

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR SUNNYSIDE VILLAGE

A Plat Community, created pursuant to the Washington Uniform Common Interest Ownership Act

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR SUNNYSIDE VILLAGE, a plat community, is made by King Creek, LLC, a Washington limited liability company (“Declarant”), for the Real Estate legally described in Exhibit A (the “Plat Community”). The Declaration supplements the provisions of the Washington Uniform Common Interest Ownership Act, as amended, Chapter 64.90 RCW, which Act applies to and governs the administration of this Plat Community.

Article I Creation of the Community

1.1. Purpose and Intent. Declarant intends by Recording this Declaration to create a general plan of development for the Plat Community identified in the title to this Declaration. The Association shall administer and enforce this Declaration and the other Governing Documents in a manner consistent with Chapter 64.90 RCW.

1.2. Binding Effect. The Plat Community and any property which is made a part of the Plat Community in the future by Recording one or more Supplemental Declarations or Amendments to the Declaration, shall be owned, conveyed, and used subject to all of the provisions of this Declaration and the other Governing Documents, which shall run with the title to all Units, Limited Common Elements and Common Elements located in the Plat Community. This Declaration shall be binding upon all Persons having any right, title, or interest in any portion of the Plat Community, their heirs, successors, successors-in-title, and assigns.

This Declaration and the other Governing Documents shall be enforceable by Declarant, the Association, any Unit Owner, and their respective legal representatives, heirs, successors, and assigns, perpetually to the extent permitted by law. If any provision of this Declaration is determined by judgment or court order to be invalid, or invalid as applied in a particular instance, the invalid provision shall be severed from the remainder and shall not affect the validity of the other provisions or applications.

Article II Additional Definitions

The terms used in this Declaration and the other Governing Documents shall generally be given their natural, commonly accepted definitions unless otherwise specified in RCW 64.90.010. Additional definitions specific to this Declaration are capitalized and defined as set forth below.

2.1. “Community-Wide Standard”: The standard of conduct, maintenance, or other activity generally prevailing throughout the Plat Community. Such standard may contain both objective and subjective elements. The Community-Wide Standard may evolve as development progresses and as the needs and demands of the Plat Community change.

2.2. “Local Jurisdiction”: Any governmental authority having jurisdiction over the Plat Community, for a matter described in this Declaration. A Local Jurisdiction may include the State of Washington, a County, a City, or a local sewer or water district or other governmental entity assigned authority by law to regulate activities in the Plat Community. A Local Jurisdiction may refer to different governmental authorities, depending upon which governmental authority is assigned responsibility to regulate activities described in this Declaration.

2.3. “Permits”: Collectively, the permits, land use restrictions and conditions of plat approval, as determined, approved and issued by the Local Jurisdiction related to the development and construction of improvements located at the Properties, as such may be amended or modified from time to time.

2.4. “Protected Trees” (also referred to in some jurisdictions as Street Trees), shall mean the trees that are required to be planted, located and maintained in the Plat Community pursuant to notes on the face of the Map, the Permits, or described by this Declaration, if tree protection is required by the Local Jurisdiction. Protected Trees that are located within Common Elements are owned by the Association. The Association may designate other trees located within the Plat Community, whether inside or outside of Common Elements, as Protected Trees, and establish Rules related to their maintenance or removal.

2.5. “Recording,” or “Recorded”: To file, the filing, or filed of record in the public real estate records of the County in which the Plat Community is located, or such other place which is designated as the official location for recording deeds and similar documents affecting title to Real Estate. The date of Recording shall refer to that time at which a document, map, or plat is Recorded.

2.6. “Residential Design Guidelines”: The architectural, design, and construction guidelines and review procedures adopted pursuant to Article IV, as they may be amended, which establish architectural standards and guidelines for improvements and modifications to Units.

2.7. “Specific Assessments”: Assessments permitted by RCW 64.90.480(4), to be made only upon certain Units and Unit Owners.

2.8. “Supplemental Declaration”: An instrument Recorded which subjects additional Real Property to this Declaration and/or imposes, expressly or by reference, additional restrictions and obligations on the land described in such instrument.

2.9. “Use Restrictions”: The initial Use Restrictions set forth in Article III as they may be supplemented, modified, and repealed, which govern the use of property, activities and conduct within the Plat Community.

Article III Use and Conduct

3.1. Authority to Enact Use Restrictions.

3.1.1. Procedure. Subject to the provisions of RCW 64.90.510, the Permits, the Governing Documents, and the Board's duty to exercise business judgment and reasonableness on behalf of the Association and the Unit Owners, the Board may adopt, modify, cancel, limit, create exceptions to, or expand the Use Restrictions. The Board shall give Notice concerning any such proposed action at least five (5) business days prior to the Board meeting at which such action is to be considered. Unit Owners shall have a reasonable opportunity to be heard at a Board meeting prior to such action being taken.

Such action shall become effective unless disapproved at a meeting by Unit Owners. The Board shall have no obligation to call a meeting of the Unit Owners to consider disapproval except upon receipt of a petition as required for Special Meetings in RCW 64.90.445(1)(b). Upon receipt of such petition prior to the effective date of any Board action, the proposed action shall not become effective until after such meeting is held, and then subject to the outcome of such meeting. Alternatively, Unit Owners may vote at a Special Meeting to adopt Use Restrictions which modify, cancel, limit, create exceptions to, or expand the Use Restrictions then in effect.

Prior to any action taken under this Section 3.1.1 becoming effective, the Board shall provide Notice (containing a copy of the new Use Restriction or explanation of any changes to the Use Restrictions) to each Unit Owner. The effective date shall be at least 30 days following distribution to the Unit Owners. The Association shall provide, without cost, a copy of the Use Restrictions then in effect to any requesting Unit Owner or holder of a Security Interest. Nothing in this Article shall authorize the Board or the Unit Owners to modify, repeal, or expand the Residential Design Guidelines or other provisions of this Declaration. In the event of a conflict between the Residential Design Guidelines and the Use Restrictions, the Residential Design Guidelines shall control.

3.1.2. Exclusions. The procedures required under this Section shall not apply to the enactment and enforcement of Rules (e.g., administrative issues, regulations governing the use of the Common Elements, etc.) unless the Board chooses in its discretion to submit to such procedures. Examples of such administrative Rules not governed by this Section shall include, but not be limited to, hours of operation of a recreational facility, use of private trails, and the method of allocating or reserving use of a facility (if permitted) by particular individuals at particular times. The Board shall exercise business judgment in the enactment, amendment, and enforcement of the Rules.

3.2. Unit Owners' Acknowledgment and Notice to Purchasers. All Unit Owners are given notice by this Section that use of their Units and the Common Elements is limited by the Use Restrictions as they may be amended, expanded, and otherwise modified hereunder. Each Unit Owner, by acceptance of a deed, acknowledges and agrees that the use and enjoyment and marketability of the Unit can be affected by this provision and that the Use Restrictions may change from time to time. All Purchasers of Units are on notice that changes may have been or will be adopted by the Association. Copies of the current Use Restrictions may be obtained from the Association.

3.3. Protection of Unit Owners and Others. Except as may be contained in this Declaration either initially or by amendment or in the initial Use Restrictions, all Use Restrictions shall comply with RCW 64.90.510 and the following:

3.3.1. Similar Treatment. Similarly situated Unit Owners shall be treated similarly.

3.3.2. Prohibition Upon Discrimination. No Use Restriction shall enable the Board or the Members to discriminate among Persons on the basis of race, color, religion (creed), gender, gender expression, age, national origin (ancestry), disability, marital status, sexual orientation, or military status, in any of its activities or operations.

3.3.3. Household Composition. No Use Restriction shall interfere with the freedom of Unit Owners to determine the composition of their households, except that the Association shall have the power to (1) require that all occupants be members of a single housekeeping unit, (2) limit the total number of occupants permitted in each Unit on the basis of the size and facilities of the Unit, (3) limit fair use of the Common and Limited Common Elements, (4) limit or prohibit the occupancy of Units by persons who have been convicted of a crime for which continued supervision after conviction is imposed upon the proposed occupant, and (5) on the basis of compelling compliance with applicable law.

3.3.4. Activities Within Dwellings. No Use Restriction shall interfere with the activities carried on within the confines of dwellings, except that the Association may prohibit activities not normally associated with property restricted to residential use, it may regulate rental of Units, and it may restrict or prohibit any activities that create monetary costs for the Association or other Owners, that create a danger to the health or safety of occupants of other Units, that generate excessive noise or traffic, that create unsightly conditions visible outside the dwelling, that create an unreasonable source of annoyance, or that involve illegal conduct.

3.3.5. Household Occupations. No Use Restriction may interfere with the rights of a Unit Owner or occupant residing in a Unit to conduct business activities within the Unit so long as (i) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Unit; (ii) the business activity is consistent with the residential character of the Plat Community and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Plat Community, as may be determined in the Board's sole discretion; (iii) any goods, materials or supplies used in connection with any trade, service or business, wherever the same may be conducted, be kept or stored inside any building on any Unit and that they not be visible from the exterior of the buildings located at the Unit and (iv) it is as otherwise allowed by the Permits and applicable law. Nothing in this Section shall permit (1) the use of a Unit for a purpose which violates law, regulations, Rules or applicable zoning codes, or (2) activities that cause a significant increase in neighborhood traffic, or (3) modification of the exterior of the Unit. The Board may, from time to time, promulgate Rules restricting activities pursuant to the authority granted to the Association under RCW 64.90.510, this Declaration, and the other Governing Documents.

3.3.6. Abridging Existing Rights. No Use Restriction shall require a Unit Owner to dispose of personal property or remove real property improvements that were in or on a Unit prior to the adoption of such Use Restriction and which was in compliance with all Use Restrictions previously in force. This dispensation shall apply only for the duration of such Unit Owner's ownership, and shall not run with title to any Unit.

3.3.7. Allocation of Burdens and Benefits. No Use Restriction shall alter the allocation of financial burdens among the various Units or rights to use the Common Elements to the detriment of any Unit Owner over that Unit Owner's objection expressed in writing to the Association. Nothing in this provision shall prevent the Association from changing the Common Elements available, from adopting generally applicable Rules for use of Common Elements, or from denying use privileges to those who abuse the Common Elements or violate the Governing Documents.

3.3.8. Displays. The rights of Owners to display religious and holiday signs, symbols, and decorations inside structures on their Units of the kinds normally displayed in dwellings located in residential neighborhoods shall not be abridged, except that such shall be consistent with Federal, State and the Local Jurisdiction's laws. The Association may adopt as Rules time, place, and manner restrictions with respect to any displays (including those outside of a dwelling) visible from outside the dwelling. No Use Restrictions shall regulate the content of political signs; however, Rules may regulate the time, place, and manner of posting such signs (including design criteria).

3.3.9. Care of Protected Trees. The Unit Owners and the Association are prohibited from (1) voting to abandon or ceasing the maintenance of the Protected Trees, or (2) removing or altering (other than appropriate pruning) the Protected Trees without permission of the Local Jurisdiction.

This Section shall only limit activities described in Section 3.2; they shall not apply to amendments to this Declaration.

3.4. Initial Use Restrictions. The Association may adopt, modify, or revoke Use Restrictions governing the conduct of persons, the operation and use of the Units and the Common Elements as it may deem necessary or appropriate in order to ensure environmental values of the Owners and the peaceful and orderly use and enjoyment of the Community. The Association may delegate its powers and responsibilities concerning Use Restrictions to other Persons as it determines. The following Initial Use Restrictions shall apply to the Plat Community until such time as they are amended, modified, repealed, or limited by the Association. Changes to the Use Restrictions shall not require amendment of this Declaration.

3.4.1. General. The Units, Common Elements and Limited Common Elements shall be used for Residential Purposes (which may include, without limitation, offices for the Association or a property manager retained by the Association). The Association may choose to limit the total number of Units which may be rented for occupancy by persons other than the Unit Owner, and adopt a process for determining which Units may be rented, when rentals can commence and end, and what rental terms may be required in an agreement between a Unit Owner and occupant of a Unit.

3.4.2. Temporary Structures Prohibited. No basement, tent, shack, garage, barn or other outbuilding or buildings or any structure of a temporary or moveable character erected or placed on the Properties shall at any time be used as living quarters or storage except as specifically authorized by the Association.

3.4.3. Nuisances. No noxious or undesirable thing, activity or use of any Unit, Common Element or Limited Common Element in the Properties shall be permitted or maintained. If the Association shall determine that a thing or use of any Unit or any part of the Properties is undesirable or noxious, such determination shall be conclusive. The Association may direct steps be taken as is reasonably necessary including, without limitation, the institution of legal action or the imposition of fines to abate any activity, remove anything or terminate any use of property which is determined by the Association or described in this Declaration to constitute a nuisance.

3.4.4. Unsightly Conditions. No unsightly conditions shall be permitted to exist on any Unit. Unsightly conditions shall include, without limitation, litter, trash, junk or other debris; inappropriate, broken or damaged furniture or plants; non-decorative gear, equipment, cans, bottles, ladders and other such items; and no awnings, air conditioning units, heat pumps or other projections shall be placed on the exterior walls of any Unit unless prior written approval shall have been obtained from the Association.

3.4.5. Antennas, Satellite Reception. Satellite dishes of no more than one meter in diameter or diagonal measurement are permitted on a Unit without Association approval. All over-the-air reception devices shall comply with the Residential Design Guidelines or other applicable Rules adopted by the Association pertaining to the means, method and location of antennas and satellite dishes, within the limits set by the Federal Communications Commission's rules and regulations.

3.4.6. Roofs. Roofs on all buildings must be finished with materials approved for use by the Association. More than one type of material may be approved.

3.4.7. Fences, Walls. In order to preserve the aesthetics of the Plat Community, no fence, wall, or hedge shall be erected or placed on any Unit unless prior written approval has been obtained from the Association. The design and color of any fence, whether visible to the other Units or not, shall be constructed and finished according to the standard fence detail, as such detail is initially designated by the Association.

3.4.8. Residential Purposes Only. No Unit shall be used for any purpose other than a residential dwelling, except as described in Section 3.3.5. and Rules adopted by the Association allowing other uses in adjunct to a residential dwelling purpose.

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

3.4.10. Drainage Waters. Following original grading of the roads and ways of the Plat Community, no drainage waters shall be diverted or blocked from their natural course so as to discharge upon any public or private road serving as a right-of-way. A Unit Owner, prior to making any alteration in the natural drainage or a constructed drainage system must make application to and receive approval from the Association or, if required by law, the Local Jurisdiction.

3.4.11. NBA Restrictions and Maintenance. All areas designated on the Map as Native Growth Protection Area, Sensitive Area, Critical Area, Buffer, Natural Buffer Area, Wetland or Wetland Buffer, if any (collectively, "NBA") shall be left permanently undisturbed in a substantially natural state. No clearing, grading, filling, building construction or placement, or road construction of any kind shall occur within these areas, except the activities approved by the Local Jurisdiction. The Association shall be responsible for operating, maintaining and restoring the condition of the NBA in the event any unauthorized disturbance occurs; however, in the event that this disturbance is determined to be the fault of a party, the Association may pursue a claim for reimbursement of damages to the NBA from the party disturbing the area. The Association shall be guided in its maintenance of the NBA the provisions contained in the ordinances of the Local Jurisdiction.

3.4.12. Prohibited Materials. In order to protect the environment, sensitive areas and water quality, precautions must be taken with the storm drainage system on site. The following materials shall not be allowed to enter any surface or subsurface part of the public and/or private drainage system: (i) petroleum products including, but not limited to, oil, gasoline, grease, fuel oil and heating oil; (ii) trash and/or debris; (iii) animal waste; (iv) chemicals and/or paint; (v) steam cleaning waste; (vi) washing uncured concrete for cleaning and/or finishing purposes or to expose aggregate; (vii) Laundry wastes or other soaps; (viii) pesticides, herbicides, or fertilizers; (ix) sewerage; (x) heated water; (xi) chlorinated water or chlorine; (xii) degreasers and/or solvents; (xiii) bark or other fibrous material; (xiv) antifreeze and/or other automotive products; (xv) lawn clippings, leaves or branches; (xvi) animal carcasses; (xvii) silt; (xviii) acids or alkalis; (xix) recreation vehicle wastes; (xx) dyes, unless prior permission has been granted by the Local Jurisdiction; (xxi) construction materials. Any Unit Owner found to have failed to comply with applicable law governing the use, handling or storage of these items shall immediately remove the items and remedy the deficient condition, upon written notice of the Association or the Local Jurisdiction.

Article IV Architecture and Landscaping

4.1. General. No structure or thing shall be placed, erected, or installed upon any Unit within the Plat Community and no improvements or other work (including staking, clearing, excavation, grading and other site work, exterior alterations of existing improvements, or planting or removal of landscaping) shall take place within the Plat Community, except in compliance with this Article, the Residential Design

Guidelines adopted pursuant to this Declaration. The Association may adopt, modify, or revoke Residential Design Guidelines or alter the Design Review process described in this Declaration as it may deem necessary or appropriate in order to assure the aesthetic and environmental values of the Owners.

No approval of the Association shall be required to repaint the exterior of a structure, if in accordance with the originally approved color scheme, or to rebuild in accordance with originally approved plans and specifications. Any Unit Owner may remodel, paint, or redecorate the interior of their Unit without approval, provided that the work performed complies with all laws. However, modifications to the interior of screened porches, patios, and similar portions of a Unit visible from outside the structure shall be subject to approval. All dwellings constructed on any portion of the Plat Community shall be designed by and built in accordance with the plans and specifications of a licensed architect or licensed building designer unless otherwise approved by the Association, in its sole discretion.

4.2. Design Review. Each Unit Owner, by accepting a deed or other instrument conveying any interest in any Unit, each Unit Owner agrees that no activity within the scope of this Article ("Work") shall be commenced on such Unit Owner's Unit unless and until Association or Association's designee has given its prior written approval for such Work, which approval may be granted or withheld in the sole discretion of the Association or its designee. In reviewing and acting upon any request for approval, the Association or its designee shall be acting solely in the interest of the Association's Membership as a whole, and shall owe no duty to any other Person. The Association may, in its sole discretion, designate one or more Persons from time to time to act on the Association's behalf in reviewing applications.

The Association may from time to time, but shall not be obligated to, delegate all or a portion of the Association's reserved rights under this Article to (i) a committee appointed by the Association's Board of Directors, or (ii) a committee comprised of architects, engineers, or other persons who may or may not be Unit Owners. For purposes of this Article, the Persons having jurisdiction in a particular case shall be referred to collectively as the "Reviewer." The Reviewer shall assume jurisdiction over design, property modification and architectural matters in the Plat Community. There shall be at least three (3) Persons who shall serve as the Reviewer and any Person so appointed may be removed and replaced in the Board's discretion. At least two (2) members of the Reviewer should be Members of the Board, and may, but need not, include architects, engineers, or similar professionals whose compensation, if any, shall be established from time to time by the Board. If there is no Reviewer appointed or the Reviewer appointed by the Board is determined to lack authority to exercise the powers assigned to it for any reason, the Board shall act as the Reviewer. The Reviewer may be broken into or may form subcommittees to preside over particular areas of review (e.g., a construction subcommittee and a modifications subcommittee). Any reference herein to the Reviewer should be deemed to include a reference to any such subcommittee.

The Association may establish and charge reasonable fees for review of applications hereunder and may require such fees to be paid in full prior to review of any application. Such fees may include the reasonable costs incurred in having any application reviewed by architects, engineers, or other professionals. The Board may include the compensation of such persons in the Association's annual operating budget as a Common Expense.

4.3. Guidelines and Procedures.

4.3.1. Residential Design Guidelines. The Association may prepare Residential Design Guidelines, which may contain general provisions applicable to all of the Plat Community as well as specific provisions which vary from area to area within the Plat Community. Residential Design Guidelines are not the exclusive basis for decisions of the Reviewer and compliance with the Residential Design Guidelines does not guarantee approval of any application. Absence of adopted Residential Design Guidelines shall not limit the Reviewer's ability to exercise its powers; however, when disapproving an

application for permission to perform Work, the Reviewer shall describe the basis for a decision if the Reviewer is unable to refer to adopted Residential Design Guidelines as the reason for disapproval of an application.

The Association shall have the authority to amend the Residential Design Guidelines in a manner consistent with the Permits. Any amendments to the Residential Design Guidelines shall be prospective only and shall not apply to require modifications to or removal of structures previously approved once the approved construction or modification has commenced. Except for conditions of the Permits, there shall be no limitation on the scope of amendments to the Residential Design Guidelines, and such amendments may remove requirements previously imposed or otherwise make the Residential Design Guidelines less restrictive. The Association shall make the Residential Design Guidelines available to Unit Owners who seek to engage in development or construction within the Plat Community.

4.3.2. Procedures. No Work shall commence on any portion of the Plat Community until an application for approval has been submitted to and approved by the Reviewer. Such application shall include plans and specifications ("Plans") showing site layout, structural design, exterior elevations, exterior materials and colors, landscaping, drainage, exterior lighting, irrigation, and other features of proposed construction, as applicable. The Residential Design Guidelines and the Reviewer may require the submission of such additional information as may be reasonably necessary to consider any application. In reviewing each submission, the Reviewer may consider any factors it deems relevant, including, without limitation, harmony of external design with surrounding structures and environment. Decisions may be based on purely aesthetic considerations. Each Unit Owner acknowledges that determinations as to such matters are purely subjective and opinions may vary as to the desirability and/or attractiveness of particular improvements.

The Reviewer shall respond to the applicant by giving Notice pursuant to RCW 64.90.515. The response may (i) approve the application, with or without conditions; (ii) approve a portion of the application and disapprove other portions; or (iii) disapprove the application. The Reviewer may, but shall not be obligated to, specify the reasons for any objections and/or offer suggestions for curing any objections. In the event that the Reviewer fails to respond in a timely manner (within sixty (60) days, or in the time period provided in the Residential Design Guidelines if a time limit is adopted in the Residential Design Guidelines), approval shall be deemed to have been given. However, no approval, whether expressly granted or deemed granted pursuant to the foregoing, shall be inconsistent with the Residential Design Guidelines unless a differing design proposal has been approved pursuant to Section 4.5.

If construction does not commence on a project for which Plans have been approved within one (1) year after the date of approval, such approval shall be deemed withdrawn and it shall be necessary for the Unit Owner to reapply for approval before commencing the proposed Work. Once construction is commenced, it shall be diligently pursued to completion. All Work shall be completed within one (1) year of commencement unless otherwise specified in the notice of approval or unless the Reviewer grants an extension in writing, which it shall not be obligated to do. If approved Work is not completed within the required time, it shall be considered nonconforming and shall be subject to enforcement action by the Association or any aggrieved Unit Owner.

The Reviewer may, by resolution, exempt certain activities from the application and approval requirements of this Article, provided such activities are undertaken in strict compliance with the requirements of such resolution.

4.4. No Waiver of Future Approvals. Each Unit Owner acknowledges that the persons reviewing applications under this Article will change from time to time and that opinions on aesthetic matters, as well as interpretation and application of the Residential Design Guidelines, may vary

accordingly. In addition, each Unit Owner acknowledges that it may not always be possible to identify objectionable features of proposed Work until the Work is completed, in which case it may be unreasonable to require changes to the improvements involved, but the Reviewer may refuse to approve similar proposals in the future. Approval of applications or Plans for any Work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar applications, Plans, or other matters subsequently or additionally submitted for approval.

4.5. Variances. The Reviewer may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, but only in accordance with the law. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing; (b) be contrary to this Declaration; or (c) estop the Reviewer from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

4.6. Limitation of Liability. The standards and procedures established by this Article are intended as a mechanism for maintaining and enhancing the overall aesthetics of the Plat Community; they do not create any duty to any Person. Review and approval of any application pursuant to this Article is made on the basis of aesthetic considerations only and the Reviewer shall not bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental requirements, nor for ensuring that all dwellings are of comparable quality, value, or size or of similar design.

The Association, the Board, the Reviewer, any committee, or member of any of the foregoing shall not be held liable for soil conditions, drainage or other general site work, any defects in plans revised or approved hereunder, or any injury, damages, or loss arising out of the manner or quality of approved construction or modifications to any Unit. In all matters, they shall be defended and indemnified by the Association as provided in RCW 64.90.405(2)(n) and in the Governing Documents.

4.7. Certificate of Approval. Any Unit Owner may request that the Reviewer issue a certificate of approval certifying that there are no known violations on their Unit of this Article or the Residential Design Guidelines. The Association shall either grant or deny such request within thirty (30) days after receipt of a written request and may charge a reasonable administrative fee for issuing such certificates. Issuance of such a certificate shall stop the Association from taking enforcement action with respect to any condition as to which the Association had notice as of the date of such certificate.

Article V Maintenance and Repair

5.1. Maintenance of Units. Each Unit Owner shall maintain their Unit, and all landscaping and improvements comprising the Unit, and all landscaping improvements comprising the Unit, in a manner consistent with the Governing Documents, the Community-Wide Standard, and all applicable covenants, unless such maintenance responsibility is otherwise assumed by or assigned to the Association. A Unit Owner shall install all landscaping, surrounding all sides of the residential dwelling contained on the Unit, within twelve (12) months after the construction of a residential dwelling is completed. Each Unit Owner shall also be responsible for maintaining and irrigating the landscaping within that portion of any adjacent Common Elements or public right-of-way lying between the Unit boundary and any wall, fence, curb, or water's edge located on the Common Elements or public right-of-way adjacent to the Unit boundary, unless such area is maintained by the Association; provided, there shall be no right to remove trees, shrubs or similar vegetation from this area without prior approval of the Association. Each Unit Owner shall perform at the Owner's expense the maintenance and upkeep of fencing, Protected Trees (if located

on a Unit), drainage swales and/or underground drain lines and catch basins installed on their Unit, unless such components of the Units are made a part of the Common Elements maintained by the Association.

5.2. Responsibility for Repair and Replacement. Unless otherwise specifically provided in the Governing Documents or in other instruments creating and assigning maintenance responsibility, responsibility for maintenance shall include responsibility for repair and replacement, as necessary to maintain the Unit to a level consistent with the Community-Wide Standard. Repair and replacement may include improvement if necessary to comply with applicable building codes or other regulations or if otherwise deemed appropriate, in the Board's reasonable discretion.

By virtue of taking title to a Unit, each Unit Owner covenants and agrees with all other Owners and with the Association to carry property insurance for the full replacement cost of all insurable improvements on their Unit, less a reasonable deductible. If the Association assumes responsibility for obtaining any insurance coverage on behalf of Unit Owners, the premiums for such insurance shall be levied as an Assessment against the benefited Unit and the Unit Owner pursuant to RCW 64.90.480(4).

Each Unit Owner further covenants and agrees that in the event of damage to or destruction of structures on or comprising such Owner's Unit, the Owner shall proceed promptly to repair or to reconstruct in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Article IV. Alternatively, the Unit Owner shall clear the Unit and maintain it in a neat and attractive condition consistent with the Community-Wide Standard. The Unit Owner shall pay any costs which are not covered by insurance proceeds.

5.3. Preservation of Protected Trees. The Unit Owners and the Association shall have primary responsibility for the care and preservation of all Protected Trees that are planted in the Plat Community, unless such responsibility is assumed by the Local Jurisdiction. The division of responsibility between the Owners, the Association and the Local Jurisdiction for different aspects of the care and preservation of the Protected Trees may be established by notations on the face of the Map, or if there are no such notations, by Rule or ordinance adopted by the Local Jurisdiction. The Unit Owners and the Association shall provide such maintenance to the Protected Trees that is appropriate, based upon good nursery practices and requirements imposed by the Map or the Local Jurisdiction.

In the event that a Unit Owner engages in acts which may result in the removal or alteration of a Protected Tree, or removes or alters inappropriately a Protected Tree without written permission of the Association or the Local Jurisdiction, the removal shall be a breach of the Unit Owner's duties described in this Declaration. The Association or the Local Jurisdiction may bring an action to restrain the removal of any Protected Tree, or for damages arising from such removal, including such additional, treble damages, attorney's fees litigation expenses and costs that are available under this Declaration or state law.

The Association may apply to the Local Jurisdiction or its successor for approval to terminate or amend the restrictions imposed upon the removal or alteration of Protected Trees. Upon written notification from the Local Jurisdiction of the termination or alteration of the restrictions upon Protected Trees contained herein, a copy of the notice shall be Recorded. Upon Recordation of such notice, the provisions of this related to Protected Trees shall terminate or be amended in the manner described in the notice.

5.4. Emergency Repairs. In the event that emergency repairs are needed to correct a condition on a Unit which poses a substantial risk of injury or significant property damage to others, the Association may immediately perform such repairs as may be necessary after the Association has attempted to give Notice to the non-performing Unit Owner of the repairs necessary. Emergency repairs performed by the Association, if not paid for by the non-performing Unit Owner, may be collected by the Association in the

manner provided for herein notwithstanding the failure of the Association to give the non-performing Owner the thirty (30) day notice.

Article VI Association Powers and Responsibilities

6.1. Acceptance and Control of Association Property. The Association, through action of its Board, may acquire, hold, and dispose of tangible and intangible personal property and real property. Declarant and Declarant's designees may Convey to the Association personal property and fee title, leasehold or other property interests in any real property identified in the Map, or identified in a separate conveyance document. The Association shall accept and maintain such property at its expense for the benefit of the Unit Owners, subject to any restrictions set forth in the Map, deed or other instrument transferring such property to the Association and any obligations or conditions appurtenant to such property. Upon a Declarant's written request, the Association shall reconvey to Declarant any unimproved portions of the Plat Community originally conveyed by a Declarant to the Association for no consideration, to the extent conveyed by a Declarant in error or needed by a Declarant to make minor adjustments in property lines.

6.2. Maintenance of Common Elements. The Association shall maintain the Common Elements as defined in RCW 64.90.010(7), which for the purpose of this Declaration also include:

6.2.1. The Common Elements identified on the Map and any landscaping or Protected Trees located thereon;

6.2.2. The entry features and landscaping (whether placed on land owned by the Association, or in the easements created for the Association's benefit), Planter strips, medians, mailboxes, mail box shelters, planting areas within cul-de-sacs, the fence (or solid coniferous landscaping);

6.2.3. The irrigation facilities, storm water facilities, streets, sidewalks, street lighting, parking areas, electric vehicle charging facilities, transit shelters, trails, ponds, streams, wetlands, recreational amenities and any community center, signage, open spaces, wetlands, natural preserve areas and conservation areas, sensitive areas, and buffers located in the Plat Community that are not maintained by the Local Jurisdiction, including improvements and equipment installed therein or used in connection therewith;

6.2.4. The Common House on Tract 996 and amenities constructed by the Association;

6.2.5. Such improvements included within or outside the Common Elements as may be described in this Declaration or its Exhibits, described in any Recorded document, or contained in any contract or agreement for maintenance entered into by the Association.

The Association shall use commercially-reasonable efforts to maintain the Common Elements in a manner consistent with the Community-Wide Standard. The Association may maintain other property which it does not own, including, without limitation, Units and property dedicated to the public, if the Board determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard. The Association shall not be liable for any damage or injury occurring on, or arising out of the condition of, property which it does not own except to the extent that it has been negligent in the performance of its maintenance responsibilities.

6.3. Indemnification of Officers, Directors, and Others. To the fullest extent permitted by Washington law, the Association shall indemnify every officer, director, volunteer and committee member

of the Association against all damages and expenses, including counsel fees, reasonably incurred in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer, director, or committee member.

The officers, directors, and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on behalf of the Association (except to the extent that such officers or directors may also be Unit Owners). The Association shall indemnify and forever hold each such officer, director, and committee member harmless from any and all liability to others on account of any such contract, commitment, or action. This right to indemnification shall not be exclusive of any other rights to which any present or former officer, director, or committee member may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

6.4. Security. The Association may, but shall not be obligated to, maintain or support certain activities within the Plat Community designed to make the Plat Community safer than it otherwise might be. The Association shall not in any way be considered an insurer or guarantor of security within the Plat Community, nor shall the Association be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. No representation or warranty is made that any systems or measures, including any mechanism or system for limiting access to the Plat Community, cannot be compromised or circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Unit Owner acknowledges, understands, and covenants to inform its tenants and all occupants of its Unit that the Association, its Board and committees are not insurers and that each Person entering the Plat Community assumes all risks of personal injury and loss or damage to property, including Units and the contents of Units, resulting from acts of third parties.

6.5. Effect of Dissolution of Association. In the event that the Association is dissolved and is no longer licensed as a non-profit corporation, the rights and duties of the Association (including, but not limited to, all ownership interest in the Common Elements) shall vest in the Unit Owners, as an unincorporated association. Any Unit Owner or any holder of a security interest may reinstate the Association's corporate status, or create a successor entity as a successor to the Association, at any time by filing with the State of Washington such documents as required by law to reinstate the Association or create its successor. Upon such reinstatement, the Unit Owners' rights and duties as described in this Declaration shall re-vest in the reinstated or successor Association, and all Unit Owners shall be members thereof with all rights to vote provided by law and the Organizational Documents of the entity. To the greatest extent possible, any successor entity shall be governed by the Governing Documents of the Association as if they had been made to constitute the governing documents of the successor entity.

6.6. Provision of Services. The Association may provide or provide for services and facilities for the Unit Owners, their guests, lessees, and invitees, and shall be authorized to enter into and terminate contracts or agreements with other entities to provide such services and facilities. The Board may charge use and consumption fees for such services and facilities. By way of example, some services and facilities which might be offered include landscape maintenance, pest control service, cable television service, internet service, security, caretaker, transportation, fire protection, utilities, and similar services and facilities. Nothing herein shall be construed as a representation by the Association as to what, if any, services shall be provided. In addition, the Board shall be permitted to modify or cancel existing services provided, in its discretion, unless otherwise required by the Governing Documents. No Owner shall be exempt from the obligation to pay for such services, if provided to all Unit Owners as a Common Expense, based upon non-use or any other reason.

6.7. Relations with Other Properties. The Association may enter into contractual agreements or covenants to share costs with other associations, properties or facilities for maintaining and/or operating shared or mutually beneficial properties or facilities.

6.8. Facilities and Services Open to the Public. Certain facilities and areas within the Plat Community may be open for use and enjoyment of the public. Such facilities and areas may include, by way of example: greenbelts, trails and paths, parks, and other neighborhood spots conducive to gathering and interaction, roads, sidewalks, and medians. The Association may designate such facilities and areas as open to the public. Portions of the Common Elements which are not intended to be open to the public may be posted as private property.

6.9. Permit Matters. The Properties may be subject to a variety of permit restrictions and obligations which are contained in the Permits and in applicable law and are binding upon the Plat Community and run with the land. The Association and each Unit Owner shall comply with the restrictions and requirements of the Permits, as applicable. The cost of such activities shall be a Common Expense, if the activity is associated with the Common Elements and for the general benefit of all of the community. In the performance of its responsibilities, the Association shall follow the standards and requirements of the Permits and applicable law. The Association shall comply with the design guidelines and maintenance standards referenced in the Permits, particularly in the use and preservation of native vegetation and landscaping, in the performance of its responsibilities under this Declaration.

6.10. Relationship with Tax-Exempt Organizations. The Association may create, enter into agreements or contracts with, or grant exclusive and/or non-exclusive easements over portions of the Common Elements to non-profit, tax-exempt organizations, the operation of which confers some benefit upon the Plat Community, the Association, the Unit Owners, or occupants of Units. If established by the Association, the Association shall be responsible to fund the minimum organization expenses of maintaining such entity and may contribute money, real or personal property, or services to such entity. Such expenses and any such contributions shall be a Common Expense. For the purposes of this Section, a "tax-exempt organization" shall mean an entity which is exempt from federal income taxes under the Internal Revenue Code ("Code"), such as, but not limited to, entities which are exempt from federal income taxes under Sections 501(c)(3) or 501(c)(4), as the Code may be amended from time to time.

Article VII Association Finances

7.1. Budgeting and Assessments. At least 60 days before the beginning of each fiscal year, the Board shall prepare a budget of the estimated Common Expenses for the coming year, including any contributions to be made to a reserve fund. The budget shall also reflect the sources and estimated amounts of funds to cover such expenses, which may include any surplus to be applied from prior years, any income expected from sources other than Assessments levied against the Units, and the amount to be generated through the levy of Assessments against the Units.

Within thirty (30) days after the adoption of a final budget by the Board, the Board shall send to each Owner a copy of the final budget, notice of the amount of the Assessment to be levied pursuant to such budget, and notice of a meeting to consider ratification of the budget, in the manner described in RCW 64.90.525. If any proposed budget is disapproved or the Board fails for any reason to determine the budget for any year, then the budget most recently in effect shall continue in effect until a new budget is determined. The Board may revise the budget and adjust the Assessment from time to time during the year, subject to the notice requirements and the right of the Unit Owners to disapprove the revised budget as set forth above.

7.2. Budgeting for Reserves. The Board shall prepare and periodically review a reserve budget for the Common Elements for which the Association maintains capital items as a Common Expense. The budgets shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall include in the Common Expense budget adopted pursuant to Section 7.1 a capital contribution to fund reserves in an amount sufficient to meet the projected need with respect both to amount and timing by annual contributions over the budget period.

7.3. Specially-Allocated Assessments. In addition to other authorized Assessments, the Association may levy Specially-Allocated Assessments as defined by RCW 64.90.010(52), and (a) expenses associated with the operation, maintenance, repair, or replacement of any specified Limited Common Element against the Units to which that Limited Common Element is assigned, equally or in any other proportion that the Declaration provides; (b) expenses specified in the Declaration as benefiting fewer than all of the Units or their Unit Owners exclusively against the Units benefited in proportion to their common expense liability or in any other proportion that the Declaration provides; (c) The costs of insurance in proportion to risk; (d) the costs of one or more specified utilities in proportion to respective usage or upon the same basis as such utility charges are made by the utility provider; (e) assessments to pay a judgment against the Association may be made only against the Units in the common interest community at the time the judgment was entered, in proportion to their Common Expense liabilities (f) to the extent that any expense of the Association is caused by willful misconduct or gross negligence of any Unit Owner or that Unit Owner's tenant, guest, invitee, or occupant, the Association may assess that expense against the Unit Owner's Unit after notice and an opportunity to be heard, even if the Association maintains insurance with respect to that damage or common expense; (g) to the extent that any expense of the Association is caused by the negligence of any Unit Owner or that Unit Owner's tenant, guest, invitee, or occupant, the Association may assess that expense against the Unit Owner's unit 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; (h) in the event of a loss or damage to a Unit that would be covered by the Association's property insurance policy, excluding policies for earthquake, flood, or similar losses that have higher than standard deductibles, but that is within the deductible under that policy and if the Declaration so provides, the Association may assess the amount of the loss up to the deductible against that Unit.

7.4. Capitalization of Association. Upon closing of the first conveyance of each Unit to a Purchaser or first occupancy of a Unit, whichever occurs first, the Association may collect a working capital contribution for such Unit as described in RCW 64.90.480(2).

7.5. Time of Payment. Assessments shall be paid in such manner and on such dates as the Board may establish. The Board may require advance payment of Assessments at closing of the transfer of title to a Unit and impose special requirements for Unit Owners with a history of delinquent payment. If the Board elects, Assessments may be paid in two or more installments. Unless the Board otherwise provides, the Assessment shall be due and payable in advance on the first day of each fiscal year. If any Unit Owner is delinquent in paying any assessments or other charges levied on a Unit, the Board may require the outstanding balance on all Assessments to be paid in full immediately.

7.6. Foreclosure. The Association is the beneficiary of a security interest for collection of assessments in which Chicago Title Company or any other person qualified under RCW 61.24.010 to act as a trustee, is appointed by the Association as the Trustee described by RCW 61.24.010. The provisions of the LPB 20-5 Master Form Deed of Trust recorded with the county Auditor of the county in which the Unit is located (and which is recorded at Snohomish County Recording Number 2043549) are incorporated into this Declaration. The Units which secure the obligations owed to the Association are not used principally for agricultural purposes, and the power of sale described in the Master Form and Chapter 61.24 RCW is operative in the case of a default in the obligation to pay assessments. When

attempting to collect Assessments by Foreclosure, the Association may bid for the Unit at a Foreclosure sale and acquire, hold, lease, mortgage, and Convey the Unit.

Article VIII Easements

8.1. Additional Easements. In addition to the easement and use rights granted to the Unit Owners by a separate recorded document, their placement on the Map and by RCW 64.90.280, the additional easements described in this Article are also granted.

8.2. Easements Specific to Plat Community. Exhibit A to this Declaration, and the Map for the Plat Community contain descriptions of Easements which impose specific responsibilities related to the use and maintenance of the Easements upon the Association, or upon Unit Owners benefited or burdened by the Easements.

8.3 Easements for Maintenance, Emergency, and Enforcement. In addition to the easements granted on the face of the Map, Declarant grants to the Local Jurisdiction and the Association easements over the Plat Community as necessary to enable the Local Jurisdiction and the Association to fulfill its maintenance and enforcement responsibilities under applicable law and this Declaration. The Association shall also have the right, but not the obligation, to enter upon any Unit for emergency, security, and safety reasons, to perform maintenance and to inspect for the purpose of ensuring compliance with and enforce the Governing Documents. Such right may be exercised by any member of the Board and its duly authorized agents and assignees, and all emergency personnel in the performance of their duties. Except in an emergency situation, entry shall only be during reasonable hours and after Notice to the Unit Owner.

Article IX Limited Common Elements

9.1. Purpose. Certain portions of the Common Elements may be designated as Limited Common Elements and reserved for the exclusive use and control or primary benefit of specific Unit Owners and occupants. By way of illustration and not limitation, Limited Common Elements may include entry features, private driveways, landscaped medians and cul-de-sacs, environmentally sensitive and restricted areas, recreational areas and amenities and other portions of the Common Elements. All costs associated with maintenance, repair, replacement, and insurance of a Limited Common Element shall be a Common Expense allocated among the Unit Owners to which the Limited Common Element is assigned.

9.2. Designation. Initially, any Limited Common Elements shall be designated as such on the Map or in this Declaration; provided, any such assignment shall not preclude Declarant from later assigning use of the same Limited Common Element to additional Units. Thereafter, a portion of the Common Elements may be assigned as a Limited Common Element and reassigned upon approval of the Board and a majority of the Unit Owners, including a majority of the votes of the Unit Owners affected by the proposed assignment or reassignment. As long as Declarant owns any property subject to this Declaration or which may become subject to this Declaration, any such assignment or reassignment shall also require Declarant's consent.

9.3. Use by Others. The Association may permit Owners of other Units, or other persons who are not Owners, to use all or a portion of such Limited Common Elements upon payment of reasonable user fees, which fees shall be used to offset the Common Expenses attributable to such Limited Common Elements.

Article X Shared Structures

10.1. General Rules of Law to Apply. Each wall, fence, driveway, utility, sewer or similar structure built as a part of the original construction on the Units which serves and/or separates more than one Unit and is not designated as a Common Element or Limited Common Element shall constitute a Shared Structure. To the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls, tenancy in common and liability for property damage due to negligence or willful acts or omissions shall apply to Shared Structures. Any tract which provides access to and ownership is shared by more than one Unit is a Shared Structure, the maintenance and repair of which is governed by the Declaration and this Article.

10.2. Maintenance; Damage and Destruction. The cost of reasonable repair and maintenance of a Shared Structure shall be shared equally by the Unit Owners who make use of the Shared Structure. If a Shared Structure is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Unit Owner who has used the structure may restore it. If other Unit Owners thereafter use the structure, they shall contribute to the restoration cost in equal proportions. However, such contribution will not prejudice the right to call for a larger contribution from the other users under any rule of law regarding liability for negligent or willful acts or omissions.

10.3. Right to Contribution Runs With Land. The right of any Unit Owner to contribution from any other Unit Owner under this Section shall be appurtenant to the land and shall pass to such Unit Owner's successors-in-title.

10.4. Disputes. Any dispute arising concerning a Shared Structure shall be handled in accordance with the dispute resolution provisions of the Declaration.

Article XI Dispute Resolution

11.1. Dispute Resolution Methods. The provisions of this Article shall govern the resolution of all Claims between any Bound Party. Claims, disputes and controversies shall be resolved pursuant to the Arbitration Agreements described in Section 11.4, unless specifically exempted from the Arbitration Agreements by Section 11.3; if exempt from the Arbitration Agreements, the Exempt Claims may be litigated in a court of competent jurisdiction. Before any Claims are brought by the Association against any Person, the Association shall comply with the requirements of Sections 11.5.

11.2. Claims and Exempt Claims. Unless specifically identified as an Exempt Claim in this Section, all claims or disputes arising out of or relating to (a) the interpretation, application or enforcement of the Governing Documents; (b) the rights, obligations and duties of any Bound Party under the Governing Documents; (c) relating to the design or construction of improvements on the Properties, (d) breach of contract, (e) negligent or intentional misrepresentations or nondisclosure in the inducement, (f) execution or performance of any contract related to the Platted Community, including the Arbitration Agreements described in this Article, (g) any alleged statutory violation, (h) any claim of bodily injury related to the design or construction of the Units and the Common Elements, and (i) any claim made under the Washington State Consumer Protection Act, Chapter 18.86 RCW (collectively, "Claims") shall be subject to the provisions of Section 11.4, which require the Claims to be arbitrated. Unless all necessary parties otherwise agree, the following list of exemptions ("Exempt Claims") shall not be Claims, and shall not be subject to the provisions of Section 11.4 requiring arbitration:

11.2.1. any suit by the Association against any Bound Party to collect Assessments, enforce liens, enforce the provisions of the Governing Documents;

11.2.2. any suit by the Association to obtain equitable relief (i.e., temporary restraining order, injunction, or specific performance) and such other ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association's ability to enforce the provisions of Articles III, Article IV and Article V;

11.2.3. any suit brought by the Association to challenge tax assessments;

11.2.4. any suit brought by the Association against any contractor or vendor arising out of a contract for services or supplies between the Association and such contractor or vendor;

11.2.5. counterclaims brought by the Association in proceedings instituted against the Association;

11.2.6. any suit by a Bound Party for declaratory or injunctive relief which seeks a determination as to applicability, enforcement, clarification, or interpretation of any provisions of the Declaration;

11.2.7. any suit between Unit Owners, which does not include Declarant or the Association as a party, if such suit asserts a Claim which would constitute a cause of action independent of the Governing Documents;

11.2.8. any suit in which any indispensable party is not a Bound Party;

11.2.9. any suit concerning a Claim for which mandatory arbitration is prohibited by the Chapter 64.90 RCW;

11.2.10. any suit as to which any applicable statute of limitations would expire within 180 days of giving Notice as described in RCW 64.90.515, unless the party or parties against whom the Claim is made agree to toll the statute of limitations as to such Claim for such period as may reasonably be necessary to comply with this Article.

With the consent of all parties thereto, any of the above exemptions voluntarily may be submitted to the arbitration procedures set forth in Section 11.4.

11.3. Bound Parties. The Association, its officers, directors, and committee members, all Persons subject to this Declaration and any Person not otherwise subject to this Declaration who agrees to submit to this Article by contract with a Bound Party or by stipulation shall be a "Bound Party" for the purposes of this Article XI.

11.4. Arbitration Agreement. Each Bound Party covenants and agrees to submit all Claims to the arbitration procedures set forth in this Section 11.4, in lieu of filing suit in any court. Any dispute concerning the interpretation or the enforceability of the Arbitration Agreements described in this paragraph, including, without limitation, revocability or voidability for any cause, the scope of arbitrable issues, and any defense based upon waiver or estoppel, shall be decided by the Arbitrator. The decision of the Arbitrator shall be final and binding and may be entered as a judgment in any court of competent jurisdiction. No participation of a party in a judicial proceeding involving a matter which is arbitrable under these Arbitration Agreements shall be deemed a waiver of the right of such party to enforce the Arbitration Agreements. If any provision of these Arbitration Agreements shall be determined by the Arbitrator or any court to be unenforceable or to have been waived, the remaining provisions shall be deemed to be severable therefrom and enforceable according to their terms. Any party shall be entitled to recover reasonable attorney's fees, litigation expenses and costs incurred in enforcing the Arbitration Agreements, as provided in Section 11.6.

The Arbitration shall be conducted by the American Arbitration Association or another arbitration service selected by the parties in writing, pursuant to the arbitration service's applicable arbitration rules to the extent such rules are not inconsistent with this Arbitration Agreement. Notice of the commencement of the arbitration shall be given by the claimants to the respondents in the manner described in RCW 64.90.515. If the parties fail to agree on the selection of an arbitration service, the choice of arbitration service shall be that of the Claimant. All administrative fees of the arbitration service and fees of the Arbitrator shall be borne equally by the parties to the arbitration, subject to the discretion of the Arbitrator to reallocate such fees in the interest of justice.

The Arbitrator shall take such steps as may be necessary to hold a hearing within ninety (90) days of the initial demand for arbitration and to conclude the hearing within three (3) days; and the Arbitrator's written decision shall be made not later than fourteen (14) calendar days after the hearing. These time limits are included in order to expedite the proceeding, but they are not jurisdictional, and the Arbitrator may for good cause afford or permit reasonable extensions or delays, which shall not affect the validity of the award. The written decision shall contain a brief statement of the claim determined and the award made on each claim. In making the decision and award, the Arbitrator shall apply applicable substantive law. The Arbitrator may award injunctive relief or any other remedy available from a judge, including without limitation joinder of parties or consolidation of this arbitration with any other involving common issues of law or fact, or which may promote judicial economy, but shall not have the power to award punitive or exemplary damages.

The parties expressly agree that this Arbitration Agreement involves and concerns interstate commerce and is governed by the Federal Arbitration Act (9 U.S.C. §1, et. seq.) to the exclusion of any different or inconsistent state or local law, ordinance or judicial rule; and to the extent that any state or local law, ordinance or judicial rule shall be inconsistent with any provision of the rules of the arbitration service under which the arbitration proceeding shall be conducted, the arbitration service rules shall govern the conduct of the proceeding.

The Association and all Owners acknowledge and agree that, by virtue of the Recording of the Declaration, this Arbitration Agreement shall run with title to the real property subject to the Declaration and all additional phases, and shall be binding upon all Persons having any right, title or interest in all or any portion of the real property subject to the Declaration their respective heirs, legal representatives, successors, successors-in-title, and assigns, and shall be for the benefit of the Owners of Units and Common Elements subject to this Declaration, regardless of whether Declarant continues to maintain an ownership interest in any Unit or membership in the Association.

11.5. Attorney's Fees, Costs and Expenses. If a Party institutes arbitration or a lawsuit concerning this Agreement, the prevailing Party is entitled to reasonable attorneys' fees, court costs and litigation expenses. In the event of arbitration, the amount due the prevailing Party shall be determined by the Arbitrator. In the event of trial, the amount due the prevailing Party shall be determined by the court.

Article XII Changes in Ownership of Units

12.1. Notice to Association. Any Unit Owner desiring to sell or otherwise transfer title their Unit shall give the Association Notice of the Unit Owner's intention to sell the Unit Owner's Unit. The Association, or the Association's designated assignee, may buy the Unit Owner's Unit according to the provisions of this Article. Rules may be adopted governing the timing and content of such Notice, even if the adopted rules concerning timing and content concerning Notice are inconsistent with this Article. In the absence of the adoption of a rule to implement this Article, the timing of the events described herein shall apply.

12.2. Right to Purchase Unit. Each Unit Owner hereby grants to the Association an exclusive right to (a) make the first offer to purchase the Unit, in the event the Unit Owner elects to sell the Unit, in the exercise of the Unit Owner's discretion and (b) match an offer made by a third-party to purchase the Unit, which the Unit Owner would accept if the Association failed to match.

12.3. Unit Owner Decision to Sell. In the event that a Unit Owner desires to sell the Unit, Unit Owner shall notify the Association in writing of such desire, and shall designate in writing the purchase price, down payment, interest rate, closing date, and other material terms of the purchase which the Unit Owner is willing to accept, in the form of a proposed purchase and sale agreement. Within ninety (90) days after the Unit Owner's Notice (during which time the Unit Owner shall provide the Association with all inspection reports in the Unit Owner's possession or control relating to the Unit, and the Association may conduct any additional due diligence investigations that Association desires), the Association shall provide Notice to the Unit Owner either (a) that the Association desires to exercise this right to purchase the Unit, or (b) that the Association does not desire to purchase the Unit. The Association's failure to give Notice within the ninety (90) day period constitutes a rejection. If the Association elects to purchase the Unit, then the parties shall execute the purchase and sale agreement for the transfer of the Unit within ten (10) business days of Association's exercise of this right. If Association does not elect to purchase the Unit, then the Unit Owner has the right to enter into a binding agreement to sell, convey, trade, or exchange the Unit to a third party, provided that the Unit Owner shall not agree to sell the Unit to a third party for less than 98% of the purchase price offered to the Association or on other contract terms revised to the buyer's advantage without first re-offering the Unit to the Association or its assignee at such reduced price and/or modified terms in accordance with the procedures described herein or adopted by Rule of the Association.

12.4. Third Party Offer to Purchase Unit. If, prior to entering into a purchase and sale agreement for the Unit with the Association, or prior to giving Notice to the Association of the Unit Owner's intention to sell, the Unit Owner receives a bona fide third party offer to purchase the Unit ("Offer") which the Unit Owner intends to accept, the Unit Owner shall first present the Offer to the Association. The Association shall have a period of ten (10) business days after receipt of Notice of such Offer to advise the Unit Owner, in writing, whether or not Association elects to purchase the Unit on the terms contained in the Offer. If the Association elects to purchase the Unit, then the parties shall execute a purchase and sale agreement for the Unit on the terms described in the Unit Owner's Notice within ten (10) business days of the Association's exercise of this right. If the Association does not elect to purchase the Unit, then the Unit Owner has the right to complete the sale of the Unit to the third party in accordance with the terms of the Offer, provided that if the terms of the offer are subsequently revised to reduce the purchase price to less than 98% of the purchase price in the Offer or otherwise to the buyer's advantage, the Unit Owner shall first re-offer the Unit to the Offer at such reduced price and/or modified terms in accordance with the procedures described herein or adopted by Rule of the Association.

12.5. Notice to Association of Completion of Transfer. Each transferee of a Unit shall, within ten (10) days of taking title to a Unit, confirm that the information previously provided by the transferor to the Association is complete and accurate. The transferor shall continue to be jointly and severally responsible with the transferee for all obligations of the Unit Owner, including Assessment obligations, until the date upon which such notice is received by the Association, notwithstanding the transfer of title.

Article XIII Miscellaneous Additional Provisions

Exhibit "A" is incorporated by reference, contains the legal description of the Plat Community and additional information applicable to the Plat Community that may be required to be included in the Declaration by Chapter 64.90 RCW or a Local Jurisdiction. Additional provisions of the Declaration, if

attached as Exhibits, are incorporated by this reference. All of the rights, responsibilities, duties and restrictions described in Chapter 64.90 RCW are incorporated into the Declaration as if fully set forth herein.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration on the date contained in the acknowledgment of Declarant's signature.

King Creek, LLC, a Washington limited liability company acting through its Manager, the Sunnyside Village Cohousing Council, LCA

By: _____
_____, _____

By: _____
_____, _____

STATE OF WASHINGTON)
)
COUNTY OF SNOHOMISH) ss.

I certify that I know or have satisfactory evidence that _____ and _____ are the persons who appeared before me, and they acknowledged signing this instrument, on oath stated their authority to execute the instrument and acknowledged it as the _____ of the Sunnyside Village Cohousing Council, LCA, a limited cooperative association, such LCA acting as the Manager of King Creek, LLC, a Washington limited liability company on behalf of whom instrument was executed, as the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

SUBSCRIBED and SWORN to before me this ____ day of _____, 2024.

(Printed name): _____
NOTARY PUBLIC
My Commission expires: _____

THE FOLLOWING PERSONS AND ENTITIES, WHO HOLD AN INTEREST IN THE REAL PROPERTY DESCRIBED HEREIN, JOIN IN THE EXECUTION OF THIS DECLARATION AND CONSENT TO THE COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS IMPOSED THEREBY, BUT SHALL NOT HOLD THE RIGHTS OF THE DECLARANT UNLESS SUCH RIGHTS ARE ASSIGNED TO THE UNDERSIGNED BY SEPARATE INSTRUMENT:

_____ a Washington _____

By: _____
_____, _____

STATE OF WASHINGTON)
)
COUNTY OF _____)

ss.

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and that person acknowledged signing this instrument, on oath stated their authority to execute the instrument and acknowledged it as the _____ of _____, on behalf of whom instrument was executed to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

SUBSCRIBED and SWORN to before me this ____ day of _____, 2024.

(printed name): _____
NOTARY PUBLIC in and for the State of
Washington, residing at _____
My Commission expires: _____

_____, a Washington _____

By: _____

Its: _____

STATE OF WASHINGTON)
)
COUNTY OF _____)

ss.

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and that person acknowledged signing this instrument, on oath stated their authority to execute the instrument and acknowledged it as the _____ of _____, on behalf of whom instrument was executed to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

SUBSCRIBED and SWORN to before me this ____ day of _____, 2024.

(printed name): _____
NOTARY PUBLIC in and for the State of
Washington, residing at _____
My Commission expires: _____

EXHIBIT "A"

INFORMATION SPECIFIC TO THE PLAT COMMUNITY

Legal Description of the Plat Community:

Lots 1 - 32, Tracts 996, 997, 998 and 999 of Sunnyside Village, according to the plat thereof recorded at Volume ____ of Plats, pages ____ through ____ inclusive, Snohomish County Recording Number _____, records of Snohomish County, Washington.

Situate in the County of Snohomish, State of Washington.

Map(s) incorporated by this reference into this Declaration recorded at: _____

Number of Units in the Plat Community: 32.

Maximum Number of Units that may be added to the Plat Community and the reallocation formula: No additional Units may be added to this Declaration unless greater density for the Property is approved by a governmental entity with jurisdiction over the Property. In such event, the reallocation formula will be based upon the total number of Units located on the Property, with each Unit responsible for its own fractional share of the total costs.

Common Elements and Limited Common Elements located in the Plat Community: Tracts 996, 997, 998 and 999.

Allocated Interest assigned to each Unit: Each Unit holds 1/32th of the total interest in the Plat Community's Unit, and one vote is assigned to each of the 32 Units.

Restrictions on alienation of Units: There are restrictions upon alienation of Units imposed by the Declaration described in Article XII.

When Recorded, Return to:

**DECLARATION OF COVENANTS, CONDITIONS, AND
RESTRICTIONS FOR SUNNYSIDE VILLAGE
A Plat Community**

Grantor: King Creek, LLC

o Additional on page ____

Grantee: The Owners of Units in Sunnyside Village; the Sunnyside Village Owners Association; The Public

o Additional on page ____

Legal Description (abbreviated):

Assessor's Tax Parcel ID #: _____

Reference Nos. of Documents Released or Assigned: None