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**AMENDED AND RESTATED DECLARATION AND COVENANTS, CONDITIONS,
RESTRICTIONS AND RESERVATIONS FOR FORTY-ONE POINT FIVE**

Grantor:

FORTY-ONE POINT FIVE HOMEOWNERS ASSOCIATION

Grantee:

FORTY-ONE POINT FIVE HOMEOWNERS ASSOCIATION

Legal description:

This Amended and Restated Declaration and Covenants, Conditions, Restrictions and Reservations for FORTY-ONE POINT FIVE is dated as of the date executed herein, and is intended to amend and restate the Declaration of FORTY-ONE POINT FIVE, dated March 8, 1978 and recorded in the records of King County, Washington, under Volume 106 of Plats, Pages 035-037, records of King County, Washington, as amended on June 13, 1978, and duly recorded in the records of King County, Washington under Auditor's File No. 7806140766. The real property included in this Declaration is legally described in the survey map and plans approved on February 10, 1978 and recorded under King County Recording No. 7803070723 and any amendments, corrections, and addenda thereto subsequently recorded, which is referenced as Exhibit A.

Assessor's Tax parcel ID:

260780-0010, 260780-1120, 2607800322

Reference Nos. For Assignments and Releases:

7806140766, 7803070723

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ARTICLE 1: DEFINITIONS

1.1: Words Defined

For the purposes of this Amended Declaration and Covenants, Conditions, Restrictions and Reservations and any amendments hereto, the following definitions shall apply.

Association shall mean the homeowners association described in Article 12: of this Declaration.

Board shall mean the Board of Directors for the Association as that term is defined herein.

Architecture Committee shall mean a committee of not less than three (3) owners within FORTY-ONE POINT FIVE that is chaired by the Vice President and which may contain additional appointees from the FORTY-ONE POINT FIVE community, and which shall have the powers and duties described herein.

Bylaws shall mean the Bylaws adopted by the Association, as they may from time to time be amended.

Common Elements shall mean the common elements described in Article 6: of this Declaration.

Declaration shall mean this Amended and Restated Declaration and Covenants, Conditions, Restrictions and Reservations for FORTY-ONE POINT FIVE, as may from time to time be amended.

Eligible Mortgagee shall mean a holder of a first mortgage on a home that has requested notice under Section 13.2: of this Declaration.

Eligible Insurer or Guarantor shall mean an insurer or governmental guarantor of a first mortgage that has requested notices under Section 13.2:.

FHLMC shall mean Federal Home Loan Mortgage Corporation.

First Mortgage and First Mortgagee shall mean, respectively, (a) a recorded mortgage on a home that has legal priority over all other mortgages thereon, and (b) the holder, insurer or guarantor of a first mortgage.

FNMA shall mean Federal National Mortgage Association.

HUD shall mean the United States Department of Housing and Urban Development.

Lot shall mean a housing home composed of a building and land appurtenant thereto, as defined in these Declarations. The boundaries of a lot are described in Article 5: of this Declaration.

Mortgage shall mean a recorded mortgage, deed of trust or other security instrument that creates a lien against a home and shall also mean a real estate contract for the sale of a home.

Mortgagee shall mean the beneficial owner, assignee of the beneficial owner, insurer or guarantor of an encumbrance on a home created by a mortgage or deed of trust and shall also mean the vendor, or the designee of a vendor, of a real estate contract for the sale of a home.

Notice and Opportunity to be Heard shall mean the procedure described in Section 14.6: of this Declaration.

Owner shall mean the legal owner of a home.

Person shall mean an individual, corporation, partnership, association, trustee, or other legal entity.

Property shall mean the land and the buildings, and all improvements and structures now or hereafter placed on the land described in the Plat of FORTY-ONE POINT FIVE, as may from time to time be amended.

Residential Home shall mean each of the homes in FORTY-ONE POINT FIVE.

Survey Map and Plans shall mean the survey map and set of plans approved on February 10, 1978 and recorded under King County Recording No. 7803070723 and any amendments, corrections, and addenda thereto subsequently recorded.

VA shall mean the Veterans Administration.

1.2: Form of Words

The singular form of words shall include the plural and the plural shall include the singular. Masculine, feminine, and neutral pronouns shall be used interchangeably.

ARTICLE 2: NAME OF COMMUNITY

The name of the community created by this Declaration is FORTY-ONE POINT FIVE and the name of the Homeowners' Association is the FORTY-ONE POINT FIVE HOMEOWNERS ASSOCIATION.

ARTICLE 3: DESCRIPTION OF LAND

The real property included in this Declaration is legally described in the survey map and plans approved on February 10, 1978 and recorded under King County Recording No. 7803070723 and any amendments, corrections, and addenda thereto subsequently recorded, a copy of which is attached hereto as Exhibit A and incorporated herein by reference.

ARTICLE 4: DESCRIPTION OF COMMUNITY

The community is a detached single family residential development comprised of 113 residential lots. Each lot shall be considered a separate parcel of real property, as more fully depicted in Exhibit A of these Declarations. There shall be common areas in the community as more fully described in Article 6: of these Declarations.

ARTICLE 5: LOT BOUNDARIES

The boundaries of each lot are the surveyed lot boundaries as more fully shown on **Exhibit A**.

ARTICLE 6: COMMON ELEMENTS

6.1: Description

The common elements consist of those specified in these Declarations and on the face of the Survey Map and Plans and any other areas not part of a Lot, including the following:

- (a) Tract A, which serves as a greenbelt between the upper and lower neighborhood. Tract B, also known as 41.5 Mini Park and Tract D, which serves as a storm water pond, appear on the face of the plat, but have been deeded to the City of Bellevue and are no longer common elements of FORTY-ONE POINT FIVE.
- (b) Tracts C and E, which are designated herein as community open space.
- (c) The entry sign at the entrance to the plat.

6.2: Use

The right to use the common elements shall be governed by the provisions of this Amended and Restated Declaration, the Bylaws, and any other rules and regulations adopted by the Association. The right to use the common elements shall extend not only to each owner, but also to his or her guests, invitees, licensees, agents, tenants and family members. Subject to the foregoing, each owner shall have the right to use the accessible common elements in common with all other owners.

ARTICLE 7: ACCESS

Each lot has direct access to the public streets and sidewalks in FORTY-ONE POINT FIVE. The right of ingress to and egress from each lot shall be perpetual and appurtenant to the home thereon.

ARTICLE 8: PERCENTAGE OF UNDIVIDED INTEREST IN COMMON ELEMENTS; VOTING AND EXPENSE PERCENTAGE; FORMULA FOR DETERMINING

The percentage of undivided interest in the common elements appurtenant to each lot and its owner, the percentage in the common expenses of the association, and the portion of votes appurtenant to each lot shall be proportionate to the number of lots in FORTY-ONE POINT FIVE.

ARTICLE 9: PARKING

9.1: Assignment to Lots.

There are parking spaces located in the garages and driveways serving each lot.

9.2: Street Parking

Parking on the streets within the development is for guests and invitees of owners of lots in FORTY-ONE POINT FIVE on a temporary basis only. No vehicle may unreasonably obstruct ingress, egress and reasonable use of the roads in FORTY-ONE POINT FIVE.

9.3: Vehicles, Boats, RV's, etc.

No inoperable, junk or derelict vehicles may be placed on any street, driveway or any other area visible to the public within FORTY-ONE POINT FIVE, nor shall any maintenance or repair of vehicles be allowed in any location other than within an enclosed garage. Recreational vehicles and boats may not be parked in driveways or on the streets for longer than 24 hours, as provided for in Bellevue Municipal Code Section 11.23.020, as may from time to time be amended. The Board may cause any vehicles parked in violation of this Section to be removed at the risk and cost of the owner thereof.

ARTICLE 10: PERMITTED USES; MAINTENANCE OF HOMES; CONVEYANCES

10.1: Residential Use

The homes and buildings in FORTY-ONE POINT FIVE are restricted to use as single family residences only, on an ownership, rental, or lease basis, and for social, recreational, or other reasonable activities normally incident to such use, and for the purposes of operating the Association and managing FORTY-ONE POINT FIVE. Timesharing shall not be allowed. Home businesses may be permitted subject to applicable requirements of the City of Bellevue, as may from time to time be amended. Registered sex offenders are not allowed to reside in FORTY-ONE POINT FIVE under any circumstances.

10.2: Rental or Lease of Homes

Any lease or rental agreement for a home within FORTY-ONE POINT FIVE must provide that the tenancy shall be subject in all respects to the provisions of this Declaration and the Bylaws and Rules and Regulations of the Association and that any failure by the tenant or occupant to comply with the terms therein shall be a default under the lease or rental agreement. If any lease does not contain these provisions, such provisions shall be deemed to be a part of the lease and binding upon the owner and the tenant or occupant by reason of their being stated in this Declaration. All leases and rental agreements shall be in writing.

10.3: Maintenance of Homes

Each owner shall, at the owner's sole expense, keep their home and structures in a clean and sanitary condition, free of rodents and pests, and in good order, condition, and repair and shall do all things at any time necessary to maintain the good appearance and condition of his or her

home and structure. The Board may specially assess a home for an expense for maintenance or repair of the home or appurtenance if necessitated by the negligence or misconduct of an occupant or owner of that home.

10.4: Yards and Grounds

No owner may plant any trees, bushes, shrubs or other plantings that exceed or can be expected to grow to exceed twelve (12) feet without the approval of the Architectural Review Committee, nor shall an owner shall otherwise install, construct or erect any improvements, including but not limited to fences, sheds, hedges or arbors, without the approval of the Architectural Review Committee. Each owner shall be responsible for the maintenance and repair of the yard and grounds and shall ensure at all times that the yard and grounds are maintained in a state of cleanliness and orderliness. Temporary structures shall not be installed in a front yard or visible from the street. The Board may specially assess one home for an expense for maintenance or repair or replacement of the yard or grounds if necessitated by the negligence or misconduct of an occupant or owner of that home.

10.5: Tree Trimming, Pruning, Topping or Removal

Trees shall only be trimmed or pruned as necessary to protect the health of the tree or the safety of property owners in the vicinity of the tree. The removal of a tree with a diameter breast height (diameter 4.5 feet off the ground) of twelve (12) inches or more shall require the approval of the Architectural Committee. All tree trimming, pruning, topping or removal must comply with applicable requirements of the City of Bellevue.

10.6: Exterior Appearance/Modifications/Roofs

No owner may make major modifications to the exterior of the buildings, including but not limited to remodeling, constructing or removing an addition, repainting the body or trim of a building, or other portions of any home visible from outside the home or replacing the roof without the prior written consent of the Architectural Control Committee. Owners are required to submit paint or stain colors to the Architectural Committee for approval prior to commencing any painting activity. Owners are encouraged to verify that insurance is available before considering a cedar shake roof.

10.7: Satellite Dishes, Solar Panels and Windmills

Other than small satellite dishes less than three (3) feet in diameter, no external antennas, windmills, solar panels or other structures are to be allowed on the outside of a home or its property without the approval of the Architectural Committee. All installations under this section shall comply with all applicable City of Bellevue Code Requirements.

10.8: Effect on Insurance

Nothing shall be done or kept in any home or in any common element that will increase the rate of insurance on the properties without the prior written consent of the Board. Nothing shall be done or kept in any home or in any common element that will result in the cancellation of insurance on any part of the property, or that would be in violation of any laws.

10.9: Alteration of Common Elements

Nothing shall be altered or constructed in or removed from any common element or facility except upon the prior written consent of the Board.

10.10: Signs

With the exception of real estate or political signs, no sign of any kind shall be displayed to the public view on or from any home or common element without the prior consent of the Board.

10.11: Offensive Activity

No unreasonable or unlawful activity that results in material annoyance, inconvenience, discomfort or damage to another person or the public shall be carried on in any home or common area, nor shall anything be done therein that may be or become an annoyance or nuisance as that term is defined in Bellevue Municipal Code 9.10.030, as may be amended from time to time.

10.12: Domestic Animals

Domestic animals must be kept in the home or yard and under the owner's control when outside the home, and shall otherwise be kept in accordance with applicable municipal regulations. Dogs must be on a leash when not on the owner's property. Owners must clean up after their pets, including but not limited to feces and other bodily wastes. The Board may at any time require the removal of any pet which it finds is disturbing other owners or occupants unreasonably, and may exercise this authority for specific pets even though other similar pets are permitted to remain. Chickens or other non-domestic animals may only be allowed upon the written approval of the Board.

10.13: Garbage Cans or Recycling Bins

When not out for collection, garbage cans and recycling bins and other garbage shall be kept out of view of the streets within FORTY-ONE POINT FIVE.

10.14: Approval

The Board or Architectural Committee, as the case may be, may withhold, deny or condition in its sole discretion any approvals requested by an Owner under this Article 10:.

ARTICLE 11: ENTRY FOR EMERGENCY REPAIRS OR MAINTENANCE

The Association and its agents or employees may enter any home to effect repairs, improvements, replacements, maintenance or sanitation work to prevent damage to the common elements or to another home only in the event of an emergency affecting life, health or public safety. If reasonably possible, the Board shall give the owner notice as far in advance of entry as is reasonably practicable, and entry shall be made with as little inconvenience to the owners and occupants as practicable. The Board may levy a special assessment against the owner of the home for all or part of the cost of work that the owner has failed to perform which may be collected and foreclosed by the Association in the same manner as assessments are collected and foreclosed under Section 16.2: of this Declaration.

ARTICLE 12: HOMEOWNERS ASSOCIATION

12.1: Form of Association; Directors

The owners of homes shall constitute a homeowners association known as the FORTY-ONE POINT FIVE Homeowners Association. The Association is a not-for-profit corporation incorporated under the laws of the State of Washington. It is governed by the Board of Directors as set forth in the By-Laws. The rights and duties of the members of the association and of the Board shall be governed by this Declaration and the applicable laws governing not-for-profit corporations in the State of Washington.

12.2: Bylaws

The Board of Directors of the Association shall adopt Bylaws to supplement this Declaration to provide for the administration of the Association and the property and for other purposes not inconsistent with applicable law or this Declaration, and may amend them from time to time as necessary.

12.3: Qualification for Membership

Each owner of a home shall be a member of the Association and shall be entitled to one membership interest for each home owned; provided, that if a home has been sold on a real estate contract as defined in RCW 61.30.010(1), the contract purchaser (vendee) shall be the voting representative and shall exercise the rights of the owner for purposes of the Association, this Declaration, and the Bylaws, except as hereinafter limited. Ownership or purchase of a home shall be the sole qualification for membership in the Association.

12.4: Transfer of Membership

The Association membership of each owner shall be appurtenant to the home giving rise to such membership, and shall not be transferred in any way except upon the transfer of title to the home and then only to the transferee of title to the home. Any attempt to make a transfer inconsistent with this section shall be void. Any transfer of title to a home shall operate automatically to transfer the membership in the Association to the new owner.

12.5: Number of Votes

Each home shall have one vote, regardless of the number of owners.

12.6: Voting Representative

An owner may, by written notice to the Board, designate a voting representative for the home. The voting representative need not be an owner. The designation may be revoked at any time by written notice to the Board from the owner of the home or the guardian of an owner, the attorney-in-fact for the owner under a power of attorney, and the administrators or executors of an owner's estate. If a home is owned by a marital community, joint tenancy, tenancy in common, trust or similar vehicle, and only one member or principal is at a meeting, the one who is present will represent the home.

12.7: Joint Owner Disputes

The vote for a home must be cast as a single vote. Fractional votes shall not be allowed. If joint owners are unable to agree how their vote shall be cast, they shall lose their right to vote on the matter in question.

12.8: Pledged Vote to Mortgagee

If an owner is in default under a first mortgage on the home for ninety (90) consecutive days or more, the mortgagee shall automatically be authorized to declare at any time thereafter that the owner has pledged his or her vote on all issues to the mortgagee during the continuance of the default. If the Board has been notified of any such pledge to a mortgagee, only the vote of the mortgagee will be recognized on the issues that are subject to the pledge.

12.9: Annual and Special Meetings

There shall be an annual meeting of the members of the Association during the month of June at such reasonable place and time as may be designated by written notice from the Board delivered to the owners no less than thirty (30) days before the meeting. The financial statement for the preceding year and the budget the Board has adopted for the following year shall be presented at the annual meeting for ratification by the members. Special meetings of the members of the Association may be called at any time, as provided herein, for the purpose of considering matters which require the approval of all or some of the owners, or for any other reasonable purpose. Any first mortgagee of a home may attend or designate a representative to attend the meetings of the Association.

12.10: Books and Records

The Board shall cause to be kept complete, detailed, and accurate books and records of the deposits and bank statements; cash disbursements are invoices paid, cancelled checks and contracts, ledgers, agreements of the Association in a form that complies with generally accepted accounting principles.

12.11: Inspection of Documents, Books, and Records

The Association shall make available to owners, mortgagees, prospective purchasers and their prospective mortgagees, and their agents or attorneys, current copies of this Declaration, the Bylaws, and any other rules governing FORTY-ONE POINT FIVE, and other books, records, and financial statements of the Association, and the most recent annual audited financial statement, if one is prepared. "Available" shall mean available for inspection upon request during normal business hours or under other reasonable circumstances.

12.12: Financial Statements/Audits

The Association shall at least annually prepare, or cause to be prepared, a financial statement of the Association as required by RCW 64.38.045 or its successor. If the annual budget of the Association exceeds \$50,000.00, the financial statements shall be audited by an independent certified public accountant, unless sixty seven percent (67%) of the Owners vote to waive this requirement. Any mortgagee will be entitled to receive the annual audited financial statement within 90 days following the end of the fiscal year. The Board, or persons having thirty-five percent (35%) of the voting power of the Association, may require that the most recent audit of

the Association and management books be presented at any special meeting. An owner, at his or her expense, may at any reasonable time conduct an audit of the books of the Board and Association.

ARTICLE 13: NOTICES

13.1: Form and Delivery of Notice

All notices given under the provisions of this Declaration or the Bylaws or rules or regulations of the Association shall be in writing and may be hand-delivered to an address specified by an Owner, delivered by prepaid first-class United States mail to the mailing address of the Owner, or such address as the Owner may specify, or by electronic transmission to an address, location or system designated by the Owner. If delivery is made by first class mail, the notice shall be deemed to have been delivered three (3) days after being deposited in the United States mail, first class, postage prepaid, addressed to the person entitled to such notice at the most recent address known to the Board. If delivery is by electronic transmission, the recipient shall provide confirmation that the transmission has been received upon the request of the sender.

13.2: Notices to Holders, Insurers and Guarantors of Mortgages

An eligible holder, insurer, or guarantor of a mortgage who has filed a request with the Board shall be entitled to receive copies of the Notices listed below:

- (a) any proposed amendment of the Declaration effecting a change in
 - (i) the boundaries of any lot,
 - (ii) the exclusive easement rights, if any, appurtenant to any home,
 - (iii) the percentage interest in the common elements appurtenant to any home or the liability for common expenses related thereto,
 - (iv) the number of votes in the Association appurtenant to any home, or
 - (v) the purposes to which a home or the common elements are restricted;
- (b) any transfer of any part of the common elements;
- (c) any condemnation loss or casualty loss that affects a material portion of FORTY-ONE POINT FIVE or that affects any home on which an eligible holder has a first mortgage;
- (d) any delinquency which as continued for ninety (90) days in the payment of assessments or charges owned by an owner of a home on which an eligible holder had a mortgage;
- (e) any lapse, cancellation, or material modification of any insurance policy or bond maintained by the Association pursuant to Article 20.; and

- (f) any proposed action that would require the consent of a specified percentage of eligible holders pursuant to Article 24: of this Declaration.

ARTICLE 14: AUTHORITY OF THE BOARD

14.1: Adoption of Rules and Regulations

The Board shall have the power and authority only as necessary to adopt rules and regulations necessary to ensure compliance with these Declarations and the Bylaws.

14.2: Enforcement of Declaration, etc.; Authority to Fine

The Board shall have the power and the duty to enforce the provisions of this Declaration, the Bylaws, and any other rules and regulations of the Association, as the same may be lawfully amended from time to time, for the benefit of the Association.

14.3: Goods and Services

The Board shall have the right to acquire as common expenses of the Association all goods and services reasonably necessary for the efficient and orderly functioning of FORTY-ONE POINT FIVE. The goods and services shall include (by way of illustration and not limitation) utility services for the common elements, policies of insurance and fidelity bonds; legal and accounting services; maintenance, repair, replacement, landscaping, gardening, and general upkeep of the common elements; and all supplies, materials, fixtures, and equipment that are in the Board's judgment necessary or desirable for the operation of FORTY-ONE POINT FIVE. The Board may hire such full-time or part-time employees as it considers necessary.

14.4: Managing Agent

The Board may contract with a professional managing agent to assist the Board in the management and operation of FORTY-ONE POINT FIVE and may delegate such of its powers and duties to the managing agent as it deems to be appropriate, except for matters related to budgets or assessments. Any contract with a managing agent shall have a term no longer than one year (but may be renewable by agreement of the parties for successive one year periods) and shall be terminable by the Board without payment of a termination fee, either (1) for cause, on thirty (30) days written notice, or (2) without cause, on not more than ninety (90) days written notice.

14.5: Protection of Property

The Board may spend such funds and take such action as it may from time to time deem necessary to preserve the property, settle claims, or otherwise act in what it considers to be the best interests of FORTY-ONE POINT FIVE or the Association. The Board shall have the right to grant permits, licenses and easements over the common elements for purposes reasonably necessary or useful for the proper maintenance or operation of FORTY-ONE POINT FIVE.

14.6: Right to Notice and Opportunity to be Heard

Whenever this Declaration requires that an action of the Board be taken after notice and opportunity to be heard, the Board shall give written notice to all affected owners or occupants. The notice shall include a general statement of the proposed action and the date, time and place

of the hearing. At the hearing, the affected person shall have the right, to give testimony, subject to reasonable rules of procedure established by the Board to assure a prompt and orderly resolution of the issues. Such evidence shall be considered in making the decision but shall not bind the Board. The affected person shall be notified of the decision in the same manner in which notice of the meeting was given. The Board and the affected party or parties may agree to mediation or arbitration as provided for in Article 26:.

ARTICLE 15: BUDGET AND ASSESSMENT FOR COMMON EXPENSES

15.1: Fiscal Year

The fiscal year begins on July 1st of a given year and ends on June 30 of the following year.

15.2: Preparation of Budget

Not less than 30 days before the annual meeting of the Association, the Board shall prepare and distribute a proposed budget for the Association for the coming year. In preparing its budget, the Board shall estimate the common expenses of the Association to be paid during the year, make suitable provisions for accumulation of reserves, including amounts reasonably anticipated to be required for maintenance, repair, and replacement of the common areas, and shall take into account any surplus or deficit carried over from the preceding year and any expected income to the Association. If during the year the budget proves to be inadequate for any reason, including nonpayment of any owner's assessment, the Board may prepare a supplemental budget for the remainder of the year.

15.3: Annual Assessments for Common Expenses

The sums required by the Association for common expenses as reflected by the annual budget and any supplemental budgets shall be paid annually over the period of time covered by the budget or supplemental budget. The installments shall be assessed to the homes and their respective owners on a pro rata basis based on the number of homes in FORTY-ONE POINT FIVE.

15.4: Special Assessments

If a special assessment becomes chargeable against a home under this Declaration, the Board shall determine the amount of such special assessment and fix the time period within which it is to be paid. The special assessment shall be added to the home's installment of common expenses and be included in the assessment against the home

15.5: Notice of Proposed Assessment/Ratification

The Board shall notify each owner in writing of the amount of the proposed assessments to be paid for his or her home and shall furnish copies of each budget on which the assessments are based to all owners and, if so requested, to their respective mortgagees, for ratification by the membership at the annual meeting

15.6: Payment of Assessments

On or before the first day of each fiscal year, each owner shall pay or cause to be paid to the treasurer of the Association, the assessment against the home for the ensuing year. Any

assessment not paid by the tenth day of the calendar year for which it is due shall be delinquent and subject to late charges, interest charges and collection procedures as provided in Article 16: of this Declaration.

15.7: Proceeds Belong to Association

All assessments and other receipts received by the Association on behalf of FORTY-ONE POINT FIVE shall belong to the Association.

15.8: Failure to Assess

Any failure by the Board or the Association to make the budget and assessments hereunder before the expiration of any year for the ensuing year shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of the owners from the obligation to pay assessments during that or any subsequent year, and the assessment amount established for the preceding year shall continue until a new assessment is established.

15.9: Certificate of Unpaid Assessments

Upon the request of any owner or mortgagee of a home, the Board will furnish a certificate in recordable forms stating the amount, if any, of unpaid assessments charged to the home. The certificate shall be conclusive upon the Board and the Association as to the amount of such indebtedness on the date of the certificate in favor of all purchaser and mortgagees of the home who rely on the certificate in good faith. The Board may establish a reasonable fee to be charged to reimburse it for the cost of preparing the certificate.

ARTICLE 16: LIEN AND COLLECTION OF ASSESSMENTS

16.1: Assessments Are a Lien; Priority

All unpaid sums assessed by the Association for the share of the common expenses chargeable to any home and any sums specially assessed to any home under the authority of this Declaration or the Bylaws (together with interest, late charges, costs and attorneys' fees in the event of delinquency) shall constitute a continuing lien on the home and all its appurtenances from the date the assessment became due until fully paid. The lien for such unpaid assessments and for such other unpaid amounts as the Association may have a lien under any provision of this Declaration shall have the priority as established by applicable law. Except as provided in applicable law, a mortgagee of a mortgage of record of a home that obtains the right of possession through a mortgage foreclosure or deed of trust sale, or by taking a deed in lieu of foreclosure or sale, or a purchaser at a foreclosure sale, or the Administrator of Veteran's Affairs if he or she is granted a deed in lieu of foreclosure, may take the home free of any claims for the share of common expenses or assessments chargeable to the home that became due before taking title, but shall be liable for the common expenses and assessments that accrue after taking title; in which event the home's past due share of common expenses or assessments shall become new common expenses chargeable to all of the owners, including the mortgagee or foreclosure sale purchaser and their successors and assigns, in proportion to their respective percentages of undivided interest in the common elements; however, the owner shall continue to be personally liable for such past due assessments, as provided in Section 16.3: of this Declaration.

16.2: Lien May be Foreclosed

The lien for delinquent assessments may be enforced by suit by the Board, acting on behalf of the Association, as provided by law. The Board, acting on behalf of the Association, shall have the power to bid on the home at the foreclosure sale, and to acquire and hold, lease, mortgage, and convey the same.

16.3: Assessments are Personal Obligation

In addition to constituting a lien on the home and all its appurtenances, all sums assessed by the Association chargeable to any home (together with interest, late charges, costs and attorneys' fees in, the event of delinquency) shall be the joint and several personal obligation of the owner or owners of the home when the assessment is made. Suit to recover personal judgment for any delinquent assessments shall be maintainable without foreclosing or waiving the liens securing them

16.4: Late Charges and Interest on Delinquent Assessments

The Board may from time to time establish late charges and a rate of interest to be charged on assessments that may thereafter become delinquent. In the absence of another established non-usurious rate, delinquent assessments shall bear interest at the maximum rate permitted by applicable law.

16.5: Recovery of Attorneys' Fees and Costs

In any action to collect delinquent assessments, the prevailing party shall be entitled to recover as a part of its judgment, a reasonable sum for attorneys' fees and expenses reasonably incurred in connection with the action including all appeals and all enforcement procedures in addition to costs permitted by law. Additionally, the Association shall be entitled to its reasonable attorney's fees and expenses incurred in attempting to collect delinquent assessments, even if no action is commenced, which amounts shall be added to the assessment.

16.6: Delinquent Assessments-Rented Homes

If assessments are more than thirty (30) days delinquent for a home which is rented, the Association may collect from the tenant of the home so much of the rent for the home as is required to pay any amounts due for assessments, plus interest and costs. The tenant shall have no right or duty to question payment to the Association.

16.7: Remedies Cumulative

The remedies provided herein are cumulative and the Board may pursue them, and any other remedies which may be available under law although not expressed herein, either concurrently or in any order.

16.8: Security Deposit

An owner who has been delinquent in paying his or her assessments for three of the five preceding years may be required by the Board to make and maintain a security deposit not in excess of three years' estimated assessments, which shall be collected and shall be subject to penalties for nonpayment as are other assessments. The deposit shall be held in a separate fund, credited to such owner, and may be resorted to at any time when such owner is ten days or more delinquent in paying his or her assessments.

ARTICLE 17: VIOLATIONS

17.1: Authority to Impose Fines

The Association shall have the right to impose monetary penalties against the owner and/or occupant of any home who violates these Covenants, Conditions and Restrictions or other rules and restrictions adopted by the Association. The Board shall, from time to time, adopt a schedule for such monetary penalties. The schedule may provide for penalties that are assessed on a periodic (daily, weekly, etc.) basis and which accrue until violations are corrected.

17.2: Procedure for Imposition of Fines

If the Board determines that a violation of the Covenants, Conditions and Restrictions, or other rules and restrictions adopted by the Association has occurred, the Board shall post a written Notice of Violation on the home determined to be responsible for the violation, with a copy mailed to the Owner as provided for in Article 13:. The Notice of Violation shall identify; 1) the location where the violation has occurred; 2) the name of the person responsible for the violation, if known; 3) the nature of the violation; 4) the action or actions required in order to cure the violation and a deadline for compliance, and 5) the amount of the fine that will be assessed if the violation is not cured by the compliance deadline. In addition, the Notice of Violation shall indicate that the owner or occupant responsible for the violation shall be entitled to request a hearing before the Board, provided a written request for such a hearing is submitted to the Board within fourteen calendar days after the issuance of the Notice of Violation.

17.3: Hearing by Board

If a request for a hearing is submitted, the Board shall conduct a factual hearing and allow interested parties to present evidence relevant to the issues of whether or not a violation has occurred and what action is required to cure the violation. The Board shall issue a written decision after the conclusion of the hearing. All Notices of Violation become final either thirty (30) days after they are issued if no request for a hearing is submitted, or on the date that the Board issues its decision following a hearing.

17.4: Collection of Fines, Lien on Title

Unpaid fines shall constitute liens against the Lot and are subject to the terms and conditions of this Declaration regarding liens for assessments and attorney's fees.

17.5: Abatement of Violations

The Association shall have the right, following the completion of the appeals process set forth herein, to enter the property which is the subject of the violation and perform such maintenance, repairs or abatement as may be necessary to eliminate the violations. The costs of such maintenance, repairs and/or abatement, including any and all attorneys' fees, costs and expenses associated with such an enforcement action, shall constitute a lien against the Lot and a personal obligation of the Owner, which shall be subject to foreclosure by the Association in King County Superior Court.

17.6: Alternative Dispute Resolution

Nothing in this Article 17: shall prohibit the Association and the Owner from engaging in alternative dispute resolution to resolve a violation, including but not limited to, private negotiations, mediation and/or arbitration, as provided for in Article 26:.

ARTICLE 18: LIMITATION OF LIABILITY

18.1: Liability for Infrastructure Failure, etc

Except to the extent covered by insurance obtained by the Board, neither the Association nor the Board shall be liable for the failure of any infrastructure in FORTY-ONE POINT FIVE, or for injury or damage to person or property caused by such failure, or for inconvenience or discomfort resulting from any action taken by the Board to comply with any law, ordinance, or orders of a governmental authority. No diminution or abatement of common expense, assessments shall be claimed or allowed for any such failure, or for such injury or damage, or for such inconvenience or discomfort.

18.2: No Personal Liability

So long as a Board member, or Association committee member, or Association officer, has acted in good faith, without willful or intentional misconduct, upon the basis of such information as is then possessed by such person, no such person shall be personally liable to any owner, or to any other person, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error, or negligence of such person on behalf of the Association; provided, that this section shall not apply where the consequences of such act, omission, error, or negligence is covered by insurance obtained by the Board.

ARTICLE 19: INDEMNIFICATION

Each Board member and Association committee member and Association officer shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed in connection with any proceeding to which he or she may be a party, or in which he or she may become involved, by reason of holding or having held such position, or any settlement thereof, whether or not he or she holds such position at the time such expenses or liabilities are incurred, except to the extent such expenses and liabilities are covered by any type of insurance and except in such cases wherein such person is adjudged guilty of gross negligence or willful misfeasance in the performance of his or her duties; provided, that in the event of a settlement, the indemnification shall apply only when the Board approves such settlement and reimbursement as being for the best interests of the Association.

ARTICLE 20: INSURANCE

20.1: General Requirements

The Board may cause the Association to purchase and maintain at all times as a common expense, a policy or policies necessary to provide comprehensive liability insurance to the extent required by applicable laws; directors and officers liability insurance and such other insurance as the Board deems advisable. All insurance shall be obtained from insurance carriers that are generally acceptable for similar associations, and who are licensed to do business in the State of Washington.

20.2: General Liability Insurance

Any general liability insurance shall insure the Board, the Association, the owners and cover all of the common elements in FORTY-ONE POINT FIVE, and shall cover liability of the insured for property damage and bodily injury and death of persons arising out of the operation, maintenance, and use of any common elements, liability in connection with employment contracts of the Association, contractual and all written contract insurance. The limits of liability shall be at least \$1,000,000.00 covering all claims for personal injury and/or property damage arising out of a single occurrence.

20.3: Insurance Trustee; Power of Attorney

The named insured under the policies referred to in this section shall be the Association, as trustee for each of the owners in accordance with their respective percentages of undivided interest in the common areas. The insurance proceeds may be made payable to any trustee with which the Association enters into an insurance trust agreement, or any successor trustee, who shall have exclusive authority to negotiate losses under the policies. Each owner appoints the Association, or any insurance trustee or successor trustee designated by the Association, as attorney-in-fact for the purpose of purchasing and maintaining such insurance, including the collection and appropriate disposition of the proceeds thereof, the negotiation of losses and execution of releases of liability, the execution of all documents and the performance of all other acts necessary to accomplish such purposes.

20.4: Owners' Individual Insurance

Each owner shall at his or her expense, maintain general standard form homeowners' insurance with an insurer in good standing and authorized to do business in Washington in an amount at least equal to the value of the Home. The policy of insurance shall name the Association as an additional insured party, shall provide that it shall not be cancelable without at least thirty (30) days prior written notice to the Association.

ARTICLE 21: DAMAGE AND REPAIR OF COMMON ELEMENTS

Repairs to be Prompt. If any damage occurs to the common elements, the Board shall promptly cause said damage to be repaired and shall use available insurance proceeds therefor. If the cost of repair exceeds the available insurance proceeds, the Board may impose a special assessment against all homes in proportion to their percentages of undivided interest in the common

elements in an amount sufficient to pay the excess costs. The Board shall have the authority to employ architects and engineers, advertise for bids, let contracts to contractors and others, and take such other action as is reasonably necessary to make the repairs. Contracts for the repair work shall be awarded when the Board, by means of insurance proceeds and sufficient assessments, has provided for paying the cost. The Board may authorize the insurance carrier to make the repairs if the Board is satisfied that the work will be done satisfactorily, and if such authorization does not contravene any insurance trust agreement or requirement of law.

ARTICLE 22: CONDEMNATION

22.1: Consequences of Condemnation; Notices

If any home or portion thereof, or the common elements or any portion thereof, is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority (referred to herein as a "taking"), notice of the proceeding or proposed acquisition shall promptly be given to each home owner and to each holder of a first mortgage and the provisions of this Article shall apply.

22.2: Power of Attorney; Proceeds

Each owner appoints the Association as attorney-in-fact for the purpose of representing the owners in condemnation proceedings and negotiations, settlements and agreements with the condemning authority for acquisition of common elements or any part thereof, from the condemning authority. The Board may appoint a trustee to act on behalf of the owners in carrying out the foregoing functions in lieu of the Association. All compensation, damages, or other proceeds of the taking, the sum of which is hereinafter called the "condemnation award", shall be payable to the Association or any trustee in trust for the owners and their first mortgagees as their interest may appear.

22.3: Complete Taking

If the entire property is taken, FORTY-ONE POINT FIVE ownership shall terminate. The condemnation award shall be apportioned among the owners in proportion to their respective percentages of undivided interest in the common elements; provided, that if a standard different from the value of the property as a whole is employed to measure the condemnation award in the taking, then in determining such shares, the same standard shall be employed to the extent it is relevant and applicable. On the basis of the foregoing principle, the Board shall as soon as practicable, determine the share of the condemnation award to which each owner is entitled. Each owner's share shall be applied first to the payment of all mortgages and liens on the owner's mortgages in accordance with the existing priorities and the balance of each share shall be distributed to the owner. No owner shall have any priority with respect to the condemnation award over the holder of a mortgage on the owner's home.

22.4: Partial Taking

If less than the entire property is taken, FORTY-ONE POINT FIVE ownership shall not terminate. Each owner shall be entitled to a share of the condemnation award determined in the following manner:

- (a) As soon as practicable the Board shall, reasonably and in good faith, allocate the condemnation award among compensation for property taken, severance damages, or other proceeds.
- (b) The Board shall apportion the amounts so allocated to taking of or injury to the common elements, which in turn shall be apportioned among owners in proportion to their respective undivided interests in the common elements.
- (c) The total amount allocated to severance damages shall be apportioned to the homes that were not taken.
- (d) The amounts allocated to the taking of or injury to a particular home and/or improvements an owner had made within the home shall be apportioned to the home.
- (e) The amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Board determines to be equitable in the circumstances.
- (f) If any allocation of the condemnation award has already been established in negotiation, judicial decree, or otherwise, then in apportioning the condemnation award, the Board shall employ that allocation to the extent it is relevant and applicable.
- (g) Distribution of apportioned proceeds shall be made to the owners and their respective mortgagees in the manner provided in Section 22.3:.

22.5: Reconstruction and Repair

Any reconstruction and repair necessitated by condemnation shall be governed by the procedures specified in Article 21: of this Declaration for repair of damage, provided that the Board may retain and apply such portion of each owner's share of the condemnation award as is necessary to discharge the owner's liability for any special assessment arising from the operation of Section 15.4:.

ARTICLE 23: EASEMENTS

Easement for Encroachments. All common areas are hereby declared to have an easement over all adjoining homes and common elements for the purpose of accommodating any present or future encroachment as a result of engineering errors, construction, reconstruction, repairs, settlement, shifting, or movement of any portion of the property, or any other similar cause. There shall be valid easements for the maintenance of the encroaching homes, areas, and facilities so long as the encroachments shall exist, and the right and obligations of owners shall not be altered in any way by the encroachment; provided, however, that in no event shall a valid easement for encroachment be created in favor of a home if the encroachment was caused by the willful act with full knowledge of the owner. The encroachments described in this Section shall not be construed to be encumbrances affecting the marketability of title to any home.

ARTICLE 24: AMENDMENTS OF DECLARATION OR SURVEY MAP OR BYLAWS

Procedures. An owner may propose amendments to this Declaration or the Survey Map or the Bylaws to the Board. A seventy percent (70%) majority of the members of the Board may cause a proposed amendment to be submitted to the members of the Association for their consideration. If an amendment is proposed by the owners of twenty percent (20%) or more of the homes in FORTY-ONE POINT FIVE, then, irrespective of whether the Board concurs in the proposed amendment, it shall be submitted to the members of the Association for their consideration at their next regular or special meeting. Notice of a meeting at which an amendment is to be considered shall include the text of the proposed amendment. Amendments may be adopted at a meeting of the Association or by written consent of the requisite number of persons entitled to vote, after notice has been given to all persons (including eligible holders) entitled to receive notices. Upon the adoption of an amendment and the obtaining of any necessary consents of eligible holders of mortgages as provided below, the amendment will become effective when a certificate of the amendment, executed by two officers of the Association, has been recorded in the public records. An eligible mortgage holder who receives a written request to consent to an addition or amendment who does not deliver or post to the requesting party a negative response within thirty (30) days shall be deemed to have consented to such request.

ARTICLE 25: SEVERABILITY

The provisions of this Declaration shall be independent and severable, and the unenforceability of any one provision shall not affect the enforceability of any other provision, if the remainder complies with applicable law.

The failure of the Board in any instance to insist upon the strict compliance with this Declaration or the Bylaws or rules and regulations of the Association, or to exercise any right contained in such documents, or to serve any notice or a relinquishment for the future of any term, covenant, condition, or restriction shall not constitute a waiver or acceptance of the conduct in question. The receipt by the Board of payment of an assessment from an owner, with knowledge of a breach by the owner, shall not constitute a waiver or acceptance of the breach. No waiver by the Board of any requirement shall be effective unless expressed in writing and signed for the Board by a designated representative.

ARTICLE 26: DISPUTE RESOLUTION

26.1: Mediation

If a dispute arises between the Association and an Owner concerning these Covenants, Conditions and Restrictions, either party may refer the dispute to mediation by request made in writing to the other. Within ten (10) days of the receipt of such a request, the parties shall select a single trained and impartial mediator. If the parties are unable to agree on the selection of a

single mediator, then the parties shall, within fifteen (15) days of receipt of the initial request, jointly apply to a competent court for the appointment of a trained and impartial mediator.

26.2: Arbitration

If mediation has either failed or has been rejected, either party may refer the dispute to arbitration by request made in writing to the other. Within thirty (30) days of the receipt of such a request, the parties shall select a single arbitrator to hear the matter. If the parties are unable to agree on the selection of a single arbitrator, a competent court, on petition of a party, shall appoint the arbitrator. All matters of arbitrator selection and of settlement shall be in accordance with the laws of the State of Washington then in effect. A judgment on the arbitration award may be entered in any court having jurisdiction thereof. The arbitrator shall be entitled to award costs and expenses as he or she sees fit, including attorney's fees, and any court of competent jurisdiction may be called upon to enforce the award.

ARTICLE 27: EFFECTIVE DATE

This Declaration shall take effect upon recording.

DATED this 31st of July, 2018.

FORTY-ONE POINT FIVE HOMEOWNERS ASSOCIATION

By: [Signature]
Its: PRESIDENT

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that Robert Britt has signed this instrument, on oath stated that he/she is the President of the FORTY-ONE POINT FIVE Homeowner's Association and that he/she was authorized to execute the instrument and acknowledged it to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: 7/31, 2018.

Notary Public in and for the State of Washington, residing at Maple Valley

My commission expires: 08/29/2018

