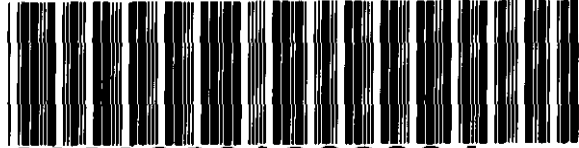


WHEN RECORDED RETURN TO

NAME Sharon Swanson Co Pan Terra Inc
ADDRESS 5740 - 127th Ave NE
CITY, STATE, ZIP Kirkland, WA 98033



20000301000994

CHICAGO TITLE AMND 9 00
PAGE 001 OF 002
03/01/2000 12.39
KING COUNTY, WA

Chicago Title Insurance Company

FILE NUMBER 1057(10)

701 5th Avenue - Suite 1700 - Seattle, Washington 98104

2000 030 1000994

DOCUMENT TITLE(s)

- 1 1st Amendment to CCRI'S
- 2
- 3
- 4

REFERENCE NUMBER(s) OF DOCUMENTS ASSIGNED OR RELEASED:

Additional numbers on page _____ of document

GRANTOR(s):

- 1 PAN-TERRA, INC
- 2
- 3

Additional names on page _____ of document

GRANTEE(s):

- 1 SAVANNAH Homeowners Assoc
- 2
- 3

Additional names on page _____ of document

LEGAL DESCRIPTION

Lot-Unit Block Volume 188 Page 40
 Section Township Range
 Plat Name Savannah

Additional legal description is on page _____ of document

ASSESSOR'S PROPERTY TAX PARCEL ACCOUNT NUMBER(s):

756950 - 0010 thru 756950 - 0200
 Additional legal description is on page _____ of document

The Recorder will rely on the information provided on the form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein

**FIRST AMENDMENT TO
COVENANTS CONDITIONS AND RESTRICTIONS FOR
SAVANNAH HOMEOWNERS ASSOCIATION**

THIS INSTRUMENT is made on the date hereinafter set forth by the undersigned Declarant pursuant to Article XIV, Section 2 of the original Declarations recorded under Recording Number 9902022789 and amends the Declarations as follows

Article VII, Section 7 of the foregoing CC&R's is amended as follows

Section 7 Limited Easement from Savannah to Adjoining Property The Declarant and each Lot is granted a limited easement/license as provided for in the recorded Plat of Savannah, a part of Tract 992, between Lots 6 and 7 to access the adjoining property to the south of Savannah for the limited purpose of pedestrian access to the sidewalk areas within Saratoga between the hours of 7 00 a m and dusk, except as may be provided by mutual agreement between the respective homeowners' associations The present and future owners of the property to the south of Savannah have a reciprocal easement for the purposes of pedestrian access to the sidewalk areas within Savannah, as provided for by Declarant in the CC&R's for the plat/PUD for Saratoga This limited easement does not extend to other common areas within the adjoining Development of Saratoga

Article XI, Subsection 2 4 1 of the foregoing CC&R's is amended as follows

Section 2 4 Restoration by Board

2 4 1 Unless prior to the commencement of repair and restoration work (other than emergency work referred to in Subsection 2 3 2) the owners shall have decided not to repair and reconstruct in accordance with the provisions herein, the Board shall promptly repair and restore the damage and destruction, use the available insurance proceeds therefor, and pay for the actual cost of repair and restoration in excess of insurance proceeds secured as a common expense that shall be specially assessed equally against all lots

IN WITNESS WHEREOF, the undersigned Declarant designated herein has executed this instrument this 29th day of February 2000 at Kirkland, King County, Washington

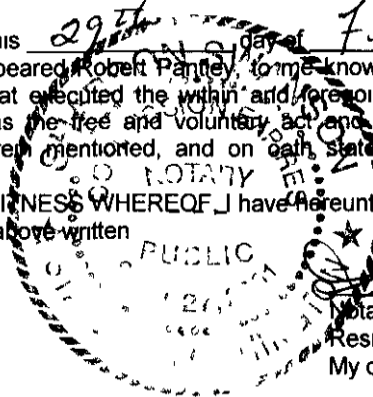
PAN-TERRA, INC.

By Robert R Pantley
Robert R Pantley, as Director

STATE OF WASHINGTON)
) SS
COUNTY OF KING)

On this 29th day of February, 2000, before me personally appeared Robert Pantley, to me known to be the Director of Pan-Terra, Inc., the corporation that executed the within and foregoing instrument, and acknowledged that said instrument was the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year above written



Shannon Swanson
Notary Public in and for the State of Washington
Residing at Woodinville
My commission expires 9/27/01

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STATE OF WASHINGTON)
County of King)

The Director of Records & Elections, King County, State of Washington and exofficio Recorder of Deeds and other instruments, do hereby certify the foregoing copy has been compared with the original instrument as the same appears on file and of record in the office, and that the same is a true and perfect transcript of said original and of the whole thereof.

Witness my hand and official seal this _____ day
of FEB 02 1999, 19__

Director of Records & Elections

By Paul Brunk

WHEN RECORDED RETURN TO:
PAN-TERRA, INC.
5740 127TH AVENUE NORTHEAST
KIRKLAND, WA 98033



CHICAGO TITLE INSURANCE COMPANY

9902022789

DOCUMENT TITLE(s)

\$30.45

1 COVENANTS, CONDITIONS AND RESTRICTIONS

Order Number: W9902294 -2

2
3
4

REFERENCE NUMBER(s) OF DOCUMENT ASSIGNED OR RELEASED:

Additional reference numbers on page _____ of document

GRANTOR (s) :

1 SAVANNAH HOMEOWNERS ASSOCIATION

2
3

Additional names on page _____ of document

GRANTEE (s) :

1 OWNERS AND FUTURE OWNERS

2
3

Additional names on page _____ of document

ABBREVIATED LEGAL DESCRIPTION:

Lot-Unit: 1-20 Block: Volume: 188 Page: 40-43
Section: Township: Range: Portion:

Plat Name: SAVANNAH

Complete legal description is on page 5 _____ of document

ASSESSOR'S PROPERTY TAX PARCEL ACCOUNT NUMBER (s) :

042405 9023

Additional Tax Accounts are on page _____ of document

Note: This cover sheet is prepared to conform to the requirements of Chapter 143, Laws of 1996. Nothing on this sheet alters the names, legal description or other information in the attached document. The only purpose of this cover sheet is to assist the auditor in indexing the document in conformance with statute.

COVENANTS CONDITIONS AND RESTRICTIONS

FOR

SAVANNAH HOMEOWNERS ASSOCIATION

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**PLANNED UNIT DEVELOPMENT DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
SAVANNAH**

THIS INSTRUMENT is made on the date hereinafter set forth by the undersigned who is the owner of certain land situated in the City of Bellevue, State of Washington, County of King, known as Lots 1 through 20 of Savannah and common areas described on Exhibit A attached. The undersigned covenants, agrees and declares that all of said lands and buildings hereafter constructed thereon are, and will be, held, sold and conveyed subject to and burdened by the following easements, restrictions, covenants, liens and conditions, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of said lands, and all for the benefit of the owners of said lands, their heirs, successors, grantees and assigns. This instrument establishes a plan for the individual ownership of lots and buildings constructed thereon and for the management and administration through a non-profit corporation of the remaining land and related easements, hereinafter defined and referred to as the "common areas". The said non-profit corporation is Savannah Homeowners Association, hereinafter referred to as the "Association." All provisions of this instrument shall be binding upon all parties having or acquiring any right, title or interest in the said lands or any part thereof, and shall in all respects be regarded as covenants running with the land.

**ARTICLE I
DEFINITIONS**

Section 1. "Association" shall mean and refer to Savannah Homeowners Association, a Washington non-profit corporation, its successors and assigns.

Section 2. "Board" shall mean and refer to the Board of Directors of the Association.

Section 3. "Plat" shall mean that certain plat and PUD commonly known as Savannah the legal description of which is:

**Lots 1 - 20 of the Plat/PUD of Savannah to the City of Bellevue according to the
plat thereof, recorded in Volume 188, of plat pages 40-43, in King County, Washington**

Section 4. "Properties" shall mean Lots 1 through 20 described in the said Plat.

Section 5. "Development Period" shall mean that period of time from the date of recording of this Declaration until a time which is one hundred twenty (120) days after the date upon which ninety-five percent (95%) of the Lots according to the Plat have been sold and construction of units thereon have been completed and occupied by the homeowners, any shorter period as determined by Declarant, but no longer than that period ending ten (10) years from the date of recording of this Declaration

Section 6. "Lot" shall mean Lots one (1) through twenty (20) shown on the plat plus any unit now or thereafter placed on that Lot together with all appurtenances of said Lot.

Section 7. "Common Area" shall mean all commonly owned land and facilities including, but not limited to, all open space, common areas, roadways, walkways, community gardens, recreation space, planting areas, ponds, entry arbors and arbor vines, all of which shall be for the common use and enjoyment of the owners; provided the Declarant may transfer to any public agency now or in the future, a part or all of the "Common areas" including but not limited to all of the common facilities, storm water facilities parks, roadways (other than any streets, utilities and other areas dedicated to public use), walkways, greenbelts, reserve areas, and assigned recreational or parking facilities.

Section 8. "Association Action" means and refers to any corporate action by the Association, including but not limited to any change in the Bylaws or passage of any corporate resolution by the Board of Directors of the Association, or to any action by the members of the Association at a duly held members' meeting.

Section 9. "Members" shall mean and refer to every person or entity holding a membership in the Association. There shall be one membership per lot.

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interest to any lot, but excluding entities having such interest merely as security for the performance of an obligation. Purchasers under real estate contracts shall be deemed "owners" as against their respective sellers.

Section 11. "Unit" shall mean the sum of all buildings occupying any lot

Section 12. "Declaration" shall mean and refer to this instrument.

Section 13. "Declarant" and "Developer" shall be deemed to mean the same

ARTICLE II

PRE-EXISTING EASEMENTS AND MATTERS OF RECORD

The properties covered by this Declaration, to the extent that they may be already affected by easements and other matters of record, are submitted without the said burdens being previously removed and to the extent that the same are valid they shall continue despite this Declaration.

ARTICLE III

SAVANNAH HOMEOWNERS ASSOCIATION ESTABLISHED

The Savannah's Homeowners Association is created to maintain the common areas including but not limited to the roadways, utility systems, community gardens and recreation space and to enforce the initial covenants created herein. Upon the recording of these CC&R's, the Homeowner's Association shall be responsible at a minimum for:

- a. Replacement of trees and other vegetation as set forth herein
- b. Maintenance of common areas, including lawn care, cleanup and enhancements to vegetation, all as further set forth within these covenants and as shall be enforced by the Association
- c. Maintenance and repair of the common areas including but not limited to roads, utilities, sidewalks, curbs, and applicable landscaping. Maintenance, repair and replacement shall be the sole responsibility of the Association and Lot owners. The Developer gives no warranty to the Lot Owners of the Association, and shall not be liable for the costs of maintenance, repair or replacement. Any damage to the improvements (roads, utilities, sidewalks, curbs, and landscaping which includes hard scaping, et al) at any time (including the period during which the maintenance bonds are in effect) by any Lot Owner, or his or her guests, children, tenants, invitees, delivery persons, agents or other third parties shall be the responsibility of the Lot Owner and the Association jointly to repair and restore to City of Bellevue standards. Said Lot Owner and the Association shall indemnify and hold harmless the Developer from all such expense. Declarant, at its election, may require the Homeowners Association to reimburse Declarant for Common Area maintenance and repair expenses.
- d. Each Lot Owner individually and the Association collectively shall indemnify and hold harmless the Declarant/Developer, its successors and assigns from liability for all Association Actions. The Association shall accept the tender of any defense in the event of litigation against the Declarant/Developer arising out of Association Action and or responsibilities unless Declarant/Developer chooses to retain its own attorney, in which case all legal fees and court costs shall be paid or reimbursed as applicable by each Lot Owner individually and the Association collectively. The Association shall promptly pay and satisfy any judgment that may be entered against Declarant/Developer arising out of Association Action and or responsibilities. This provision is not intended to require the Association to indemnify and hold harmless the Declarant/Developer for Declarant/Developer's gross negligence.

ARTICLE IV

HOMEOWNER'S ASSOCIATION

Section 1. The common areas designated in this instrument shall be managed, administered and maintained by the Association in the manner herein above set forth. However, during the development

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period the Association and the common areas shall, for all purposes, be under the control, management and administration of the Declarant either directly or through the Association memberships held by Declarant.

- 1.1 Declarant may at such times as Declarant deems appropriate select, as a temporary board, up to five (5) persons chosen by Declarant in its sole discretion who may be, but are not required to be, persons who own, or are purchasers of lots. This temporary board shall have the full authority and all rights, responsibilities, privileges and duties to manage the Association under this Declaration and Bylaws, and shall be subject to all provisions of the Declaration and Bylaws; provided, that, after selecting any such temporary board, Declarant in the exercise of its sole discretion may at any time terminate such temporary board, and reassume its management authority or select a new temporary board.
- 1.2 These requirements and covenants are made in order to insure that the properties and Association will be adequately administered in the initial phases of development and to assure an orderly transition of Association operations.
- 1.3 At the expiration of Declarant's management authority, administrative power and authority shall vest in a Board of three (3) directors or such other number as may be provided in the Bylaws, elected from among the lot owners. The Board may delegate all or any portion of its administrative duties to a manager, managing agent, or officer of the Association, or in such manner as may be provided by the bylaws. All Board positions shall be open for election at the first annual meeting after the period of Declarant's authority ends. The Board shall elect officers of the Association from among its members, which shall include a president who shall preside over meetings of the Board and the meetings of the Association. Only one (1) member per lot may hold a Board position.

Section 2. By acceptance of an interest in any lot covered by this Declaration, the owner covenants and agrees thereby for himself and his heirs to observe and comply with all terms of this Declaration, the Articles of Incorporation of the Association, its current By laws, and all rules and regulations promulgated by Association Action. The acquisition of an interest in fee of any lot covered by this Declaration automatically thereby makes the acquiring party subject to this Declaration.

Section 3. For each lot covered by this Declaration there shall be but one membership in the Association and said membership shall be automatically held and owned in the same manner as the beneficial fee interest in the lot to which it relates. Every person or entity who is an owner of a fee or undivided fee interest in any lot shall be automatically thereby a member of the Association. However, there shall be excluded from membership entities holding merely a security interest in a lot for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any lot.

Section 4. Except as otherwise provided for herein, there shall be one vote for each lot owner whether such lot is improved or not. There shall be a total number of votes equal to the total number of Lots. A single vote is hereby made appurtenant to each membership in the same manner as each such membership is made appurtenant to each respective lot. When a single entity holds more than one membership, each membership may be voted separately. When more than one entity holds in common the fee interest in any lot, the vote for such lot shall be exercised as the owners among themselves determine, but in no event shall more than one vote be cast with respect to any lot. In case they are unable to agree their vote shall not be counted, but their presence at any meeting, in person or by proxy, shall be counted for purposes of constituting a quorum.

Section 5. Every member shall have a right of easement of enjoyment in and to the common area and for ingress and egress over and through the common area and such easement shall be appurtenant and shall pass with title to every lot, subject to the restrictions and the following provisions, powers and rights which are otherwise hereby granted:

5.1 The right of the Association to limit the number of guests of members; and

5.2 The right of the Association by Association Action to make reasonable rules governing use of common areas and facilities and to charge reasonable admission and other fees for the use of

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- 5.3 The right of the Association to suspend the voting rights and right to use any portion of the common areas by any member for any period in which any assessment by the Association against his lot remains unpaid, and this right shall not be exercised by the Association as against any secured party with respect to assessments coming due before completion of foreclosure proceedings through a period of redemption; and
- 5.4 The right of the Association to suspend the voting right and right to use any portion of the common area by any member for any violation of the Association's rules and regulations, which suspension shall not exceed 180 days; and
- 5.5 The right of the Association to exclusive use and management of the common area for utilities such as pumps, pipes, wires, conduits, and other utility equipment, supplies and materials, and
- 5.6 The right of the Association to borrow money (except as otherwise proscribed by other contracts) for the purpose of improving the common area and facilities and in aid thereof to convey a security interest in the common area; and
- 5.7 The right of Association to dedicate or transfer any portion of the common areas owned by the Lot Owners, or easements with respect to the common areas, to any public agency, authority, or utility for such purposes and subject to such conditions as may be directed by the Association, provided, that transfer of ownership of any portion of the common areas is subject to a two-thirds approval of all of the Lot Owners then holding membership in the Association. The right to grant easements shall be vested in the discretion of the Association or Declarant. The Declarant shall have the right before and after the Development Period in perpetuity to provide easements over and under the common areas and lots and shall have unrestricted access to said easements and to the land adjacent to those easements in order to provide for services and amenities including but not limited to private and public access, paths, utility solutions and drainage solutions
- 5.8 The right of the Declarant during the development period to have the exclusive control, management and administration of the common areas.

Section 6. Any member may delegate his rights of enjoyment to the common area and facilities to the members of his family and tenants

Section 7. The ownership of each lot shall entitle the owner or owners thereof to the use of such parking areas as may be specified by Association Action. No common parking stalls shall be reserved for the exclusive use of any one member or their guests except for special occasions as approved by the Association or the Declarant, and Declarant's right in this regard shall continue after the Development Period. Additional parking may be allowed in the roadways for special occasions such as private parties as may be approved by the association from time to time. General parking in part or total in the roadways is otherwise prohibited unless approved by the Declarant and more than 50% of the lot owners

Section 8 Membership in the Association may be (but need not be) evidenced by a written certificate validated by the Association annually. A membership in the Association shall be inalienable and unencumberable in any way except as an appurtenance to a lot, which entitles an entity to membership. Upon the transfer of any membership, the Association shall delete the name of the old members and reflect the new members succeeding in interest to the lot involved. Any attempt to make a prohibited transfer of a membership is void and will not be reflected upon the records of the Association nor shall the same be recognized by the Association. If an owner refuses or neglects to advise the Association, the Association may, on evidence satisfactory to it, reflect such new transfer upon the books of the Association and recognize as the member the successor or successors in interest to the exclusion of the prior member.

Section 9. Each lot owner for himself/herself, his/her heirs, successors and assigns, covenants and agrees that each lot shall be subject to annual assessments or charges and certain special assessments for maintenance capital improvements in an amount to be determined by the developer during the development period and thereafter by the Association, and that a lien (periodically arising) shall exist in favor of the Association and the developer with respect to each such lot as security for amounts to be paid in accordance with this instrument and the following provisions:

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9.1 The Association shall be responsible for maintaining all service lines serving or located in or on the common areas, maintain and otherwise manage all of the common areas and their components, including (without limitation) the landscaping, irrigation and utility systems, parking areas, streets, common areas, streets, and recreational facilities (if any) and electrical lines from the streets to and under each building including the street lighting and conduct such additional maintenance as may be determined by Association Action. The Association shall maintain and where necessary replace all materials including but not limited to capital improvements and landscaping including trees, plants, flowers, etc. in the Common Areas. Owners shall maintain their lots and the street lighting and conduct such additional maintenance as may be determined by Association Action. Owners shall maintain their lots in the same condition as a reasonably prudent homeowner would maintain his own home and shall cooperate with the Association so that the entire development will reflect a significant pride of ownership. The maintenance of the individual lots shall be the sole obligation and expense of the individual owners thereof. Individual owners will be responsible for maintenance of all service lines including but not limited to sewer, storm, water, gas, phone, and cable from their respective unit to their lot line. During the Development Period, the Developer may at its option maintain the common areas for the benefit of the Association, at the sole expense of the Association.

9.2 Thirty (30) days or more prior to the beginning of each fiscal year the Board shall prepare a budget and an estimate of the charges (including common expenses and any special charges for particular lots) to be paid during such year, shall make provisions for creating, funding and maintaining reasonable reserves for contingencies, operations, repairs, replacements, improvements and acquisition of common areas and facilities, and shall take into account any expected income and any surplus available from the prior year's operating fund. Without limiting the generality of the foregoing but in furtherance thereof, the Board shall create and maintain from regular monthly assessments a reserve fund for maintenance and replacement of those common areas which can reasonably be expected to require maintenance and replacement prior to the end of the useful life of the buildings or equipment. The Board shall calculate the contributions to said reserve fund so that there is sufficient funds therein to maintain and replace each common area covered by the fund at the end of the estimated useful life of each such common area. The Declarant or initial Board may at any time establish the first such budget and estimate. Any annual budgeted sum for a capital improvement for new, non-replacement items or acquisition/lease in excess of Three Thousand Dollars (\$3,000.00) shall be subject to the prior approval of more than 50% of the owners. Any annual said new non-replacement/acquisition/leased capital expenses exceeding \$10,000 will require more than 60% approval of the lot owners. If the sum estimated and budgeted at any time proves inadequate for assessment, the Board may at any time levy a further assessment, which shall be assessed to the owners in like proportions. Any surplus funds shall be carried over and applied against amounts needed in the following year. The Association has the right, but not the obligation, to establish a reserve account for maintenance and replacement of any improvement at any time, provided that the Association shall commence reserving funds for replacement of a capital improvement no less than five years prior to the end of the estimated useful life of any improvement. All budgets are estimates only and neither the Association nor the Declarant shall be legally liable in the event that any budget estimate should later prove to be inaccurate or under or over estimated, including any consequences, financial or otherwise, resulting from inaccurate budget estimates.

9.3 Unless otherwise determined by the Board for Special Assessments, all assessments shall be made by Association Action setting forth lot numbers and the amount thereby assessed against the same and shall be assessed equally among the lots. Notification of the amount of the assessment shall not be necessary to the validity thereof. Upon each assessment a lien therefor in favor of the Association shall arise to secure the payment of the same together with applicable interest thereon, costs and reasonable attorneys' fees for collection, for all of the foregoing there shall also arise a personal obligation upon the owners of each such respective lot as of the date and time of the assessment.

9.4 The assessment by the Association shall be made for, and the proceeds therefrom shall be used for, promotion of the recreation, health, safety and welfare of the members and their use and enjoyment of the common area. In connection with determining whether or not to make an

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- 9.4.1 The cost of taxes, repairs, replacement and maintenance of the common area including, but not limited to lawn care and storm water management, clean up and enhancements to vegetation; and
- 9.4.2 The cost of amounts necessary for the establishment and maintenance of a reserve for repair, maintenance, taxes and other charges, including insurance premiums; and
- 9.4.3 The cost of any recreational facilities as may from time to time be provided; and
- 9.4.4 The cost of the sewer, storm drainage, roads, sidewalks, and water system maintenance, detention facilities; and
- 9.4.5 The cost of all landscaping in the common areas and maintenance and replacement of all hardscape, trees and other vegetation in common areas which are in a diseased or damaged condition.
- 9.5 By virtue of this instrument each member during the development period shall pay to the developer an annual amount which is hereby assessed against each lot and completed home (or contract to build) of Three Hundred Seventy Dollars (\$370.00) for annual assessments. These amounts shall be held by the Developer to pay for maintenance and any balance will be turned over to the Homeowners Association at completion of the development period. In addition, each Lot Owner with a completed home or a contract to build a home, shall make a one-time payment of \$250.00 to the Developer to be held in a separate account in trust for the purposes specified in Paragraph 9.4 above as needed in the sole discretion of the developer. Upon termination of the development period, and release of all maintenance and other related bonds and set-asides by all government agencies, any balance on account shall be paid to the Association as part of the Association's general funds. The initial annual assessment by the Association shall be \$370.00 subject to revision by Association Action. The Association shall organize two work parties per year to clean and maintain the Common Areas, and Lot Owners shall be invited to participate in the work parties. Any Lot Owner shall have the option not to participate in the work parties, but failure of any Lot Owner to participate shall result in an increase of the general assessment of \$125.00 per work party time not fully completed. If any Lot Owner is unable to participate in the work party, the Lot Owner may avoid increase of the general assessment by performing other maintenance duties as determined by the Association in its sole discretion. Declarant believes that the work parties will hold down maintenance costs of the Association as a whole and will foster a community feeling within Savannah. Each work party is intended to be between 2 and 5 hours long as provided for by the Association.
- 9.5.1 Notwithstanding anything to the contrary herein, Declarant shall not be assessed any homeowners dues at any time on unsold lots.
- 9.6 The liability of each member for assessments shall commence on the date upon which any instrument of transfer to such person becomes operative (such as the date of a real estate contract for the sale of any lot, the date of death in the case of a transfer by Will or intestate succession, etc.) and, if earlier, the first day of the calendar month following the first occupancy of a unit by an owner. At closing to cover the first year's annual assessment, a prorated amount of the current calendar year plus the next full calendar year's assessment shall be due. Annual assessments for subsequent fiscal year shall thereafter be due and payable in full on January 1 of that year to reduce accounting work. Special assessments are due and payable at such time as directed by Association Action. The Association may in its discretion set up a payment program based on financial necessity and on such terms as the Association may direct including imposition of a processing fee and interest rate on deferred payments.
- 9.7 Upon request the Board shall furnish written certificates certifying the extent to which assessment and assessment payments on a specified lot are paid and current to the date stated therein. Issuance of such certificates shall be conclusive evidence of payment of any assessment or assessment payments therein declared to have been paid. The Association may make a reasonable charge for the issuance of such certificate.

that year. Such assessments may be for construction, reconstruction, repair or replacement of capital improvements in the common area and related personal property or fixtures. Except on an emergency basis special assessments may be made only at a special meeting of the Association members called in accordance with its Bylaws and Articles.

- 9.9 Annual and special assessments together with the interest thereon, and the cost of collection thereof, including reasonable attorneys fees shall become a lien against each respective lot in the amount stated in the assessment from the time of the assessment whether recorded or unrecorded; as payments on delinquent assessments are made, said payments shall be credited first to the oldest amounts owing. In addition, all unpaid assessments shall be the personal obligation of the Lot Owner(s) at the time of assessment and this personal obligation shall not be terminated by sale of the Lot. The personal obligation to pay a prior assessment shall not pass to successors in interest unless expressly assumed by them, but the lien for the assessment shall remain as an encumbrance on the Lot until paid. The Association, in its sole discretion, shall retain the authority in an appropriate case to waive all or part of the unpaid assessment and lien in the case of a transfer of Lot ownership. Notwithstanding anything to the contrary within these Declarations, the Declarant shall in no event be liable for any annual or special assessments.
- 9.10 If any assessment is not paid in full within thirty (30) days after it was first due and payable, the assessment shall bear interest on the unpaid portion amounts from the date it was made at the rate of twelve percent (12%) per annum; provided, that the Association may, by Association Action, elect to charge a higher rate of interest if permissible under applicable state law, and further provided that if the maximum legal rate is less than twelve (12%), then the default rate shall be deemed to be the maximum legal rate. Each member hereby expressly grants the Association, its agents and the developer during the development period, the right and power to bring all actions against such member personally for the collection of such assessments as a debt of the Association, by foreclosure of the continuing liens in the same form of action as is then provided for the foreclosure of a mortgage on real property. The liens provided for in this instrument shall be for the benefit of the Association as a corporate entity, and the Association shall have the power to bid in at any lien foreclosure sale and to acquire, hold, lease, mortgage, and convey the lot foreclosed against.
- 9.11 In the event any member shall be in arrears in the payment of the assessments due or is otherwise in default of the performance of any terms of the Articles and Bylaws of the Association or of this Declaration for a period of thirty (30) days, said membership's voting rights shall be suspended (except as against foreclosing secured parties) and remain suspended until all payments are brought current and defaults otherwise remedied. No member except for Declarant is relieved of liability for assessments by non-use of the common area or by abandonment of a lot.
- 9.12 No action shall at any time be taken with respect to assessments that may unreasonably discriminate against any particular owner in favor of other owners
- 9.13 Declarant/Developer is hereby exempted from paying any fees, assessments, dues, and any other charges of whatsoever nature and kind, to the Association regardless of the period of time that Declarant/Developer may hold title to any Lot.

Section 10. Each owner expressly covenants that the Association and the Declarant may enter into management agreements for the common area, and all maintenance functions related thereto, with such entities as the Association or Declarant deem fit and proper, and that they are bound to observe the terms and conditions of any such management agreement. Any such management agreement shall be made available for inspection by any member upon request. Any management agreement for the planned unit development will be terminable by the Association for cause upon sixty (60) days written notice thereof, and the term of any such agreement may not exceed one year, renewable by agreement of the parties for successive one-year periods. During the development stage of the plat/PUD and until all releases from all maintenance bonds from any governmental agency, the Declarant shall (unless Declarant declines in writing the opportunity to do management work and/or the right to be compensated for said work) be paid by the Association a management fee of fifteen (15%) of Declarant's actual costs incurred to manage the maintenance, replacement and repair of the common areas. Declarant may at its discretion incur and not

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and replacement to the common areas; provided, that in the event that the Association and/or any Lot Owner should charge the Declarant in connection with any other responsibilities of the Declarant, the Declarant shall be entitled to account for any costs actually incurred and not previously charged for common area issues, plus its 15% management fee, as an offset to any claims by the Association and/or any Lot Owner.

Section 11. All dollar amounts noted herein are subject to change in accordance with changes in the Consumer Price Index (CPI). The CPI shall mean the CPI index for the Seattle metropolitan area promulgated by the Bureau of Labor Statistics of the United States Department of Labor, using the year that these CC&R's were first recorded as a base of 100. Commencing on January 1 of the following year of the recording of the CC&R's, and thereafter annually, the Board shall recalculate all budgeted sums in accordance with the percentage change in the CPI then in effect for the Seattle metropolitan area. In the event of uncertainty regarding the applicable CPI index to apply or in the event no applicable CPI exists, then the decision of the Board shall be final and binding.

Section 12: Regardless of the status of the Association, or these Covenants, each Lot Owner, exclusive of the Declarant, shall be personally liable for a pro rata share of the cost of performance of the duties of the Association. This covenant shall run with the land and be binding on each purchaser, and his or her heirs, successors and assigns. Provided, that in the event there are insufficient funds to carry out the duties of the Association, each homeowner may be assessed up to double its pro rata share to carry out duties of maintenance and repair.

Section 13. Under no circumstances may any Association funds be employed on behalf of the Association or any individual Lot Owners for purposes associated with making legal claims or instituting litigation against the Declarant, including but not limited to attorneys fees, litigation costs, expert fees, consultant fees, costs of polling the membership of the Association with respect to potential claims against Declarant arising out of non-common-area items, and in the event of a breach by the Association of this Section, any funds so expended shall be the personal responsibility of those officers or members of the Association authorizing said expenditure, which shall be recoverable by the Association or the individual Lot Owners against those individuals. The purpose of this section is to prevent individual Lot Owners from using or employing Association funds or resources for the advancement of individual, non-common-area claims.

ARTICLE V **ASSOCIATION LIENS**

Declarant hereby creates in the Association perpetually the power, and hereby subjects all lots perpetually to the power of the Association, to create a lien in favor of the Association against each lot to secure to the Association the payment to it of all assessments, interest, costs and attorneys' fees. The said lien for each said respective lot when created shall be a security interest in the nature of a mortgage in favor of the Association. Said liens shall arise automatically in accordance with the terms of this Declaration, but shall be subordinate to the lien of a first mortgage or deed of trust in favor of an institutional first mortgage; but provided further, that in the event of any sale or refinance, said liens shall not be subordinated at closing. Said liens shall expire periodically also in accordance with the terms of this Declaration

ARTICLE VI **SUBORDINATION OF LIENS**

Section 1 The provisions of this Article V apply for the benefit of each institutional first mortgagee and to secured entities who lend money to Declarant for purposes of construction or to secure the payment of the purchase price of a lot and may change to meet financing and governmental requirements or requests. These Article V provisions supersede any contrary provisions of the Articles, Bylaws, rules or regulations of the Association, or inconsistent provisions of this Declaration.

Section 2. The holder of a first mortgage or deed of trust or second mortgage or deed of trust given to secure payment of the purchase price of a lot shall not, by reason of the security interest only, be liable for the payment of any assessment or charge as to such lot, nor for the observance or performance of any covenant of restriction, excepting only those enforceable by equitable relief and not requiring the payment of money and except as herein provided.

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Section 3. During the pendency of any proceeding to foreclose the first mortgage or deed of trust or second mortgage or deed of trust given to secure payment of the purchase price of a lot including any period of redemption, the holder of such mortgage or deed of trust, or the receiver, if any, may exercise any or all of the rights and privileges of the owner of the encumbered lot, including but not limited to the right to vote as a member of the Association to the exclusion of the owner's exercise of such rights and privileges.

Section 4. At such time as said mortgage or deed of trust holder shall become the record owner of the lot, he shall be subject to all of the terms and conditions of said instrument including those creating the obligation to pay for all assessments and charges accruing as to the said lot in the same manner as any owner.

Section 5. Said mortgage or deed of trust holder or other secured party acquiring title to an encumbered lot through foreclosure, suit, deed of trust sale, deed in lieu of foreclosure or equivalent method, shall acquire title to the encumbered lot free and clear of any lien authorized by or arising out of any of the provisions of this instrument insofar as said lien secures the payment of any assessment or charge installment accrued but unpaid before the final conclusion of any such proceeding including the expiration date of any period of redemption. The Association by Association Action may treat any unpaid assessment against a lot foreclosed against as a common expense in which case it shall prorate such unpaid assessments among remaining lots and each such lot shall be liable for its pro-rata share of such expense in such manner as any other assessment.

Section 6. Regardless of the foreclosure of any security interest in a lot, any unpaid assessments shall nevertheless continue to exist and remain as a personal obligation of the owner against whom the same accrued and the Association shall use reasonable efforts to collect the same from the owner even after he is no longer a member.

Section 7. The liens for assessments provided for in this instrument shall be subordinate to the lien of any mortgage, deed of trust, or other security interest placed upon a lot as a construction loan security interest or as a purchase price security interest, and the Association will, upon demand, execute a written subordination document to confirm the particular superior security interest. The sale or transfer of any lot or interest therein shall not affect the liens provided for in this instrument except as otherwise specifically provided for herein, and in the case of a transfer of a lot for purposes of realizing a security interest, liens shall arise against the lot for any assessment payments coming due subsequent to the date of completion of foreclosure (including expiration of redemption).

Section 8. No land or improvements devoted to the dwelling use shall be exempt from assessments by the Association in any event, but there shall be exemption from assessments by the Association the common area, and all portions of the properties dedicated to and accepted by a local public authority or other charitable or non-profit organization exempt from taxation by the laws of the State of Washington.

ARTICLE VII **CREATION OF HOMEOWNER EASEMENTS**

Section 1. Creation of side easements (as shown on the attached map and further described). Each Lot Owner (Granting Lot Owner) grants an exclusive easement to his/her adjoining Lot Owners (Recipient Lot Owner) to the extent necessary to maintain, use and repair the entry and landscaping between the homes on a uniform basis and to provide exclusive side entrances to the homes. Generally, each easement shall consist of the all land between each two adjoining Buildings (including the side entrance to the Recipient Lot Owner's home) extending from the rear foundation of the Granting Lot Owner's home extending to the perpendicular point of the common lot line and extending forward to the street, all as set forth on the attached map. To the extent of any inconsistency between this description and the attached map, the attached map shall control.

Section 2. Each Recipient Lot Owner is charged with the duty of maintaining all landscaping, roof, walkway and other appurtenances within the easement area. Each Recipient Lot Owner has the privilege of the exclusive use of the entire easement area for all purposes including ingress to and egress from the unit, provided, that each Granting Lot Owner retains the limited right to enter the side yard for purposes of construction and maintenance of improvements to the Unit. These rights and duties are created to assure

uniform upkeep of landscaping between units regardless of property boundaries, and to provide an area of exclusive ingress and egress to the Recipient Lot Owners. This easement/license is not intended to alter the responsibility of each lot owner for the proper maintenance and repair of his/her unit including foundation and exterior siding. All adjoining lot owners (Lots 1-20) further grant each other reciprocal easement rights to the extent necessary for the construction, use and maintenance of walkways and concrete patios straddling the property lines between the units.

Section 3. Limited Easement for Roof Overhangs. Each Lot Owner is granted a limited air easement to the extent that the roof overhangs, or any structure or appurtenance including but not limited to trellises or porches, extend over the property boundary in to the Common Areas or easements of the Development, and the existence of such overhang or intrusion shall not give rise to any claim on the part of the Association, any Owner or any other third party.

Section 4. Joint Driveway Easements. Declarant may, on the plat, within these Declarations, or by any subsequent recording, designate certain driveways as joint driveway easements for joint access by multiple Lot Owners. Declarant reserves the right to modify said joint driveway easements at any time, in Declarant's sole discretion, to further the legitimate purposes of the Declarant including but not limited to providing adequate vehicular access for present and future Lot Owners. Declarant shall have no legal liability for any claim that the vehicular access to any Lot is inadequate, whether or not contributed to by the joint use of the driveway. In no event shall any Lot Owner allow vehicles or any other objects to obstruct the access of the joint driveways at any time. All Lot Owners with joint driveways will be provided with one electric garage door opener and it shall be the responsibility of the Lot Owners to keep said garage door openers in good maintenance and repair. The beneficiaries of the driveway easements shall be jointly and equally responsible for all maintenance, repair and replacement within the driveway easements, and for purposes of this section, "joint" may refer to more than two owners.

Section 5. Limited Easement for Construction, Improvements. The Declarant, and each Lot Owner, is granted a limited easement/license over the property of each adjoining Lot Owner and the common areas to the extent necessary for the construction, improvement, repair and maintenance ("the Work") of any Lot, provided, that the Declarant and each Lot Owner shall go upon the adjoining lots and the common areas only to the extent reasonably necessary to carry out the Work, and upon completion of the Work, the Declarant or Lot Owner shall restore the adjoining property to the extent practicable including replacement or rehabilitation of any landscaping and/or vegetation damaged by the carrying out of the Work, except as otherwise provided for herein

Section 6. Limited Easement to the Common Area. The Declarant, and each Lot Owner, is granted a limited easement/license over the property between Lots 6 and 7, Lots 14 and 15, and over Lots 9 and 10 and Lots 11 and 12, to access the Common Areas behind Lots 6 and 15 for the enjoyment, maintenance or improvement of the Open Space area.

Section 7. Limited Easement from Savannah to Adjoining Property. The Declarant and each Lot is granted a limited easement/license over the property between Lot 6 and Lot 7 to access the adjoining property to the South of Savannah. The present and future owners of the property to the south of Savannah have a reciprocal easement for the purposes of recreation and enjoyment of the common areas of Savannah provided Declarant provides for same in the recording of CC&R's or other applicable documents upon the title of the property to the south

Section 8. Reserved Easements. The Declarant reserves an easement over each Lot for utility installation and maintenance, including but not limited to, underground electric power, telephone, water, sewer, drainage, gas, and accessory equipment, together with the right to enter upon the Lots at all times for said purposes; provided in furtherance of the foregoing and not by way of limitation, an easement for installation and maintenance of facilities for surface water drainage is established across a 5 foot wide area along the front and rear boundary lines of each lot and a 2.5 foot wide area along the interior boundary lines, of each. Within these easements, the construction and maintenance of a structure, fence, planting, or other material or improvement shall be prohibited (except those provided for by the P.U.D. approval such as entry steps and porches) only to the extent that such construction or maintenance would: (a) damage or materially interfere with the installation and maintenance of utilities; or (b) change the direction or flow of drainage channels in the easements; or (c) obstruct or retard the flow of water through

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maintained continuously by the Owner of the Lot, except for those improvements for which a public authority or utility company is responsible

Section 9. In addition to the other easements granted in these Declarations, the Declarant/Developer, to the extent not otherwise created under these Declarations or elsewhere, shall at all times after transfer of each and every Lot and all Common Areas, retain the right to create such easements over, under and through the Lots and the Common Areas in such places as the Declarant/Developer, in the exercise of its sole discretion, determines to be needed or convenient to install improvements and remedy problems, and to otherwise maintain, repair and improve the Properties and the improvements thereon. Said right to create easements by the Declarant/Developer shall be broadly construed and shall include the right to create easements over any Lot or other Common Area for the benefit of any third party including but not limited to third party Lot owners, the Declarant/Developer, and any municipality including but not limited to the City of Bellevue, King County, the State, all utility companies, such as Puget Sound Energy, cable company, phone company, and any other private or public municipality, governmental unit, or utility/service provider.

ARTICLE VIII
COMMON AREA AND LOT USE RESTRICTIONS

Section 1. All lots within the properties and otherwise subject to this instrument shall be solely and exclusively for private residences.

Section 2. Except as built by developer or otherwise authorized by Association Action, all garages shall be incorporated in or made a part of a unit and shall remain operable at all times for the purpose of parking an automobile therein. Garage doors shall be kept closed at all times when the garage is not in current use so as to maintain the sightliness of the Development as a whole

Section 3. No animals, livestock, or poultry of any kind (other than house pets in accordance with rules and regulations established by the Association) may be kept on the properties. Owners shall obey all state and local laws and ordinances pertaining to care, control and husbandry of animals and pets. In no event shall any dog be allowed to run outside the Owner's Lot without a leash, except where the dog is under the Owners direct verbal command at all times, or otherwise create a nuisance. Structures to shelter domestic pets and dog or other animal runs and/or kennels shall be prohibited within five (5) feet of any property line. Commercial breeding and/or storage of animals are prohibited. All dogs or other animals making occasional noise over forty-five (45) decibels or repeated noises more than ten (10) seconds in any one hour shall be kept inside with all doors, windows and opening shut. The Declarant or the Association may assess a fine of One Hundred Dollars (\$100.00) per occurrence for violation of this covenant and may require removal of the pet from the Development. Said fine may at the Association's discretion be increased to Two Hundred Fifty Dollars (\$250.00) per occurrence in excess of two occurrences per calendar year

Section 4. No mobile homes, house trailer, camper, boat, boat trailer, recreational vehicle, or similar item shall be stored or kept on any portion of the property, except in garages, unless expressly authorized by Association Action, provided that the Developer/Declarant shall be exempt from this provision.

Section 5 No garbage, refuse, or rubbish shall be deposited on or left on any lot unless placed in a suitable container screened from public view

Section 6. Any construction or repair work with respect to any unit shall be prosecuted diligently and continuously from commencement until completion and no building material of any kind shall be placed or stored outside any unit (except by Declarant/developer) unless expressly authorized by Association Action.

Section 7. The owners shall use their respective properties in such a manner so as not to offend or detract from other owners' enjoyment of their own respective properties. All owners shall use their property solely and exclusively for private single family residences with appurtenant garages. Conduct of a private business shall be permitted on the condition that (1) not more than three nonresidents are employed at the business location, (2) business visits to the home do not average more than twenty per day and (3) the owner complies with all applicable governmental regulations and codes applicable to such

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by code or other process provided for by the City of Bellevue. No signs of any kind or description shall be erected, posted, painted, or displayed on any building on any portion of the properties unless expressly authorized by Association action, or unless erected or placed by the Developer, or ads otherwise required by law. The posting of signage, or other publication, written or verbal, which libels or disparages the Declarant/Developer shall be fined at the rate of \$150.00 per day per occurrence until removed or ceased.

Section 8. No vehicle of any kind shall be parked or left unattended on the properties, except in private garages, or those areas designated by Association Action or the Declarant for parking purposes. There shall be no parking around the circumference of the center landscaped areas or common areas except as authorized by Association action for special occasions or otherwise provided for within these CC&R's.

Section 9. No trees over eight inches (8") in diameter as measured three feet (3') above the average ground height six inches (6") from the base may be cut down, topped or branches trimmed in excess of ten percent (10%) per year of the total length and number of limbs, except by Declarant/Developer unless it is:

- 9.1 In order to build a home, patios, sidewalks or decks or other structure on a Lot;
- 9.2 In order to allow entry or garage access;
- 9.3 In order to protect Owners against a diseased or dangerous tree or trees;
- 9.4 In order to comply with any requirements of any governmental authority with jurisdiction over the Development, including those now in existence or to be made law in the future;
- 9.5 In order to install any and all utilities, roadways, etc.;
- 9.6 Should it become necessary by Association Action to remove any trees, and other vegetation in common areas, due to disease, storms, or for any other reason, said trees and vegetation shall be replaced by trees/vegetation of comparable type and in reasonable numbers to provide adequate screening where appropriate;
- 9.7 As required by existing and or future easement agreements of third parties; and
- 9.8 to allow for light, air or views and approved by the Association or Declarant;
- 9.9 In addition to the above requirements and restrictions, any proposed removal of trees and/or vegetation, must comply with the applicable rules and regulations of the PUD and the City of Bellevue, and shall comply with all easements and agreements between the Developer and any third parties affecting the property, whether recorded or unrecorded.

Section 10. Any lease agreement between an owner and a lessee shall provide that the terms of the lease are subject in all respects to the provisions of the Declaration, Articles of Incorporation and the Bylaws, and any failure by the lessee to comply with the terms of such documents shall be a default under the lease. All leases shall be in writing and for a minimum term of thirty (30) days. Other than the foregoing, there is no restriction on the right of an owner to lease his or her unit except as otherwise provided by law.

Section 11. No firearms, cross bows, bows and arrows, or air guns, including without limitation, BB-type or pellet guns, whether for purposes of hunting or target practice, shall be used within the Development, unless expressly authorized by Association Action.

Section 12. No television cables, no aerial, satellite dish or antennae shall be placed or erected upon such Lot or affixed in any manner to the exterior of any building or structure on the lot unless expressly authorized by Association Action; provided, that satellite dishes of 24 inches in diameter or less shall be permitted in rear yard areas if screened from neighbors' view.

Section 13. No portion of any Lot shall be used as a drying or hanging area for laundry or other items of any kind where it can be viewed from any street or adjoining neighbor's property.

Section 14. All Lot Owners shall install and maintain light sensors in the center of the garage exterior and

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reasons, all exterior garage and front entry lights/floodlights shall remain on at all times between dusk and midnight unless otherwise modified as required for safety, public requirements or energy savings.

Section 15. The Association shall at all times maintain Declarant's name on all entry signs and entry monuments in the size and type as directed by the Declarant.

ARTICLE IX
USE AND REPAIR COVENANTS

Section 1. No fences, hedges or walls shall be erected or maintained unless authorized by the Declarant or Association Action. The Association may establish an Architectural Control Committee for the purpose of delegating thereto the powers and duties of the Association or its Board under this Declaration.

Section 2. The maintenance, upkeep and repair of individual units shall be the sole responsibility of the individual owners thereof and in no way shall it be the responsibility of the Association or Declarant, its agents, subagents, officers or directors. Any action necessary or appropriate to the maintenance and upkeep of the common area, the landscaping, irrigation, arbors, sewer and water systems, recreation areas (if any), parking areas and walks, gas, telephone, or electrical or television facilities shall be taken by the Association or Declarant only. Should an Owner (other than Declarant) fail to keep up his lot and unit to Association standards, following written notice from the Association or Declarant of the deficiencies and after a reasonable opportunity to cure, the Association or Declarant and its representatives may come onto the property for the purpose of performing necessary maintenance to the unit and the premises and impose a lien on the property for the actual cost of said improvement.

ARTICLE X
OTHER RIGHTS

Section 1. The Declarant/Developer or the Association may transfer any sanitary sewer system, storm, roads, sidewalks or water system in the properties and open space to the City of Bellevue or other third party for ownership and maintenance together with any necessary easement relating thereto and each lot and the common area shall become burdened thereby. Additionally, there is hereby created as to each portion of each lot upon which there is no building used as a dwelling or garage and as to each portion of the common areas for the necessary benefit of each lot, a blanket easement to the Declarant and the Association across, over and under the same premises for ingress, egress, installation, replacing, repairing and maintaining any utility (including, without limitation, landscaping and irrigation, water, sewer, storm drainage, gas, telephone, or electric or television facilities). Provided, however, any entity engaged in conduct pursuant to such easement rights shall be personally responsible to exercise such rights reasonably and to repair and pay for the reasonable costs of any damage caused by the exercise of such rights. The storm drainage system, maintenance and operation shall remain the sole responsibility of the Association.

Section 2. Despite any other provisions of this instrument, it is expressly permissible during the development period and for up to one year after the last unit is complete, for the Declarant to maintain on any portion of the properties such facilities as in the sole opinion of the Declarant may be reasonably required, convenient or incidental to the construction and sale of units, including (without limitation) a business office, storage trailer, construction or customer care office, office trailer, signs, model units and sales offices.

Section 3. Notwithstanding the maintenance obligations imposed elsewhere in these covenants, Declarant reserves the right, in its sole discretion, to maintain, alter and improve the Common Areas after the Development Period, together with the right to enter any portions of the property necessary to maintain, alter and improve said Common Areas and landscape areas. Declarant reserves a nonexclusive perpetual easement for ingress and egress over, under, upon, and above the common areas and individual lots and the right to grant easements for ingress and egress and utilities served over, under, upon and above the common areas and individual lots. Declarant may use this easement in connection with marketing promotions, special events, health, safety, storm and other utility needs and improvements for any other purposes Declarant deems necessary of beneficial to Declarant or third parties.

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current density level beyond 40 units on the adjoining property (2 tax parcels) to the south, the Association and all owners of lots in Savannah hereby agree and covenant not to appeal, directly or indirectly, in their own names or in the name of any third party, any decision by the City of Bellevue regarding the development of such property. For purposes of this section, if the Association or any Lot Owner is shown to have contributed funds or resources for purposes of appeal, then the Association or contributing Lot Owner shall be deemed an appealing party. In the event of an appeal in violation of this provision, then the appealing party(ies) covenant and agree to pay Declarant's litigation expenses, including all costs and attorneys fees, and all business losses to Declarant resulting from the appeal, regardless of who is deemed the prevailing party. In the event of an appeal by the Association, then the Association and all Lot Owners shall be jointly and severally liable under this Section; in the event the Association does not appeal, then only those appealing Lot Owners shall be jointly and severally liable hereunder.

ARTICLE XI
INSURANCE AND DAMAGE; CONDEMNATION

Section 1. The Board, and Declarant during the Development Period, shall obtain and maintain at all times as a common expense a policy or policies and bonds written by companies licensed to do business in Washington required to provide:

- 1.1 Insurance against loss or damage by fire and other hazards covered by the standard extended coverage endorsement, and by sprinkler leakage, debris removal, cost of demolition, vandalism, malicious mischief, windstorm and water damage in an amount as near as practicable to the full insurable replacement value (without deduction for depreciation) of the common areas, but excluding all roads, utilities and landscaping, with the Association named as insured, or such other fire and casualty insurance as the Board shall determine to give substantially equal or greater protection. The policy shall contain an agreed amount endorsement or its equivalent, if available, or an inflation guard endorsement. All insurance shall be obtained from an insurance carrier rated Triple A (and rated Class VI or better for financial condition) by Best's Insurance Reports or equivalent rating service.
- 1.2 General comprehensive liability insurance insuring the Board, the Association, the owners, Declarant and managing agent against any liability to the public or to the owners of lots and their guests, invitees, or tenants, incident to the ownership or use of the common areas. The liability insurance policies shall include protection against water damage liability; liability for owned, non-owned and hire automobiles; host liquor liability; liability for property of others; and, if applicable garage keepers liability. The coverage under such policies shall be in an amount determined by the Board after consultation with insurance consultants but not less than One Million-Dollars (\$1,000,000) covering all claims for personal injury and property damage arising out of a single occurrence. The Board shall review policy limits at least annually. The policies of liability insurance shall contain a severability of interest endorsement or equivalent coverage that shall preclude the insurer from denying the claim of a lot owner because of the negligent acts of the Association or other lot owners.
- 1.3 Workmen's compensation insurance to the extent required by law
- 1.4 Fidelity coverage naming the Association as an obligee to protect against the dishonest acts by the Board, Association officers, manager and employees of any of them and all others who are responsible for handling Association funds in an amount equal to at least fifty percent (50%) of the estimated annual operating expenses, including reserves. Fidelity bonds providing such coverage shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.
- 1.5 Insurance against loss of personal property of the Association by fire, theft and other losses with deductible provisions as the Board deems advisable.
- 1.6 Such other insurance as the Board deems advisable, including directors and officer's liability insurance covering the Board and officers of the Association.
- 1.7 Each Owner shall obtain additional insurance respecting his lot, his own improvements, contents

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1.8 The Board shall exercise its reasonable best efforts to obtain insurance policies containing the following provisions:

1.8.1 Insurance coverage shall not be affected by, and the insurer shall not claim, any right of setoff, counterclaim, apportionment, proration, contribution or assessment by reason of any other insurance obtained by or for any lot owner or any mortgagee;

1.8.2 Insurance coverage shall not be prejudiced by any act or neglect of the lot owners when such act or neglect is not within the control of the Association; or any failure of the Association to comply with any warranty or condition regarding any portion of the premises over which the Association has no control;

1.8.3 Insurance coverage shall not be canceled, the coverage or limits reduced, or the coverage otherwise substantially modified (including for non-payment of premiums) without the insurance carrier's prior written notice to the Board and any and all insureds, including mortgagees;

1.8.4 A waiver of subrogation by the insurer as to any and all claims against the Association, the agents, employees or tenants, and of any defenses based upon co-insurance or upon invalidity arising from the acts of the insured; and

1.8.5 Provisions that, despite any provision giving the insurer the right to restore damage in lieu of a cash settlement, such option shall not be exercisable without the prior written approval of the Association, or when in conflict with the provisions of any insurance trust agreement to which the Association is a party, or any requirement of law.

Section 2. Damage or Destruction

2.1 Initial Board Determinations. In the event of damage or destruction to any part of the property, including any lot or common areas or facilities or portion thereof, the Board shall promptly, and in all events within thirty (30) days after the date of damage or destruction, make the following determinations with respect thereto employing such advice as the Board deems advisable:

2.1.1 The nature and extent of the damage or destruction, together with an inventory of the improvements and property directly affected thereby.

2.1.2 A reasonably reliable estimate of the cost to repair and restore the damage and destruction, which estimate shall, if reasonably practicable, be based upon two or more firm bids obtained from responsible contractors.

2.1.3 The anticipated insurance proceeds if any, to be available from insurance covering the loss based on the amount paid or initially offered by the insurer.

2.1.4 The amount, if any, that the estimated cost of repair and restoration exceeds the anticipated insurance proceeds therefor and the amount of assessment to each lot if such excess is to be paid as a maintenance expense and specially assessed against all the lots.

2.1.5 The Board's recommendation as to whether such damage or destruction should be repaired or restored.

2.2 Notice of Damage or Destruction. The Board shall promptly provide each institutional first mortgagee on any lot written notice of damage or destruction affecting common areas, if such damage or destruction exceeds Fifteen Thousand Dollars (\$15,000.00).

2.3 Definitions: Restoration; Emergency Work

2.3.1 As used in this Section 2, the words "repair", "reconstruct", "rebuild" or "restore" shall mean restoring the improvements to substantially the same condition in which they existed prior to

and regulations or available means of construction may be made.

2.3.2 As used in this Section 2, the term "emergency work" shall mean that work which the Board deems reasonably necessary to avoid further damage, destruction or substantial diminution in value to the improvements and to reasonably protect the owners from liability from the condition of the site.

2.4 Restoration by Board

2.4.1 Unless prior to the commencement of repair and restoration work (other than emergency work referred to in Subsection 2.3.2) the owners shall have decided not to repair and reconstruct in accordance with the provisions of either Subsection 2.5.3 or 2.6.3, the Board shall promptly repair and restore the damage and destruction, use the available insurance proceeds therefor, and pay for the actual cost of repair and restoration in excess of insurance proceeds secured as a common expense that shall be specially assessed equally against all lots.

2.4.2 The Board shall have the authority to employ architects and attorneys, advertise for bids, let contracts to contractors and others, and to take such other action as is reasonably necessary to effectuate the repair and restoration. Contracts for such repair and restoration shall be awarded when the Board, by means of insurance proceeds and sufficient assessments, has provision for the cost thereof. The Board may further authorize the insurance carrier to proceed with repair and restoration upon satisfaction of the Board that such work will be carried out appropriately.

Section 3. Consequences of Condemnation. If at any time or times during the continuance of the planned unit development ownership pursuant to this Declaration, all or any part of the property shall be taken or condemned by any public authority or sold or otherwise disposed of in lieu of or in avoidance thereof, the provisions of this Section 3 shall apply.

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- 3.1 **Notice of Condemnation Proceedings** If any part of the common area and facility or portions thereof is made the subject matter of any condemnation or eminent domain proceedings, or is otherwise sought to be acquired by a condemning authority, the Board shall promptly furnish notice of such proceedings or proposed acquisition to each owner and each institutional holder of a mortgage on lots.
 - 3.2 **Proceeds.** All compensation, damages, or other proceeds therefrom, the sum of which is hereinafter called the "Condemnation Award", shall be payable to the Association
 - 3.3 **Complete Taking** In the event that the entire property is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the planned unit development shall terminate. The Condemnation Award resulting from the taking of the common area shall be apportioned among the owners in equal shares. The Board shall as soon as practicable determine and pay the share of the Condemnation Award to which each owner is entitled.
 - 3.4 **Partial Taking.** In the event that less than the entire property is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the planned unit development ownership hereunder shall not terminate. Each owner shall be entitled to a share of the Condemnation Award resulting from any taking of common areas as set forth in Section 3.3. Condemnation Awards to individual owners resulting from a partial taking shall be determined according to law.
 - 3.5 **Reductions of Planned Unit Development Upon Partial Taking.** In the event that (a) a partial taking occurs which pursuant to Section 3.4 does not result in a termination of planned unit development ownership hereunder, and (b) at least one (1) lot is taken or condemned and (c) the condemning authority elects not to hold, use and own said lot as an owner subject to and in accordance with the Declaration, then the provisions of this Section 3.5 shall take effect immediately upon the condemning authority taking possession of the lot or lots so taken or condemned.

(or not sold or otherwise disposed of in lieu of or in avoidance thereof)

3.5.2 The common areas subject to this Declaration shall be reduced to that common area not so taken, gifted or condemned.

3.5.3 Except as otherwise expressly provided in Section 3.5, the rights, title, interest, privileges, duties and obligations of an owner and mortgagee in, to or with respect to a lot not so taken or condemned (and in, to, or with respect to the Association and the common areas) shall continue in full force and effect as provided in this Declaration.

3.5.4 The provisions of Section 3.5 shall be binding upon and inure to the benefit of all owners and mortgagees of (and other persons having or claiming to have any interest in) and all lots that are, as well as all lots that are not, so taken or condemned. All such owners, mortgagees and other persons covenant to execute and deliver any documents, agreements or instruments (including, but not limited to, appropriate amendments to the Declaration and Plats) as are reasonably necessary to effectuate the provisions of Section 3.5.

ARTICLE XII **ENFORCEMENT**

Section 1. The Association, the Declarant, and any Lot Owner, shall have the right to enforce by any appropriate proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this instrument, including but not limited to the right of the Declarant and any Lot Owner to proceed against the Association where necessary to compel the Association to perform its duties set forth herein, and against each individual Owner for failure to act in accordance with the terms of these covenants, conditions and restrictions. In any action seeking enforcement hereunder, each party shall his or her own costs of suit including reasonable attorney's fees regardless of which party prevails, unless otherwise provided for in these Declarations. Failure by any person entitled to enforce the provisions of this instrument to pursue the enforcement of such provision shall in no event be a waiver of the right thereafter to enforcement.

Section 2. Remedies provided by this instrument for collection of any assessment or charge against any member or other entity are in addition to, cumulative with, and are not in lieu of other remedies provide by law.

Section 3. The covenants, restrictions, liens, conditions, easements and enjoyment rights contained herein run with the land and shall be binding upon all persons purchasing, leasing, subleasing or otherwise occupying any portion of the properties, their heirs, executors, administrators, successors, grantees and assigns. All instruments granting or conveying any interest in any lot shall refer to this instrument and shall recite that it is subject to the terms hereof as if fully set forth therein. However, all terms and provisions of this instrument are binding upon all successors in interest despite the absence of reference in the instrument of conveyance to this instrument

Section 4. If any particular paragraph, subparagraph or sentence of this instrument be adjudicated invalid by an appropriate authority, every other provision shall remain nevertheless in full force and effect. The singular wherever used herein shall, when applicable, be construed to include the plural and necessary grammatical changes required to make the provisions of this instrument applicable to corporations or individuals, men or women, shall in all cases be assumed as if set forth expressly.

Section 5. Mediation as Condition Precedent. Except where time is of the essence, the parties to this instrument agree to mediate all disputes arising hereunder prior to filing legal action, except that this provision shall not apply to any action to collect or enforce homeowner assessments. Mediation shall take place through the Dispute Resolution Center of Snohomish and Island Counties, which includes a real estate mediation program. Fees are currently estimated to be \$250.00 for the first mediation session and \$200.00 for each subsequent mediation session. The parties may also use any other mutually acceptable mediation service, and if the Dispute Resolution center no longer exists, and the parties cannot agree on a mediation service, then such mediation service as Declarant in its discretion shall select. All mediation fees shall be paid pro rata by the parties participating in the mediation session. In the event any party files suit without first going through the mediation process, any other party to the litigation may seek a stay of

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**ARTICLE XIII
RIGHTS OF CERTAIN MORTGAGEES**

Any institutional first mortgagee shall have the right on request therefor to: (a) inspect the books and records of the Association during normal business hours; (b) receive an annual financial statement of the Association within 90 days following the end of any fiscal year; and (c) receive written notice of all meetings of the Association and to designate a representative to attend all such meetings.

**ARTICLE XIV
AMENDMENT AND REVOCATION**

Section 1. This instrument may be amended, and partially or completely revoked as herein provided or otherwise provided by law subject to the rules and regulations and PUD plat approval of the City of Bellevue.

Section 2. During the development period, the Declarant may at its sole discretion, in whole or in part, amend this instrument simply by recording an acknowledged document setting forth specifically the provisions amending this instrument.

Section 3. The covenants and restrictions of this Declaration shall run with and bind the land from the date this Declaration is recorded. This Declaration may be amended at any time up to twenty years after the end of the Development Period by an instrument signed by the Declarant. Thereafter, this Declaration may be amended by an instrument signed by eighty (80%) of all Lot Owners of record or by the Declarant and fifty (50%) or more of the Lot Owners unless otherwise provided herein; provided, that all easements in favor of municipalities and utilities are granted in perpetuity and shall not be terminated, modified or otherwise amended except by consent of the affected municipality or utility. The provisions that apply to or affect Declarant in any way may not be amended at any time without Declarant's prior approval. All such amendatory instruments must be recorded with the appropriate authority for recording documents affecting real property in the City of Bellevue. Notwithstanding the preceding provisions of this paragraph, Declarant reserves the exclusive right during or within twenty (20) years after the Development Period to annex properties to the Properties initially covered by this Declaration by affidavit or by recording an Amendment to Declaration of Covenants which adds the property being annexed to the Properties covered by this Declaration. Such amendment may occur without notice to any Lot Owners and a new Development Period shall be created to the extent additional Lots have or will be created as if they were included in the initial plat/PUD

IN WITNESS WHEREOF, the undersigned Declarant designated herein has executed this instrument this 22nd day of JANUARY 1999 at Kirkland, King County, Washington

PAN-TERRA, INC.

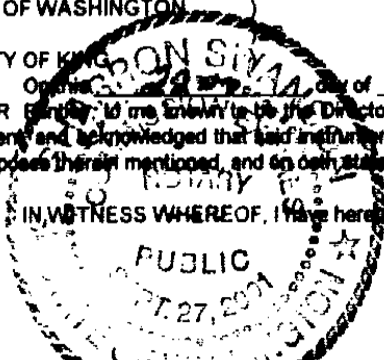
By: Robert R. Pantley
Robert R. Pantley, as Director

STATE OF WASHINGTON

COUNTY OF KING

On this 22nd day of JANUARY, 1999, before me personally appeared Robert R. Pantley, known to be the Director of Pan-Terra, Inc., the corporation that executed the within and foregoing instrument and acknowledged that said instrument was the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and he then stated that he was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year above written.

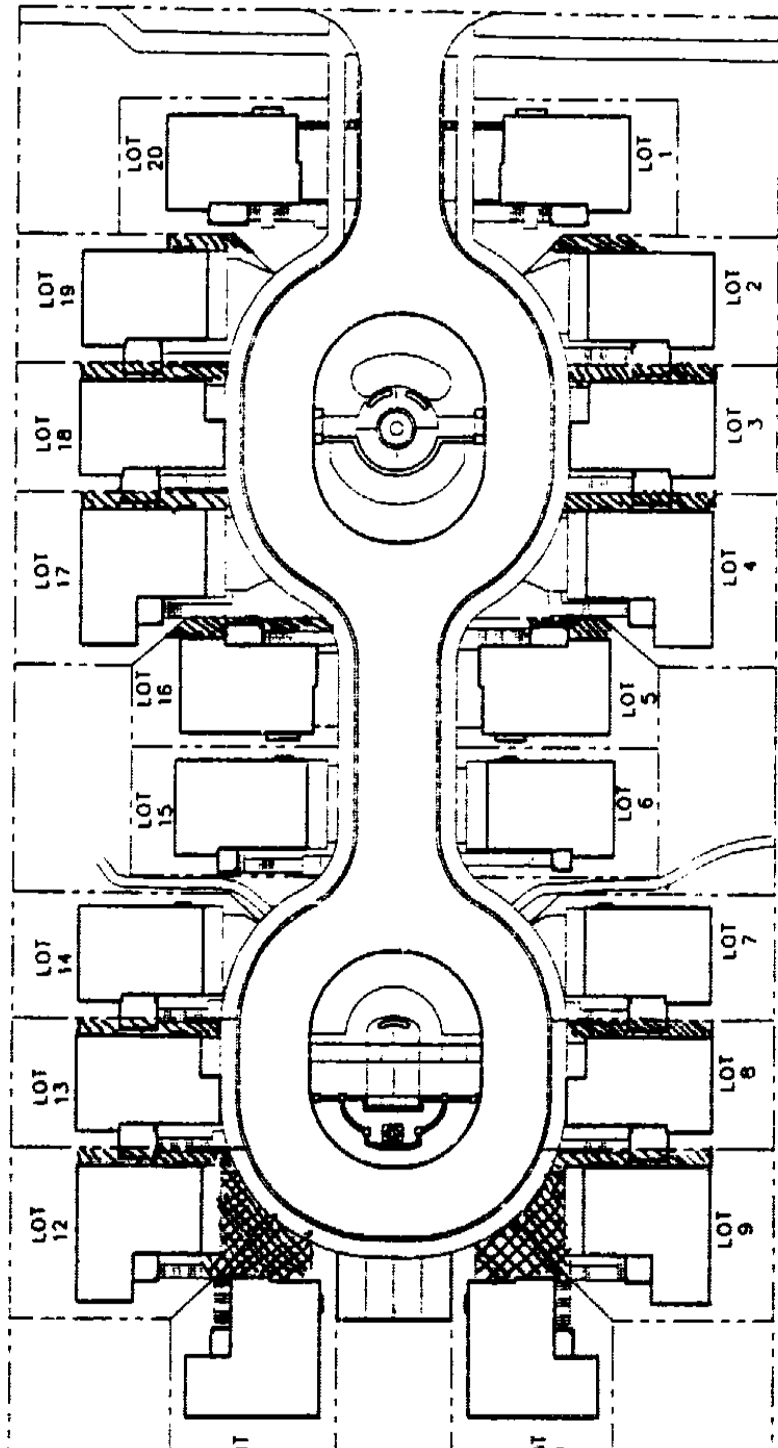


Ann Krumm
Notary Public in and for the State of Washington
Residing at Woodinville

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/// ENTRY AND PEDESTRIAN EASEMENT FOR ADJOINING PROPERTY OWNER
XXX JOINT DRIVEWAY EASEMENTS



After recording return to:
PanTerra Inc.
5740 127th Ave. N.E.
Kirk, Wa 98033

9902022789

Return Address:

Condominium Law Group PLLC
10310 Aurora Avenue North
Seattle, WA 98133
206-633-1520



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PAGE 001 OF 003
03/09/2006 14:43
KING COUNTY, WA

Please print or type information **WASHINGTON STATE RECORDER'S Cover Sheet** (RCW 65.04)

Document Title(s) (or transactions contained therein): (all areas applicable to your document must be filled in)

Second Amendment to Covenants, Conditions
1. and Restrictions for Savannah HOA 2. _____
3. _____ 4. _____

Reference Number(s) of Documents assigned or released:

Additional reference #'s on page _____ of document

Grantor(s) (Last name, first name, initials)

1. Ameritech Investment, Inc. _____
2. _____

Additional names on page _____ of document.

Grantee(s) (Last name first, then first name and initials)

1. Savannah Homeowners Association _____
2. _____

Additional names on page _____ of document.

Legal description (abbreviated: i.e. lot, block, plat or section, township, range)

Plat name: Savannah Volume: 188 Page: 40

Additional legal is on page _____ of document.

Assessor's Property Tax Parcel/Account Number

Assessor Tax # not yet

assigned
756950-0010 through 756950-0200

The Auditor/Recorder will rely on the information provided on the form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein.

I am requesting an emergency nonstandard recording for an additional fee as provided in RCW 36.18.010. I understand that the recording processing requirements may cover up or otherwise obscure some part of the text of the original document.

K-B-

Signature of Requesting Party

When recorded, return to:

Condominium Law Group, PLLC
10310 Aurora Avenue North
Seattle, Washington 98133
(206) 633-1520

**SECOND AMENDMENT TO COVENANTS, CONDITIONS, AND RESTRICTIONS FOR
SAVANNAH HOMEOWNERS ASSOCIATION**

1. The following sentence is hereby added to the end of Section 9.5 of Article IV: "The Board of Directors of the Association may delete the foregoing language relating to work parties by passing a resolution providing for such deletion."
2. Section 9.8 of Article IV is hereby amended to add "or at the annual meeting of the members of the Association." to the end of the last sentence.
3. Section 1 of Article VI is hereby amended to change the two references to "Article V" to "Article VI."
4. The second sentence of Section 1 of Article XII is hereby deleted and replaced by the following two sentences: "The Association shall be entitled to recover all costs and reasonable attorneys' fees it incurs in connection with enforcement of all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this instrument and the rules and regulations promulgated by Association Action, whether or not such activities result in suit being commenced or prosecuted to judgment, against a Lot Owner. The Association shall also be entitled to recover all costs and reasonable attorneys' fees it incurs in connection with the enforcement of a judgment against a Lot Owner and if it prevails on appeal of such a judgment."
5. The first sentence of Section 5 of Article XII is hereby amended to state as follows: "Except where time is of the essence, the parties to this instrument agree to mediate all disputes arising hereunder prior to filing legal action, except that this requirement shall not apply to any action to collect assessments or fines or to enforce restrictions, conditions, covenants, reservations, liens, and charges now or hereinafter imposed by the provisions of this instrument and the rules and regulations promulgated by Association Action, provided that in such cases the Lot Owner has been notified of and given an opportunity to be heard at a Board meeting."

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6. The second and third sentences of Section 3 of Article XIV are hereby deleted and replaced by the following sentence: "This Declaration may be amended by the vote or agreement of at least sixty-five percent of the total number of current Lot Owners, unless otherwise provided herein, provided that the text of the proposed amendment has been distributed to all current Lot Owners at least fourteen days before the date that the vote takes place or the date that votes are due, and further provided that all easements in favor of municipalities and utilities are granted in perpetuity and shall not be terminated, modified, or otherwise amended except by consent of the affected municipality or utility."

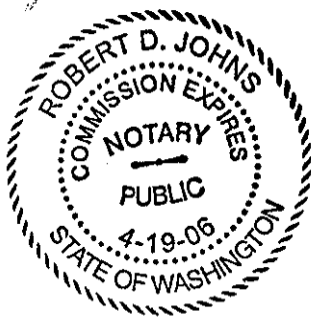
IN WITNESS WHEREOF, the undersigned Declarant of Savannah Homeowners Association has executed this instrument this 24th day of February, 2006 at Belleuve, Washington.

PAN-TERRA, INC. by Ameritech Investment, Inc., its assignee,
By: Robert R. Pantley
Robert R. Pantley, as Director
Its President
Ameritech Investment, Inc.

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

On this 24th day of February, 2006, before me personally appeared Robert R. Pantley, to me known to be the Director of Pan-Terra, Inc., the corporation that executed the foregoing instrument, and acknowledged that said instrument was the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.
president of Ameritech Investment, Inc.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day any year above written.



Robert D. Johns
Notary Public in and for the State of Washington
Residing at Seattle, WA
My commission expires: 4-19-06