

DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND
RESERVATIONS FOR
OLYMPUS DIVISION No. 2

This Declaration is made on the date hereafter set forth by Marion-Olympus, Inc.

WITNESSETH:

WHEREAS, Declarant is the owner of all, or a portion of, that property in King County, Washington which is more particularly described in Exhibit "A" hereto attached and which has been platted as Olympus Division No. 2, as per plat recorded in Volume 143 of Plats, Pages 45 through 52 inclusive, under Recorder's File No. 8811080227, Records of King County, Washington.

WHEREAS, certain real property which is adjacent to Olympus Division No. 2 may, upon future development, be subjected to the terms and provisions of this Declaration of Covenants, Conditions, Restrictions, and Reservations, at the option of the Declarant as hereinafter provided.

NOW, THEREFORE, Declarant hereby declares that all the properties described above 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 or 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 the Olympus Division No. 2 Homeowners Association, its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot that is a part of the properties, including contract purchasers, but excluding those having such interest as security for the performance of an obligation.

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

Section 4. "Common Area" shall mean all real property owned or to be owned by the Association for the common use and enjoyment of the members of the Association.

Section 5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the properties with the exception of any common area and Tracts A, B, C, D and E.

Section 6. "Declarant" shall mean and refer to Marion-Olympus, Inc. and any successors or assigns.

Section 7. "Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 8. "Development Period" shall mean that period of time from date of recording this Declaration until the date on which 90% of the lots in the plat of Olympus Division No. 2 above described and any lots annexed under Article VI, Section 8, have been sold by Declarant and approved for construction by the Architectural Control Committee, or until such earlier date as may be agreed upon by the Federal Housing Authority and Declarant.

ARTICLE II

Property Rights

Section 1. Owner's Easements of Enjoyment. Every owner shall have a right or 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:

a. The right of the Association to charge reasonable fees for the use and/or maintenance of the common area.

b. The right of the Association to suspend the voting rights and right to use of the common area by an owner for any period during which any assessment against his lot remains unpaid.

c. The right of the Association to dedicate or transfer all or any part of the common area to public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds of each class of members agreeing to such dedication or transfer has been recorded.

Section 2. Delegation of Use. Any owner may delegate, in accordance with the Bylaws, his right to enjoyment to the common area and facilitates 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 that 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 this is subject to assessment. Each owner shall be a member of the Association, which membership shall automatically commence with the commencements of ownership of any part of the properties described above and shall automatically terminate upon the termination of such ownership. Voting rights shall be as set forth in the By-Laws for the Association.

ARTICLE IV

Covenant for Maintenance Assessments

Section 1. Creation of the Lien and Personal Obligation of Assessments. 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 the Association: (1) annual assessments or charges, and (2) special assessments for improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs and reasonable attorneys' 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, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the person who was the owner of such property at the time the assessment fell due, regardless of whether such person continues to be an owner.

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, including contribution toward landscape maintenance costs for the entry located in the plat of Olympus and, pursuant to the provision of Article VIII hereof, of the homes situated upon the properties. The assessment shall also be for the purpose of paying all maintenance expenses including any reimbursements to the developer relating to operation of the sanitary sewer pumping station which serves the properties and is located on Tract A, Olympus, according to the plat thereof recorded in Volume 135 of Plats, pages 77 through 91 inclusive, in King County, Washington. The obligation to pay such maintenance expenses shall be deemed a covenant, running with the properties. The portion of such expenses which shall be attributable to Olympus Division No. 2 and any annexations thereto shall be determined by dividing the total number of lots in Olympus Division No. 2 and annexations into the total number of lots and all subdivisions (including, but no limited to, the Plats of Olympus and Olympus Division No. 2) whose subdivisions are served by such pumping station and entry.

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 \$65.00 per lot, payable on or before January 31st of each year.

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 3% above the maximum assessment for the previous year without a vote of the 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 above may be increased above 3% by a vote of two-thirds of the members who are voting in person or by proxy, at a meeting duly called for that purpose.

c. The board of Directors shall, at each annual meeting, fix the annual assessment per provisions a and b herein.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any 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 of the votes of the members who are voting in person or by proxy at a meeting duly called for that purpose.

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Sections 3 or 4 shall be sent to all members not fewer than 30 days nor more than 50 days, in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast 60% of all votes shall constitute a quorum. If the required quorum is not present, subsequent meetings may be called subject to the same notice requirement, and the required quorum at any subsequent meeting shall be one-half of the required quorum at the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all lots and may, by vote of the Board of Directors, be collected on a monthly basis.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence and be due on the closing of the purchase of a lot; provided, however, except as may be authorized under By-Laws of the Association, no lot shall be subject to such assessment until after it has been conveyed by Declarant by deed or real estate contract. Assessments shall be pro-rated from date of closing through December 31 of the same year. After such conveyance of improved or unimproved lots, assessments shall be due and payable in accordance with the provisions of Section 3 above.

Section 8. Effect of Non-Payment of Assessments: Remedies of the Association. Any assessment not paid within 30 days after the due date shall be assessed a late payment penalty of ten (10) percent upon each occurrence and shall bear interest from the due date at the rate of eighteen (18) percent per annum. The Association may bring an action of law against the owner personally obligated to pay the same, or foreclose the lien against the property in the same manner as mortgage liens against real property are foreclosed in the State of Washington. 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 to Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale and transfer of any lot shall not affect the assessment lien. However, the sale or transfer of any lot pursuant to the foreclosure of the lien or a mortgage or Deed of Trust with respect thereto, or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments that became due prior to such sale or transfer. No sale or transfer shall relieve such lot from liability for any assessment thereof becoming due or from the lien thereof nor shall any such sale or transfer remove from the owner (the mortgagor or

grantor under the mortgage or Deed of Trust being foreclosed) the personal liability of said owner pursuant to Section 1 above.

ARTICLE V

Architectural Control

No building, fence, wall or other structure shall be commenced, erected or maintained upon the properties, nor shall any exterior addition to or change or alteration therein be undertaken or commenced until the plans and specification showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing by the Architectural Committee (the "Architectural Control Committee") composed of three or more representatives appointed by the Board of Directors as to external design, location in relation to surrounding structures and topography, quality of construction and other aesthetic and construction considerations deemed significant and reasonable by the Architectural Control Committee. During the Development Period, the decision to either accept or reject a proposed building, fence, wall or other structure shall be within the absolute discretion of the Architectural Control Committee. The members of the Architectural Control Committee initially appointed shall serve and may not be replaced by the Board until the expiration of the Development Period. In the event a member of such committee resigns during the Development Period, then the Declarant shall appoint a successor. In the event said Board or its designated Architectural Control Committee fails to approve or disapprove such application within 30 days after said plans and specifications have been submitted to it, approval will not be required, and this Article will be deemed to have been fully complied with. No action taken by the Architectural Control Committee as to any specific application shall be binding on the Committee as to any other application, and no waiver by the Committee of any restriction imposed as to any specific application hereby shall constitute a waiver as to subsequent or other applications.

ARTICLE VI

General Provisions

Section 1. Restrictions. The following restrictions applicable to residential lots shall be modified by and to the extent of:

a. All lots in the tract shall be known and described as "lots" or "residential lots," except said common area. No structures or building of any kind shall be erected, altered, placed or permitted to remain on any residential lot other than one detached single-family dwelling for single-family occupancy only, not to exceed two stories in height plus basement, and a private garage having spaces for not more than three cars, one of which such spaces may be for a boat or trailer.

b. All buildings or other structures placed on any lot, and any use of a lot shall at all times conform with applicable zoning, building and use restrictions, laws, ordinances and regulations.

c. No residential structure shall be erected or placed on a building lot if such lot has an area of less than 6,400 square feet or an average width of less than 50 feet.

d. No trade, craft, business, profession, commercial or manufacturing enterprise or business or commercial activity of any kind shall be conducted or carried on upon any residential lot or within any building located in this subdivision on a residential lot, nor shall any goods, equipment, vehicles (including buses and trailers of any description), materials or supplies used in connection with any trade, service or business, wherever the same may be conducted, be kept, stored, dismantled or repaired outside any building on any residential lot, nor shall anything be done thereon which may or may become an annoyance or nuisance to the neighborhood.

e. No trailer, basement, tent, shack, garage, barn or other outbuildings erected or placed on any residential lot shall at any time be used as a residence, temporarily or permanently, nor shall any structure of a temporary character be used as a residence.

f. The finished ground floor area of the main residential structure exclusive of one-story open porches, carports and garages, shall be not less than 1,600 square feet for a one-story dwelling, a two-story dwelling shall have a main floor area of no less than 1000 square feet and any multi-level dwelling shall have a floor area of no less than 1,600 square feet above the basement or garage level.

g. The exterior of any building, structure, or other improvement, including front yard landscaping, shall be completed within nine (9) months from the commencement of construction so as to present a finished appearance, and all construction materials and debris be removed.

h. Materials used in the construction of all buildings and other structures shall be of the quality to conform with the neighborhood standards and shall be approved by the Architectural Control Committee. All building plans and specifications, including, but not limited to, elevations, site plans, external building materials, landscaping, driveways, color schemes, etc. shall be submitted for approval to the Architectural Control Committee. The Architectural Control Committee shall have sole and final authority for the approval of all such materials, plans, and specifications.

i. All lots shall provide an enclosed two or three car garage. Driveways serving garages shall be exposed aggregate concrete or brick pavers from the curb or public sidewalk to the garage entry.

j. Wood panel siding similar to 4 foot by 8 foot plywood shall not be used as an exterior finish material on the front, back or side elevations. All roofs shall be cedar shake unless otherwise specifically approved by the Architectural Control Committee.

k. No fence, wall or mass planting, other than foundation planting, shall be permitted to extend nearer to any street than the minimum setback line of the residence except that nothing shall prevent the erection of a necessary retaining wall, the top of which does not extend more than two feet above the finished grade at the back of said retaining wall; provided however, that no fence, wall, hedge or mass planting shall at any time, where permitted, extend higher than six feet above ground. Fences in side yards that abut a side street are permitted from the front yard setback to the rear of the lot

not to exceed 42 inches in height. This height shall be maintained in the front yard setback of the lot in the rear (Written exceptions as to fence height and location in this section may be made by Architectural Control Committee.) Fences shall be well constructed of suitable fencing materials, other than chain link fencing which shall not be permitted, and shall be artistic in design and shall not detract from the appearance of the dwelling house located upon the lot or building site or be offensive to the owners or occupants thereof or detract from the appearance of the dwelling houses located on the adjacent lots or building sites. No radio or television antennae shall be permitted to extend more than ten feet above the roof line of any residence without the written approval of the Architectural Control Committee.

l. No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot, except that dogs, cats and other common household pets may be kept in compliance with existing laws and regulations provided that they are not kept, bred, or maintained for any commercial purposes. The foregoing is intended also to exclude the keeping of any pets, such as cats, dogs or birds, in numbers or under conditions reasonably objectionable in the closely built-up residential community; provided, however, that no pet permitted hereunder shall be allowed the owner's own lot unless the same is securely fastened to a leash or other restraining device.

m. No signs shall be erected or maintained on any lot, except that not more than one bona fide "FOR SALE" or "FOR RENT" sign, not exceeding 18 inches in width by 24 inches in length, may be displayed on any lot.

n. No trailer, camper, boat, or any other recreational vehicle may be parked in the driveway, front yard, or street for a period of time exceeding 72 hours. Storage of these types of vehicles is permitted on any lot provided they are not visible from the street.

o. No mechanical work shall be performed on any vehicle in or about any area open to public view; provided, however, this restriction shall not be constituted to apply to the need for emergency repairs that can be performed in a reasonable period of time.

Section 2. Mutuality. These restrictions, easements and agreements are imposed pursuant to a general plan with reference to the properties and all lots therein and shall constitute a mutual and reciprocal equitable servitude on each of the lots and a privity of contract between the various owners thereof, their respective heirs, successors, assigns, executors, administrators and marital communities, if any, and are for the benefit of the properties and each lot or building plat or site thereof and of the present and future owners thereof.

Section 3. Churches. These restrictions may be amended at any time by a majority vote of the then owners of lot to permit the construction of a church on lots herein designated for residential use, said church structure to meet all legal requirements and conditions as herein specified, provided, that said amendment shall be in the form of a statement properly executed and acknowledged by each of the approving owners and recorded in the office of the Director of Records and Elections of King County, Washington. Notwithstanding any provision herein to the contrary, Declarant may sell or convey lots to a church, to be used for the construction of an/or use as a church.

Section 4. Notices. Any demand to be made upon, or any note to be given to, the owner or owners of any lot or lots in the tract to which these restrictions relate shall be in writing. Said demand or notice may be given to such owner or owners either by personal delivery of such demand or notice or by sending the same by prepaid United States certified or registered mail, addressed to the record owner or owners of the lot or lots with respect to which the demand or notice relates, the same to be addressed to such owner or owners at the street address of the dwelling house or other structure situated upon the relevant lot or lots. Notice by certified or registered mail, addressed as aforesaid, shall be deemed to have been fully communicated upon the expiration of 48 hours after the time of mailing; and the name and address of the person or persons to whom such demand or notice was mailed shall be conclusive, but not the exclusive means of, proof of such fact.

Section 5. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 6. 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 and 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 7. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land for a term of 20 years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of 10 years. This Declaration may be amended during the first 20-year period by an instrument signed by not less than 90% of the lot owners and, thereafter, by an instrument signed by not less than 75% of the lot owners. Any amendment must be recorded.

Section 8. Annexation and Granting of Easements.

a. The annexation of additional properties other than (1) approximately 55 lots being Olympus Division No. 3, (2) approximately 100 lots being future phases of Olympus located adjacent to the property described in (3) herein, or (3) the properties comprising the Plat of Olympus, as per Plat recorded in Volume 135 of Plats, pages 77 through 91 inclusive, King County Recorder's No. 8612111255 shall require the assent of not less than two-thirds of the members of the Association at a meeting duly called for this purpose, written notice of which meeting shall be sent to all members not fewer than 30 days, nor more than 50 days, in advance of the meeting, setting forth the purpose of the meeting. At said meeting, the presence of members or of proxies entitled to cast 60% of all votes shall constitute a quorum. If the required quorum is not present in person or by proxy at any meeting, subsequent meetings may be called subject to the notice requirement set forth above and the required quorum at such subsequent meetings shall be one-half of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than 50 days following the preceding meeting. In the event two-thirds of the members are not present in person or by proxy, members not present may give their written consent to the action taken thereat. Notwithstanding any of the foregoing, the annexation of additional properties during the Development Period shall require the consent of Declarant.

b. The Declarant, its successors and assigns shall have the right to annex additional properties without the assent of the members of the Association, provided, however, that the development of such additional lands shall be compatible with development of Olympus Division No. 2. The Declarant, its successors and assigns shall have the right to grant easements over the Common Area Tracts without the assent of the members of the Association where the Declarant deems necessary for the development of this property or adjacent properties.

ARTICLE VII

Plat Restrictions

No lot or portion of a lot in this plat shall be divided and sold or resold or ownership changed or transferred whereby the ownership of any portion of this plat shall be less than the area required by applicable zoning.

ARTICLE VIII

Exterior maintenance

(1) Each individual owner or contract purchaser shall be obligated to provide exterior maintenance of his own lot and the buildings located thereon. The individual owner or contract purchaser of lots adjacent to the natural vegetation preservation easement shall provide exterior maintenance of the portion of the easement adjacent to the lot. In the event an owner of any lot in the properties shall fail to maintain the premises and the improvements situated thereon in a manner reasonably satisfactory to the Board of Directors, the Association after approval by two-thirds vote of the Board of Directors, shall have the right, through its agents and employees, to enter upon said lot and to repair, maintain, and restore the lot (including the cutting of grass and pruning of trees) and the exterior of the building or buildings and any other improvements erected thereon. The cost of such repair and restoration maintenance (including the cutting of grass and pruning of trees) shall be added to and become part of the assessment to which such lot is subject.

(2) Maintenance of the planter island located within the cul de sac in SE 82nd Place, adjacent to the lots 70, 71 and 72, is to be maintained equally by said lots 70, 71 and 72.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein has hereunto set their hands this 10th day of November, 1988.

Marion-Olympus, Inc.

By: OLYMPUS ASSOCIATES, a
Washington General Partnership (authorized
signatory),

By: POLYGON ASSOCIATES, Its
General Partner

By: THE POLYGON CORPORATION
It's General Partner

By: J.G. Peterson
Its President.

FIRST AMENDMENT TO DECLARATION
OF COVENANTS, CONDITIONS, RESTRICTIONS AND RESERVATIONS FOR
OLYMPUS DIVISION No. 2

This First Amendment to the Declaration of Covenants, Conditions, Restrictions
and Reservations for Olympus Division No. 2 is made this 6th day of June, 1989/

WITNESSETH:

WHEREAS, the Declaration of Covenants, Conditions, Restrictions and Reservations for Olympus Division No. 2, dated November 10, 1988, was made and recorded in the records of King County under Recording No. 8811140187 (the "Declarant"), and

WHEREAS, the Declarant desires to amend the Declaration to include the real property contained in Olympus Division No. 3 as per plat recorded in Volume 146 of Plats, pages 4 through 10, inclusive, King County Recorder's No. 8906051102, records of King County, Washington (Olympus Division No. 3"),

NOW, THEREFORE, Declarant hereby declares as follows:

1. All of the real property described above as Olympus Division No. 3 is hereby annexed to the real property described in the declaration.
2. Olympus Division No. 3 shall be held, sold conveyed subject to the easements, restrictions, covenants and conditions set forth in the Declaration.
3. This First Amendment is made pursuant to Article VI, Section 8 of the Declaration and shall be binding upon all parties having any right, title or interest in Olympus Division No. 2 or No. 3, or any part thereof, their heirs, successors, and assigns and shall inure to the benefit of each owner thereof.