATION

15.1 Limitation of Liability

No person who serves as a member of the Board (including the initial Board) or as an officer of the Association (including Developer) shall be personally liable to the Association or any Lot Owner or any other party for conduct as a member of the Board and shall be protected to the fullest extent permitted by law. If Washington State Law is amended after adoption of this Declaration, then the liability of each Board member and officer of the Association shall be limited to the full extent permitted by Washington State Law, as so amended. No repeal or modification of this Section 15.1 shall adversely affect any right or protection of a Board Member existing at the time of such repeal or modification.

15.2 Indemnification

15.2.1 Board Members. The Association shall indemnify and hold all persons who serve as a member of the Board or the initial Board or as a Board member and officer of the Association (including Developer, to the extent Developer acts in any such capacity), harmless to the full extent permitted by Washington State Law as it now exists or as it is amended hereafter. This indemnification shall continue as to a person who has ceased to be a Board Member and/or officer and shall inure to the benefit of that person's heirs, personal representatives, or assigns. The Association may, upon written request, advance expenses incurred by the Board Members and/or officers entitled to this indemnification. If a claim for indemnification or advance of expenses is not paid within sixty (60) days after a written claim has been received by the Association, the claimant may sue the Association to recover any unpaid amount. If successful, the claimant shall be entitled to reasonable costs and attorneys' fees.

15.2.2 Officers. In addition, the Association shall have the power to indemnify an officer who is not a Board member, as well as employees and agents of the Association who are not Board Members (including the Developer), to the full extent permitted by Washington State Law as it now exists or is amended hereafter. Whether an officer, agent or employee who is not a Board member should be indemnified and the amount of indemnification to be provided shall be determined by general or specific action of the Board of Directors.

15.2.3 Insurance. The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a Board member, officer, employee, or agent of the Association against any liability asserted against him and incurred by him in such capacity or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of Washington State Law.

15.2.4 Guarantees. The Association shall indemnify, defend and hold any Board Member or officer harmless for any obligation of the Association which the Board Member or officer personally guaranteed, so long as that Association obligation has been authorized and/or ratified by the Board of Directors as provided for in the Bylaws.

15.2.5 Conformance with Law. If any provision of this Section 15.2 is in violation of the Washington State Law in effect at the time of the request for indemnification, then that provision shall be automatically modified to provide the broadest indemnification available under the existing Washington State Law.

15.2.6 Not Exclusive. The rights to indemnification, limitation of liability, and to the advancement of expenses conferred in Sections 15.1 and 15.2 shall not be exclusive of any other right which

any person may have or hereafter acquire under any statute, the Association's Articles of Incorporation, Bylaws, agreement, or vote of Members, disinterested Board Members or otherwise.

ARTICLE 16 - GENERAL PROVISIONS

16.1 Covenant Running with the Land

The provisions of this Declaration shall run with and bind the land and shall inure to the benefit of and be enforceable by the Lot Owners, their respective legal representatives, heirs, successors and assigns.

16.2 Termination

Except as otherwise set forth in the Act, Evans Park and this Declaration may be terminated by agreement of Lot Owners of Lots to which at least eighty percent (80%) of the votes in the Association are allocated, pursuant to the terms and procedures set forth in the Act.

16.3 Severability

Invalidation of any provision of this Declaration by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

16.4 Gender

This Declaration is to be read and understood with all appropriate changes of a number and gender as required by the context.

16.5 Headings

The captions in this Declaration are for convenience only and do not in any manner affect, limit, or amplify the provisions hereof.

16.6 Inflationary Increases in Dollar Limits

The dollar limits specified in this Declaration may, in the discretion of the Board, be increased proportionately to adjust for any inflation in the value of the dollar by the Consumer Price Index for all Urban Consumers (1982 – 1984 = 100 (semi-annual)) specified for “All Items,” relating to Seattle-Tacoma-Bremerton, Washington and issued by the Bureau of Labor Statistics of the United States Department of Labor, or any successor index. If the index for Seattle-Tacoma-Bremerton is discontinued, the National Index shall be used in this calculation. In the event the index shall hereafter be converted to a different standard reference base or otherwise revised, the increase shall be made with the use of such conversion factor, formula or table for converting the index as may be published by the Bureau of Labor Statistics or, if said Bureau shall not publish the same, then with the use of such conversion factor, formula or table as may be published by Prentice Hall, Inc., or, failing such publication, by any other nationally recognized publisher of similar statistical information. In the event the index shall cease to be published, then there shall be substituted for the index such other index as the Board deems reasonable.

[Signature page follows.]

The undersigned Developer hereby executes this Declaration of Covenants, Conditions and Restrictions for Evans Park on _____, 2022.

EVANS PARK, LLC,
a Washington limited liability company

By: DMH Holdings, LLC, a Washington limited liability company, its Managing Member

By: Huseby Homes, LLC, a Washington limited liability company, its Managing Member

By: _____
Darin Huseby, Managing Member

STATE OF WASHINGTON)
) ss.
COUNTY OF _____)

THIS IS TO CERTIFY that on this _____ day of _____, 20____, before me, a Notary Public in and for the State of Washington, duly commissioned and sworn, came Darin Huseby, personally known or having presented satisfactory evidence to be the Manager of DMH Holdings, LLC, a Managing Member of Evans Park, LLC, the limited liability company that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said limited liability company for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument on behalf of said limited liability company.

WITNESS MY HAND and official seal the day and year in this certificate first above written.

Print Name: _____
Notary Public in and for the
State of Washington, residing at

Expiration Date: _____

EXHIBIT A

LEGAL DESCRIPTION

Parcel B, Snohomish County Short Plat No. 109 (4-84), recorded under Recording No. 8406140256, Records of Snohomish County, Washington, being a portion of the Northeast Quarter of the Southwest Quarter of Section 20, Township 31 North, Range 5 East, W.M.;

Situate in the County of Snohomish, State of Washington.

DRAFT