

Hillis Homes Inc.
8-26 S.E. Everett Mall Way
AMENDED DECLARATION

DIL 34
23.00

OF COVENANTS, CONDITIONS AND RESTRICTIONS

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THIS DECLARATION, made on the date hereinafter set forth by Centex Hillis Homes, a division of Centex Homes Enterprises, Inc., a Washington corporation, hereinafter referred to as "Declarant".

WITNESSETH:

Declarant hereby declares that all of the following described properties:

Plat known as Silver Firs Division 3A, such plat being recorded under Snohomish County Auditor's file no. 8605145011 volume 46 page 290-294

shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the described properties of any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

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

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a free simple title to any Lot or Condominium apartment which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

8605140309

Section 3. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Common Area" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the owners, but shall not include the Common Area of any condominium created within the properties. The Common Area to be owned by the Association at the time of the conveyance of the first lot is described as follows:

Tracts 5011 thru 5014A of the Plat of Silver Firs, Division 3, recorded in the office of the Snohomish County Auditor, Snohomish County, Washington.

Section 5. "Lot" shall mean and refer to any plot of land excluding a tract designed for multi-family or condominium development, shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 6. "Condominium or Multi-family Tract" shall mean and refer to any tract or lot created for the purpose of constructing a Condominium or Multi-family building (s).

Section 7. "Declarant" shall mean and refer to Centex Hillis Homes, its successors and assigns if such successors or assigns should require more than one undeveloped Lot from the Declarant for the purpose of development.

ARTICLE II

PROPERTY RIGHTS

Section 1. Owners' Easement of Enjoyment. Every owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

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- (a) the right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;
- (b) the right of the Association to suspend the voting rights and right to use of the recreational facilities by an owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations;
- (c) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the member. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by 2/3rds of each class of members has been recorded.

Section 2. Delegation of Use. Any owner may delegate, in accordance with By-Laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every owner of a Lot or Condominium unit which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot or Condominium unit which is subject to assessment.

Section 2. The Association shall have two classes of voting membership:

8605140 309

Class A. Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either the following events, whichever occurs earlier:

- (a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or
- (b) on December 31, 1999.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessment.

The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments or charges, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be continuing lien upon the property against which each such

assessment is made. Each such assessment or charge together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment or charge fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Properties and for the improvement and maintenance of the Common Area.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be Twenty Four DOLLARS (\$24.00) per Lot or Condominium unit.

- (a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year not more than 5% above the maximum assessment for the previous year without a vote of membership.
- (b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above 5% by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.
- (c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section 4. Special Assessments for Capital Improvements.

In addition to the annual assessments authorized above, the Association may levy, in an assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice of Quorum for Any Action Authorized Under Section 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots or Condominium units and may be collected on a monthly basis.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining

in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of 6 percent per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE V

ARCHITECTURAL CONTROL

Section 1. Improvements to Lot. Except for the original construction by the Declarant, no clearing, grading or construction of any building, fence, wall or other structure shall be commenced, executed or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by an Architectural Control Committee composed of three or more members to be appointed by the Board of Directors of the Association. In the event said Architectural Control Committee fails to approve or disapprove of such design and location within thirty days after such plans and specifications are submitted to it for approval, approval will not be required and full compliance with this Article will be deemed to have been met.

Section 2. Qualifications and Terms of Members of the Board. Members of the Architectural Control Committee shall be appointed by the Board of Directors, to serve until removed by the Board. The members so appointed need not be members of the Association. In selecting the members of the committee, one member thereof should be, but must not necessarily be, an architect.

Section 3. Jurisdiction and Purpose. The purpose of architectural control is to protect the property value of the Lots and Condominium units within the subdivision, to prevent unsightly conditions and to protect the health, welfare and safety of the residents and lot owners. The committee shall have the right to review and either approve or reject all plans and specifications for any building or structure to be constructed or modified within the properties which do not conform to the architectural guidelines.

No building shall be erected, placed or altered on any lot or building site on the property until the elevation plans, specifications, plot plan and lot grading plans are submitted by the owner or his representative to the committee and found by said committee to be in accordance with the guidelines and procedures established by the committee.

Section 4. Procedure for Architectural Committee Approval. The following procedures shall be applicable to obtaining approval of any construction under the terms of Section 1 of this Article:

- A. Request for approval Any approval of the committee shall be submitted to the Association headquarters unless the committee shall record an instrument establishing a different place to submit the same.
- B. Review by Committee The committee shall within thirty (30) days of the submission thereof, review the application and give its approval or disapproval, the committee shall set out the specific reasons in reasonable detail.
- C. Limitation In the event of any construction, addition, alteration or change of any building without first having submitted in writing the proposed plans and specifications to the committee, the committee shall have six (6) months from the date of the completion of the same to give written notice to the owner requiring his compliance with the provisions of this article. In the event said notice is not given, approval will not be required.

Section 5. Restrictions Applicable to All Properties. The following restrictions are applicable to all properties:

- 1. All roofing material shall be of composition roofing or better.
- 2. All siding material shall be aluminum, wood or better.

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3. No living unit will be less than 750 square feet living area, exclusive of garage provided however, that in no event will the same be less than FHA minimum requirements.
4. No mobile, manufactured or modular housing shall be permitted except as otherwise provided by this Declaration.
5. All driveways and parking bays shall be constructed of concrete or asphalt paving.
6. The location, color, size, design, lettering and other particulars of mail or paper delivery boxes shall be subject to the approval of the committee.
7. No outside television, radio and ham radio antennas will be installed without prior approval of Architectural Control Committee.
8. No outdoor overhead wire or service drop for the distribution of electric energy or for telecommunication purposes nor any pole, tower or other structure supporting said outdoor overhead wires shall be erected, placed or maintained within the properties. All purchasers of lots within the properties, their heirs, successors, and assigns shall use underground service wires to connect their premises and the structures built thereon to the underground electric or telephone utility facilities.
9. No solid fence shall be constructed beyond the front yard line. Only ornamental fences shall be allowed in the front yard.
10. All boats, boat trailers, travel trailers, motorized and nonmotorized campers and other such recreational vehicles shall be stored behind the primary structure or sight screened unless a variance is granted by the Architectural Control Committee.

RECORDED

1986 MAY 14 PM 1:09

DEAN V. WILLIAMS, AUCTIONEER
SNOHOMISH COUNTY, WASH.

DEPUTY

Miller Smith

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No car, inoperative for reasons of mechanical failure, shall be parked and/or stored on any subject lot or in the street right-of-way for more than 72 hours.

11. Except for plat identification signs at entrances, stating name of plat only, no sign of any kind shall be displayed to the public view on any lot except one professional sign of not more than one square foot, one sign of not more than five square feet advertising the property for sale or rent, or signs used by a builder to advertise the property during the construction and sales period.

12. Any dwelling or structure, erected or placed on any lot in this subdivision shall be completed as to external appearance including finish painting, within nine (9) months from date of start of construction unless upon their review of a written request for an extension of time, the Architectural Control Committee grants such an extension.

Section 6. Waiver or Modification of Restrictions. The committee may waive or modify any of the restrictions contained in Section 5 hereof in the event the committee finds that an extreme handicap will be imposed thereby. Such a waiver or modification will only be granted if the committee finds further that the same does not adversely affect the surrounding properties, and that the general plan of the development will not be affected thereby.

Section 7. Right of Entry of Association Representative. Any agent or officer of the Association may at any reasonable predetermined hour or hours upon twenty-four (24) hours notice during construction or exterior remodeling, enter and inspect any of said property as to its maintenance or improvements to

determine if there has been compliance with the provisions thereof. The Association, and any agent, or officer thereof, shall not thereby be deemed guilty of any manner of trespass for such entry or inspection.

Section 8. Evidence of Compliance with Restrictions. Records of the Association with respect to compliance with the provisions of this Declaration shall be conclusive evidence as to all matters shown by such records. After the expiration of six (6) months following the completion of any construction, addition, alteration or change to any building on the building site, in the absence of any notice to comply or in the absence of any suit to enjoin such work or to force compliance by change or removal of such work within said period, then and in that event, said structure, work improvement or alteration shall be deemed to be in compliance with the provisions of this Declaration.

ARTICLE VI

MAINTENANCE OBLIGATIONS OF OWNER

Section 1. Exterior Maintenance. In the event an owner of any lot in the Properties shall fail to maintain the property and the improvements situated thereon, in a manner satisfactory to the Board of Directors, the Association, after approval by two-thirds (2/3) of the vote of the Board of Directors, shall have the right through its agents and employees, to enter upon said parcel to repair, maintain and restore the lot and the exterior of the buildings and other improvements erected thereon. The cost of such exterior maintenance shall be added to and become a part of the assessment to which said lot is subject.

Section 2. Owner's Obligation to Maintain Planting. Where the Association has permitted an owner to plant a portion of the common properties abutting the owner's property in accordance with the owner's landscaping design, the owner shall thenceforth be obligated to maintain landscaping of such portion of

the common properties and thereon shall give the Association a right upon reasonable notice to the owner to maintain such areas of the common properties and to charge the expense thereof to the owner as an assessment to be collected in the manner provided in Article IV.

Section 3. Reasonable Notice. "Reasonable notice," as that term is used in this Article, shall mean mailing by certified mail to the last known address of the owner shown on the books of the Association not less than ten (10) days before entry on such owner's property is made or maintenance of such landscaping is undertaken pursuant to Section 2 hereof.

ARTICLE VII

RESTRICTIONS ON USE OF PROPERTY BY OCCUPANTS

Use Restrictions. The following restrictions shall be applicable to the use of any properties subject to this Declaration:

- A. No Lot shall be used except for residential purposes. No building shall be erected, altered, placed or permitted to remain on any lot other than one detached single-family dwelling not to exceed two stories in height and a private garage for not more than three cars. Temporary, "model home", real estate sales offices will be considered a residential use until all houses have been built and sold on all subject lots.
- B. Easements for installation and maintenance of utilities; easements for drainage ways and drainage facilities are reserved as shown on the recorded plat. Within these easements, no structures, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the

easements, or which may obstruct or retard the flow of water through drainage channels in the easements. The easement area of each lot and all improvements in it shall be maintained continuously by the owner of the lot, except for those improvements which a public authority or utility company is responsible.

C. No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may become an annoyance or nuisance to the neighborhood.

D. No structure of a temporary character, trailer, basement, tent, shack, garage, barn or any other outbuilding shall be used on any lot at any time as a residence, either temporarily or permanently.

E. No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot except that dogs, cats or other household pets may be kept on any lot, provided that they are not kept, bred or maintained for any commercial purpose.

F. No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers. All incinerators or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

G. No individual water supply system shall be permitted on any lot.

H. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts

be permitted upon or in any lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any lot.

I. No individual sewage disposal system shall be permitted on any lot.

J. Each lot shall be subject to an easement of 2 1/2 feet on the side property lines and 5 feet on the rear property line for surface water drainage. Swales established within these easements shall not be changed by the lot owner without the approval of the Architectural Control Committee. The provisions of Article V shall not apply unless the lot owner notifies the Board of Directors in writing and provides it with plans and specifications.

ARTICLE VIII

GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens or charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no ways affect any other provisions which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed

by not less than ninety percent (90%) of the Lot Owners, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners. Any amendment must be recorded.

Section 4. Annexation. Additional land within the following described area:

See attachment A.

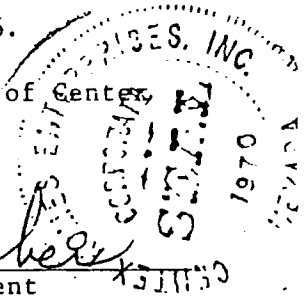
may be annexed by the Declarant without the consent of the members within twenty (20) years of the date of this Declaration, provided that the FHA and the VA determine that the annexation is in accord with the general plan heretofore approved by them.

Section 5. FHA/VA Approval. As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: Annexation of additional properties, dedication of Common Area, and amendment of this Declaration of Covenants, Conditions and Restrictions.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this 12th day of May, 1986.

Centex Hillis Homes, a division of Centex Homes Enterprises, Inc.

By: Tim Barber
Tim Barber, Division President



STATE OF WASHINGTON)
)ss
COUNTY OF SNOHOMISH)

On this 12th day of May, 1986, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn personally appeared TIM BARBER, to me known to be the Division President of CENTEX HILLIS HOMES, the corporation that executed the foregoing instrument, and acknowledged the 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 is authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

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WITNESS my hand and official seal hereto affixed the day and year in this certificate written.

Phillip L Johnson

NOTARY PUBLIC in and for the State of
Washington, residing at Bellevue

