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For the benefit of all residents at Lendemain, the Declaration of Covenants, Conditions and Restrictions contained herein are offered as a guide to membership in the Lendemain Home Owners' Association. Official documents have been recorded and are on file with the Office of the King County Auditor under Auditor's File No. 720726389 dated July 26, 1972.

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (herein "this Declaration") by KEENWOOD CORPORATION (herein the "Declarant").

WHEREAS, Declarant is the owner of certain property in King County, State of Washington, commonly known as Breakthrough Divisions 1 and 2, which is more particularly described on Exhibit A hereto.

NOW, THEREFORE, Declarant hereby declares that all of the properties described in Exhibit A 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

1.1 "Association" shall mean and refer to Lendemain Homeowners' Association, a nonprofit corporation to be organized and exist under the laws of the State of Washington, its successors and assigns.

1.2 "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot 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.

1.3 "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.

1.4 "Common Area" shall mean all real property now or hereafter owned by the Association for the common use and enjoyment of the Owners.

1.5 "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

1.5.1 "Single Family Lot" shall mean and refer to any Lot upon which one Living Unit is constructed and shall include any separate parking area conveyed with a Lot.

1.5.2 "Multifamily Lot" shall mean and refer to any Lot upon which more than one Living Unit is constructed and shall include any separate parking area conveyed with a Lot.

1.5.3 "Living Unit" shall mean and refer to a space intended for occupancy by one family.

1.6 "Declarant" shall mean and refer to Keenwood Corporation and its successors and assigns if such successors and assigns should acquire more than one Lot from the Declarant for the purpose of development.

1.7 "HUD" shall mean the Department of Housing and Urban Development.

ARTICLE II: PROPERTY RIGHTS

2.1 Owners' Easements 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:

2.1.1 The right of the Association to regulate the use of the Common Area and to charge reasonable fees for the use of any facility situated upon the Common Area;

2.1.2 The right of the Association to suspend the voting rights and right to use of the Common Area facilities by an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed thirty (30) days for any infraction of its published rules and regulations;

2.1.3 The right of the Association (subject to any applicable laws, regulations or zoning ordinances then in effect) to dedicate or transfer all or any part of the Common Area to the State of Washington or any political subdivision thereof or any utility for such purposes and subject to such conditions as may be agreed to by the Members; provided, that (a) no dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of each class of the Members agreeing to such dedication or transfer has been recorded and (b) the state, political subdivision or utility shall have accepted all of the terms and conditions of such dedication or transfer, and provided further that nothing in this Article 2.1.3 shall be deemed to be a waiver of or an exemption from, any applicable laws, regulations or zoning ordinances then in effect.

2.1.4 The right of the Declarant during such time as there is a Class B membership to the use of such portions of the community center as may be necessary, and the right of the Declarant to maintain construction and sales office trailers on the Common Area, provided that such uses shall not interfere with the quiet enjoyment of the Common Area by the other Members and provided further that Declarant shall be responsible for the cost of any maintenance required above and beyond the maintenance required by the use of the other Members. When the Class B membership terminates, the Declarant shall restore the areas described herein to a condition comparable to the surrounding area and shall place such areas in possession of the Association.

2.3 Delegation of Use. Any Owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, contract purchasers who reside on the Property and subject to regulation by the Association, to temporary guests.

ARTICLE III: MEMBERSHIP AND VOTING RIGHTS

3.1 Every Owner of a Lot 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 which is subject to assessment.

3.2 The Association shall have two classes of voting membership:

3.2.1 Class A. Class A members shall be all Owners (with the exception of the Declarant, until the Declarant shall become a Class A member as provided below), including both single family and multi-family Lot Owners.

3.2.1(a). Single family Lot Owners 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 each Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

3.2.1(b) Multifamily Lot Owners shall be entitled to one vote per Living Unit on such Lot. Multifamily Lot Owners shall not be entitled at any time to cast more than forty-nine (49) percent of the total number of Class A votes. When more than one person holds an interest in a Multifamily Lot, all such persons shall be members. The votes for a Multifamily Lot shall be exercised as they among themselves determine, and one Owner shall be authorized to cast all votes permitted with respect to any such lot.

3.2.2 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 on the happening of either of the following events, whichever first occurs:

(a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or

(b) on April 1, 1977.

ARTICLE IV: COVENANT FOR MAINTENANCE ASSESSMENTS

4.1 Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot while owned by it within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, 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, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, 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 the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

4.2 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 and of the homes situated on the Properties.

4.3 Maximum Annual Assessment. Until January 1 of the year immediately following conveyance of the first Lot to an Owner, and subject to Article 4.7 below, the maximum annual assessment, expressed on the basis of monthly payments, shall be:

(a) Ten and no/100 Dollars (\$10.00) per Lot for each Single Family Lot Owner (except Townhouse Owners).

(b) Ten and no/100 Dollars (\$10.00) per Living Unit for each Multifamily Lot Owner.

(c) Each Owner of a Townhouse shall pay an assessment equal to 200% of the assessment paid by Single Family Lot Owners.

4.3.1 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 five percent (5%) above the maximum assessment for the previous year without a vote of the membership.

4.3.2 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 five percent (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.

4.3.3 The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

4.4 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 (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. Single Family Lot Owners shall pay such assessment for each Lot owned. Multifamily Lot Owners shall pay such assessment for each Living Unit on that Lot.

4.5 Notice and Quorum for Any Action Authorized Under 4.3 and 4.4. Written notice of any meeting called for the purpose of taking any action under 4.3 and 4.4 shall be sent to all members not less than thirty (30) nor more than sixty (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 sixty (60) days following the preceding meeting.

4.6 Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Single Family Lots and at a uniform rate for all Living Units on Multifamily Lots and may be collected monthly.

4.7 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 annual assessments provided for herein 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.

4.8 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 six percent (6%) 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.

4.9 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

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 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 the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (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.

ARTICLE VI: PARTY WALLS

6.1 General Rules of Law to Apply. Each wall which is built as a part of the original construction of the homes upon the Properties and placed on the dividing line between the Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law of the State of Washington regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

6.2 Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

6.3 Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use

of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

6.4 Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

6.5 Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

6.6 Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators.

ARTICLE VII: GENERAL PROTECTIVE COVENANTS

7.1 Residential Character of Property. All of the Lots in the Properties, with the exception of the Common Area, shall be used only as residential lots. No structures of any kind shall be erected or permitted to remain on any Lot other than a Single or Multifamily Living Unit and structures normally accessory to such Living Units.

7.2 Residential Use of Temporary or Mobile Structures Prohibited. No outbuildings erected or placed on any Lot, nor any similar structure of a temporary character, nor any mobile home shall at any time be used as a residence, whether temporarily or permanently.

7.3 Certain Uses of Property Prohibited.

7.3.1 Business and Commercial Uses. No trade, craft, business, profession, commercial or similar activity of any kind shall be conducted on any Lot, or within any structure located on any Lot, nor shall any goods, equipment, vehicles, materials or supplies used in connection with any trade, service, or business, nor any vehicles in excess of 6,000 pounds gross weight used for private purposes, be kept, parked, stored, dismantled or repaired upon any Lot on any street within the Properties, nor shall anything be done on any Lot which is or may become an annoyance or nuisance to the surrounding Properties.

7.3.2 Rubbish and Trash. No Lot or part of the Common Area shall be used as a dump for trash or rubbish of any kind. All garbage and other waste shall be kept in appropriate sanitary containers for proper disposal. Yard rakings and dirt and other material resulting from landscaping work shall not be dumped onto streets or other Common Areas. Should any Owner fail to remove any trash, rubbish, garbage, yard rakings or other such materials from his Lot or any street or common area where deposited by him within ten (10) days following the date on which notice is mailed to him by the Association, the Association may have such materials removed and charge the expense of such removal to the Lot Owner as part of the monthly assessment for his Lot.

7.3.3 Vehicles in Disrepair. No Owner of any Lot shall permit any vehicle which is in an extreme state of disrepair to be abandoned or to remain parked upon any Lot or on the Common Area for a period in excess of forty-eight (48) hours. A vehicle shall be deemed to be in an extreme state of disrepair when

in the opinion of the Board of Directors or the Architectural Control Committee its presence offends the occupants of the neighborhood. Should any such Owner fail to remove such vehicle within two (2) days following the date on which notice is mailed to him by the Association or the Architectural Control Committee, as the case may be, the Association or the Committee may have the vehicle removed and charge the expense of removal to the Owner as part of the monthly assessment for his Lot.

7.3.4 Animals. No animal or fowl of any kind shall be raised, bred, or kept on any Lot, except that cats, dogs, birds or other household pets may be kept if they are not bred or maintained for any commercial purpose, and in any event they shall not be kept in numbers or under conditions so as to become a nuisance to the surrounding Properties.

7.3.5 Signs. No signs shall be erected or maintained on any Lot, except that not more than one "For Sale" or "For Rent" sign placed by the Owner or by a licensed real estate broker, not exceeding eighteen (18) inches high and twenty-four (24) inches long, may be displayed on any Lot.

7.4 Easements. Easements are reserved as follows:

7.4.1 Utility Easements. There are hereby specifically reserved for the benefit of the Common Area and each Lot as the dominant tenement, and for the benefit of the Declarant, the Association, any applicable utility, and their successors and assigns, an easement on each Lot as the servient tenement, under, over, and upon five-foot strips of land adjacent to front, rear and side Lot boundary lines for utility installation and maintenance, including but not limited to, power, telephone, water, sewer, drainage, gas, and the like, together with the right to enter upon the Lots at all times for said purposes provided that the rights thereunder do not interfere with any of the buildings or improvements located on the Properties. Additional utility easements are shown of record and on the recorded plat of Breakthrough Divisions 1 and 2.

7.4.2 Easement for Maintenance. There is hereby reserved to the Association, its agents and employees, an easement to enter onto each Lot for the purpose of performing exterior maintenance on such Lot. Such entry and access described herein shall be at a reasonable time.

7.4.3 Easement for Drainage and Overhang. There is hereby specifically reserved and granted to Lots 22 through 76, inclusive, of Breakthrough Division 1, an easement over, under and across the adjoining Lots, outside of the permanent structures, for the purpose of roof drainage, footing drainage and eave drainage, provided that this subparagraph shall not be considered to be a waiver of FHA Regulation 203.389(b)(1) and (2).

ARTICLE VIII: GENERAL PROVISIONS

8.1 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 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.

8.2 Severability. Invalidity of any one of these covenants or restrictions by judgement or court order shall in no way affect any other provisions which shall remain in full force and effect.

8.3 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. Thereafter they shall automatically be extended for successive periods of ten (10) years unless terminated in accordance with this paragraph. 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 it may be amended or terminated by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners, provided, however, that (a) no amendment or termination which would have the effect of changing the primary use of the Common Area shall be effective unless approved by the legislative body of the municipal authority having jurisdiction of the Properties at that time, (b) the authority hereby granted to amend or terminate this Declaration shall not be deemed to be a waiver of, or an exemption from, any applicable law, regulation or zoning ordinance and (c) any such amendment or termination shall be filed for record.

8.4 Annexation. Additional residential property and Common Area may be annexed to the Properties with the consent of two-thirds (2/3) of each class of Members.

8.5 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 30th day of June, 1972.

KEENWOOD CORPORATION,
Declarant

By /s/ Preston T. Smith
Title President

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

On this 30th day of June, 1972, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared PRESTON T. SMITH, to me known to be the PRESIDENT of KEENWOOD CORPORATION, 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.

WITNESS my hand and official seal hereto affixed, the day and year first above written.

/s/ R. J. Cole
Notary Public in and for the State of Washington, residing at Gig Harbor

**EXHIBIT A
TO DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS**

Legal Description of Breakthrough Divisions 1 and 2:

All that certain real property situated in King County, Washington, and being a portion of Section 16, Township 26 North, Range 5 East, of W. M. and being more particularly described as follows: Beginning at the South Quarter Corner of said Section 16, said point being in the centerline of 124th Avenue N. E.; thence along the Southerly line of said Section 16, North 89° 19'01" West, 30.04 feet, to a point of intersection with the Westerly line of said 124th Avenue; thence along said Westerly line, North 3° 34'58" East, 452.10 feet, to the True Point of Beginning; thence North 86° 25'02" West, 1299.63 feet to the point of intersection with the Westerly line of the East 1/2 of the Southwest 1/4 of said Section 16; thence along last said Westerly line North 1°47'04" East, 942.72 feet; thence leaving said Westerly line North 46° 08'44" East, 619.18 feet; thence South 62° 37'36" East, 994.94 feet to the Westerly line of said 124th Avenue; thence along last said Westerly line South 3° 34'58" West, 996.95 feet to the True Point of Beginning.

AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

Amendment to Declaration of Covenants, Conditions and Restrictions by Keenwood Corporation (herein the "Declarant").

WHEREAS, Declarant is the Owner of certain real property in King County, State of Washington, commonly known as Breakthrough Divisions 1 and 2, which is more particularly described on Exhibit A hereto;

WHEREAS, Declarant has filed for recordation with the King County Department of Records and Elections an instrument dated June 30, 1972 entitled "Declaration of Covenants, Conditions and Restrictions" (herein the "Declaration"), which Declaration is recorded in Volume 94 of Plats, at pages 61-66.

[handwritten notation: Div I / Div II " " " pg. 85-89]

WHEREAS, Declarant is presently the Owner of 100% of the Lots as such term is defined in the Declaration;

NOW, THEREFORE, Declarant declares that the Declaration is hereby amended by deleting subsection "(c)" of Article 4.3 and substituting therefor the following subsection (c) in Article 4.3:

"(c) Not more than 200% of the assessment established for Single Family Lot Owners for each Townhouse Owner."

Except as amended hereby, all of the terms of the Declaration are hereby confirmed.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein and as Owner of 100% of the Lots referred to in the Declaration, has hereunto set its hand and seal this 31st day of July 1972.

KEENWOOD CORPORATION, Declarant

By /s/ R. L. Brewster
Title Vice President

Pursuant to Article 8.5 of the Declaration, the Federal Housing Administration hereby approves of the foregoing Amendment.

FEDERAL HOUSING ADMINISTRATION

By /s/ Niles B. Paull
Title Deputy Area Director

EXHIBIT A
to
AMENDMENT OF DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS

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STATE OF WASHINGTON)
)
COUNTY OF KING)

On this 31st day of July, 1972, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared R. L. Brewster, to me known to be the VICE PRESIDENT of KEENWOOD CORPORATION, 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.

WITNESS my hand and official seal hereto affixed, the day and year first above written.

/s/ W. T. Armstrong
Notary Public in and for the State of
Washington, residing at Seattle

222888

File Number

Domestic

STATE OF WASHINGTON – DEPARTMENT OF STATE

I, A. Ludlow Kramer, Secretary of State of the State of Washington and custodian of its seal, hereby certify that

ARTICLES OF INCORPORATION

of LENDEMAIN HOME OWNERS' ASSOCIATION

a Domestic corporation of Kirkland , Washington,

was filed for record in this office on this date, and I further certify that such Articles remain on file in this office.

In witness whereof I have signed and
have affixed the seal of the State of
Washington to this certificate at
Olympia, the State Capital,

August 10, 1972

/s/ A. Ludlow Kramer
Secretary of State

SEAL
State of Washington

**ARTICLES OF INCORPORATION
OF**

LENDEMAIN HOME OWNERS' ASSOCIATION

In compliance with the requirements of the Washington Nonprofit Corporation Act as set forth in Title 24, Revised Code of Washington, the undersigned, a resident of the State of Washington and of the age of 21 years or more, as incorporator of a nonprofit corporation, hereby adopts the following Articles of Incorporation:

ARTICLE 1: NAME OF CORPORATION

The name of the corporation is "Lendemain Home Owners' Association" (hereinafter called the "Association").

ARTICLE 2: INITIAL REGISTERED OFFICE OF ASSOCIATION

The initial registered and principal office of the Association is located at 14901 123rd Avenue N. E. Kirkland, Washington 98033.

ARTICLE 3: REGISTERED AGENT OF ASSOCIATION

Thomas N. Sharp, whose address is 14901 123rd Avenue N. E., Kirkland, Washington 98033, is hereby appointed the initial registered agent of the Association.

ARTICLE 4: DURATION

The Association shall exist perpetually.

ARTICLE 5: CERTAIN DEFINITIONS

For purposes of these Articles, the terms "Declarant", "Lot(s)", "Owners" and "Properties" shall have the meanings assigned them in that certain Declaration of Covenants, Conditions and Restrictions dated June 30, 1972 (as from time to time amended the "Declaration"), recorded at Volume 94 Pages 61-66, Records of Department of Records and Elections of King County, Washington, and the term "Common Property" as used herein shall have the same meaning as the term "Common Area" as defined in such Declaration.

ARTICLE 6: PURPOSES AND POWERS OF THE ASSOCIATION

6.1 PURPOSES. The specific purposes for which the Association is formed are to provide for maintenance, preservation and architectural control of the residential Lots and Common Property within the Properties; to promote the health, safety and welfare of the residents within such Properties and any additions thereto hereafter brought within the jurisdiction of the Association by annexation; and for the pleasure, recreation and social welfare of its Members, and other similar nonprofitable purposes inuring to the common benefit of its Members, within the meaning of Section 501(c)(7) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law). The Association is not organized for the pecuniary gain or profit of its Members, and no part of the property or net earnings of the Association shall inure to the benefit of any incorporator, Member, director, officer or other individual, except as reasonable compensation for goods furnished or services rendered, as reimbursement for expenses reasonably incurred, or as rights to common enjoyment of the Common Property and other benefits as provided in the Declaration.

6.2 POWERS. To fulfill the purposes for which the Association is formed it is hereby empowered:

6.2.1 To exercise all of the powers and privileges and to perform all of the duties and obligations of the Association set forth in the Declaration;

6.2.2 to fix, levy and collect all charges or assessments permitted by the Declaration, and enforce payment thereof by any lawful means; to pay all expenses incident to the conduct of the business of the Association, including without limitation all license fees, taxes or governmental charges levied or imposed against the property of the Association;

6.2.3 to acquire (by gift, purchase or otherwise), own, improve, operate, maintain, lease, sell, transfer, exchange or otherwise dispose of real or personal property in connection with the affairs of the Association, including, without limitation, acquisition of the Common Property pursuant to the Declaration;

6.2.4 to dedicate or transfer all or any part of the Common Property to any public agency, authority or utility, for such purposes and subject to such conditions as may be agreed to by the Members, as provided in the Declaration;

6.2.5 to lend (other than to officers or directors) and borrow money, and to mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts, provided that the rights of any such mortgages shall be subordinate to the rights of the Owners and provided that any such action shall have the assent of two-thirds (2/3) of each class of Members;

6.2.6 to employ employees, and to contract for property or services as necessary or appropriate for corporate purposes;

6.2.7 to participate in mergers and consolidations with other nonprofit corporations organized for the similar purposes; and to annex additional residential property and common areas to the Properties, provided that any such merger, consolidation or annexation shall have the approval of two-thirds (2/3) of each class of Members;

6.2.8 without limitation of the foregoing, to have and to exercise any and all other powers, rights and privileges which a corporation organized under the Washington Nonprofit Corporation Act, or the corresponding provisions of any future legislation, may now or hereafter have or exercise.

6.3 MAINTENANCE OF INCOME TAX EXEMPTION. The Association shall not carry on any activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(7) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law), and the Association shall not acquire any property which in the opinion of its Board of Directors may jeopardize federal income tax exemption of this Association pursuant to such legislation.

ARTICLE 7: MEMBERSHIP AND VOTING RIGHTS

7.1 Every Owner of a Lot 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 which is subject to assessment.

7.2 The Association shall have two classes of voting membership:

7.2.1 CLASS A. Class A members shall be all Owners (with the exception of the Declarant, until the Declarant shall become a Class A member as provided below), including both Single Family and Multifamily Lot Owners.

(a) Single Family Lot Owners 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 each Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

(b) Multifamily Lot Owners shall be entitled to one vote per Living Unit on such Lot. Multifamily Lot Owners shall not be entitled at any time to cast more than forty-nine (49) percent of the total number of Class A votes. When more than one person holds an interest in a Multifamily Lot, all such persons shall be Members. The votes for a Multifamily Lot shall be exercised as they among themselves determine, and one Owner shall be authorized to cast all votes permitted with respect to any such Lot.

7.2.2 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 of the following events; whichever first occurs:

(a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or

(b) on April 1, 1977.

ARTICLE 8: BOARD OF DIRECTORS

8.1 BOARD OF DIRECTORS. The affairs of this Association shall be managed by a Board of nine (9) directors, who need not be Members of the Association. The number of directors may be changed by amendment of the Bylaws; provided, however, that the number of directors shall not be less than five (5) persons nor more than nine (9) persons. The names and addresses of the persons who are to act in the capacity of initial directors until the selection of their successors are:

NAME	ADDRESS
R. L. Brewster	P. O. Box 3999 Seattle, Washington 98124
J. H. McGowan	P. O. Box 3999 Seattle, Washington 98124
R. J. Cole	P. O. Box 3999 Seattle, Washington 98124
C. H. Taylor	P. O. Box 3999 Seattle, Washington 98124
G. E. Ablott	P. O. Box 3999 Seattle, Washington 98124
P. T. Smith	P. O. Box 3999 Seattle, Washington 98124

8.1 BOARD OF DIRECTORS (continued)

NAME	ADDRESS
C. L. Todd	P. O. Box 3999 Seattle, Washington 98124
T. N. Sharp	P. O. Box 3999 Seattle, Washington 98124
R. A. Nissen	P. O. Box 3999 Seattle, Washington 98124

At the first annual meeting, which shall be held not later than six months from the date of incorporation of the Association, the members shall elect three (3) directors for a term of one (1) year, three (3) directors for a term of two (2) years and three (3) directors for a term of three (3) years; and at each annual meeting thereafter the Members shall elect directors to fill vacancies on the Board for a term of three (3) years. Except as specified herein, the number, qualifications, terms of office, manner of election, time and place of meetings, and powers and duties of directors shall be as provided in the Bylaws.

8.2 REMOVAL OF DIRECTORS. Any director may be removed from office without cause by a two-thirds (2/3) vote of the Members entitled to vote at any regular or special meeting of the membership of the Association; provided, however, that written notice of such proposed removal shall be given to the director sought to be removed not less than ten (10) days prior to the meeting at which such proposal is to be voted upon.

8.3 CONTRACTS IN WHICH DIRECTORS HAVE AN INTEREST. Any contract or other transaction between the Association and any corporation, firm, association or other entity of which one or more of the Association's directors are stockholders, members, directors, officers or employees shall be valid for all purposes notwithstanding the presence of such interested director or directors at the meeting of the Board of Directors which acts upon such contract or transaction,

(i) if the fact of such interest shall have been disclosed to or known by the Board of Directors, the interested director shall have abstained from voting with respect to such contract or transaction and such contract or transaction shall have been approved by the affirmative vote of not less than five disinterested directors; or

(ii) if, so long as there is Class B membership, such contract or transaction shall have been approved by the Department of Housing and Urban Development (Region X Director, Operation Breakthrough, after legal review by Regional Counsel).

ARTICLE 9: OFFICERS

9.1 OFFICERS. This Association shall have a president and vice president, who shall be members of the Board of Directors, a secretary, a treasurer, and such other officers as the Bylaws may establish.

9.2 ELECTION OF OFFICERS. The officers of the Association shall be chosen by the Board of Directors. The manner of election, the terms of office, and duties of the officers of the Association shall be as provided by the Bylaws.

9.3 REMOVAL OF OFFICERS. The Board of Directors may, by majority vote, remove any officer whenever in its judgement the best interests of the Association shall be served thereby; provided, however, that written notice of such proposed removal shall be given to the officer sought to be removed not less than ten (10) days prior to the meeting at which such proposal is to be voted upon.

ARTICLE 10: DISSOLUTION

10.1 VOLUNTARY DISSOLUTION. The Association may be voluntarily dissolved with the written assent of not less than two-thirds (2/3) of each class of Members.

10.2 DISTRIBUTION OF ASSETS ON DISSOLUTION. Upon any dissolution or liquidation, other than incident to a merger or consolidation, any net assets, both real and personal, of the Association remaining for distribution shall, except as otherwise prescribed by law, be distributed as follows:

10.2.1 Such net assets of the Association shall, subject to any terms of acquisition thereof, be conveyed or dedicated to an appropriate public agency for purposes as nearly as practicable the same as those to which they were required to be devoted by the Association; or

10.2.2 if dedication or conveyance to an appropriate public agency for the purposes set forth in subsection 10.2.1 is refused acceptance, then such net assets of the Association shall, subject to any terms of acquisition thereof, be transferred to tax exempt (for purposes of Section 501(c)(7), Internal Revenue Code of 1954, or subsequent corresponding laws) nonprofit organizations having substantially similar purposes to those of this Association, to be devoted to purposes and uses that would most nearly reflect the purposes and uses to which they were required to be devoted by the Association.

Such distributions and tax exempt nonprofit organizations shall be determined by the Board of Directors of the Association or as otherwise prescribed by law.

ARTICLE 11: BYLAWS

The Board of Directors shall adopt such Bylaws, not inconsistent with these Articles, as shall be appropriate to the conduct of the affairs of the Association. Such Bylaws may be altered, amended or repealed, as the purposes of the Association may from time to time require, in the manner provided therein.

ARTICLE 12: SPECIAL APPROVALS

So long as there is Class B membership, the following action by the Association shall require the prior approval of the Federal Housing Administration or the Veterans Administration: Annexation of additional properties, mergers and consolidations, mortgaging of the Common Property, dedication of the Common Property, dissolution and amendment of these Articles.

ARTICLE 13: AMENDMENTS

Amendment of these Articles shall require the assent of seventy-five percent (75%) of the membership.

ARTICLE 14: QUORUM AND VOTING REQUIREMENTS

Whenever, in respect of any action to be taken by the Members or the Board of Directors, these Articles or the Bylaws adopted pursuant hereto require quorums, voting or other concurrence of a proportion of Members or Directors greater than otherwise required by law, then such provisions of these Articles or such Bylaws shall control.

ARTICLE 15: INCORPORATOR

The name and address of the incorporator is Carolyn R. Stephenson, 1900 Washington Building, Seattle, Washington 98101.

Dated: August 7, 1972

/s/ Carolyn R. Stephenson

CAROLYN R. STEPHENSON, being first duly sworn, on oath deposes and says: That she is the incorporator of the above corporation; that she has read the foregoing Articles of Incorporation, knows the contents thereof and believes the contents to be true.

/s/ Carolyn R. Stephenson

SUBSCRIBED AND SWORN TO before me this 7th day of August , 1972.

/s/ F. Dean Watson

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

**BYLAWS
OF
LENDEMAIN HOME OWNERS' ASSOCIATION**

ARTICLE I: NAME AND LOCATION

The name of the corporation is Lendemain Home Owners' Association, hereinafter referred to as the "Association". The principal office of the corporation shall be located at 14901 123rd Ave. N. E., Kirkland, Washington 98033, but meetings of members and directors may be held at such places within the state of Washington, County of King, as may be designated by the Board of Directors.

ARTICLE II: DEFINITIONS

SECTION 1. "Association" shall mean and refer to Lendemain Home Owners' Association, its successors and assigns.

SECTION 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions, and Restrictions referred to below, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

SECTION 3. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

SECTION 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

SECTION 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot 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.

SECTION 6. "Declarant" shall mean and refer to Keenwood Corporation, its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

SECTION 7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Office of the King County Department of Records and Elections at Volume 94 of Plats at pages 61-66.

SECTION 8. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

ARTICLE III: MEETING OF MEMBERS

SECTION 1. ANNUAL MEETINGS. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 8:00 o'clock, P.M. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday. 3rd Weds in June

SECTION 2. SPECIAL MEETINGS. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A or Class B memberships.

SECTION 3. NOTICE OF MEETINGS. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting by mailing a copy of such notice, postage prepaid, at least 10 days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

SECTION 4. QUORUM. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

SECTION 5. PROXIES. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot.

ARTICLE IV: BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

SECTION 1. NUMBER. The affairs of this Association shall be managed by a Board of nine (9) directors, who need not be members of the Association.

SECTION 2. TERM OF OFFICE. At the first annual meeting the members shall elect three directors for a term of one year, three directors for a term of two years and three directors for a term of three years; and at each annual meeting thereafter the members shall elect three directors for a term of three years.

SECTION 3. REMOVAL. Any director may be removed from the Board, with or without cause, by a majority vote of each class of the members of the Association. In the event of death, resignation or

removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

SECTION 4. COMPENSATION. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

SECTION 5. ACTION TAKEN WITHOUT A MEETING. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V: NOMINATION AND ELECTION OF DIRECTORS

SECTION 1. NOMINATION. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than a number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

SECTION 2. ELECTION. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI: MEETINGS OF DIRECTORS

SECTION 1. REGULAR MEETINGS. Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

SECTION 2. SPECIAL MEETINGS. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days notice to each director.

SECTION 3. QUORUM. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

SECTION 4. ACTION BY WRITTEN CONSENT. Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if a written consent setting forth the action to be taken is signed by each of the directors. Any such written consent shall be inserted in the minute book as if it were the minutes of a Board meeting.

ARTICLE VII: POWERS AND DUTIES OF THE BOARD OF DIRECTORS

SECTION 1. POWERS. The Board of Directors shall have power to:

- (a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;
- (c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;
- (d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
- (e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

SECTION 2. DUTIES. It shall be the duty of the Board of Directors to:

- (a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A members who are entitled to vote;
- (b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- (c) as more fully provided in the Declaration, to:
 - (1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;
 - (2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and
 - (3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.
- (d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (e) procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) cause the Common Area to be maintained.

ARTICLE VIII: OFFICERS AND THEIR DUTIES

SECTION 1. ENUMERATION OF OFFICES. The officers of this Association shall be a president and vice president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

SECTION 2. ELECTION OF OFFICERS. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

SECTION 3. TERM. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

SECTION 4. SPECIAL APPOINTMENTS. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

SECTION 5. RESIGNATION AND REMOVAL. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 6. VACANCIES. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

SECTION 7. MULTIPLE OFFICES. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

SECTION 8. DUTIES. The duties of the officers are as follows:

PRESIDENT

(a) The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

VICE PRESIDENT

(b) The vice president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

SECRETARY

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

TREASURER

(d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be represented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE IX: COMMITTEES

The Association shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X: BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI: ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of six (6) percent per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.

ARTICLE XII: CORPORATE SEAL

The Association shall have a seal which shall be in the following form:

[SEAL]

ARTICLE XIII: AMENDMENTS

SECTION 1. These bylaws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is Class B membership.

SECTION 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XIV: MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we, being all of the directors of the Lendemain Home Owners' Association, have hereunto set our hands this 29th day of August, 1972.

/s/	/s/
R. L. Brewster	J. H. McGowan
/s/	/s/
R. J. Cole	C. H. Taylor
/s/	/s/
G. E. Ablott	P. T. Smith
/s/	/s/
C. L. Todd	T. N. Sharp

/s/
R. A. Nissen

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting secretary of the Lendemain Home Owners' Association, a Washington corporation, and,

THAT the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 29th day of August, 1972.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 29th day of August, 1972.

/s/ Charles H. Taylor
Secretary

INTRODUCTION RULES AND REGULATIONS

The following rules and regulations have been put together as a supplement to the Lendemain Homeowners Declarations and Bylaws. Article VII, Section 1 of the Bylaws states:

The Board of Directors shall have power to: a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon and to establish penalties for the infraction thereof.

Many of the following rules and regulations have already been in existence, but have not historically been presented in one document.

These rules and regulations may be applied by the Board of Directors at any time. They must not be in conflict with the Lendemain Homeowner Declarations or Bylaws. All homeowners and renters will be notified 30 days in advance of any new rule adoptions.

NOTE: THE BOARD OF DIRECTORS WILL STRICTLY ENFORCE ANY VIOLATION OF THESE RULES AND REGULATIONS.

EXPENSES AND ASSESSMENTS

1.1 Creation of Homeowners Annual Assessments:

Article IV of the Lendemain Homeowners Declarations allows the Association to make annual assessments.

1.2 Assessment Billing Dates:

Bills are sent quarterly, i.e. January 1, April 1, July 1, and October 1. Billing is done quarterly due to time and cost considerations.

1.3 Assessment Payment Dates:

Homeowners may pay monthly or quarterly. Special arrangements can be made to pay semi-annually or annually. The due date for each fee is the last day of the charged period.

1.4 Delinquency of Assessment Dues:

Homeowners who are delinquent by one quarter will receive a "warning" reminder letter. Article IV, Section 8 of the Lendemain Declarations allows for the Association to charge interest at the rate of 6% per annum for any assessment not paid within 30 days of due date. Legal fees will also be included as part of assessment, being considered a "monetary penalty".

1.5 Non-Payment of Assessment Dues:

If no payment is received 90 days from due date, Article IV, Section 9 of the Declarations allows for the Association to file a lien on the property with all charges incurred reverting to the subject homeowner. Special considerations due to extenuating circumstances may be granted by the board.

1.6 Suspension of Rights:

Article VII of the Bylaws, Section 16 allows for the suspension of Association rights and facilities to any delinquent homeowner.

1.7 Legal Action:

Article VII of the Bylaws, Section 2.3 allows the Association

to bring an action at law against the homeowner for non-payment of dues. The Board of Directors will not hesitate to take this action when necessary.

1.8 Owner is Responsible for Renter:

The homeowner of the property is responsible for any renter of their property. The owner can take action necessary to recover monetary penalties incurred by the renter, but the owner must pay all penalties to the Association.

1.9 Monetary Penalties:

Monetary penalties addressed in the Lendemain Homeowner Declarations, Bylaws, or Rules and Regulations are to be collected over any dues or assessments. Homeowners will be considered delinquent if both monetary penalties and dues are not paid in full within 30 days of the billing date.

1.10 Holding of Dues by Homeowner:

The holding of dues by a homeowner, for any reason, is in violation of Article IV of the Declarations. Any grievances should be addressed to the Board of Directors of the Association, in writing. The Board will do everything within their power to address the grievance.

RUBBISH AND TRASH

2.1 Trash Removal:

Article VII, Section 7.3.1 of the Lendemain Homeowners Declarations states that the Association may have the power to remove trash, rubbish, garbage, yard rakings, or other such materials from a lot, street or common area if it is in place for more than ten (10) days. This includes (Section 7.4.2) the right to enter onto a lot at a reasonable time for the purpose of exterior maintenance.

2.2 Trash Removal Monetary Penalty:

Article VII, Section 7.3.1 of the Lendemain Homeowners Declarations allows the Association to charge the expense of trash removal to the Lot owner. The monetary penalty is collected over any dues assessment.

Cul-de-sacs are considered common property. Any vehicle parked within a cul-de-sac or common property for more than 48 hours is subject to being towed at the owner's expense. Entrances to cul-de-sacs are fire lanes and vehicle parking is not allowed. Double parking is not allowed in the cul-de-sacs at anytime. Trailers, boats or other recreational vehicles are not allowed in the cul-de-sacs. If the owner fails to remove such vehicles within two (2) days following the date on which the owner is notified to remove the vehicle, the vehicle may be towed at the owner's expense. Also, the owner will be assessed a monetary penalty of five (5) dollars per day for each day the vehicle is parked illegally within the cul-de-sacs or other common property.

3.2 Monetary Penalty:

Monetary penalties for the parking of trailers, boats or other vehicle parking on common property will be collected over any dues assessment.

3.3 Vehicles in Disrepair:

Article VII, Section 7.3.3 of the Lendemain Homeowners Declarations allows the Association to remove a vehicle in disrepair, at the owner's expense, if the owner fails to remove such vehicle within two (2) days following the date on which the owner is notified to remove said vehicle.

ANIMALS

4.1 Pet Rules:

4.1.1 All pets (both dogs and cats) shall be on a leash within Lendemain at all times.

4.1.2 All pet owners will be responsible for cleaning up after their pets on all Lendemain properties, whether private or common areas.

4.1.3 All pet owners will be responsible for any damage caused by their pet whether to private or common area properties.

4.1.4 No pets will be allowed to make excessive noise such as barking or howling continuously.

4.2 Complaints:

4.2.1 If unable to handle the pet problem by talking with the pet owner, the homeowner may:

- a) Call King County Animal Control at 344-3935, or
- b) Forward a written pet complaint to the Board of Directors, identifying the pet and pet owner, or address.

4.2.2 First offense will warrant a written warning; second offense will warrant a monetary penalty deemed appropriate by the Board of Directors.

ARCHITECTURAL CONTROL COMMITTEE

5.1 Purpose:

To assure the proper improvement, maintenance and construction in the Common Area and of the homes situated on the properties. Promotion of recreation, health, safety and welfare of all the residents shall be paramount.

5.2 Powers:

Adopt and publish rules and regulations governing the common areas, properties and owner properties. Report and recommend to the Board assessments for failure to comply with published rules and regulations.

RULES AND REGULATIONS

Architectural control as stated in "Declaration of Covenants, Conditions and Restrictions" (Article V) shall be the basis for such rules and regulations. Article V of the Lendemain Homeowners Declarations deems it necessary for any building, fence, wall or any other exterior alteration to be cleared by the Board of Directors or by the Architectural Committee.

Assessments may be levied by the Association against homes situated on the properties. (Article IV.)

When a majority of owners of living units which belong to a multi-family lot shall present plans and specifications for improvements and maintenance of said multi-family lot, approval and/or disapproval shall apply to all owners of the living units within that multi-family lot. (Article V and Article VI.)

Failure of the owner of each living unit to comply with action as stipulated by the Architectural Control Committee will allow the Association, its agents and employees, an easement to enter upon each lot for the purpose of performing exterior maintenance on such lot. (Article VII.)

Upon performing such maintenance, the Association will hold the "owner" of the living unit liable for creation of lien and personal obligation of the assessment. (Article IV.)

The amount of assessment for maintenance by the Association to any "living unit" shall be at a uniform rate as established by the factors which concern all the living units involved.

All plans and specifications will be considered to be submitted for purposes of the thirty (30) day, approval or disapproval, time limit, when presented to the Board and/or Architectural Committee at a regular monthly Board meeting.

5.7 The Architectural Committee shall meet approximately one week after receiving plans and specifications to take action and instruct the Secretary as to communication for approval or disapproval of said action.

5.8 Upon approval of plans and specifications the owner of each living unit shall have 30 calendar days to complete said work or additional days if so stated in plans and specifications.

5.9 Upon request by the Architectural Committee to any owner of a living unit to provide maintenance to his properties, the owner will be given thirty (30) days to comply with such maintenance. (Article VI.)

5.10 All plans and specifications shall be presented in duplicate to the Architectural Committee. One copy will be kept by the Architectural Committee, the other copy is to be returned.

5.11 The Architectural Committee shall have a form to use to indicate approval or disapproval and reasons for such. One copy to be attached to the owner's copy of the plans and the other copy to be attached to the Architectural Committee copy of said plans.

5.12 Failure to submit specifications of the proposed project, as stated in Article V, will result in the issuing of a request for removal of building or alterations; or the owner will be subject to a monetary penalty deemed appropriate by the Board of Directors.

5.13 Appeal of Architectural Committee action may be made to the Board. No building, fence, wall or other structure shall be commenced, erected or maintained upon the properties, nor shall any exterior addition or change or alteration be made until said appeal is concluded.

5.14 Monetary penalties are to be collected over any dues assessments.

6. CLUBHOUSE

6.1 Renters:

Renter shall be an adult member, in good standing, with the Lendemain Homeowners Association. If any minors (under the age of 18) are present at anytime, there must be adult supervision. A supervising adult is required for each ten (10) minors in attendance. The parent (member) of one of the minors must be in attendance.

6.2 Rental Charges:

Rental charges include a refundable deposit and a rental fee. These fees are fixed by the Board of Directors and are addressed in the rental contract.

6.3 Clubhouse Conditions:

The Clubhouse shall be pre-inspected and post-inspected by the renter and an Association Representative. The renter agrees to return the facility in the same state of cleanliness and order as received. The inspection procedures are listed in the rental contract and include interior inspections.

6.4 Clubhouse Hours:

The Clubhouse is to be vacated by 12:00 Midnight.

6.5 Noise:

All amplified live music and excessive noise, including recorded music, is prohibited.

6.6 Garbage and Litter:

All garbage and refuse shall be removed from the premises. This includes the restroom areas, kitchen, basement, decks, and entryway. In the event of weddings and/or wedding receptions, rice, confetti, etc., shall not be thrown or used on Lendemain property.

6.7 Rental Deposit:

It is the intent of the Lendemain Homeowners Association to refund the rental deposit in full, if the premises are returned in a clean and orderly condition, and if the renter complies with ALL of the rules stated. This refund will be available from the Association secretary within ten (10) working days after the date of use, unless it is determined that the deposit is to be retained by the Association.

6.8 Loss of Rental Deposit:

The decision of the Association Representative regarding the conditions found during the post-inspection will determine the amount of the deposit to be refunded. Failure to comply with any of the stated rules and regulations, including lack of adult supervision, will result in loss of the damage deposit.

6.9 Loss of Rental Rights:

In addition to the loss of the damage deposit, failure to comply with any of the stated rules and regulations may bar the responsible homeowner from renting the Clubhouse in the future. In the case of

property damage, the Board of Directors may impose a replacement fee and/or take legal action to recover damage costs.