

**DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS FOR LAKEMONT**

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DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, AND EASEMENTS FOR LAKEMONT

THIS DECLARATION is made the 20th day of July, 1990, by THE NEWCASTLE DEVELOPMENT COMPANY, a Washington general partnership (the "Declarant") as owner of certain land situated in the State of Washington, County of King, City of Bellevue, which is legally described in Exhibit A attached hereto and incorporated herein by this reference.

DESCRIPTION OF DECLARATION

Declarant desires to create a planned community with residential, retail, commercial and public uses, services, and facilities, to be known as "Lakemont." Declarant also desires to create permanent open space areas and other common facilities for the benefit of the Lakemont community, to provide for the preservation of the natural values and amenities, and to provide for the maintenance of open spaces and other common facilities.

This Declaration contemplates a master plan for phased development over a number of years. This Declaration establishes a plan for the private ownership of lots and buildings constructed thereon, for the dedication of certain areas to the City of Bellevue, and for the beneficial ownership through a nonprofit corporation, the LAKEMONT COMMUNITY ASSOCIATION ("Association"), of all the remaining land and related easements defined as the "Common Areas." The Association is established as required by the plat approval for Lakemont. The Association shall be delegated and assigned the duties and powers of constructing, maintaining and administering the Common Areas and facilities and administering and enforcing the covenants, conditions and restrictions, and the levying, collecting and disbursing the assessments and charges hereinafter created. This Declaration further establishes restrictions on certain uses and activities and establishes the right of the Association to promulgate rules and regulations which may further define and limit permissible uses and activities consistent with the provisions of this Declaration.

ARTICLE 1 DEFINITIONS

Section 1.1 "Apartment Building" shall mean and refer to a building on one or more Lots owned by a person or entity, consisting of two or more attached residential living units under one roof, but excluding Condominium Units.

Section 1.2 "Association" shall mean and refer to Lakemont Community Association, a Washington nonprofit corporation, its successors and assigns.

Section 1.3 "Association Action" shall mean and refer to a written corporate action of the Association in the form of either a by-law or resolution duly passed by either the Board or the Owners.

Section 1.4 "Board" shall mean and refer to the board of directors of the Association.

Section 1.5 "Commercial Lot" shall mean and refer to any Lot designated for commercial use on the land use plan attached hereto as Exhibit B and any Lot so designated on any amended or revised land use plan, plat, short plat, master plan or other official map for the Property.

Section 1.6 "Common Areas" shall mean and refer to all real property that is owned by the Association, which shall be limited to the perimeter buffers, roadside buffers, project monuments and signs, parks, stream corridors, bus stops and associated parking areas, pedestrian and bicycle trails, and entry and signage areas designated on Exhibit B or on the face of any final plat, short plat or binding site plan affecting any portion of the Property. The other public areas within the Property, designated as "City of Bellevue Buffers, Open Space and Park Land" on Exhibit B together with road rights of way to be dedicated to the City of Bellevue, have been or shall be dedicated to the City of Bellevue, the Association shall have no responsibility for maintaining such areas, and such public areas shall, upon conveyance or dedication to the

City of Bellevue, not be subject to any of the covenants, conditions, restrictions, easements or other provisions of this Declaration.

Section 1.7 "Condominium" shall mean and refer to any Living Unit created in a declaration filed pursuant to the Washington Condominium Act, RCW Ch. 64.34, or any successor statute, including without limitation such units located in duplexes, four-plexes, and other multi-dwelling-unit buildings, and any building composed of such units if the context shall require.

Section 1.8 "Declarant" shall mean and refer to The Newcastle Development Company, a Washington general partnership, its successors and assigns; provided, however, that no successor or assign of Declarant shall have any rights or obligations of Declarant hereunder unless such rights and obligations are specifically set forth in the instrument of succession, assignment or other recorded instrument or passed by operation of law. Certain rights and obligations of Declarant, as set forth herein, shall cease at the end of the Development Period.

Section 1.9 "Declaration" shall mean and refer to this instrument, as the same may be supplemented or amended from time to time.

Section 1.10 "Development Period" shall mean and refer to that period of time beginning on the date of this Declaration and ending at the earlier of: (i) 30 years from the date hereof; (ii) sale to individual residential owners of ninety-five percent (95%) of the Single Family Lots; or (iii) written notice from Declarant to the Association in which Declarant elects to terminate the Development Period.

Section 1.11 "Governing Documents" shall mean and refer to this Declaration, Supplementary Declarations, and the Articles of Incorporation and By-Laws of the Association, as any of the foregoing may be amended from time to time.

Section 1.12 "Landscape Buffer Area" shall refer to a buffer area, other than a Native Growth Protection Area or a Retained Vegetation Area, which is a Declarant-designated land use buffer as shown on a final plat, short plat, binding site plan, or other analogous recorded plan or map affecting the Property, in which the cutting, pruning, removal, destruction or planting of vegetation and the construction and maintenance of landscaping are restricted pursuant to the provisions of Article 7 herein.

Section 1.13 "Living Unit" shall mean and refer to a building or structure or any portion thereof situated on the Property that is designed and intended for use and occupancy as a residence by a Single Family, including attached or detached houses, Condominiums, and units within Apartment Buildings, and the appurtenant landscaping, fences, garages, driveways, or parking areas occupying any Lot on which a Living Unit is situated. If a Living Unit is constructed on a Lot, the definition of Living Unit also shall be deemed to encompass the underlying Lot.

Section 1.14 "Lot" shall mean and refer to each lot contained in the Property and to any legally segmented and alienable portion of the Property created after the date of this Declaration, through subdivision, short subdivision, site plan approval, or any other legal process for dividing land, with the exception of public streets and other public areas and Common Areas.

Section 1.15 "Mortgage" shall mean and refer to any recorded mortgage or deed of trust encumbering one (1) or more of the Lots or Living Units. "First Mortgage" shall mean and refer to a Mortgage with priority over all other Mortgages encumbering a Lot or Living Unit. "Mortgagee" shall mean and refer to the holder or beneficiary of any Mortgage and shall not be limited to Institutional Mortgagees. As used herein, the term "Institutional Mortgagee" or "Institutional Holder" shall include banks, trust companies, insurance companies, mortgage companies, mortgage insurance companies, savings and loan associations, trusts, mutual savings banks, credit unions, pension funds, Federal National Mortgage Association ("FNMA"), Federal Home Loan Mortgage Corporation ("FHLMC"), all corporations and any agency or department of the United States Government or of any state or municipal government.

Section 1.16 "Multiple-Family Lot" shall mean and refer to any Lot designated for multi-family residential use on the land use plan attached hereto as Exhibit B and any Lot so designated on any amended or revised site plan, plat, short plat, master plan or other official map for the Property.

Section 1.17 "Native Growth Protection Area" shall refer to Native Growth Protection Easements required by King County, the City of Bellevue or other governmental agencies as shown on a final plat, short plat, binding site plan, or other analogous recorded plan or map affecting the Property, in which the removal of trees and significant natural ground cover, as well as the conduct of other activities, are restricted pursuant to the provisions of Article 7 herein and restrictions contained in any such final plat, short plat, binding site plan or other analogous recorded plan or map.

Section 1.18 "Owner" shall mean and refer to the record owner (whether one or more persons or entities) of a fee interest in any Lot or Living Unit, including Participating Builders but excluding Mortgagees or other persons or entities having such interest merely as security for the performance of an obligation. Purchasers or assignees under recorded real estate contracts shall be deemed Owners rather than their respective sellers or assignors.

Section 1.19 "Phase" shall mean and refer to any portion of the Property that is segregated by Declarant's recording of a final plat, short plat, binding site plan, condominium declaration, or other analogous recorded plan, map, or document, that creates Lots, Living Units or Common Areas.

Section 1.20 "Property" shall mean and refer to the real property legally described in Exhibit A, incorporated herein by this reference.

Section 1.21 "Retained Vegetation Area" shall refer to an area of vegetation, other than a Native Growth Protection Area or a Landscape Buffer Area, which is a Declarant-designated retained vegetation area as shown on a final plat, short plat, binding site plan, or other analogous recorded plan or map affecting the Property, in which the removal, planting or pruning of vegetation is restricted pursuant to the provisions of Article 7 herein.

Section 1.22 "Single Family" shall mean and refer to a single housekeeping unit that includes not more than four (4) adults who are legally unrelated.

Section 1.23 "Single Family Lot" shall mean and refer to any Lot designated for single-family residential use on the land use plan attached hereto as Exhibit B and any Lot so designated on any amended or revised land use plan, plat, short plat, master plan or other official map for the Property. The total number of Single Family Lots authorized for the Property is six hundred twenty-eight (628).

Section 1.24 "Supplementary Declaration" shall mean and refer to any recorded declaration of covenants, conditions and restrictions which extends the provisions of this Declaration to real property other than the Property, or which contains additional provisions or restrictions on use for any Phase, such as a condominium declaration, and matters beyond the scope of this Declaration.

ARTICLE 2 SUBMISSION OF PROPERTY TO DECLARATION; DEVELOPMENT IN PHASES

Section 2.1 Submission of Property to Declaration. Declarant, and the record owners of those portions of the Property described as Parcels B and C on Exhibit A by executing the Consent to Declaration being recorded simultaneously with the recording of this Declaration, as the owners of the Property, hereby declare that the Property, except any part thereof dedicated to the City of Bellevue or other public agencies, and all buildings and structures hereafter constructed thereon are, and will be, held, used, sold, encumbered, leased, improved and conveyed subject to and burdened by the covenants, conditions, restrictions, easements, assessments and liens set forth herein, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the Property and the Lakemont community and for the benefit of the Owners thereof, their heirs, successors, grantees, and assigns. All provisions of this Declaration shall be

binding upon all parties, except the City of Bellevue or any other public agency to which any part of the Property is dedicated, having or acquiring any right, title, or interest in the Property or any part thereof, and shall inure to the benefit of the Owners thereof and the Association and are intended to and shall in all respects be covenants running with the land.

Section 2.2 Development in Phases. Declarant proposes to develop the Property in Phases. Declarant may adopt Supplementary Declarations for each Phase. Each such Supplementary Declaration shall be subject to and consistent with this Declaration.

Section 2.3 Additional Restrictions. Declarant may from time to time during the Development Period impose restrictions on all or any part of the Property owned by Declarant in addition to the restrictions contained in this Declaration, including but not limited to designation of specific height restrictions and reservation of view corridors. Such restrictions shall be set forth in documents recorded in the real property records of King County, shall run with the land and shall be for the benefit of and enforceable by Declarant, all Owners and the Association.

ARTICLE 3 LAKEMONT ASSOCIATION

Section 3.1 Description of Association. The Association is a nonprofit corporation organized and existing under the laws of the State of Washington charged with the duties and vested with the powers prescribed by law and set forth in the Governing Documents, as they may be amended from time to time; provided, however, no Governing Document other than this Declaration shall for any reason be amended or otherwise changed or interpreted to be inconsistent with this Declaration. The Association has specific responsibility for maintenance of the open space areas, which is required by the terms of plat approval.

Section 3.2 Association Board. The initial Board shall be as specified in the Articles of Incorporation of Lakemont Community Association and need not be members of the Association. The initial Board shall have the full authority and all rights, responsibilities, privileges, and duties to manage the Association under the Governing Documents and shall be subject to all provisions of the Governing Documents. The initial Board shall hold its first meeting within thirty (30) days following selection of the initial Board of Directors. Members of the Board elected after the Development Period shall be members of the Association. The Board shall elect officers of the Association, which shall include a president who shall be a member of the Board and shall preside over meetings of the Board and meetings of the Association. Officers of the Association elected during the Development Period need not be members of the Association. After the Development Period, all officers shall be elected from among the members of the Association.

Section 3.3 Association Membership. Every person or entity who is an Owner shall by reason thereof be a member of the Association. Such membership shall be appurtenant to and held and owned in the same manner as the beneficial fee interest in the Lot or Living Unit to which it relates. Membership shall not be separated from ownership of the Lot or Living Unit to which it relates; provided, however, any Owner may delegate his/her rights of membership in the Association and rights of enjoyment in the Common Areas to the members of his/her family and to his/her tenants occupying a Living Unit.

Section 3.4 Total Number of Votes; Adjustment. The total voting power of the Association shall be the aggregate number of votes equal to:

(a) four (4) times the number of Single Family Lots authorized for the Property (with 628 authorized Single Family Lots), for a total of Two Thousand Five Hundred Twelve (2,512) votes;

(b) one (1) times the number of Living Units either existing or authorized for the Multiple-Family Lots (with 400 Living Units authorized for the Multiple-Family Lots), for a total of Four Hundred (400) votes; and

(c) one (1) vote for each three hundred (300) square feet of developable improved space allocated to a Commercial Lot under Section 3.5.3 (with a total of One Hundred Twenty Thousand

(120,000) square feet of developable improved space authorized for the Commercial Lots), for a total of Four Hundred (400) votes.

At the present the total number of votes is Three Thousand Three Hundred Twelve (3,312) based on the number of Single Family Lots and Living Units on the Multiple-Family Lots authorized by the City of Bellevue, and including approximately One Hundred Twenty Thousand (120,000) square feet of developable improved space within the Commercial Lots. If additional Single Family Lots or Living Units on Multiple-Family Lots are authorized by the City of Bellevue for the Property at any time during the Development Period or if the total square feet of developable improved space within Commercial Lots is increased or decreased, the number of votes in the Association shall be readjusted at such time to reflect the increased number of Single Family Lots, Living Units on Multiple-Family Lots or the change in total square feet of developable improved space within Commercial Lots, and Declarant shall be entitled to cast all such votes, less the number of votes allocated to a Lot or Living Unit owned by an Owner other than Declarant. At the end of the Development Period, the number of votes in the Association shall be readjusted to equal the number of votes determined as provided in this Section 3.4 based on the number of Living Units actually constructed on Multiple-Family Lots in Lakemont to that date, the number of Single Family Lots authorized by the City of Bellevue for the Property and the total square feet of developable improved space allocated to the Commercial Lots. Thereafter, Declarant shall be entitled to cast votes only for Lots or Living Units then owned by Declarant. If, after the end of the Development Period, additional Single Family Lots are platted, Living Units on Multiple-Family Lots constructed or the total square feet of developable improved space within Commercial Lots adjusted from time to time, the number of votes in the Association shall similarly be readjusted from time to time.

Section 3.5 Votes Per Lot or Living Unit.

3.5.1 Single Family Lots. Every Owner of a Single Family Lot shall be entitled to cast four (4) votes in the Association for each Lot owned.

3.5.2 Multiple-Family Lots. For any unimproved Multiple-Family Lot, the Owner thereof shall be entitled to cast one (1) vote in the Association for each Living Unit authorized thereon. If fewer Living Units are actually constructed thereon than the number authorized, the Owner thereof, after the date of issuance of the certificate of occupancy (or other governmental completion approval and authority to occupy) for such Living Units, shall be entitled to cast only one (1) vote for each Living Unit actually constructed on such Multiple-Family Lot.

3.5.3 Commercial Lots. Every Owner of a Commercial Lot shall be entitled to cast votes in the Association in the following amounts:

<u>Commercial Lot No.</u>	<u>Allocated Square Feet of Developable Improved Space</u>	<u>Total Votes</u>
1	50,000	166.69
2	20,000	66.66
3	10,000	33.33
4	5,000	16.66
5	20,000	66.66
6	<u>15,000</u>	<u>50.00</u>
Total	120,000	400.00

The six (6) Commercial Lots identified above are described and depicted on Exhibit C attached hereto.

3.5.4 Votes Appurtenant to Lots or Living Units. Votes shall be appurtenant to and held and owned in the same manner as the beneficial fee interest in the Lot or Living Unit to which it relates. Votes shall not be separated from ownership of the Lot or Living Unit to which they relate; provided, however, when more than one (1) entity holds the beneficial fee interest in any Lot or Living Unit, the vote

or votes therefore shall be cast as the Owners among themselves determine, but in no event shall any Lot or Living Unit cast more votes than the number of votes allocated thereto in this Section 3.5. If the several Owners of a Lot or Living Unit are unable to agree as to the casting of their vote or votes, such vote or votes shall not be counted. When a single entity owns more than one (1) Lot or Living Unit, the vote or votes allocated to such Lot or Living Unit may be cast separately.

Section 3.6 Owner's Compliance with Governing Documents. By acceptance of a deed to a Lot or Living Unit, execution of a contract therefor, or any other means of acquisition of an ownership interest, whether or not it shall be so expressed in any such deed or other instrument, the Owner thereof covenants and agrees thereby, for itself and its heirs, successors, and assigns, to observe and comply with all terms of the Governing Documents of the Association, and all rules and regulations duly promulgated pursuant to Association Action.

Section 3.7 Rules and Regulations. The Association shall have the power to adopt, from time to time by Association Action, and to enforce rules and regulations governing the use of the Property, in addition to the use restrictions contained in this Declaration and whether or not expressly contemplated herein, so long as such rules and regulations are not inconsistent with this Declaration and the conditions of master plan, zoning, subdivision or other approvals for Lakemont by King County and the City of Bellevue. The Association may prescribe penalties for the violation of such rules and regulations, including but not limited to suspension of the right to use the Common Areas or portions thereof. Any such rules and regulations shall become effective thirty (30) days after promulgation or amendment and shall be mailed to all Owners within thirty (30) days after promulgation or amendment. A copy of the rules and regulations then in force shall be retained by the secretary of the Association and shall be available for inspection by any Owner during reasonable business hours. Such rules shall have the same force and effect as if set forth herein.

Section 3.8 Design Review.

3.8.1 Design Review Board. Declarant shall within ninety (90) days of execution of this Declaration establish and continuously maintain a design review board (the "Design Review Board") composed of at least three (3) but no more than five (5) representatives appointed by Declarant to adopt design review criteria and to review and approve or disapprove in conformance with the adopted design review criteria the details and written plans and specifications showing the nature, kind, shape, height, materials, colors, and location of proposed Living Units on Single Family Lots, buildings, fences, walls, or other structures or buildings, landscaping, exterior additions to or changes or alterations therein, or removal, planting, pruning, cutting or trimming of any vegetation within a Landscape Buffer Area or a Retained Vegetation Area. Upon the expiration of the Development Period, the Association shall have authority to select the members of the Design Review Board. Notwithstanding any other provision of the Governing Documents, the Declarant or the Association as an alternative to establishing a separate Design Review Board may designate the Board to act as and exercise all rights and powers of the Design Review Board, and in such event all references in the Governing Documents to the "Design Review Board" shall refer to the Board when the Board is acting as the Design Review Board.

3.8.2 Design Review of Multiple-Family and Commercial Lots. Declarant shall review and approve or disapprove in conformance with the design review criteria adopted by the initial Design Review Board the details and written plans and specifications showing the nature, kind, shape, height, materials, colors, and location of proposed buildings, fences, walls, landscaping or other structures initially constructed on the Multiple-Family Lots and Commercial Lots, including any proposed removal, planting, pruning, cutting, or trimming of vegetation within a Landscape Buffer Area or a Retained Vegetation Area. After a certificate of occupancy (or other governmental approval to occupy) has been issued by the appropriate governmental authority for any building or other structure on a Multiple-Family or Commercial Lot, all additions to or changes or alterations in such building or structure shall be subject to applicable governmental regulations and approvals and must comply with the design review criteria for Lakemont.

ARTICLE 4
ASSOCIATION BUDGET, ASSESSMENTS, AND LIENS

Section 4.1 Owners' Covenant to Pay Assessments. By acceptance of a deed to a Lot or Living Unit, execution of a contract therefor, or any other means of acquisition of an ownership interest, whether or not it shall be so expressed in any such deed or other instrument, the Owner thereof covenants and agrees thereby on behalf of itself and its heirs, successors, and assigns to pay the Association, in advance, all (a) general assessments, and (b) special assessments levied as provided herein. If the Association shall cease to exist, the City of Bellevue may, but shall not be required to, collect so much of the general assessments and special assessments provided for herein as relate to maintenance of the Common Areas. If the City of Bellevue elects to collect assessments as provided herein, it shall have all of the rights of the Association as specified in this Article 4 and shall have the obligation to maintain the Common Areas as provided in Section 7.4. The City of Bellevue may fulfill such maintenance obligation by contracting for such maintenance.

Section 4.2 Association Budget. The Association shall prepare an operating budget for the Association at least annually, in accordance with generally accepted accounting principles. The operating budget shall set forth all sums required by the Association, as estimated by the Association, to meet its annual costs and expenses, including but in no way limited to all management and administration costs, operating and maintenance expenses of the Common Areas, and services furnished to or in connection with the Common Areas, including the amount of all taxes and assessments levied against, and the cost of liability and other insurance on, the Common Areas, and including charges for any services furnished by or to the Association, the cost of utilities and other services, and the cost of funding all reserves established by the Association, including, when appropriate, a general operating reserve and a reserve for replacement. The funds required to meet the Association's annual expenses shall be raised from a general assessment against each Owner and Lot as provided hereafter. The Association may revise the operating budget after its preparation at any time and from time to time, as it deems necessary or advisable in order to take into account and defray additional costs and expenses of the Association.

Section 4.3 Levy of General Assessment. In order to meet the costs and expenses projected in its operating budget, the Association shall by Association Action determine and levy in advance on every Owner a general assessment, which shall be allocated among the Owners of the various Lots and Living Units as provided in this Section 4.3.

4.3.1 Commercial Lots. Each Commercial Lot shall be assessed that portion of the total general assessment which is equal to a fraction, the numerator of which is the total number of Association votes allocated to such Commercial Lot by this Declaration and the denominator of which is the total number of Association votes for all Lots for which the liability for assessments has commenced pursuant to Section 4.6.

4.3.2 Multiple-Family Lots. Each Multiple-Family Lot shall be assessed that portion of the total general assessment which is equal to a fraction, the numerator of which is the total number of Association votes allocated to such Multiple-Family Lot by this Declaration and the denominator of which is the total number of Association votes for all Lots for which the liability for assessments has commenced pursuant to Section 4.6; provided, however, that the initial annual general assessment against a Multiple-Family Lot shall not exceed the lesser of Sixty-Six Dollars (\$66.00) or sixty percent (60%) of the initial annual general assessment imposed on Single Family Lots for each Living Unit authorized on such Multiple-Family Lot.

4.3.3 Single Family Lots. Each Single Family Lot shall be assessed that portion of the total general assessment which is equal to a fraction, the numerator of which is four (4) and the denominator of which is the total number of Association votes for all Lots for which the liability for assessments has commenced pursuant to Section 4.6.

4.3.4 Payments to Declarant. Until the expiration of the Development Period, six percent (6%) of the total general assessment shall be allocated and paid to Declarant for management services

provided to the Association by Declarant or by a professional management firm. Such allocation of funds to the Declarant shall cease upon expiration of the Development Period.

4.3.5 Fixing Assessment. The Association shall make reasonable efforts to determine the amount of the general assessment payable by each Owner for an assessment period at least thirty (30) days in advance of the beginning of such period and shall at that time prepare a roster of the Owners and the general assessment allocated to each, which shall be kept in the office of the Association and shall be open to inspection by any Owner upon reasonable notice to the Association. Notice of the general assessment shall thereupon be sent to each Owner; provided, however, that notification to an Owner of the amount of an assessment shall not be a condition precedent to the validity thereof. The failure of the Association, before the expiration of any assessment period, to fix the amount of the general assessment hereunder for that or the next period, shall not be deemed a waiver or modification in any respect of the provisions of this Article or a release of any Owner from the obligation to pay the general assessment, or any installment thereof, for that or any subsequent assessment period, but the general assessment fixed for the preceding period shall continue until a new assessment is fixed. Upon any revision by the Association of the operating budget during the assessment period for which such budget was prepared, the Association if necessary shall revise the general assessment levied against the Owners and the Lots and give notice of the same in the same manner as the initial levy of a general assessment for an assessment period.

Section 4.4 Payment of General Assessment. Installments of general assessments may be collected on a monthly, quarterly, semi-annual, or annual basis as determined by the Association. Any Owner may prepay one (1) or more installments on any assessment levied by the Association without premium or penalty. The Association may provide for automatic payment of assessments through credit card payment programs or other similar arrangements with Owners.

Section 4.5 Nondiscriminatory Assessment. Except as provided in Sections 4.3 and 6.14 hereof, no assessment shall be made at any time which may unreasonably discriminate against any particular Owner or group of Owners in favor of other Owners. However, a special assessment may be made against a particular Owner by a majority vote of the Board or other Association committee to which such oversight responsibility has been delegated, in the event that, after notice from the Association of failing to maintain an Owner's Lot or Living Unit in a condition comparable to the other Lots or Living Units in the Property has been given to the Owner thereof, the Association elects to expend funds to bring such Owner's Lot or Living Unit up to such comparable condition.

Section 4.6 Commencement of Assessments.

4.6.1 Single Family Lots. Liability of an Owner of a Single Family Lot for assessments shall commence upon conveyance of such Single Family Lot by Declarant to a third party, or in the case of Single Family Lots located within that portion of the Property described as Parcel C on Exhibit A, upon approval of the initial assessment by Association Action. The Association may in its rules and regulations provide for an administratively convenient date for commencement of assessments that is not more than ninety (90) days after the effective date established above.

4.6.2 Commercial Lots; Multiple-Family Lots. Liability of an Owner of a Commercial Lot for assessments shall commence upon conveyance of such Commercial Lot by Declarant to a third party. Liability of an Owner of a Multiple-Family Lot for assessments shall commence upon approval of the initial assessment by Association Action. The Association may in its rules and regulations provide for an administratively convenient date for commencement of assessments that is not more than ninety (90) days after the effective date established above.

Section 4.7 Special Assessments. In addition to the general assessments authorized by this Article, the Association by Association Action may levy a special assessment or assessments at any time against Lots and Living Units then subject to assessments, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, inordinate repair, or replacement of a described capital improvement located upon or forming a part of the Common Areas, including necessary fixtures and personal property related thereto, or for such other purposes as the Association may consider

appropriate; provided, however, that any such special assessment must have the prior favorable vote of Owners representing two-thirds (2/3) of the total votes of the Association. The amount of each Owner's special assessment for any year shall be the total special assessment for such year, as apportioned in accordance with the provisions of Section 4.3. The due dates of any special assessment payments shall be fixed by the Association Action authorizing such special assessment.

Section 4.8 Effect of Nonpayment of Assessment. If any assessment payment is not made in full within thirty (30) days after it was first due and payable, the unpaid amounts shall constitute a lien against the Lot or Living Unit assessed and shall bear interest from such due date at a rate not to exceed the highest rate then permitted by law. By acceptance of a deed to a Lot or Living Unit, execution of a contract therefor, or any other means of acquisition of an ownership interest, and whether or not it shall be so expressed in any such deed or other instrument, each Owner shall be deemed to grant thereby to the Association, its agents and employees, and to Declarant during the Development Period, the right and power to bring all actions against such Owner personally for the collection of such assessments as a debt, and to enforce the liens created by this Declaration in favor 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 Declaration 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 or Living Unit foreclosed against.

Section 4.9 Lien to Secure Payment of Assessments. Declarant hereby creates in the Association perpetually the power to create a lien in favor of the Association against each Lot and Living Unit, to secure to the Association the payment to it of all assessments, interest, costs, and attorneys' fees; and Declarant hereby subjects all Lots and Living Units perpetually to such power of the Association. Such lien shall arise in accordance with the terms of this Declaration without the necessity of any further action by the Association, and any such lien when created, shall be a security interest in the nature of a mortgage in favor of the Association. Such lien shall become a continuing lien in the amount stated in the assessment from the time of the assessment, but expiring pro rata as the assessment payments are made, and shall also be the personal obligation of the person or entity who is the Owner of the Lot or Living Unit at the time of the assessment. The personal obligation to pay a prior assessment shall not pass to successors in interest unless expressly assumed by them; provided, however, that in the case of a sale or contract for the sale of any Lot or Living Unit which is charged with the payment of an assessment, the person or entity who is the Owner immediately prior to the date of such sale shall be personally liable for the amounts of the monthly installments due prior to said date, and the new Owner shall be personally liable for monthly installments becoming due on or after such date. The foregoing limitation on the duration of the personal obligation of an Owner to pay assessments shall not, however, affect the validity or duration of the continuing lien for unpaid assessments against the respective Lot or Living Units.

Section 4.10 Suspension for Nonpayment of Assessment. If an Owner shall be in arrears in the payment of any assessment due, or shall otherwise be in default of the performance of any terms of the Governing Documents of the Association for a period of thirty (30) days, such Owner's voting rights shall, without the necessity of any further action by the Association, be suspended (except as against foreclosing secured parties) and shall remain suspended until all payments, including interest thereon, are brought current and any other default is remedied. No Owner shall be relieved of liability for assessments by nonuse of the Common Areas or by abandonment of a Lot or Living Unit.

Section 4.11 Reserves for Replacement. As a common expense, the Association shall establish and maintain a reserve fund for replacement of the Common Areas and any improvements and community facilities thereon by the allocation and payment monthly to such reserve fund of an amount to be designated from time to time by the Association. Such fund shall either be deposited with a banking institution, the accounts of which are insured by any state or by any agency of the United States of America or, in the discretion of the Association, be invested in obligations of, or fully guaranteed as to principal by, the United States of America. The reserve fund shall be expended only for the purpose of replacing the Common Areas and any improvements and community facilities thereon, major repairs to any sidewalks, parking areas, or pathways and for equipment replacement and start-up expenses and operating contingencies of a nonrecurring nature. The Association may establish such other reserves for such other purposes as it may

from time to time consider to be necessary or appropriate. The proportional interest of any Owner in any such reserve shall be considered an appurtenance of such Owner's Lot or Living Unit and shall not be separately withdrawn, assigned, or transferred, or otherwise separated from the Lot or Living Unit to which it appertains and shall be deemed to be transferred with such Lot or Living Unit. Notwithstanding anything to the contrary contained in this Section 4.11, no open space areas required by master plan, zoning or plat approvals for Lakemont shall be replaced except by amendment of the relevant governmental approval.

Section 4.12 Certain Areas Exempt. The Common Areas and all portions of the Property dedicated to and accepted by a government or public authority shall be exempt from assessments by the Association.

Section 4.13 Certificates of Assessment Payment. Upon request, the Board shall furnish written certificates certifying the extent to which assessment payments on a specified Lot or Living Unit are paid and current to the date stated therein. Issuance of such certificates shall be conclusive evidence of payment of any assessments therein declared to have been paid. A reasonable charge may be made by the Association for the issuance of such certificate.

ARTICLE 5 SUBORDINATION OF LIENS

Section 5.1 Mortgagee's Benefit. The provisions of this Article 5 apply for the benefit of each Mortgagee who lends money for purposes of construction or to secure the payment of the purchase price of a Lot or Living Unit.

Section 5.2 Mortgagee's Nonliability. A Mortgagee shall not, by reason of the security interest only, be liable for the payment of any assessment or charge, nor for the observance or performance of any covenant or restriction, excepting only those enforceable by equitable relief and not requiring the payment of money, and except as hereafter provided.

Section 5.3 Mortgagee's Rights During Foreclosure. During the pendency of any proceeding to foreclose a Mortgage, including any period of redemption, the Mortgagee, or the receiver, if any, may exercise any or all of the rights and privileges of the Owner of the encumbered Lot or Living Unit, including but not limited to the right to vote in the Association to the exclusion of the Owner's exercise of such rights and privileges.

Section 5.4 Mortgagee as Owner. At such time as a Mortgagee shall become the record Owner of the Lot or Living Unit encumbered by the Mortgage, the Mortgagee shall be subject to all of the terms and conditions of this Declaration, including the obligation to pay for all assessments and charges in the same manner as any Owner.

Section 5.5 Mortgagee's Title Free and Clear of Liens. A Mortgagee or other secured party acquiring title to a Lot or Living Unit through foreclosure, suit, trustee sale, deed in lieu of foreclosure, or equivalent method, shall acquire title to the encumbered Lot or Living Unit free and clear of any lien authorized by or arising out of the provisions of this Declaration, insofar as such lien secures the payment of any assessment or charge installment due but unpaid before the final conclusion of any such proceeding, including the expiration date of any period of redemption. The Association may treat any unpaid assessments against a Lot or Living Unit foreclosed against as a common expense, in which case it shall prorate such unpaid assessments among the remaining Lots and Living Units, and each such remaining Lot and Living Unit shall be liable for its prorated share of such expense in the same manner as for any other assessment.

Section 5.6 Survival of Assessment Obligation. After the foreclosure of a Mortgage encumbering a Lot or Living Unit, any unpaid assessments shall continue to exist and remain as a personal obligation of the Owner against whom the same was levied, and the Association shall use reasonable efforts to collect the same from such Owner.

Section 5.7 Subordination of Assessment Liens. The liens for assessments provided for in this Declaration shall be subordinate to the lien of any Mortgage or other security interest placed upon a Lot or Living Unit as a construction loan security interest or as a purchase price security interest, and the Association will, upon demand, execute a written subordination document to confirm the particular superior security interest. The sale or transfer of any Lot or Living Unit or any interest therein shall not affect the liens provided for in this Declaration except as otherwise specifically provided for herein, and in the case of a transfer of a Lot or Living Unit for purposes of realizing upon a security interest, liens shall arise against the Lot or Living Unit for any assessment payments coming due after the date of completion of foreclosure (including the expiration date of any period of redemption).

ARTICLE 6 USE COVENANTS, CONDITIONS, AND RESTRICTIONS

Section 6.1 Authorized Use. The Property shall be used solely for the uses authorized in this Declaration and as provided in any final plat, short plat, site plan approval or other recorded plan or document affecting all or a portion of the Property, or as provided under the zoning plan or other governmental regulations affecting the Property. Such uses may include, but are not limited to, residential, retail, and commercial uses, active and passive recreational uses and facilities, utility stations, public uses and facilities such as schools and fire stations, and other uses and facilities normally incidental to a planned community. During the Development Period, no Lot or Living Unit shall be further subdivided without Declarant's prior written approval. Thereafter, no Lot or Living Unit shall be further subdivided without prior approval conferred by Association Action.

Section 6.2 Approval of Building Plans; Building Setback Lines.

6.2.1 Building Plans. No Living Unit, building, fence, wall, or other structure or improvement shall be commenced, erected, or maintained upon a Lot or any other portion of the Property, nor shall any exterior, addition to or change or alteration therein or landscaping be made, until after the details and written plans and specifications showing the nature, kind, shape, height, materials, colors, and location of the same shall have been submitted to and approved in writing by the Design Review Board for Single Family Lots and by the Declarant for Commercial Lots and Multiple-Family Lots as provided in Section 3.8, to ensure the harmony of external design and location in relation to surrounding structures, vegetation, and topography.

6.2.2 Building Setbacks. All improvements to be constructed on a Lot shall be built in conformance with applicable building setback requirements as set forth in the building or zoning codes, on a recorded plat, short plat, binding site plat, or in the design review criteria adopted by the Design Review Board.

Section 6.3 Leasing Restrictions. No Lot or Living Unit may be leased or rented by any party for a period of fewer than thirty (30) days, nor shall less than the whole of any Lot or Living Unit be leased or rented. Each lease or rental agreement shall be in writing and shall by its terms provide that it is subject in all respects to the provisions of the Governing Documents. Any failure by a lessee to comply with the terms of the Governing Documents shall be a default under the lease, whether or not it is so expressed therein. Other than the foregoing, there is no restriction on the right of any Owner to lease such Owner's Lot or Living Unit.

Section 6.4 Limitations on Keeping of Animals. No animals, livestock, or poultry of any kind shall be raised, bred, or kept within the Property; provided, that dogs, cats, or other conventional household pets may be kept within the Property if they are not kept, bred, or maintained for any commercial purposes. No Lot shall have more than three (3) permitted animals. Leashed animals are permitted within paths and rights-of-way, but the person accompanying the animal shall remove animal wastes from lawns and rights-of-way. Dogs shall not be allowed to run at large. All animal pens and enclosures must be approved by the Design Review Board prior to construction and shall be kept clean and odor free at all times. No animal may be kept if it is a source of annoyance or a nuisance as determined by applicable governmental agencies. When not confined to the Owner's Lot or Living Unit, animals within the Property must be

accompanied by a responsible person and shall be registered, licensed, and inoculated from time to time as required by law.

Section 6.5 Commercial Uses. No commercial enterprise, including itinerant vendors, shall be permitted on any Lot other than a Commercial Lot or in any Living Unit other than home occupations allowed or permitted by law.

Section 6.6 Prohibited Vehicles and Equipment. The Association may prohibit the storage within the Property of all or any of the following: mobile homes, house trailers, utility trailers, campers, camp trucks, motor homes, boats, boat trailers, junk vehicles, or any other similar machinery or equipment of any kind or character. The Association in its discretion may allow for storage of boats, trailers and motor homes on a Lot in an enclosed storage facility or structure that has been approved by the Design Review Board so long as such approval complies with all relevant City of Bellevue codes. The Association in its discretion may provide and maintain one (1) or more suitable areas designated for the parking and storage of such vehicles or the like at one or more specified locations in the Property. If such an area is so provided, any of such vehicles not prohibited by the Association shall be stored exclusively in such parking and storage areas. However, an Owner may keep on or in a Lot or Living Unit such equipment and machinery as may be reasonable, customary, and usual in connection with the use and maintenance of any Lot or Living Unit, if such equipment and machinery when not in use is screened from view from adjacent streets, Lots, and Living Units, in a manner approved by the Design Review Board or the Declarant, as applicable. The Association may keep such equipment and machinery as it may require in connection with the maintenance and operation of the Common Areas. Except for bona fide emergencies, the repair or extraordinary maintenance of automobiles or other vehicles shall not be carried out in the Property. Any automobile or other vehicle deemed to be in an inoperable condition and located on any street in excess of fourteen (14) days may be removed by action of the Board after seven (7) days' notice to remove the automobile or vehicle.

Section 6.7 Refuse and Recycling. No garbage, refuse, rubbish or recyclable materials shall be deposited or left on the Property unless placed in a suitable covered container; provided, however, that construction debris may be left on a Lot during the period of initial construction of improvements thereon so long as and to the extent that it does not create or present a health hazard or safety risk. Trash, garbage and recycling containers shall not be permitted to remain in public view except on days of trash or recycling collection. No incinerator shall be kept or maintained, and no burning of any trash, refuse, or scrap of any kind shall be permitted on the Property.

Section 6.8 Underground Utilities. Except for easements existing as of the date of this Declaration, and hoses and the like which are reasonably necessary in connection with normal lawn maintenance, no water pipe, sewer pipe, gas pipe, drainage pipe, telephone, power, or television cable, or similar transmission line on the Property shall be installed or maintained above the surface of the ground.

Section 6.9 Mining Prohibited. No portion of the Property shall be used for the purpose of boring, mining, quarrying, or exploring for or removing oil or other hydrocarbons, minerals, gravel, or earth.

Section 6.10 Signs. Except for entrance, street, directional, traffic control, and safety signs, and such promotional signs as may be maintained by Declarant and Participating Builders, or agents or contractors thereof, or the Association, no signs or advertising devices of any character shall be erected, posted, or displayed upon, in, or about the Property; provided, however, that one temporary real estate sign not exceeding six square feet in area may be erected upon any Lot or attached to any Living Unit placed upon the market for sale or lease. Any such temporary real estate sign shall be removed promptly following the sale or rental of such Lot or Living Unit.

Section 6.11 No Obstruction of Easements. No structure, planting, or other material shall be placed or permitted to remain upon any portion of the Property which may damage or interfere with any easement or the installation or maintenance of utilities, or which may unreasonably change, obstruct, or retard direction or flow of any drainage or stream channels or corridors.

Section 6.12 Antennae. No external television or radio (including shortwave or citizens' band) antennae, free-standing antenna towers, or satellite reception dishes of any kind shall be permitted on any portion of the Property.

Section 6.13 Public Water, Sewer Systems. To the extent public water, storm water and sanitary sewer systems are available, each Owner shall be required promptly to connect such Owner's Lot or Living Unit to the public water, storm water and sanitary sewer facilities, at Owner's cost and expense, and at all times to maintain such facilities in good working order and repair.

Section 6.14 Owners' Maintenance Responsibilities. The maintenance, upkeep, and repair of individual Lots and Living Units shall be the sole responsibility of the individual Owners thereof, and in no way shall it be the responsibility of the Association, its agents, subagents, officers or directors. Except during the initial construction of improvements upon a Lot, Owners shall maintain their Lots and Living Units (and the planter strip adjoining their Lots between the sidewalk and the street) and any and all appurtenances thereto, in good order, condition, and repair, and in a clean, sightly, and sanitary condition at all times. Owners shall not place or maintain any storage materials on any balconies or decks which are visible from streets, roads or other Lots. Without limiting the foregoing, each Owner shall be obligated to maintain the landscaping on such Owner's Lot or Living Unit in a healthy and attractive state and in a manner comparable to that on other similarly situated Lots and Living Units. After notice to an Owner from the Association of such Owner's failure to so maintain such landscaping, and after approval by a majority vote of the Board or other Association committee to which such oversight responsibility shall have been delegated, the Association shall have the right, through its agents and employees, to enter upon any Lot or Living Unit which has been found to violate the foregoing standards in order to repair, maintain, and/or restore the landscaping to such standards. The cost of such work shall be a special assessment on such Owner and such Owner's Lot or Living Unit only, and the provisions of this Declaration regarding collection of assessments shall apply thereto.

Section 6.15 Weapons. No firearms of any kind or nature, including rifles, handguns, bows, slingshots, BB guns, slings, traps, or any other like weapon, shall be used or discharged within the Property except by authorized governmental officials. No hunting shall be permitted within the Property.

Section 6.16 Sales and Construction Facilities. Notwithstanding any other provisions of this Declaration to the contrary, it is expressly permissible during the Development Period for Declarant and any other Owner, or agents or contractors thereof, to maintain on any portion of the Property owned by Declarant or such other Owner such facilities (including temporary mobile office structures) as in the sole opinion of Declarant may be reasonably required, convenient, or incidental to the construction and sale of Lots or Living Units, including without limitation business or field offices, storage areas, construction yards, signs, model Living Units, or sales offices.

Section 6.17 Nuisance Prohibited. No noxious or offensive trade or activity shall be conducted in any portion of the Property, nor shall anything be done or maintained therein in derogation or violation of the laws of the State of Washington, the County of King, the City of Bellevue, or any other applicable governmental entity. Except as may otherwise be permitted by this Declaration with respect to activities relating to the initial construction of improvements on Lots, nothing shall be done or maintained on any portion of the Property which may be or become an annoyance or nuisance to the neighborhood or other Owners or detract from the value of the Property. The Board shall determine by Association Action whether any given use of a Lot or Living Unit unreasonably interferes with the rights of the other Owners to the use and enjoyment of their respective Lots and Living Units, or of the Common Areas, and such determination shall be final and conclusive.

Section 6.18 Motorcycles and ATVS. Motorcycles, motorbikes, motorized trail bikes, all terrain vehicles or other similar vehicles are prohibited on any portion of the Property whether licensed or unlicensed, except on public roads and streets established for vehicular purposes.

Section 6.19 Relief from Certain Provisions. In cases where an Owner has made a factual showing that strict application of the provisions of Sections 6.4, 6.6, 6.10, and 6.15 only of this Article (regulating animals, trailers and campers, signs, and weapons, respectively) would work a severe hardship upon such Owner, the Board may grant the Owner relief from any of such provisions, in addition to any exceptions or provisions already contained in those sections; provided, however, that such relief shall be limited by its scope or by conditions to only that necessary to relieve the hardship; and provided further, that no such relief shall be granted if the condition thereby created would in the reasonable judgment of the Board violate the provisions of Section 6.17. The decision of the Board in granting or denying such relief shall be final and conclusive.

Section 6.20 Solid Fuel Burning. Until the year 2023, no solid fuel burning device other than a fireplace, as defined below, shall be installed or used in any Living Unit on the Property. This prohibition shall not apply to any solid fuel burning device officially recognized in any regulation, rule or official publication of the United States Environmental Protection Agency, the Washington State Department of Ecology or their successors as developed and refined to the point where its emissions closely approximate the current level of emissions from gaseous and liquid heating systems.

This prohibition may be enforced by any aggrieved person and by any governmental agency by instituting a suit in the appropriate court. If the person instituting such suit is the prevailing party, such person shall be entitled to recover from the nonprevailing party its actual costs and actual attorneys' fees. If the person against whom the suit is commenced prevails, the court may in its discretion award such person its costs and attorneys' fees if the court finds lack of probable cause to complain on the part of the person instituting the suit. In so determining lack of probable cause, the court shall give substantial weight to whether a voluntary inspection was requested by the person instituting the suit and granted by the person against whom the suit was commenced. Damages shall be \$250 plus \$50 per day for each day of burning in violation of this covenant after suit has been filed.

As used herein, "fireplace" means a permanently installed masonry fireplace or a factory-built solid fuel burning device designed to be used with the air-to-fuel ratio greater than or equal to thirty (30) and without features to control the inlet air-to-fuel ratio other than doors or windows such as may be incorporated into the fireplace design for reasons of safety or building code requirements. However, this is not to be construed as limiting outdoor barbecue or campfire facilities. Prohibited solid fuel burning devices include, but are not limited to, any devices that burn wood, coal, pellets, chips or any other nongaseous or nonliquid fuel and include, but are not limited to, wood stoves, coal stoves, cook stoves, solid fuel space heaters, solid fuel furnaces, Russian fireplaces (Russian stoves), pellet stoves, or any other similar device other than a fireplace.

ARTICLE 7 COMMON AREAS

Section 7.1 Title to Common Areas. Declarant shall from time to time during the Development Period convey to the Association the Common Areas designated on a final plat or other recorded map or plan to be managed by the Association in accordance with the conditions noted on the final plat for Lakemont, this Declaration, conditions contained in the zoning and master plan development approvals for Lakemont and the Management Plans for Open Space for Lakemont approved by the City of Bellevue; provided, however, that if the Association ceases to exist for any reason, the Common Areas shall be owned in common and undivided interest by the Owners. Ownership of the Common Areas except project and neighborhood entryway areas may be transferred from the Association, or the Owners, to the City of Bellevue or other public agency designated by the City of Bellevue at any future date at the sole election of the Bellevue City Council, which election shall be by resolution of the City Council. Transfer of ownership shall occur immediately upon passage of such resolution. Upon its creation as a Common Area, and whether or not it shall have been conveyed as yet to the Association, every Common Area shall be subject to an easement of common use and enjoyment in favor of the Association and every Owner, their heirs, successors, and assigns, in accordance with the terms and conditions of the Governing Documents. Such easement shall be appurtenant to and shall not be separated from ownership of any Lot or Living Unit and shall not be

assigned or conveyed in any way except upon the transfer of title to such Lot or Living Unit, and then only to the transferee of such title and shall be deemed so transferred and conveyed whether or not it shall be so expressed in the deed or other instrument conveying title. Certain rights of use, ingress, egress, occupation, and management authority in the Common Areas set forth elsewhere in this Declaration shall be reserved to Declarant for the duration of the Development Period.

Section 7.2 Owners' Common Rights. Owners in each Phase shall have equal rights with the Owners in all other Phases to use the Common Areas in all Phases, unless certain Common Areas are specifically designated as limited Common Areas on the face of a plat or other recorded instrument creating a Phase or in an amendment to this Declaration or in a Supplementary Declaration. All easements for ingress, egress, utilities, and use of facilities, unless otherwise specifically limited, shall exist in favor of all Owners in each and all Phases.

Section 7.3 Ownership of Properties. The Association shall be authorized to maintain all Common Areas and all equipment, furnishings and improvements devoted to the following uses and shall be authorized to own all such Common Areas to the extent that they do not lie within rights-of-way dedicated to the City of Bellevue or other public agency:

- (a) For roadway medians and parkways along public roads or streets, cul-de-sac islands and neighborhood or other area entrances throughout the Common Areas;
- (b) For sidewalks, walking paths or trails, bicycle paths and bridle paths through the Common Areas not otherwise dedicated to the City of Bellevue;
- (c) For bus stops and associated public transportation parking areas located within the Property;
- (d) For security services including security stations and buildings used in maintenance functions;
- (e) For providing any of the services which the Association is authorized to offer under Section 7.5; and
- (f) For indoor and outdoor recreational and community facilities located within the Common Areas.

Section 7.4 Maintenance of Common Areas. The Association shall maintain, repair, replace, improve, and otherwise manage all of the Common Areas so as to keep them in good repair and condition and shall conduct such additional maintenance, repair, replacement, construction, or reconstruction as may be determined pursuant to Association Action to promote the recreation, health, safety, and welfare of the Owners. Any action necessary or appropriate to the maintenance and upkeep of the Common Areas, the landscaping, irrigation, all buildings, gas, telephone, or electrical or television facilities applicable to the Common Areas, shall be taken by the Association only; provided, however, that if the Association shall cease to exist, the City of Bellevue may, but shall not be required to, undertake such maintenance. The Association's management of open spaces is subject to master plan, zoning, plat approvals and management guidelines for Lakemont approved by King County and the City of Bellevue.

Section 7.5 Association Services. The Association shall be authorized, but is not required (except as provided by terms of the master plan, plat or other governmental approvals for Lakemont) to provide the following services:

- (a) Cleanup and maintenance of all roadway medians, parkways along public roads or streets, cul-de-sac islands, neighborhood and other area entrances, whether such entrances are owned by the Association or in easements from adjoining Lot Owners, parks, sidewalks, walking trails and bike trails within the Common Areas and not otherwise dedicated to the City of Bellevue.

(b) Landscaping and beautification of roadway medians, parkways along public roads or streets, cul-de-sac islands, neighborhood and other area entrances, stream corridors, parks, sidewalks, walking paths and bike trails located within the Common Areas and not otherwise dedicated to the City of Bellevue.

(c) Maintaining, repairing and replacing any public transportation parking areas and/or bus stops located on the Property.

(d) Lighting of roads, sidewalks, walking paths, bike trails, parking lots, and any recreational and community facilities located within the Common Areas.

(e) Security, including, but not limited to the employment of security guards, maintenance of electronic and other security devices and control centers for the protection of persons and property within the Property, and assistance in the apprehension and prosecution of persons who violate the laws of the United States, State of Washington, King County or the City of Bellevue, within the Property.

(f) Maintaining of all stream corridors not otherwise dedicated to the City of Bellevue.

(g) Conducting instructional, recreational, sports, crafts, social, and cultural programs of interest to Owners, their families, tenants and guests.

(h) Constructing improvements in the Common Areas for use for any of the purposes authorized in this Section 7.5, or as may be reasonably required to provide any of the services authorized in this Section 7.5, except as limited by the terms of the master plan, plat or other governmental approvals for Lakemont.

(i) Providing administrative services, including, but not limited to legal, accounting, and financial and communication services, including, but not limited to, community newsletters to inform Owners of activities, notices of meetings, referenda, and other issues and events of interest in the Lakemont community.

(j) Providing appropriate liability and casualty insurance covering improvements and activities in the Common Areas.

(k) Providing any necessary utility services not otherwise provided by a public body, private utility or Declarant.

(l) Maintaining, repairing, replacing cluster mailboxes, support structures, signage, monuments, and other standard features for use throughout the Property.

(m) Maintaining and operating one or more community center facilities for use by Owners, their tenants and guests for meetings, community activities and other similar purposes.

(n) Providing any and all other services which the Association shall deem appropriate and consistent with this Declaration and the Governing Documents.

(o) Maintain planter strips between the curb and sidewalk that are contiguous with the rear yards of adjoining Lots.

Section 7.6 Native Growth Protection Areas. Structures, fill and obstructions (including, but not limited to drainage facilities, decks, patios, outbuildings or overhangs beyond 18 inches) are prohibited within the Native Growth Protection Easements ("NGPE") required by plat approval. A City-required NGPE shall be referred to herein as a "Native Growth Protection Area."

Dedication of an NGPE conveys to the public a beneficial interest in the land within the easement. This interest includes the preservation of native vegetation for all purposes that benefit the public health, safety and welfare, including control of surface water and erosion, maintenance of slope stability, visual and

aural buffering and protection of plant and animal habitat. The NGPE imposes upon all present and future owners and occupiers of the land, subject to the easement, the obligation, enforceable on behalf of the public by King County and the City of Bellevue, to leave undisturbed all trees and other vegetation within the easement. Vegetation within the easement may not be cut, pruned, covered by fill, removed or damaged without express permission from King County or the City of Bellevue, which permission must be obtained in writing from the King County Building and Land Development Division or its successor agency.

Before and during the course of any grading, building construction, or other development activity on a Lot subject to a Native Growth Protection Area, the common boundary between the easement and other area of development activity must be fenced or otherwise marked to the satisfaction of the City of Bellevue.

Section 7.7 Landscape Buffer Areas. Landscape Buffer Areas are or may be designated by Declarant in the manner described in Section 1.12 and are for the purpose of visual buffering and separation of differing land uses. Landscape Buffer Areas shall be owned and maintained by the Association. Within the boundaries of any Landscape Buffer Area, no tree, significant ground cover or other vegetation shall be cut, pruned, removed, destroyed or planted and no landscaping shall be undertaken except at the direction and under the authority of the Association in conformance with the design review criteria adopted by the Design Review Board, plat requirements or other approvals by the City of Bellevue.

Section 7.8 Retained Vegetation Areas. Retained Vegetation Areas are or may be designated by Declarant on the face of a plat or other recorded instrument for purposes of preserving established vegetation and aesthetics. Within the boundaries of any Retained Vegetation Areas, no tree, significant ground cover or other vegetation shall be cut, pruned, removed, destroyed or planted without the prior written approval of the Design Review Board and the City of Bellevue.

ARTICLE 8 INSURANCE; CASUALTY LOSSES; CONDEMNATION

Section 8.1 Insurance Coverage. The Association shall obtain and maintain at all times as a common expense a policy or policies and bonds issued by insurance and bonding companies licensed to do business in the State of Washington, to provide:

8.1.1 Insurance against loss or damage by fire and other casualties covered by the standard extended coverage endorsement in an amount as near as practicable to the full insurable replacement value (without deduction for depreciation) of the Common Areas, with the Association named as insured as trustee for the benefit of all Owners and Mortgagees as their interests appear, or such other fire and casualty insurance as the Association shall determine will give substantially equal or greater protection insuring the Owners and their Mortgagees, as their interests may appear.

8.1.2 General comprehensive liability insurance insuring the Association, the Owners, Declarant, and any managing agent employed by the Association, against any liability to the public or to the Owners and their guests, invitees, licensees, or tenants, incident to the ownership or use of the Common Areas.

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

8.1.4 Fidelity coverage naming the Association as an obligee to protect against dishonest acts by the Board, Association officers, committees, managers, and employees of any of them, and all others who are responsible for handling Association funds, in an amount equal to three (3) months' general assessments on all Lots and Living Units, including reserves.

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

8.1.6 Such other insurance as the Association deems advisable; provided, however, that notwithstanding any other provisions herein, the Association shall continuously maintain in effect casualty,

flood, and liability insurance and a fidelity bond meeting the insurance and fidelity bond requirements for similar projects established by FNMA, Government National Mortgage Association, FHLMC, Federal Housing Authority, and the Veterans Administration, so long as any of them is a Mortgagee or Owner, except to the extent such coverage is not available or has been waived in writing by FNMA, Government National Mortgage Association, FHLMC, Federal Housing Authority, or the Veterans Administration.

Section 8.2 Casualty Losses. In the event of substantial damage to or destruction of any of the Common Areas, the Association shall give prompt written notice of such damage or destruction to the Owners and to the Mortgagees under all First Mortgages. Insurance proceeds for damage or destruction to any part of the Common Areas shall be paid to the Association as a trustee for the Owners, or to the Association's authorized representatives, including an insurance trustee, which shall aggregate such proceeds from other funds of the Association.

Section 8.3 Condemnation. In the event any part of the Common Areas is made the subject matter of any condemnation or eminent domain proceeding, or is otherwise sought to be acquired by any condemning authority, the Association shall give prompt notice of any such proceeding or proposed acquisition to the Owners and to the Mortgagees under all First Mortgages who have requested from the Association notification of any such proceeding or proposed acquisition. All compensation, damages, or other proceeds therefrom, shall be payable to the Association.

ARTICLE 9 ENFORCEMENT

Section 9.1 Right to Enforce. The Association, Declarant, or any Owner, shall have the right to enforce, by any appropriate proceeding at law or in equity, all covenants, conditions, restrictions, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration or pursuant to Section 2.3. Failure or forbearance by any person or entity so entitled to enforce the provisions of this Declaration to pursue enforcement shall in no event be deemed a waiver of the right to do so thereafter. The Association may establish a reserve fund to ensure that sufficient resources are available to properly enforce the provisions of this Declaration.

Section 9.2 Remedies Cumulative. Remedies provided by this Declaration are in addition to, cumulative with, and are not in lieu of, other remedies provided by law. There shall be, and there is hereby created and declared to be, a conclusive presumption that any violation or breach or attempted violation or breach of the covenants, conditions, and restrictions herein cannot be adequately remedied by an action at law or exclusively by recovery of damages.

Section 9.3 Covenants Running with the Land. The covenants, conditions, restrictions, reservations, liens, easements, enjoyment rights, and other provisions contained in this Declaration are intended to and shall run with the land and shall be binding upon all persons purchasing, leasing, subleasing or otherwise occupying any portion of the Property, their heirs, executors, administrators, successors, grantees and assigns. All instruments granting or conveying any interest in any Lot or Living Unit and all leases or subleases shall refer to this Declaration and shall recite that any such grant, conveyance, lease or sublease is subject to the terms of this Declaration as if fully set forth therein; provided, however, that all terms and provisions of this Declaration are and shall be binding upon all successors in interest despite an absence of reference thereto in the instrument of grant, conveyance, lease, or sublease.

**ARTICLE 10
AMENDMENT OF DECLARATION**

Section 10.1 Amendment by Declarant or Association. During the Development Period, Declarant may unilaterally and on its sole signature amend this Declaration for the purpose of making corrections or nonsubstantial modifications. This Declaration may also be amended by an instrument executed by the Association for and on behalf of the Owners; provided, however, that such amendments shall have received the prior approval of a vote of the Owners (except Declarant) having sixty-seven percent (67%) or more of the total outstanding votes in the Association; provided, further, that no such amendment shall be valid during the Development Period without the prior written consent of the Declarant. Notwithstanding any of the foregoing, the prior written approval of fifty-one percent (51%) of all Mortgagees who have requested from the Association notification of amendments shall be required for any material amendment to the Declaration or the Association's By-Laws with respect to any of the following: voting rights; assessments, assessment liens, and subordination of such liens; reserves for maintenance, repair, and replacement of Common Areas; insurance or fidelity bonds; responsibility for maintenance and repair; convertibility of Lots into Common Areas; leasing of Lots or Living Units other than as set forth herein; imposition of any restrictions on the right of an Owner to sell or transfer such Owner's Lot or Living Unit; a decision by the Association to establish self-management when professional management had been required previously by an eligible Mortgagee; any action to terminate the legal status of the Lakemont development after substantial destruction or condemnation occurs; or any provisions which are for the express benefit of Mortgagees or eligible insurers or guarantors of First Mortgages. No amendment to this Declaration shall replace or remove any open space area required by master plan, zoning or plat approvals for Lakemont unless the relevant governmental approval is also amended by the applicable governmental authority.

Section 10.2 Effective Date. Amendments shall take effect only upon recording with the King County Department of Records and Elections or any successor recording office.

**ARTICLE 11
GENERAL PROVISIONS**

Section 11.1 Taxes. Each Owner shall pay without abatement, deduction, or offset all real and personal property taxes, general and special assessments, including local improvement and special benefit assessments, and other charges of every description levied on or assessed against such Owner's Lot or Living Unit, or personal property located on or in the Lot or Living Unit. The Association shall likewise pay without abatement, deduction, or offset, all of the foregoing taxes, assessments, and charges levied or assessed against the Common Areas.

Section 11.2 Transfer of Certain Utilities, Utility Repair Easement. Declarant, and the Association after conveyance thereto, may transfer and convey any sewer, water, storm drainage, or other general utility to a public body for ownership and maintenance, together with any necessary easements relating thereto, and each Lot and Living Unit shall become burdened thereby.

Section 11.3 Nonwaiver. No waiver of any breach of this Declaration shall constitute a waiver of any other breach, whether of the same or any other covenant, condition, or restriction.

Section 11.4 Attorneys' Fees. In the event of a suit or action to enforce any provision of this Declaration or to collect any money due hereunder or to foreclose a lien, the unsuccessful party in such suit or action shall pay to the prevailing party all costs and expenses, including title reports, and all attorneys' fees that the prevailing party has incurred in connection with the suit or action, in such amounts as the court may deem to be reasonable therein, and also including all costs, expenses, and attorneys' fees incurred in connection with any appeal from the decision of a trial court or any intermediate appellate court.

Section 11.5 No Abandonment of Obligation. No Owner, through its nonuse of any Common Area, or by abandonment of its Lot or Living Unit, may avoid or diminish the burdens or obligations imposed by this Declaration.

Section 11.6 Interpretation. The captions of the various articles, sections and paragraphs of this Declaration are for convenience of use and reference only and do not define, limit, augment, or describe the scope, content or intent of this Declaration or any parts of this Declaration. The neuter gender includes the feminine and masculine, the masculine includes the feminine and neuter, and the feminine includes the masculine and neuter, and each includes a legal entity when the context so requires. The single number includes the plural whenever the context so requires.

Section 11.7 Severability. Should any one of the covenants, conditions, restrictions, reservations, easements, or provisions of this Declaration be declared void, invalid, illegal or unenforceable for any reason by judgment or court order, such judgment or order shall in no way affect the other provisions hereof which are hereby declared to be severable and which shall remain in full force and effect.

Section 11.8 Notices. All notices, demands, or other communications ("Notices") permitted or required to be given by this Declaration shall be in writing and, if mailed postage prepaid by U.S. certified or registered mail, return receipt requested (if a Notice to Declarant, the Association, or to fewer than all Owners), or if mailed U.S. first-class postage prepaid (if a Notice to all Owners), shall be deemed given three (3) days after the date of deposit in the mails, or on the date of actual receipt, if sooner; otherwise, Notices shall be deemed given on the date of actual receipt. Notices shall be addressed to the last known address of the addressee. Notice to any Owner may be given at any Lot or Living Unit owned by such Owner; provided, however, an Owner may from time to time by Notice to the Association designate such other place or places or individuals for the receipt of future Notices. If there is more than one (1) Owner of a Lot or Living Unit, Notice to any one (1) such Owner shall be sufficient and shall constitute Notice to all Owners of such Lot or Living Unit. The address of Declarant and of the Association shall be given to each Owner at or before the time it becomes an Owner. If the address of Declarant or the Association shall be changed, Notice shall be given to all Owners.

Section 11.9 Limited Liability. In connection with all reviews, acceptances, inspections, permissions, consents or approvals required or permitted by or from either the Declarant or the Association under this Declaration, neither Declarant nor the Association shall be liable to any Owner or to any other person on account of any claim, liability, damage or expense suffered or incurred by or threatened against an Owner or such other person and arising out of or in any way relating to the subject matter of any such review, acceptance, inspection, permission, consent or approval, whether given, granted, withheld or denied.

Section 11.10 Use of "Lakemont." Declarant hereby reserves the right to use the name "Lakemont" and related names in connection with Declarant's sales and development activities for the Property, and the name "Lakemont" may be used freely by Declarant to refer to other nearby properties not subject to this Declaration.

Section 11.11 Applicable Law. This Declaration shall be construed, interpreted and governed in all respects under the laws of the State of Washington.

Section 11.12 Computation of Time. The word "day" means "calendar day" herein, and the computation of time under this Declaration shall include all Saturdays, Sundays and holidays for purposes of determining time periods specified herein.

Section 11.13 Exhibits. Exhibits A through C attached hereto (and listed below) are hereby incorporated herein, and made a part of this Declaration, and the term "Declaration" shall include all exhibits hereto.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration the day and year first above written.

DECLARANT:

**THE NEWCASTLE DEVELOPMENT
COMPANY, a Washington general partnership**

By East West Development Company, a
Washington corporation, Its General
Partner

By /s/ C.D. Madison
Its President

EXHIBITS:

- A - Legal Description of Property
- B - Land Use Plan
- C - Depiction of Commercial Lots

STATE OF WASHINGTON)
)
COUNTY OF KING) ss.

On this 20th day of July, 1990, before me, a Notary Public in and for the State of Washington, personally appeared Charles D. Madison personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who signed this instrument; on oath stated that he was authorized to execute the instrument as the President of EAST WEST DEVELOPMENT COMPANY, a Washington corporation, the corporation that executed the instrument; acknowledged said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned; and on oath stated that he was duly elected, qualified, and acting as said officer of the corporation; that said corporation is a general partner of THE NEWCASTLE DEVELOPMENT COMPANY, a Washington general partnership; that said corporation was authorized to execute the said instruments on behalf of said partnership; and that said instrument was the free and voluntary act and deed of said partnership for the uses and purposes therein mentioned.

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

/s/ Carol Caputo
NOTARY PUBLIC in and for the State of
Washington, residing at Bellevue
My appointment expires 8-4-93

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

PARCEL A (TOTAL PROPERTY MINUS LAKEMONT DIV. 1 AND MULTI-FAMILY PARCEL)

That portion of Sections 13, 23 and 24, Township 24 North, Range 5 East, W.M. in King County, Washington, end of New Castle 5 Acre Tracts, according to the plat thereof recorded in Volume 8 of Plats, Page 56 records of said King County, all more particularly described as follows:

Beginning at a point which is 126.5 feet north of the southeast corner of the northeast quarter of the southeast quarter of said Section 24; thence westerly along a line hereinafter called Line A, the following courses and distances: North 45°49' West 68.6 feet, North 44°04' West 44.5 feet, North 52°37' West 38.4 feet, North 53°49' West 43 feet, North 47°31' West 44.2 feet, North 57°04' West 44.6 feet, North 69°29' West 41.9 feet, North 72°34' West 50.1 feet, North 78°24' West 60.6 feet, North 75°20' West 100.57 feet, North 78°32' West 120.8 feet, North 73°03' West 95.7 feet, North 80°22' West 97.9 feet, North 72°3' West 96.8 feet, North 74°11' West 99.8 feet, North 75°12' West 95.8 feet, North 76°24' West 104.5 feet, North 77°56' West 104.7 feet and North 77°21' West 57.5 feet, more or less to the west line of the northeast quarter of the southeast quarter of said Section 24 end the terminus of Line A; thence along said west line to a point 635 feet north of the southeast corner of the east half of the east half of the northwest quarter of the southeast quarter of said Section 24; thence North 77°21' West 45.5 feet; thence North 76°42' West 105.3 feet; thence North 73°05' West 94.3 feet; thence North 74°16' West 80.7 feet; thence North 56°40' West 12 feet, more or less to the west line of said east half; thence southerly along said west line to the south line of the north half of the northwest quarter of the southeast quarter of said Section 24; thence westerly along said south line to the north-south centerline of said Section 24; thence westerly along the north line of the southeast quarter of the northeast quarter of the southwest quarter of said Section 24 to the northwest corner of said southeast quarter; thence southerly along the west line thereof to the north line of the plat of Cougar Glen, according to the plat thereof recorded in Volume 105 of Plats, Page 78, records of said King County; thence westerly along said north line to the northwest corner of said plat; thence southerly along the westerly line of said plat to the south line of the northeast quarter of the southwest quarter of said Section 24; thence westerly along said south line to a point 1460 feet east of the northwest corner of the southwest quarter of the southwest quarter of said Section 24; thence south 385.00 feet; thence west 660 feet; thence north to the southeast corner of the north 2 1/2 acres of the east 400 feet of the west 800 feet of the southwest quarter of the southwest quarter of said Section 24; thence westerly to the southwest corner of said north 2 1/2 acre parcel; thence north to the northwest corner of said 2 1/2 acre parcel; thence westerly to the southwest corner of the northwest quarter of the southwest quarter of said Section 24; thence northerly along the west line thereof to the west quarter corner of said Section 24; thence northerly along the west line of said Section 24 to the north line of the south

624 feet of the east half of the southeast quarter of the northeast quarter of said Section 23; thence westerly along said south line to the easterly margin of Newcastle Road; thence northerly along said easterly margin to the north line of the southeast quarter of the northeast quarter of said Section 23; thence easterly along said north line to the east line of said Section 23; thence northerly along said east line to the south line of Vuemont Meadows, according to the plat thereof recorded in Volume 140 of Plats Pages 74 through 78, records of said King County; thence easterly along said south line thereof to the southeast corner of said Vuemont Meadows; thence northerly along the east line of said Vuemont Meadows, also being the west line of the northeast quarter of the northwest quarter of said Section 24 to the south margin of Lakemont Boulevard as conveyed to King County by instrument recorded under King County Recording Number 7110080297; thence easterly along said southerly margin to the north-south centerline of said Section 24; thence northerly along said north-south centerline to the north quarter corner of said Section 24; thence easterly along the north line of said Section 24, to the northeast corner of said Section 24; thence southerly along the east line of said Section 24 to the east quarter corner of said Section 24; thence continuing southerly along the easterly line of said Section 24 to the Point of Beginning.

TOGETHER WITH that portion of the east 60 feet of the northeast quarter of the southeast quarter of said Section 24 lying north of the north line of the south 30 feet thereof and lying southerly of aforementioned "Line A";

TOGETHER WITH that portion of the east 60 feet of the east half of the west half of the northeast quarter of the southeast quarter of said Section 24 lying north of the north line of the south 30 feet thereof and lying southerly of aforementioned "Line A";

EXCEPT that portion thereof conveyed to King County for road by instruments recorded under Recording No's. 1617973 and 4678886; EXCEPT that portion thereof conveyed to King County for Lakemont Boulevard by instruments recorded under Recording No's. 5821501, 7112290243 and 7112290248;

EXCEPT that portion of the northwest quarter of said Section 24 described as follows: Beginning at the west quarter corner of said Section 24; thence $N01^{\circ}04'43''E$ along the west line thereof 624.02 feet; thence $S89^{\circ}02'03''E$ 118.21 feet to the TRUE POINT OF BEGINNING, said point being a point on a curve, the center which bears $S82^{\circ}11'11''E$ 160.00 feet; thence southerly on said curve to the left, through a central angle of $38^{\circ}36'27''$, an arc distance of 107.81 feet; thence $N70^{\circ}49'25''$ East 99.86 feet; thence $N86^{\circ}55'17''E$ 297.96 feet; thence $N17^{\circ}57'30''E$ 175.24 feet; thence $N54^{\circ}24'28''E$ 130.73 feet; thence $S86^{\circ}13'29''E$ 107.29 feet; thence $S43^{\circ}38'34''E$ 118.05 feet; thence $S09^{\circ}08'00''E$ 121.71 feet; thence $S83^{\circ}37'41''E$ 355.44 feet; thence $N72^{\circ}58'54''E$ 357.60 feet; thence $N09^{\circ}51'43''W$ 127.36 feet; thence $N24^{\circ}18'28''E$ 154.22 feet; thence $N37^{\circ}31'37''E$ 87.79 feet; thence $N28^{\circ}36'19''E$ 123.22 feet; thence $N58^{\circ}39'01''E$ 86.79 feet; thence $N32^{\circ}39'34''W$ 141.38 feet to a point of curve; thence northwesterly on said curve to the left, having a radius of 430.00 feet, through a central angle of $49^{\circ}56'56''$, an arc distance of 374.86 feet; thence $N82^{\circ}36'30''W$ 103.12 feet to a point of curve; thence westerly on said curve to the left, having a radius of 565.00 feet, through a central angle of $6^{\circ}45'57''$, an arc distance of 66.72 feet to a point of reverse curve the center which bears $N00^{\circ}37'33''E$ 400.00 feet; thence westerly on said curve to the right, through a central angle of $28^{\circ}38'24''$, an arc distance of 199.95 feet to a point of compound curve, the center which bears $N29^{\circ}15'57''E$ 515.00 feet; thence

northwesterly on said curve to the right, through a central angle of 06°32'02", an arc distance of 58.73 feet; thence N84°53'17"W 265.52 feet to a point on the southerly margin of Lakemont Boulevard as conveyed to King County by instruments recorded under Recording Nos. 5821501 and 7309270389; thence S55°08'29"W along said southerly margin 808.27 feet to a point of curve; thence southerly on said curve to the left, having a radius of 35.00 feet, through a central angle of 45°35'05", an arc distance of 27.85 feet, thence S34°51'31"E 99.49 feet to a point of curve; thence southerly on said curve to the right, having a radius of 290.00 feet, through a central angle of 69°37'04", an arc distance of 352.37 feet to a point of reverse curve, the center which bears S55°14'27"E 160.00 feet; thence southerly on said curve to the left through a central angle of 26°56'44", an arc distance of 75.25 feet to the TRUE POINT OF BEGINNING.

AND EXCEPT that portion of the northeast quarter of the northwest quarter of said Section 24 described as follows:

Beginning at the northwest corner of said subdivision; thence S00°52'19"E along the west line thereof 738.09 feet; thence S75°05'25"E 276.20 feet; thence N79°33'25"E 278.00 feet; thence N61°46'00"E 54.50 feet; thence N04°42'48"E 276.00 feet; thence N20°28'42"E 23.07 feet to the TRUE POINT OF BEGINNING; thence S67°05'49"E 100.35 feet; thence S65°26'19"E 121.62 feet; thence S57°33'20"E 55.72 feet; thence N26°39'30"E 81.21 feet; thence N17°27'26"E 103.96 feet; thence N61°57'08"E 113.45 feet; thence N85°32'08"E 50.33 feet; thence N61°51'54"E 92.29 feet to the southerly margin of Lakemont Boulevard (Newcastle Road) as conveyed to King County by Recording No. 7110080297, said point being a point on a curve, the center which bears S32°06'30"W 676.20 feet; thence westerly on said curve to the left, through a central angle of 40°20'22", an arc distance of 476.08 feet to a point which bears N20°28'42"E from the TRUE POINT OF BEGINNING; thence S20°28'42"W 266.32 feet to the TRUE POINT OF BEGINNING.

PARCEL B (MULTI FAMILY PARCEL)

That portion of the northwest quarter of Section 24, Township 24 North, Range 5 East, W.M., in King County, Washington described as follows:

Beginning at the west quarter corner of said Section 24; thence N01°04'43"E along the west line thereof 624.02 feet; thence S89°02'03"E 118.21 feet to the TRUE POINT OF BEGINNING, said point being a point on curve, the center which bears S82°11'11"E 160.00 feet; thence southerly on said curve to the left, through a central angle of 38°36'27", an arc distance of 107.81 feet; thence N70°49'25"E 99.86 feet; thence N86°55'17"E 297.96 feet; thence N17°57'30"E 175.24 feet; thence N54°24'28"E 130.73 feet; thence S86°13'29"E 107.29 feet; thence S43°38'34"E 118.05 feet; thence S09°08'00"E 121.71 feet; thence S83°37'41"E 355.44 feet; thence N72°58'54"E 357.60 feet; thence N09°51'43"W 127.36 feet; thence N24°18'28"E 154.22 feet; thence N37°31'37"E 87.79 feet; thence N28°36'19"E 123.22 feet; thence N58°39'01"E 86.79 feet; thence N32°39'34"W 141.38 feet to a point of curve; thence northwesterly on said curve to the left, having a radius of 430.00 feet, through a central angle of 49°56'56", an arc distance of 374.86 feet; thence N82°36'30"W 103.12 feet to a

point of curve; thence westerly on said curve to the left, having a radius of 565.00 feet, through a central angle of $6^{\circ}45'57''$, an arc distance of 66.72 feet to a point of reverse curve the center which bears $N00^{\circ}37'33''E$ 400.00 feet; thence westerly on said curve to the right, through a central angle of $28^{\circ}38'24''$, an arc distance of 199.95 feet to a point of compound curve, the center which bears $N29^{\circ}15'57''E$ 515.00 feet; thence northwesterly on said curve to the right, through a central angle of $06^{\circ}32'02''$, an arc distance of 58.73 feet; thence $N84^{\circ}53'17''W$ 265.52 feet to a point on the southerly margin of Lakemont Boulevard as conveyed to King County by instruments recorded under Recording Nos. 5821501 and 7309270389; thence $S55^{\circ}08'29''W$ along said southerly margin 808.27 feet to a point of curve; thence southerly on said curve to the left, having a radius of 35.00 feet, through a central angle of $45^{\circ}35'05''$, an arc distance of 27.85 feet; thence $S34^{\circ}51'31''E$ 99.49 feet to a point of curve; thence southerly on said curve to the right, having a radius of 290.00 feet, through a central angle of $69^{\circ}37'04''$, an arc distance of 352.37 feet to a point of reverse curve, the center which bears $S55^{\circ}14'27''E$ 160.00 feet; thence southerly on said curve to the left, through a central angle of $26^{\circ}56'44''$, an arc distance of 75.25 feet to the TRUE POINT OF BEGINNING.

PARCEL C (LAKEMONT DIV. 1)

PARCEL 1

The southeast quarter of the southwest quarter of Section 13, Township 24 North, Range 5 East W.M.;

EXCEPT that portion platted as Eastmont Home Tracts, as per plat recorded in Volume 57 of Plats, Pages 90 and 91, records of King County;

AND EXCEPT that portion platted as Vuemont Vista No. 1, as per plat recorded in Volume 121 of Plats, Pages 52 through 55, records of King County;

SITUATE IN THE COUNTY OF KING, STATE OF WASHINGTON.

PARCEL 2

That portion of the northeast quarter of the northwest quarter of Section 24, Township 24 North, Range 5 East W.M. lying northerly of the northerly margin of Lakemont Boulevard as conveyed to King County by Recording No. 7110080297;

AND the north 30 feet of the northwest quarter of the northwest quarter of Section 24, Township 24 North, Range 5 East W.M.;

EXCEPT the west 30 feet of said northwest quarter of the northwest quarter;

SITUATE IN THE COUNTY OF KING, STATE OF WASHINGTON.

PARCEL 3

That portion of the northeast quarter of the northwest quarter of Section 24, Township 24 North, Range 5 East, W.M. described as follows:

Beginning at the northwest corner of said subdivision; thence $S00^{\circ}52'19''E$ along the west line thereof 738.09 feet; thence $S75^{\circ}05'25''E$ 276.20 feet; thence $N79^{\circ}33'25''E$ 278.00 feet; thence $N61^{\circ}46'00''E$ 54.50 feet; thence $N04^{\circ}42'48''E$ 276.00 feet; thence $N20^{\circ}28'42''E$ 23.07 to the

TRUE POINT OF BEGINNING; thence $S67^{\circ}05'49''E$ 100.35 feet; thence $S65^{\circ}26'19''E$ 121.62 feet; thence $S57^{\circ}33'20''E$ 55.72 feet; thence

N26°39'30"E 81.21 feet; thence N17°27'26"E 103.96 feet; thence N61°57'08"E 113.45 feet; thence N85°32'08"E 50.33 feet; thence N61°51'54"E 92.29 feet to the southerly margin of Lakemont Boulevard (Newcastle Road) as conveyed to King County by Recording No. 7110080297, said point being a point on a curve, the center which bears S32°06'30"W 676.20 feet; thence westerly on said curve to the left, through a central angle of 40°20'22", an arc distance of 476.08 feet to a point which bears N20°28'42"E from the TRUE POINT OF BEGINNING; thence S20°28'42"W 266.32 feet to the TRUE POINT OF BEGINNING.
SITUATE IN THE COUNTY OF KING, STATE OF WASHINGTON

AND EXCEPTING from Parcel C (Lakemont Div. 1), Tract G of Lakemont Division 1 as per Plat recorded in Volume 153 of Plats, Pages 38-44, records of King County, State of Washington.

EXHIBIT B
LAND USE PLAN

Land Use Plan: Legend







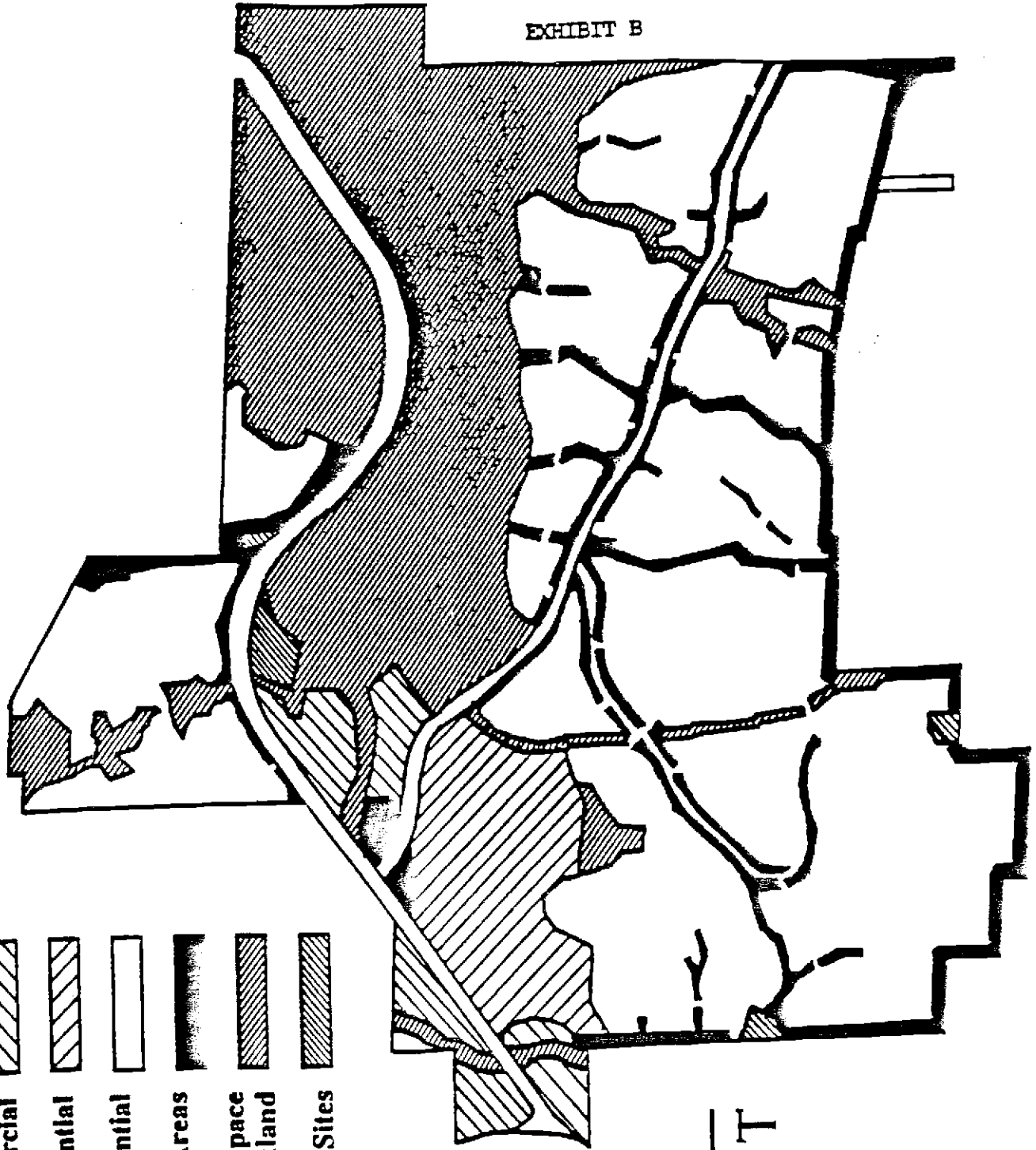
-  Commercial
-  Multi-Family Residential
-  Single-Family Residential
-  Association Common Areas
-  City of Bellevue Buffers, Open Space & Parkland
-  Utility Sites

EXHIBIT B




LAKEMONT

A Master Plan Development
by
East West Partners

NOTE: This map shows general boundaries for the various land uses. Exact boundary lines will be indicated on plats or instruments of conveyance.

001111100

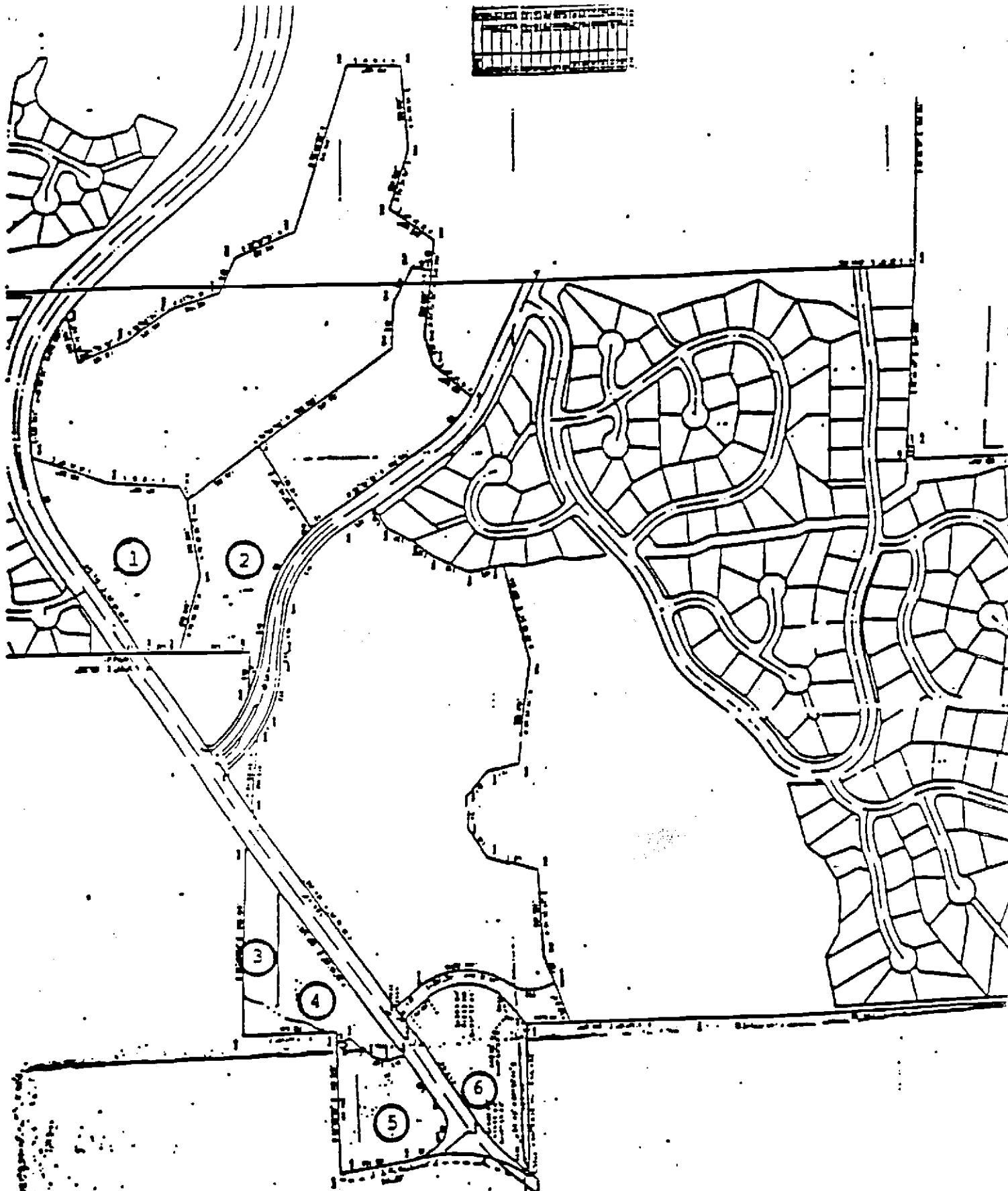


EXHIBIT C

1" = 200'
 SC 1915101
 11-1-11