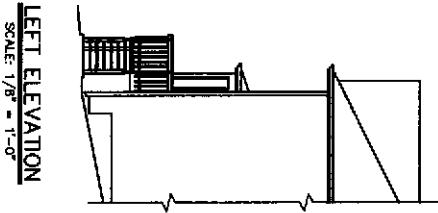
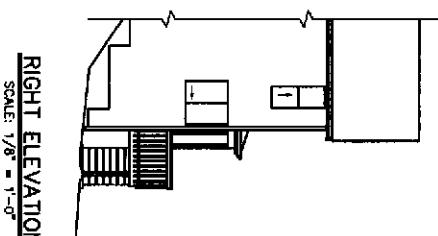


LEFT ELEVATION



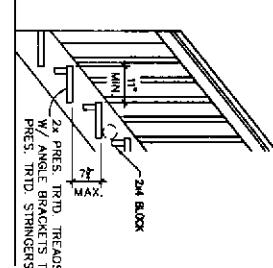
RIGHT ELEVATION



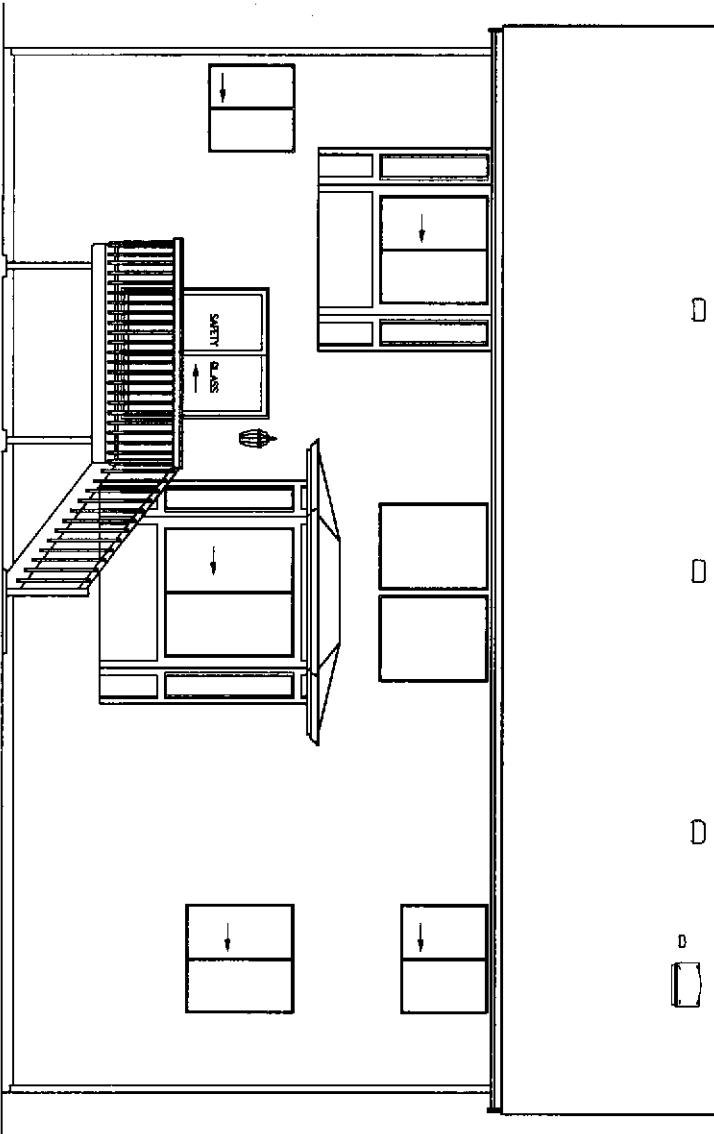
RECEIVED
MAY - 3 2007

DEVELOPMENT PLANNING
CITY OF RENTON

STAIR DETAIL



REAR ELEVATION SCALE: 1/4" = 1'-0"

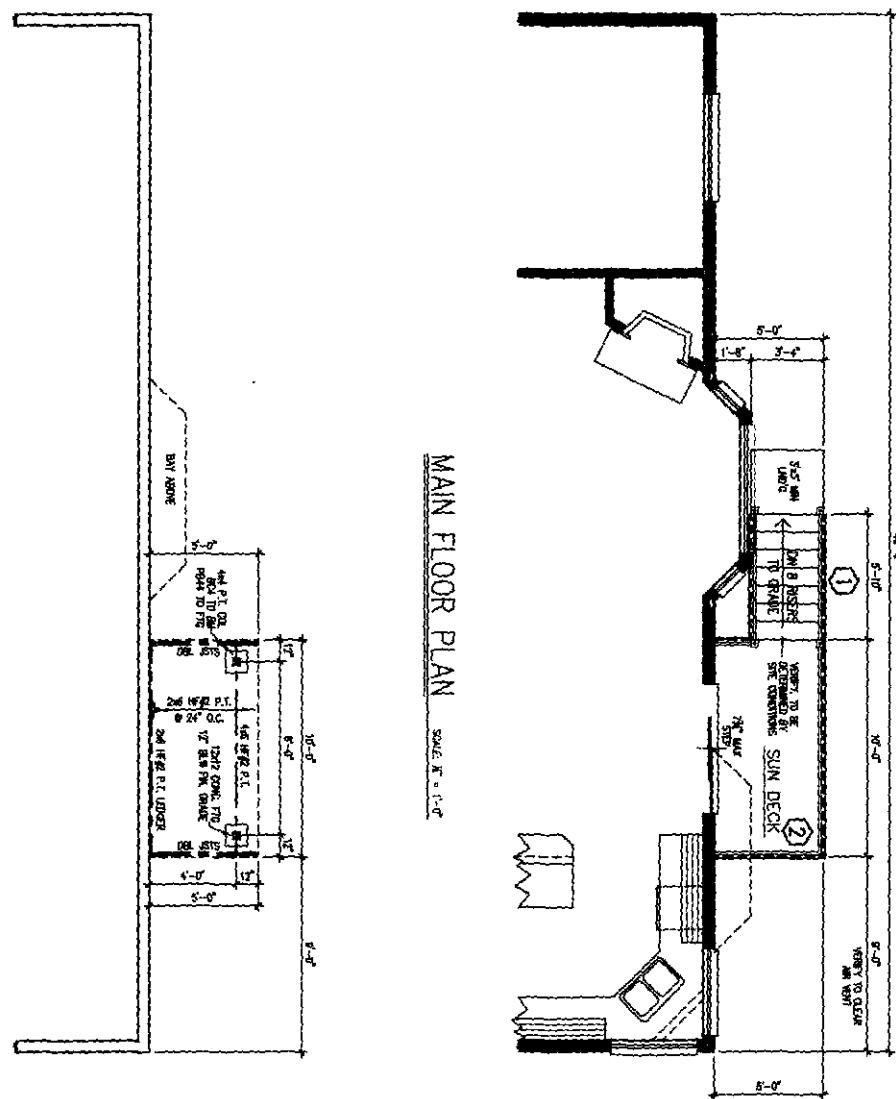


10 x 5 DECK
FOR
WESTCOTT HOMES

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DRAWN: 04/24/2007
BY: DP
REVISED:

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COMPLETE HOME & BUILDING PLAN CENTER
1915 MADISON ST. EVERETT, WA 98203
(425) 353-0531



MAIN FLOOR PLAN SCALE: 1" = 10'

DEVELOPMENT PLANNING
CITY OF RENTON
MAY - 3 2007
RECEIVED

MAY - 3 2007

DEVELOPMENT
CITY PLANNING
OF RENTON

10 x 5 DECK

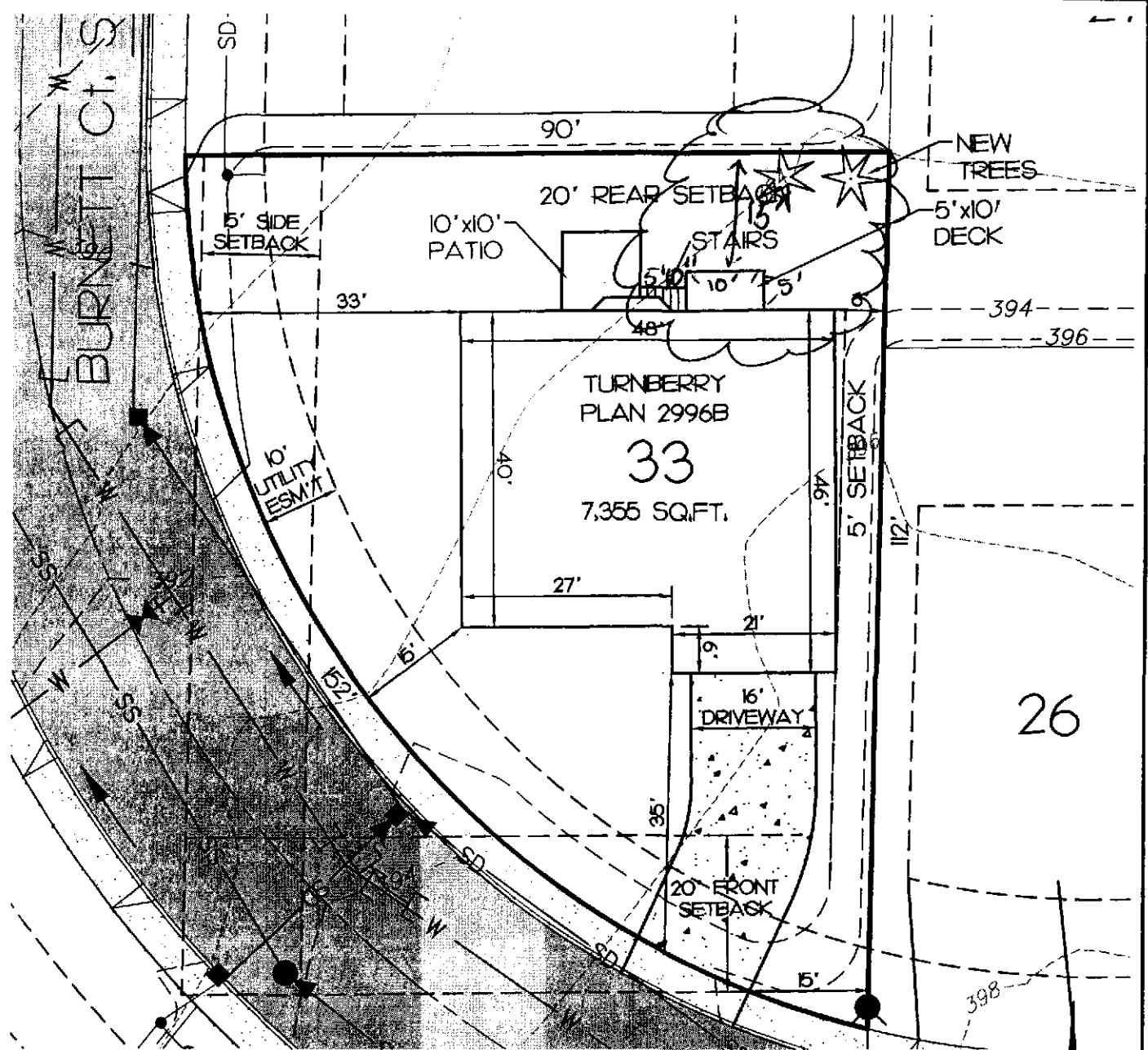
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WESTCOTT HOMES

10619 20th STREET SE, SUITE 1
EVERETT, WA 98205
425-397-8070

DRAWN: 04/24/2007
BY: DP

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NOTES

1. EROSION/SEDIMENT CONTROL MEASURES MUST BE FUNCTIONAL AND BE MAINTAINED THROUGHOUT CONSTRUCTION.

2. MAINTAIN POSITIVE DRAINAGE AWAY FROM THE STRUCTURE.

3. ENTIRE LOT, WHERE EXPOSED SOILS REMAIN AFTER CONSTRUCTION IS LANDSCAPED WITH PLANTS AND BARK/MULCH.

4. ROOF DRAINS TO DISCHARGE INTO EXISTING STORM DRAINAGE SYSTEM. ENTIRE SITE TO BE DISTURBED.

5. TEMPORARY INTERCEPTOR SWALE TO DISCHARGE INTO EXISTING STORM DRAINAGE SYSTEM.

LEGEND

EXIST/PROP DRAINAGE

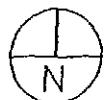
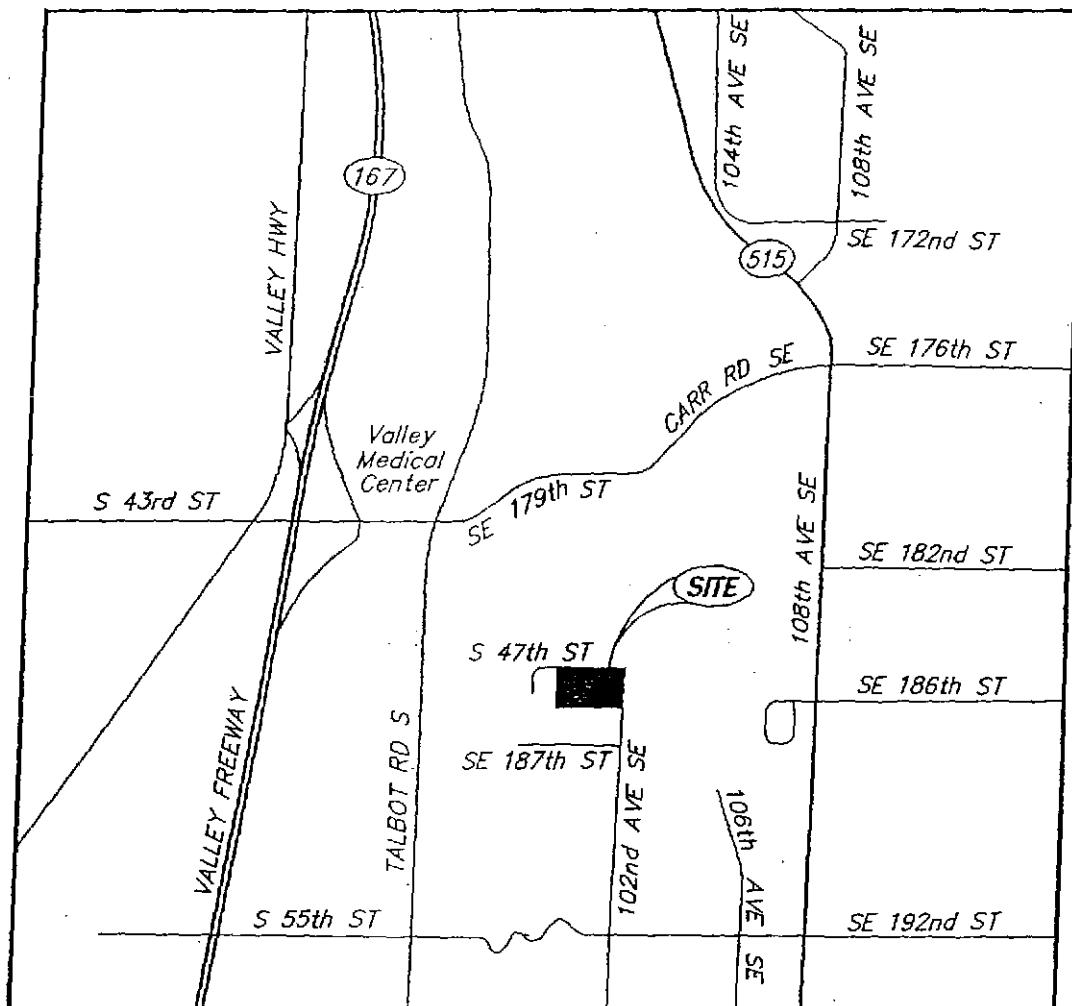
CONCRETE DRIVEWAY

RECEIVED

SCALE: 1' = 20'	LOT NO.: 33	LOT AREA: 7,355 SQ. FT.	IMPERVIOUS AREA: 2,666 SQ. FT.
THE RESERVE AT STONEHAVEN 1955 NORTH CREEK PARKWAY, SUITE 300 BOTHELL, WA 98011 (425) 485-1590	PROJECT THE RESERVE AT STONEHAVEN	SITE ADDRESS 4726 BURNETT COURT S. RENTON, WA	DEVELOPMENT PLANNING CITY OF RENTON JOB. NO. MAY - 3 2007
			RECEIVED



01/02/2005



VICINITY MAP

DEVELOPMENT PLANNING
CITY OF RENTON

MAY - 3 2007

RECEIVED

CITY OF RENTON
PLANNING / BUILDING / PUBLIC WORKS
MEMORANDUM

Date: July 6, 2007
To: City Clerk's Office
From: Stacy Tucker
Subject: Land Use File Closeout

Please complete the following information to facilitate project closeout and indexing by the City Clerk's Office.

Project Name:	Stonehaven Lot #33 Variance
LUA (file) Number:	LUA-07-047, V-A
Cross-References:	LUA04-003; LUA05-130
AKA's:	
Project Manager:	Andrea Petzel
Acceptance Date:	May 17, 2007
Applicant:	Cheryl Cardwell, The Reserve at Stonehaven, LLC
Owner:	The Reserve at Stonehaven, LLC
Contact:	Cheryl Cardwell, The Reserve at Stonehaven, LLC
PID Number:	7238000330
ERC Decision Date:	
ERC Appeal Date:	
Administrative Approval:	June 7, 2007 / Reconsideration approval: June 26, 2007
Appeal Period Ends:	June 21, 2007 / Reconsideration appeal ends: June 28, 20007
Public Hearing Date:	
DateAppealed to HEX:	
By Whom:	
HEX Decision:	Date:
DateAppealed to Council:	
By Whom:	
Council Decision:	Date:
Mylar Recording Number:	
Project Description: The applicant requests a rear yard setback variance to allow for the construction of a 5'x10' attached deck and stairs. The subject property is located in the R8 Zone, where the required rear yard setback is 20'. The rear yard setback would be reduced to 15'. Lot size is 7338 square feet, with 2096 square feet of lot coverage (29%). There are no critical areas onsite.	
Location:	4726 Burnett Court S
Comments:	

**PARTIES OF RECORD
STONEHAVEN LOT#33 VARIANCE**

LUA07-047, V-A

Cheryl Cardwell
The Reserve at Stonehaven, LLC
19515 N Creek Parkway ste:
#300
Bothell, WA 98011
tel: (425) 485-1590
eml:
ccardwell@westcotthomes.com
(owner / applicant / contact)



Kathy Keolker, Mayor

CITY OF RENTON

Planning/Building/Public Works Department
Gregg Zimmerman P.E., Administrator

July 6, 2007

Cheryl Cardwell
The Reserve at Stonehaven, LLC
19515 N Creek Parkway #300
Bothell, WA 98011

**SUBJECT: Stonehaven Lot #33 Variance
LUA07-047, V-A**

Dear Ms. Cardwell:

This letter is to inform you that the appeal period ended June 28, 2007 for the reconsideration decision on the Administrative Variance approval. No appeals were filed on the original Variance approval or the reconsideration decision. This decision is final and application for the appropriately required permits may proceed.

The revised condition #2 listed in the reconsideration letter dated June 26, 2007 and the original condition #1 listed in the City of Renton Report & Decision dated June 7, 2007 must be adhered to during construction and prior to final inspection.

If you have any questions regarding the report and decision issued for this administrative variance, please call me at (425) 430-7270.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrea Petzel".

Andrea Petzel
Associate Planner





Kathy Keolker, Mayor

CITY OF RENTON

Planning/Building/Public Works Department

Gregg Zimmerman P.E., Administrator

June 26, 2007

Cheryl Cardwell
The Reserve at Stonehaven, LLC
19515 N. Creek Parkway, #300
Bothell, WA 98011

Subject: Reconsideration for Stonehaven Lot #33 Variance

Dear Ms. Cardwell:

I have reviewed your request for reconsiderations of the decision for Stonehaven Lot #33 Variance, LUA07-047, V-A. Specifically, you requested review of the following condition of approval:

- 1) *Prior to selling the house, the applicant shall revise building permit and construction plans for CP06056 to include either the 2'x10' balcony or the 3'x4' landing and stairs. The building permit will be reviewed and approved by the Planning and Building departments and must meet all applicable codes.*

Your request is to revise the condition to allow for a 3'x 6'6" balcony to prevent obstruction of the sliding door by the deck railing. You further request that approval not be contingent on the deck being completed prior to selling to house, in order to allow you to close on the property and have the homeowners move in before they have to be out of their old house.

Upon review, both reconsiderations are granted. Allowing a 3'x 6'6" balcony does not adjust the width of the variance for the projection into the setback area (1 foot), and is within the bounds of the length allowed for a projection (10 feet). In addition, purchase negotiations were already underway prior to applying for the variance, and it is reasonable to allow the homeowners to move into their house before the deck has been completed. Therefore, based on those considerations, I will revise the condition to read as follows:

By July 12, 2007, the applicant shall revise building permit and construction plans for CP06056 to include either the 2'x10' balcony or the 3' x 6'6" landing and stairs. The building permit will be reviewed and approved by the Planning and Building departments and must meet all applicable codes.

Appeals of this revised decision must be filed in writing on or before 5:00 PM on JUNE 28, 2007. Appeals must be filed in writing together with the required \$75.00 application fee to the Office of the Hearing Examiner, 7th Floor – Renton City Hall, 1055 South Grady Way, Renton, WA 98057. City of Renton Municipal Code Section 4-8-110.B governs appeals to the Hearing Examiner. Additional information regarding the appeal process may be obtained from the Renton City Clerk's Office, (425) 430-6510.

1055 South Grady Way - Renton, Washington 98057



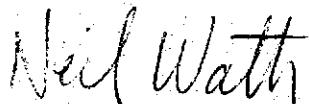
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RENTON
AHEAD OF THE CURVE

Cheryl Cardwell
June 26, 2007
Page 2 of 2

Please contact Andrea Petzel, project manager, at (425) 430-7270 if you have any questions.

Sincerely,



Neil Watts, Director
Development Services Division

cc: City of Renton File LUA07-047
Andrea Petzel, Associate Planner

ENVIRONMENTAL & DEVELOPMENT APPLICATION REVIEW SHEET

REVIEWING DEPARTMENT: <i>Petzel</i>	COMMENTS DUE: MAY 31, 2007
APPLICATION NO: LUA07-047, V-A	DATE CIRCULATED: MAY 17, 2007
APPLICANT: The Reserve at Stonehaven, LLC	PROJECT MANAGER: <i>Andrea Petzel</i>
PROJECT TITLE: Stonehaven Lot #33 Variance	PLAN REVIEW: <i>Arleta Henninger</i>
SITE AREA: 7,338 square feet	BUILDING AREA (gross): 2,980 square feet
LOCATION: 4726 Burnett Court S.	WORK ORDER NO: 77754

SUMMARY OF PROPOSAL: The applicant requests a rear yard setback variance to allow for the construction of a 5'x10' attached deck and stairs. The subject property is located in the R8 Zone, where the required rear yard setback is 20'. The rear yard setback would be reduced to 15'. Lot size is 7338 square feet, with 2096 square feet of lot coverage (29%). There are no critical areas onsite.

A. ENVIRONMENTAL IMPACT (e.g. Non-Code) COMMENTS

Element of the Environment	Probable Minor Impacts	Probable Major Impacts	More Information Necessary
Earth			
Air			
Water			
Plants			
Land/Shoreline Use			
Animals			
Environmental Health			
Energy/ Natural Resources			

Element of the Environment	Probable Minor Impacts	Probable Major Impacts	More Information Necessary
Housing			
Aesthetics			
Light/Glare			
Recreation			
Utilities			
Transportation			
Public Services			
Historic/Cultural Preservation			
Airport Environment 10,000 Feet 14,000 Feet			

n/a

B. POLICY-RELATED COMMENTS**C. CODE-RELATED COMMENTS**

We have reviewed this application with particular attention to those areas in which we have expertise and have identified areas of probable impact or areas where additional information is needed to properly assess this proposal.

Clark
Signature of Director or Authorized Representative

6-22-07
Date



Kathy Keolker, Mayor

CITY RENTON

Planning/Building/Public Works Department
Gregg Zimmerman P.E., Administrator

July 19, 2007

Cheryl Cardwell
The Reserve at Stonehaven, LLC
19515 N. Creek Parkway, #300
Bothell, WA 98011

**Subject: Tree Approval for Stonehaven Lot #33 Variance
LUA07-047, V-A**

Dear Ms. Cardwell:

I received your site plan indicating the placement and species of the three trees required as a condition of approval for the Stonehaven Lot #33 Variance (LUA 07-047). Per the site plan, you will be planting three Alaskan cedar trees, of a two-inch caliper.

These trees will provide acceptable screening on the north property line and fulfill the requirement for the condition of approval. If you have any questions, please feel free to contact me at (425) 430-7270.

Sincerely,

A handwritten signature in black ink that reads "Andrea Petzel".

Andrea Petzel, Planner
Development Services Division

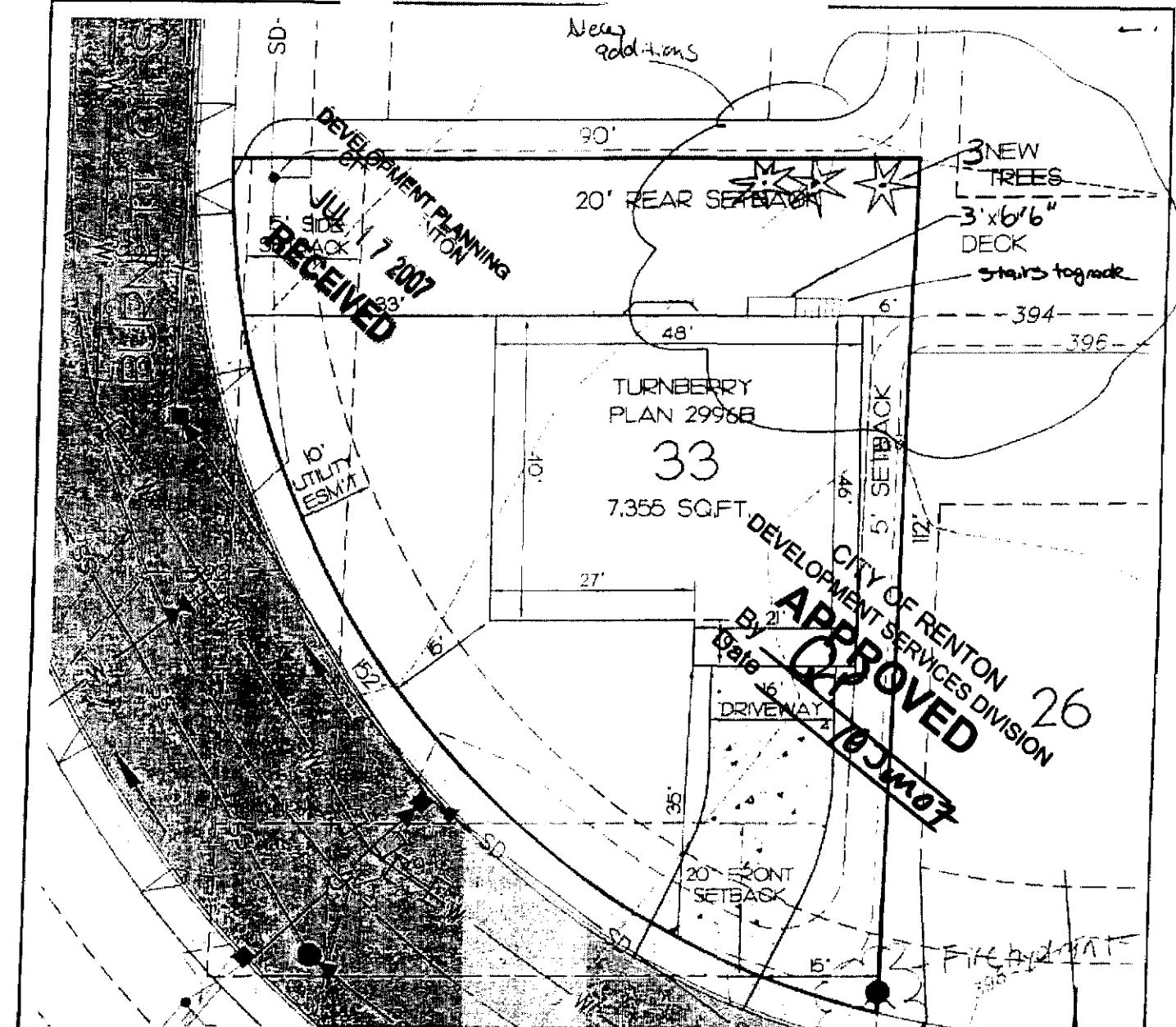
cc: City of Renton File [REDACTED]
Andrea Petzel, Associate Planner

1055 South Grady Way - Renton, Washington 98057



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RENTON
AHEAD OF THE CURVE

NOTES

1. EROSION/SEDIMENT CONTROL MEASURES MUST BE FUNCTIONAL AND BE MAINTAINED THROUGHOUT CONSTRUCTION.
2. MAINTAIN POSITIVE DRAINAGE AWAY FROM THE STRUCTURE.
3. ENTIRE LOT, WHERE EXPOSED SOILS REMAIN AFTER CONSTRUCTION → EXIST/PROP DRAINAGE IS LANDSCAPED WITH PLANTS AND BARK/MULCH.
4. ROOF DRAINS TO DISCHARGE INTO EXISTING STORM DRAINAGE SYSTEM. ENTIRE SITE TO BE DISTURBED.
5. TEMPORARY INTERCEPTOR SWALE TO DISCHARGE INTO EXISTING STORM DRAINAGE SYSTEM.
6. 3 New Alaskan Cedar® Trees will be planted in the Rear yard Setback, 2" in caliper.

LEGEND

CONCRETE DRIVEWAY

SCALE: 1" = 20' | LOT NO.: 33 | LOT AREA: 7,355 SQ. FT. | IMPERVIOUS AREA: 2,066 SQ. FT.

THE RESERVE AT STONEHAVEN 1955 NORTH GREEK PARKWAY, SUITE 300 BOTHELL, WA 98011 (425) 485-5900	PROJECT THE RESERVE AT STONEHAVEN	SITE ADDRESS 4726 BURNETT COURT S. RENTON, WA	JOB NO.
--	---	---	---------

File# LUA 07-047, U-A

From: "Cheryl Cardwell" <ccardwell@westcotthomes.com>
To: "Andrea Petzel" <APetzel@ci.renton.wa.us>
Date: 07/18/2007 3:12:43 PM
Subject: RE: Deck Permit lot 33 Stonehaven

Than you!

-----Original Message-----

From: "Andrea Petzel" <APetzel@ci.renton.wa.us>
To: "Cheryl Cardwell" <ccardwell@westcotthomes.com>
Cc: "Adriann Alexander" <AAlexander@ci.renton.wa.us>; "Rocale Timmons" <RTimmons@ci.renton.wa.us>; "Seth Geiser" <SGeiser@ci.renton.wa.us>
Sent: 7/18/07 3:03 PM
Subject: RE: Deck Permit lot 33 Stonehaven

Cheryl,

The approval of the trees are part of the variance conditions which are actually separate from the building permit process, although they do need to appear on the site plan. Again, the condition states "...the applicant shall submit a written letter outlining the species to be used, for approval by the Development Services project manager". So it's not just the location that needs to be approved, but the size and species of the tree.

Sorry if there's any confusion, I will treat this site plan as your request for approval and get an approval letter out to you. Let me know if you have any questions.

Andrea

Andrea Petzel, Planner
City of Renton - Development Services Division
Renton City Hall - 6th Floor
1055 South Grady Way
Renton, WA 98057
425-430-7270
apetzel@ci.renton.wa.us

>>> "Cheryl Cardwell" <ccardwell@westcotthomes.com> 07/18/07 12:53 PM >>>

Andrea, The trees were part of the submittal of the building permit. I just wanted to make sure that I did it the right way. I have attached the plot plan that was submitted so that you can see what the trees were and where they are located. If this is not sufficient please let me know. We would like to build this deck as soon as possible. Cheryl Cardwell
Land Development
Westcott Homes
19515 North Creek PKWY Ste 300
Bothell, WA 98011
425-293-2835 Mobile
425-485-1590 Phone
425-485-1597 Fax
From: Andrea Petzel [mailto:APetzel@ci.renton.wa.us]
Sent: Wednesday, July 18, 2007 12:31 PM
To: Cheryl Cardwell
Cc: Adriann Alexander; Rocale Timmons; Seth Geiser
Subject: RE: FW: Deck Permit lot 33 Stonehaven

Actually I checked, and it was a specific condition of approval:

Please provide me with the information so I can approve that and it shouldn't take too long. After that we can release the building permit, which shouldn't have been approved without this condition fulfilled. But like I said, it will be quick, so if you can get me that info, that would be great.

Andrea

Andrea Petzel, Planner
City of Renton - Development Services Division
Renton City Hall - 6th Floor
1055 South Grady Way
Renton, WA 98057
425-430-7270
apetzel@ci.renton.wa.us

>>> "Cheryl Cardwell" <ccardwell@westcotthomes.com> 07/18/07 12:17 PM >>>

I am not certain if it was specifically noted that the trees were required per the variance. I can provide you with a copy of the plot plan with the trees represented. Cheryl Cardwell Land DevelopmentWestcott Homes19515 North Creek PKWY Ste 300Bothell, WA 98011425-293-2835 Mobile425-485-1590 Phone425-485-1597 Fax

From: Andrea Petzel [mailto:APetzel@ci.renton.wa.us]
Sent: Wednesday, July 18, 2007 11:51 AM
To: Cheryl Cardwell
Cc: Adriann Alexander; Seth Geiser
Subject: Re: FW: Deck Permit lot 33 Stonehaven

Cheryl,

I believe the condition was to submit a planting plan to me, the project manager, prior to installing the trees...but I can't remember off the top of my head. If so, I haven't seen the building permit or planting plan. Was the requirement for the trees as part of the variance noted on your building permit?

Thanks,
Andrea

Andrea Petzel, Planner
City of Renton - Development Services Division
Renton City Hall - 6th Floor
1055 South Grady Way
Renton, WA 98057
425-430-7270
apetzel@ci.renton.wa.us

>>> "Cheryl Cardwell" <ccardwell@westcotthomes.com> 07/18/07 11:34 AM >>>

Andrea, We submitted our building permit for the deck, and addressed the tree's on the site plan. The deck has now been approved, would this also include approval of the trees? Would you check into this and let me know? I want to make sure that we are covering all our bases. The permit number is B070400 Thank you, Cheryl Cardwell Land DevelopmentWestcott Homes19515 North Creek PKWY Ste 300Bothell, WA 98011425-293-2835 Mobile425-485-1590 Phone425-485-1597 Fax

From: Adriann Alexander [mailto:AAlexander@ci.renton.wa.us]
Sent: Wednesday, July 18, 2007 11:26 AM
To: Niki Franklin
Cc: Seth Geiser
Subject: RE: Deck Permit
I really don't know anything about tree requirements. There is a note on the permit that says "(3) 2" Alaskan Cedars to be planted in NE corner of the lot prior to final inspection."....You can speak to Seth Geiser if you have any other questions about this. He reviewed the site plan for this deck and would be able to help you. His number is 425 430-7214.

Thanks,

Adriann Alexander
Building Department
Permit Technician
City of Renton
425 430-7283

>>> "Niki Franklin" <nfranklin@westcothomes.com> 07/18/07 11:06 AM >>>

Adriann, are the new trees approved also?? Thanks.

Niki FranklinConstruction Support
Westcott Homes

From: Adriann Alexander [mailto:AAlexander@ci.renton.wa.us]

Sent: Wednesday, July 18, 2007 10:48 AM

To: Niki Franklin

Subject: Deck PermitThe permit for the deck at 4726 Burnett Ct S. is approved and ready to pick up. The permit number is B070400 and there is no balance due.

Thanks,

Adriann Alexander
Building Department
Permit Technician
City of Renton
425 430-7283



**WESTCOTT
HOMES**

19515 North Creek Pkwy,
Suite 300
Bothell, WA 98011

425.485.1590 phone
425.485.1597 fax

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JUN 12 2007
RECEIVED
JUN 12 2007

Andrea Petzel, Planner
Renton City Hall- 6th Floor
1055 South Grady Way

June 11, 2007

RE: Reconsideration of the Variance Decision for The Reserve at Stonehaven Lot #33

File # LUA07-047, V-A, Project Manager Andrea Petzel

Dear Andrea,

Thank you for reviewing our variance request and approving a landing and stairs for this house. Per the Administrators decision it has been approved to construct a 3' x 4' landing and stairs to serve as access to the rear yard and constructed prior to selling the home.

The only access to the rear yard is from a sliding door in the dining nook, this sliding glass door is 6' in width. If we were to build the deck as approved, 2' of the door would be obstructed by the deck railing and would be absent of a section of landing. We do not believe that this was the intention of the Administrator.

Our specific request is to allow for a landing to be built that is 3' x 6'6", so as not to obstruct the sliding door. This landing would not increase in depth just in length by 2'6". The deck has been designed to have the least impact to other neighboring properties and would be the best alternative to not having access to a yard. In addition, as per the variance request decision, to reduce any impact that this landing may have, we will plant 3 new trees approximately 2" in caliper in the north east corner of the lot.

This house is under contract to close on or before July the 2nd, the new owners have to be out of their house by the 4th.

We request that it not be contingent on being complete prior to selling and that landing be built as soon as it has been approved by the building department. This house does have its Certificate of Occupancy allowing us to close on the property and have owners to move in before they have to be out of their old house.

Thank you for your support.

Sincerely,

Cheryl Cardwell

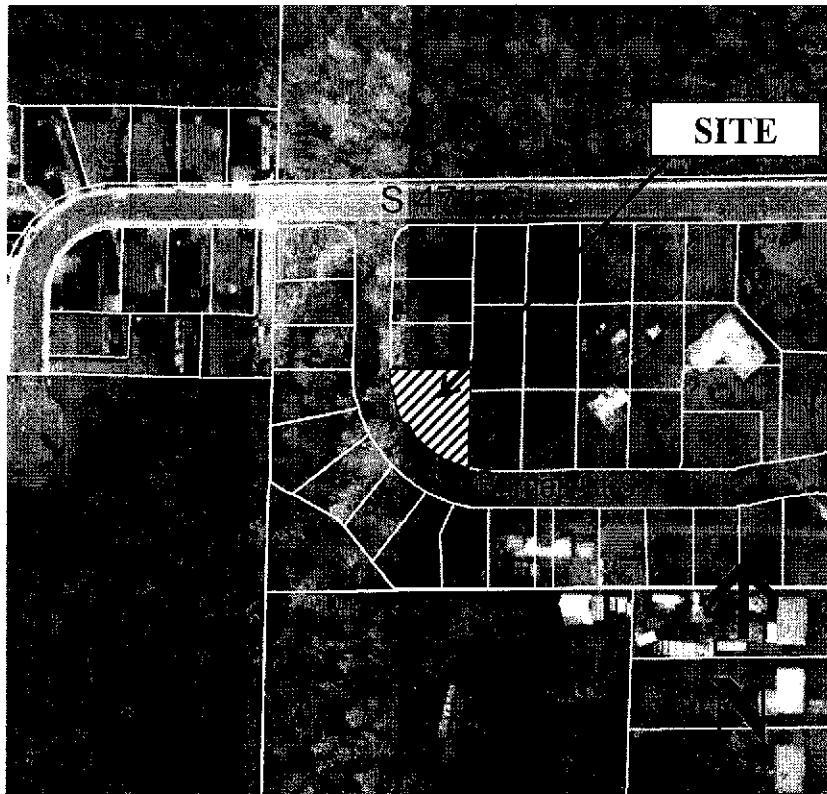
Cheryl Cardwell
Westcott Homes

CONCURRENCE DATE 7/6/07	
NAME	INITIAL/DATE
A. Lantis	MM (6/7/07)
J. Henning	DM 10/7/07
M. Petzel	MP 07/07/07

**REPORT
&
DECISION**

**City of Renton
Department of Planning / Building / Public Works**
**ADMINISTRATIVE VARIANCE
LAND USE ACTION**

<i>Decision Date:</i>	June 7, 2007		
<i>Project Name:</i>	Stonehaven Lot #33 Variance		
<i>Applicant:</i>	Cheryl Cardwell The Reserve at Stonehaven, LLC 19515 North Creek Pkwy. Suite 300 Bothell, WA 98011		
<i>File Number:</i>	LUA07-047, V-A	<i>Project Manager:</i>	Andrea Petzel, Associate Planner
<i>Project Summary:</i>	The applicant requests a rear yard setback variance to allow for the construction of a 5'x10' attached deck and stairs. The subject property is located in the R-8 Zone, where the required rear yard setback is 20 feet. The rear yard setback would be reduced to 15 feet. Lot size is 7,338 square feet, with 2,096 square feet of lot coverage (29%). There are no critical areas onsite.		
<i>Project Location:</i>	4726 Burnett Court S.		
<i>Exist. Bldg. Area:</i>	2,096 sq. ft.	<i>Proposed New Bldg Area:</i>	50 sq. ft
<i>Site Area:</i>	7,338 sq. ft.	<i>Total Building Area:</i>	2,146 sq. ft.

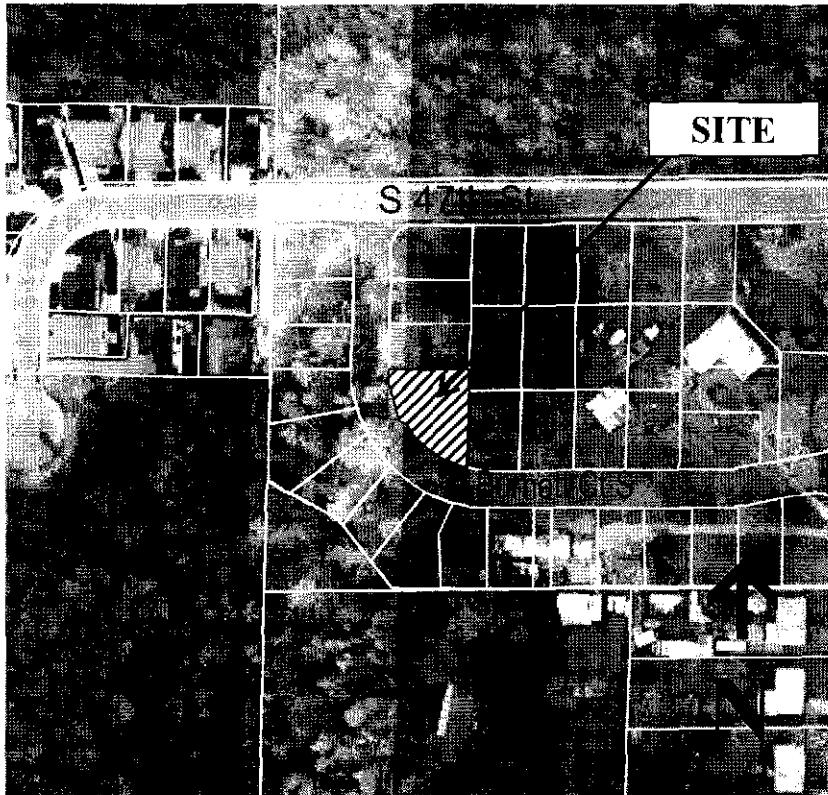


**REPORT
&
DECISION**

City of Renton
Department of Planning / Building / Public Works

**ADMINISTRATIVE VARIANCE
LAND USE ACTION**

<i>Decision Date:</i>	June 7, 2007		
<i>Project Name:</i>	Stonehaven Lot #33 Variance		
<i>Applicant:</i>	Cheryl Cardwell The Reserve at Stonehaven, L.L.C. 19515 North Creek Pkwy. Suite 300 Bothell, WA 98011		
<i>File Number:</i>	LUA07-047, V-A	<i>Project Manager:</i>	Andrea Petzel, Associate Planner
<i>Project Summary:</i>	The applicant requests a rear yard setback variance to allow for the construction of a 5'x10' attached deck and stairs. The subject property is located in the R-8 Zone, where the required rear yard setback is 20 feet. The rear yard setback would be reduced to 15 feet. Lot size is 7,338 square feet, with 2,096 square feet of lot coverage (29%). There are no critical areas onsite.		
<i>Project Location:</i>	4726 Burnett Court S.		
<i>Exist. Bldg. Area:</i>	2,096 sq. ft.	<i>Proposed New Bldg Area:</i>	50 sq. ft.
<i>Site Area:</i>	7,338 sq. ft.	<i>Total Building Area:</i>	2,146 sq. ft.



REPORT OF JUNE 7, 2007

Page 2 of 6

A. Type of Land Use Action

	<i>Conditional Use</i>		<i>Binding Site Plan</i>
	<i>Site Plan Review</i>		<i>Shoreline Substantial Development Permit</i>
	<i>Special Permit for Grade & Fill</i>		<i>Administrative Code Determination</i>
X	<i>Administrative Variance</i>		

B. Exhibits

The following exhibits were entered into the record:

- Exhibit No. 1: Yellow file containing: application, proof of posting and publication, and other documentation pertinent to this request.
- Exhibit No. 2: Zoning and Neighborhood Detail Map
- Exhibit No. 3: Site Plan Submitted with Variance Application
- Exhibit No. 4: Photo
- Exhibit No. 5: Approved Building Permit CP06056

C. Project Description / Background:

The applicant requests a rear yard setback variance at 4726 Burnett Court S in order to allow a deck with stairs that would provide access to the rear yard from the first floor of the existing home. The subject property is Lot 33 of the Reserve at Stonehaven located in the Residential-8 (R-8) zone. The required rear yard setback in the R-8 zone is 20 feet.

The house sits on a corner lot along Burnett Court S. The site is relatively flat, with a slight downward slope to the northwest corner. Lot size is 7,338 square feet, with 2,096 square feet of lot coverage (29%). There are no critical areas onsite. Abutting lots to the north and the east have similar single-family residences.

The existing house meets all setback requirements and was approved per building permit CP06056, which did not indicate plans for an elevated deck in the rear yard. The applicant proposes a 5'x10' attached deck and stairs which would provide access to the rear yard, but reduce the rear yard setback to 15 feet. The height of the proposed deck is approximately five feet from finished grade.

REPORT OF JUNE 7, 2007

Page 3 of 6

D. Findings

1. **Request:** The applicant, Cheryl Cardwell, has requested approval for an Administrative Variance for the property at 4726 Burnett Court South. The variance is requested from RMC 4-2-110A, which requires a 20 foot rear yard setback from the property line. The applicant is requesting a variance in order to reduce the northern rear yard setback area to approximately 15 feet.
2. **Administrative Variance:** The applicant's Administrative Variance application complies with the requirements for information for a variance. The applicant's site plan and other project photo are entered as Exhibits 3 and 4.
3. **Existing Land Use:** Land uses surrounding the subject site include: North: R-8 zone, developed as single-family residential; South: R-8 zone, developed as a single-family residential home (across the street); East: R-8 zone, developed as a single-family residential home, and; West: R-8 zone, developed as a single-family residential home (across the street).
4. **Consistency with Variance Criteria:** Section 4-9-250B5 lists four criteria that the Reviewing Official is asked to consider the following four criteria, along with all other relevant information, in making a decision on an Administrative Variance application. The variance criteria are as follows:

- a. That the applicant suffers undue hardship and the variance is necessary because of special circumstances applicable to subject property, including size, shape, topography, location or surroundings of the subject property, and the strict application of the Zoning Code is found to deprive subject property owner of rights and privileges enjoyed by other property owners in the vicinity and under identical zone classification;*

Through strict application of the zoning code the applicant doesn't necessarily suffer any undue hardship because of special circumstances pertaining to the size, topography, location or surroundings. The existing house was designed and built to meet the requirements for the R-8 zone, including, setbacks, density and lot coverage. However, it could be argued that Lot 33 is an unusual shape that merits consideration for a variance. It is almost triangular in nature, and bordered by Burnett Court South on one of three sides.

- b. That the granting of the variance will not be materially detrimental to the public welfare or injurious to the property or improvements in the vicinity and zone in which subject property is situated;*

Granting the variance doesn't appear to be materially detrimental or injurious to the properties in the vicinity. The presence of a door on the north façade signals that a landing or deck is intended. It reduces the distance of rear yard setback area between Lot 33 and the abutting lot to the north, which is the side yard to an existing single-family home, but it is a relatively minor impact. Renton Municipal Code allows for up to a 2-foot encroachment into setback areas with a bay window, uncovered porch, etc. (but not an entire side of a house). As a condition of approval, City staff recommends that the applicant would be required to plant 3-4 trees along the northern property line to act as a screen or buffer, which would effectively mitigate for any loss of privacy to the lot to the north.

REPORT OF JUNE 7, 2007

Page 4 of 6

c. That approval shall not constitute a grant of special privilege inconsistent with the limitation upon uses of other properties in the vicinity and zone in which the subject property is situated, and;

Granting an Administrative Variance in this situation would not necessarily constitute a special privilege. Surrounding homes also have decks that access their back yard, so in terms of architectural comparison, granting a variance access to the rear yard does not constitute a special privilege. The subject lot is somewhat constrained by its unusual shape and granting a variance would allow the homeowners access to their rear yard from the first floor of their house. The first story sliding glass door is already in place and it seems reasonable to accept that the future homeowners would like to use the door as a means of access to their rear yard.

However, it could be argued that approving the required variance in this situation would, in fact, constitute special privilege, if financial value for the builder were the sole reason for granting the request. It could also be argued that the City would be granting a special privilege because the developer could adhere to the code and simply add a 2'x10' balcony to the house, rather than the proposed 5'x10' deck. In that scenario, both the balcony and the house would be compliant with the development regulations.

d. That the approval as determined by the Reviewing Official is a minimum variance that will accomplish the desired purpose.

City staff has determined that the variance requested is not the minimum that would accomplish the desired purpose. As stated in their application letter, the desired purpose of the applicant is to grant the future homeowners access to their rear yard from the first story of their house through the existing sliding glass door. A 2'x10' balcony could be installed, but that misses the intent; access to the rear yard. However, a 5'x10' deck and stairs (as requested) exceeds a reasonable standard for achieving the desired purpose of access by adding an additional layer of use, the deck.

Per RMC 4-2-110D4a, protrusions (such as bay windows or balconies) no greater than 2 by 10 feet are permitted. Adding a balcony that conforms to the standard for an allowable protrusion is not only possible; it effectively negates the need to apply for a variance. However, adding a balcony rather than a deck and steps wouldn't allow the new homeowners access to their rear yard.

Adding a deck seems to be an unnecessary addition, as it does not serve the desired purpose of access to the rear yard. Therefore, City staff recommends as a condition of approval that the applicant reduce the area of the landing outside the sliding glass door to 3'(perpendicular to the house) x 4' (the length of the sliding door). This is the minimum amount necessary to grant access from the house to the rear yard, and offers the minimum amount of encroachment (1 foot) into the rear yard setback area.

E. Conclusions

1. The application as proposed does not meet the minimum criteria for a variance.
2. Staff-recommended changes would result in a proposal that meets variance criteria.

REPORT OF JUNE 7, 2007

Page 5 of 6

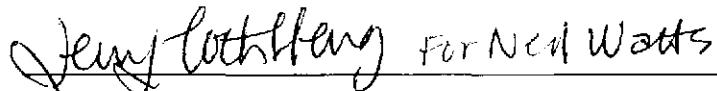
3. The recommendation of staff is to approve the variance request, as modified per conditions to reduce the size of the deck or replace with a 2x10 foot balcony; and, provide additional screening by planting trees on the north property line.

F. Decision

The Administrative Variance for the Jones Side Yard Setback Variance File No. LUA07-047, V-A is approved subject to the following conditions:

1. Prior to final sale of the house, the applicant shall plant 3-4 trees to act as a screen or buffer along the north property line. The trees shall have a minimum caliper of 2 inches, and prior to planting the trees the applicant shall submit a written letter outlining the species to be used, for approval by the Development Services project manager.
2. Prior to selling the house, the applicant shall revise building permit and construction plans for CP06056 to include either the 2'x10' balcony or the 3'x4' landing and stairs. The building permit will be reviewed and approved by the Planning and Building departments and must meet all applicable codes.

SIGNATURE:

 for Neil Watts

Neil Watts, Director, Development Services Division

6/7/07

Date

TRANSMITTED this 7th day of June, 2007 to the applicant and owner:

Cheryl Cardwell
The Reserve at Stonehaven, LLC
19515 North Creek Pkwy. Suite 300
Bothell, WA 98011

TRANSMITTED this 7th day of June, 2007 to the parties of record:

There are no parties of record for this project.

TRANSMITTED this 7th day of June, 2007 to the following:

Larry Meckling, Building Official
Larry Rude, Fire Prevention
Neil Watts, Development Services Director

REPORT OF JUNE 7, 2007

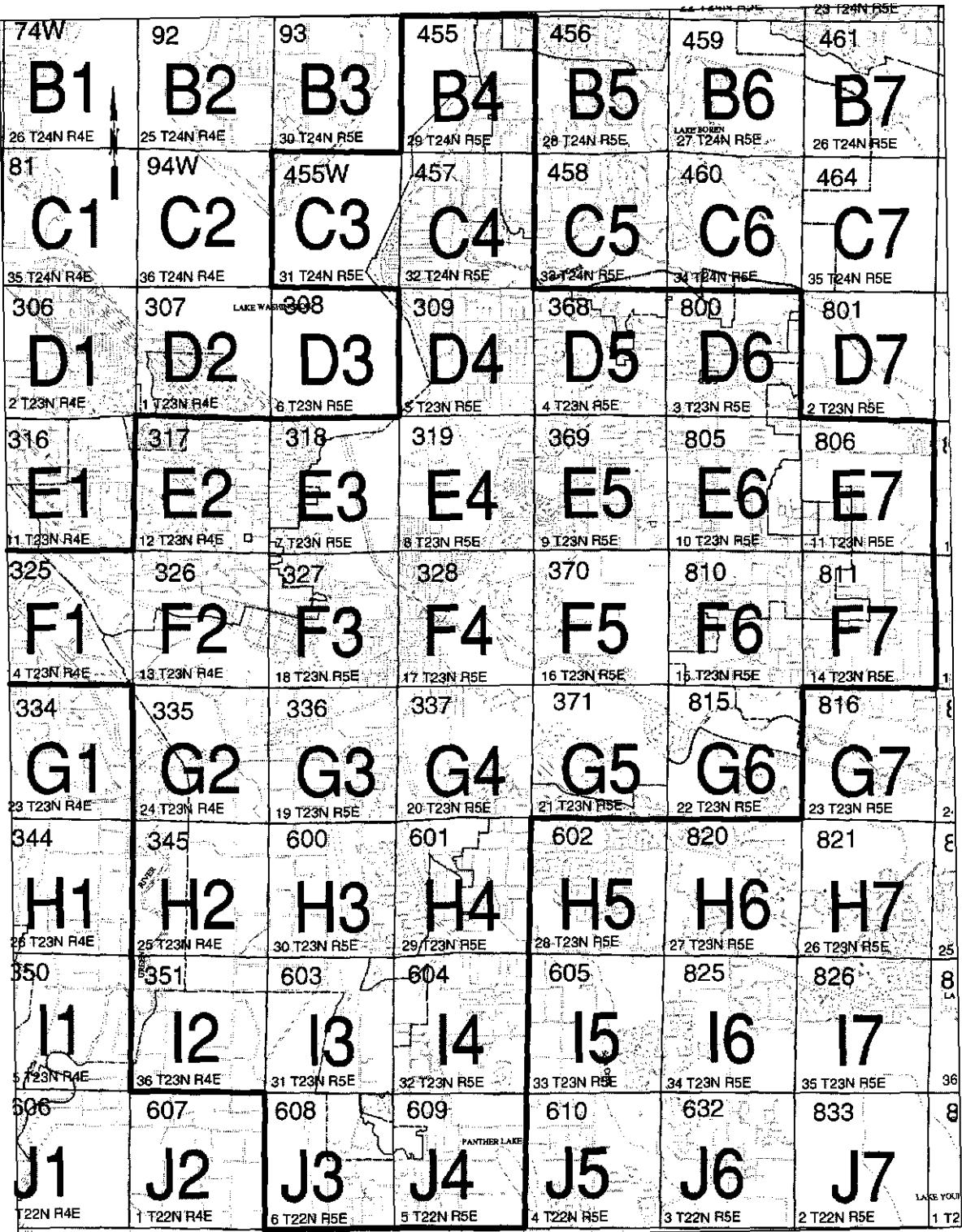
Page 6 of 6

Land Use Action Appeals

The administrative land use decision will become final if the decision is not appealed within 14 days of the date of approval. An appeal of the decision must be filed within the 14-day appeal period (RCW 43.21.C.075(3); WAC 197-11-680). RMC Title IV, Section 4-8-11.B, governs appeals to the Hearing Examiner and requires that such appeals be filed directly with the Office of the Hearing Examiner. **Appeals must be made in writing on or before 5:00 PM on June 21, 2007**, and must be accompanied by a \$75.00 fee and other specific requirements.

THE APPEARANCE OF FAIRNESS DOCTRINE provides that no ex parte (private one-on-one) communications may occur concerning the land use decision. The Doctrine applies not only to the initial decision, but to Appeals to the Hearing Examiner as well. All communications after the decision/approval date must be made in writing through the Hearing Examiner. All communications are public record and this permits all interested parties to know the contents of the communication and would allow them to openly rebut the evidence in writing. Any violation of this doctrine could result in the invalidation of the appeal by the Court.

ZONING MAP BOOK



RESIDENTIAL

- [RC] Resource Conservation
- [R-1] Residential 1 du/ac
- [R-4] Residential 4 du/ac
- [R-8] Residential 8 du/ac
- [RMH] Residential Manufactured Homes
- [R-10] Residential 10 du/ac
- [R-14] Residential 14 du/ac
- [RH-F] Residential Multi-Family
- [RM-T] Residential Multi-Family Traditional
- [RH-U] Residential Multi-Family Urban Center*

MIXED USE CENTER

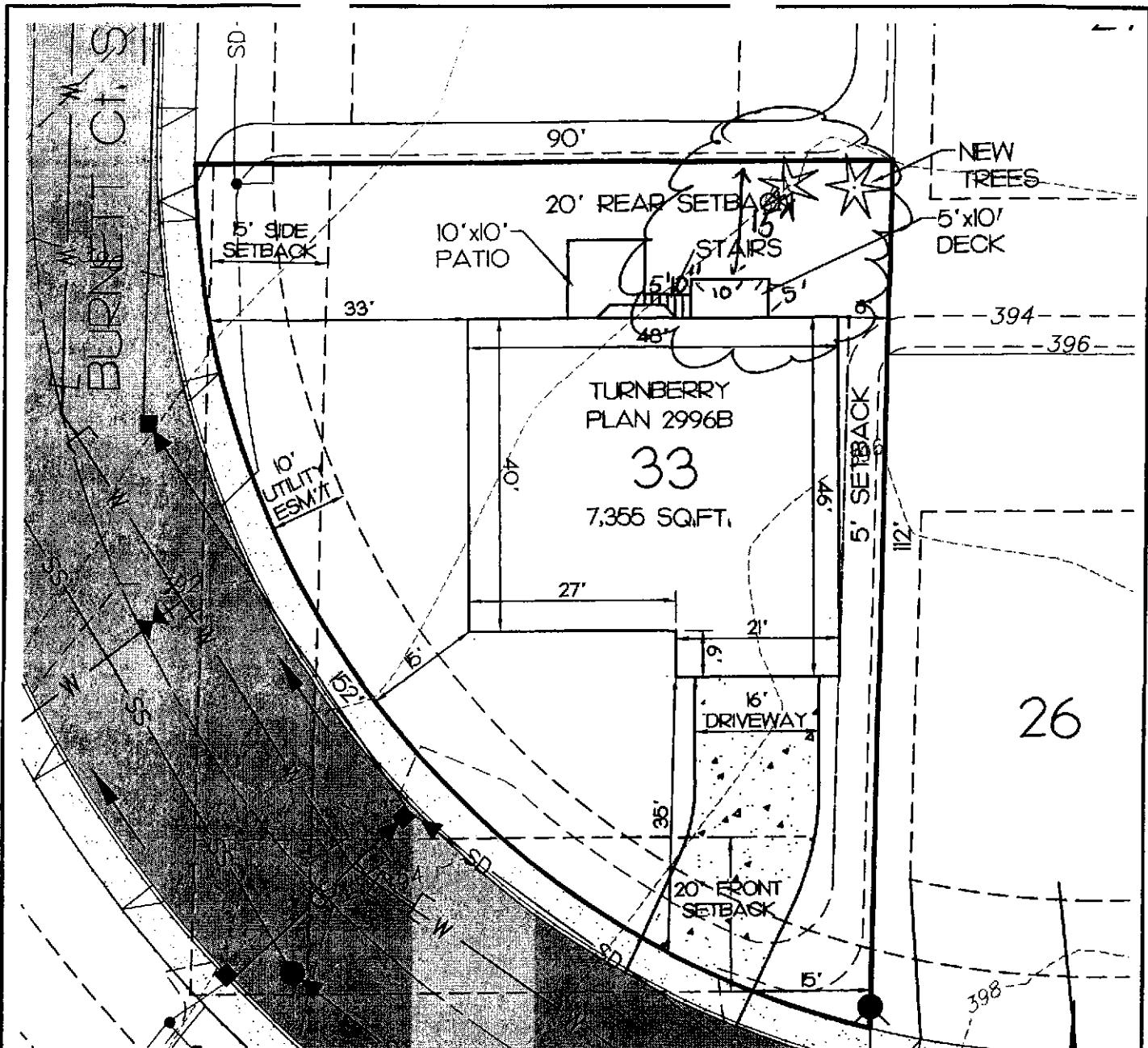
- [CV] Center Village
- [UC-N1] Urban Center - North 1
- [UC-N2] Urban Center - North 2
- [CD] Center Downtown*
- [CDR] Commercial/Office/Residential
- [COMMERCIAL]
- [CA] Commercial Arterial*
- [CO] Commercial Office*
- [CN] Commercial Neighborhood

INDUSTRIAL

- [IH] Industrial - Heavy
- [IM] Industrial - Medium
- [IL] Industrial - Light
- (P) Publicly owned
- Renton City Limits
- Adjacent City Limits
- Book Pages Boundary

KROLL
PAGE# INDEX
SECT/TOWN/RANGE

* May include Overlay Districts. See Appendix maps. For additional regulations in Overlay Districts, please see RMC 4-3.



NOTES

1. EROSION/SEDIMENT CONTROL MEASURES MUST BE FUNCTIONAL AND BE MAINTAINED THROUGHOUT CONSTRUCTION.
2. MAINTAIN POSITIVE DRAINAGE AWAY FROM THE STRUCTURE.
3. ENTIRE LOT, WHERE EXPOSED SOILS REMAIN AFTER CONSTRUCTION → EXIST/PROP DRAINAGE IS LANDSCAPED WITH PLANTS AND BARK/MULCH.
4. ROOF DRAINS TO DISCHARGE INTO EXISTING STORM DRAINAGE SYSTEM. ENTIRE SITE TO BE DISTURBED.
5. TEMPORARY INTERCEPTOR SWALE TO DISCHARGE INTO EXISTING STORM DRAINAGE SYSTEM.

LEGEND

CONCRETE DRIVEWAY

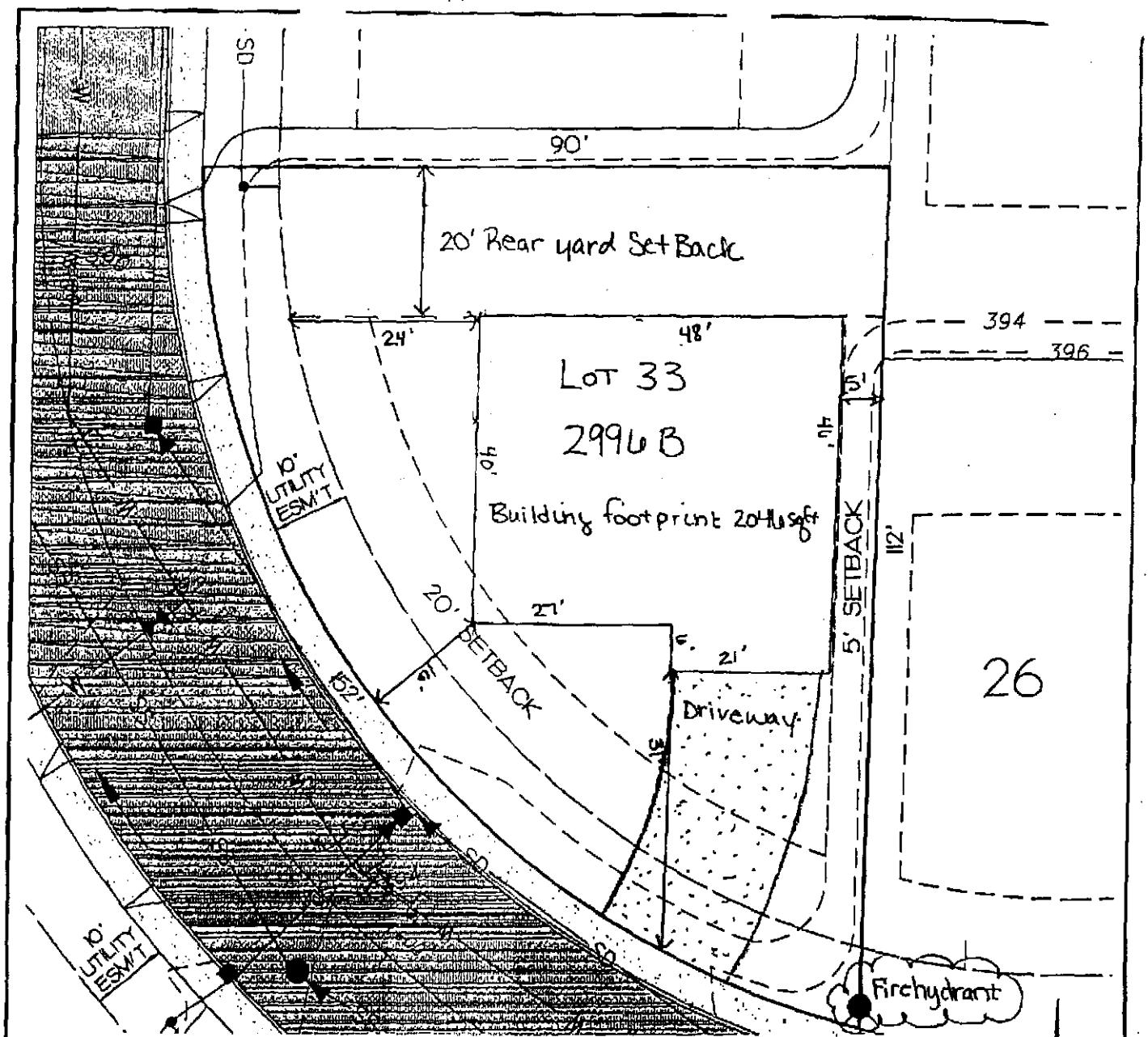
SCALE: 1' = 20'	LOT NO.: 33	LOT AREA: 7,355 SQ. FT.	IMPERVIOUS AREA: 2,666 SQ. FT.
THE RESERVE AT STONEHAVEN 19515 NORTH CREEK PARKWAY, SUITE 300 BOTHELL, WA 98011 (425) 485-1590	PROJECT THE RESERVE AT STONEHAVEN	SITE ADDRESS DEVELOPMENT PLANNING 4726 BURNETT COURT S. RENTON, WA MAY - 3 2007	JOB. NO.
		<i>RECEIVED</i>	

01/02/2005



4726 BURNT CT. S

Appendix Site Plan



NOTES

1. EROSION/SEDIMENT CONTROL MEASURES MUST BE FUNCTIONAL AND BE MAINTAINED THROUGHOUT CONSTRUCTION.

2. MAINTAIN POSITIVE DRAINAGE AWAY FROM THE STRUCTURE.

3. ENTIRE LOT, WHERE EXPOSED SOILS REMAIN AFTER CONSTRUCTION IS LANDSCAPED WITH PLANTS AND BARK/MULCH.

4. ROOF DRAINS TO DISCHARGE INTO EXISTING STORM DRAINAGE SYSTEM. ENTIRE SITE TO BE DISTURBED.

5. TEMPORARY INTERCEPTOR SWALE TO DISCHARGE INTO EXISTING STORM DRAINAGE SYSTEM.

LEGEND

— EXIST/PROP DRAINAGE

CONCRETE DRIVEWAY

LEGEND

38% Impervious

SCALE: 1" = 20' LOT NO.: 33 LOT AREA: 7,355 SQ. FT. IMPERVIOUS AREA: 2,807 SQ. FT.

PROJECT	SITE ADDRESS	JOB. NO.
The Reserve At Stonehaven, LLC 10519 - 20th ST SE SUITE 1 EVERETT, WA 98205 425-397-8070	The Reserve At Stonehaven	4726 - Burnett Ct S. Renton, WA

CITY OF PENTON
RECEIVED
FEB 27 19

ENVIRONMENTAL & DEVELOPMENT APPLICATION REVIEW SHEET

REVIEWING DEPARTMENT: <u>Transportation</u>	COMMENTS DUE: MAY 31, 2007
APPLICATION NO: LUA07-047, V-A	DATE CIRCULATED: MAY 17, 2007
APPLICANT: The Reserve at Stonehaven, LLC	PROJECT MANAGER: Andrea Petzel CITY OF CLINTON RECEIVED
PROJECT TITLE: Stonehaven Lot #33 Variance	PLAN REVIEW: Ameta Henninger MAY 17 2007
SITE AREA: 7,338 square feet	BUILDING AREA (gross): 2,980 square feet
LOCATION: 4726 Burnett Court S.	WORK ORDER NO: 77754 BUILDING DIVISION

SUMMARY OF PROPOSAL: The applicant requests a rear yard setback variance to allow for the construction of a 5'x10' attached deck and stairs. The subject property is located in the R8 Zone, where the required rear yard setback is 20'. The rear yard setback would be reduced to 15'. Lot size is 7338 square feet, with 2096 square feet of lot coverage (29%). There are no critical areas onsite.

A. ENVIRONMENTAL IMPACT (e.g. Non-Code) COMMENTS

Element of the Environment	Probable Minor Impacts	Probable Major Impacts	More Information Necessary
<i>Earth</i>			
<i>Air</i>			
<i>Water</i>			
<i>Plants</i>			
<i>Land/Shoreline Use</i>			
<i>Animals</i>			
<i>Environmental Health</i>			
<i>Energy/Natural Resources</i>			

Element of the Environment	Probable Minor Impacts	Probable Major Impacts	More Information Necessary
<i>Housing</i>			
<i>Aesthetics</i>			
<i>Light/Glare</i>			
<i>Recreation</i>			
<i>Utilities</i>			
<i>Transportation</i>			
<i>Public Services</i>			
<i>Historic/Cultural Preservation</i>			
<i>Airport Environment</i>			
10,000 Feet			
14,000 Feet			

*None***B. POLICY-RELATED COMMENTS***None***C. CODE-RELATED COMMENTS***None*

We have reviewed this application with particular attention to those areas in which we have expertise and have identified areas of probable impact or areas where additional information is needed to properly assess this proposal.

Karen K. Kittinch
Signature of Director or Authorized Representative

5/23/2007
Date

ENVIRONMENTAL & DEVELOPMENT APPLICATION REVIEW SHEET

REVIEWING DEPARTMENT: Plan Review	COMMENTS DUE: MAY 31, 2007
APPLICATION NO: LUA07-047, V-A	DATE CIRCULATED: MAY 17, 2007
APPLICANT: The Reserve at Stonehaven, LLC	PROJECT MANAGER: Andrea Petzel <small>CITY OF RENTON RECEIVED</small>
PROJECT TITLE: Stonehaven Lot #33 Variance	PLAN REVIEW: Ameta Henninger <small>MAY 18 2007</small>
SITE AREA: 7,338 square feet	BUILDING AREA (gross): 2,980 square feet
LOCATION: 4726 Burnett Court S.	WORK ORDER NO: 77754 BUILDING DIVISION

SUMMARY OF PROPOSAL: The applicant requests a rear yard setback variance to allow for the construction of a 5'x10' attached deck and stairs. The subject property is located in the R8 Zone, where the required rear yard setback is 20'. The rear yard setback would be reduced to 15'. Lot size is 7338 square feet, with 2096 square feet of lot coverage (29%). There are no critical areas onsite.

A. ENVIRONMENTAL IMPACT (e.g. Non-Code) COMMENTS

Element of the Environment	Probable Minor Impacts	Probable Major Impacts	More Information Necessary
Earth			
Air			
Water			
Plants			
Land/Shoreline Use			
Animals			
Environmental Health			
Energy/ Natural Resources			

Element of the Environment	Probable Minor Impacts	Probable Major Impacts	More Information Necessary
Housing			
Aesthetics			
Light/Glare			
Recreation			
Utilities			
Transportation			
Public Services			
Historic/Cultural Preservation			
Airport Environment 10,000 Feet 14,000 Feet			

B. POLICY-RELATED COMMENTS

C. CODE-RELATED COMMENTS

No objection

We have reviewed this application with particular attention to those areas in which we have expertise and have identified areas of probable impact or areas where additional information is needed to properly assess this proposal.

Signature of Director or Authorized Representative

Amelia Henninger

Date
21 May 2007

ENVIRONMENTAL & DEVELOPMENT APPLICATION REVIEW SHEET

REVIEWING DEPARTMENT: <i>Permit</i>	COMMENTS DUE: MAY 31, 2007
APPLICATION NO: LUA07-047, V-A	DATE CIRCULATED: MAY 17, 2007
APPLICANT: The Reserve at Stonehaven, LLC	PROJECT MANAGER: Andrea Petzel
PROJECT TITLE: Stonehaven Lot #33 Variance	PLAN REVIEW: Arнета Henninger
SITE AREA: 7,338 square feet	BUILDING AREA (gross): 2,980 square feet
LOCATION: 4726 Burnett Court S.	WORK ORDER NO: 77754

SUMMARY OF PROPOSAL: The applicant requests a rear yard setback variance to allow for the construction of a 5'x10' attached deck and stairs. The subject property is located in the R8 Zone, where the required rear yard setback is 20'. The rear yard setback would be reduced to 15'. Lot size is 7338 square feet, with 2096 square feet of lot coverage (29%). There are no critical areas onsite.

A. ENVIRONMENTAL IMPACT (e.g. Non-Code) COMMENTS

Element of the Environment	Probable Minor Impacts	Probable Major Impacts	More Information Necessary
Earth			
Air			
Water			
Plants			
Land/Shoreline Use			
Animals			
Environmental Health			
Energy/ Natural Resources			

Element of the Environment	Probable Minor Impacts	Probable Major Impacts	More Information Necessary
Housing			
Aesthetics			
Light/Glare			
Recreation			
Utilities			
Transportation			
Public Services			
Historic/Cultural Preservation			
Airport Environment 10,000 Feet 14,000 Feet			

There are no impacts to Parks

B. POLICY-RELATED COMMENTS

There are no impacts to Parks.

C. CODE-RELATED COMMENTS

There are no impacts to Parks

We have reviewed this application with particular attention to those areas in which we have expertise and have identified areas of probable impact or areas where additional information is needed to properly assess this proposal.

Travis Betzold
Signature of Director or Authorized Representative

5/18/07
Date

ENVIRONMENTAL & DEVELOPMENT APPLICATION REVIEW SHEET

REVIEWING DEPARTMENT: <i>Construction</i>	COMMENTS DUE: MAY 31, 2007
APPLICATION NO: LUA07-047, V-A	DATE CIRCULATED: MAY 17, 2007
APPLICANT: The Reserve at Stonehaven, LLC	PROJECT MANAGER: Andrea Petzel
PROJECT TITLE: Stonehaven Lot #33 Variance	PLAN REVIEW: Arнета Henninger
SITE AREA: 7,338 square feet	BUILDING AREA (gross): 2,980 square feet
LOCATION: 4726 Burnett Court S.	BUILDING DIVISION WORK ORDER NO: 77754

SUMMARY OF PROPOSAL: The applicant requests a rear yard setback variance to allow for the construction of a 5'x10' attached deck and stairs. The subject property is located in the R8 Zone, where the required rear yard setback is 20'. The rear yard setback would be reduced to 15'. Lot size is 7338 square feet, with 2096 square feet of lot coverage (29%). There are no critical areas onsite.

A. ENVIRONMENTAL IMPACT (e.g. Non-Code) COMMENTS

Element of the Environment	Probable Minor Impacts	Probable Major Impacts	More Information Necessary
Earth			
Air			
Water			
Plants			
Land/Shoreline Use			
Animals			
Environmental Health			
Energy/ Natural Resources			

Element of the Environment	Probable Minor Impacts	Probable Major Impacts	More Information Necessary
Housing			
Aesthetics			
Light/Glare			
Recreation			
Utilities			
Transportation			
Public Services			
Historic/Cultural Preservation			
Airport Environment 10,000 Feet 14,000 Feet			

B. POLICY-RELATED COMMENTS

NONE

C. CODE-RELATED COMMENTS

NONE

We have reviewed this application with particular attention to those areas in which we have expertise and have identified areas of probable impact or areas where additional information is needed to properly assess this proposal.

Larry Necklun
Signature of Director or Authorized Representative

5/18/07
Date

ENVIRONMENTAL & DEVELOPMENT APPLICATION REVIEW SHEET

REVIEWING DEPARTMENT: <i>Property Svc's</i>	COMMENTS DUE: MAY 31, 2007
APPLICATION NO: LUA07-047, V-A	DATE CIRCULATED: MAY 17, 2007
APPLICANT: The Reserve at Stonehaven, LLC	PROJECT MANAGER: Andrea Petzel
PROJECT TITLE: Stonehaven Lot #33 Variance	PLAN REVIEW: Arнета Henninger
SITE AREA: 7,338 square feet	BUILDING AREA (gross): 2,980 square feet
LOCATION: 4726 Burnett Court S.	WORK ORDER NO: 77754

SUMMARY OF PROPOSAL: The applicant requests a rear yard setback variance to allow for the construction of a 5'x10' attached deck and stairs. The subject property is located in the R8 Zone, where the required rear yard setback is 20'. The rear yard setback would be reduced to 15'. Lot size is 7338 square feet, with 2096 square feet of lot coverage (29%). There are no critical areas onsite.

A. ENVIRONMENTAL IMPACT (e.g. Non-Code) COMMENTS

Element of the Environment	Probable Minor Impacts	Probable Major Impacts	More Information Necessary
Earth			
Air			
Water			
Plants			
Land/Shoreline Use			
Animals			
Environmental Health			
Energy/ Natural Resources			

Element of the Environment	Probable Minor Impacts	Probable Major Impacts	More Information Necessary
Housing			
Aesthetics			
Light/Glare			
Recreation			
Utilities			
Transportation			
Public Services			
Historic/Cultural Preservation			
Airport Environment 10,000 Feet 14,000 Feet			

B. POLICY-RELATED COMMENTS**C. CODE-RELATED COMMENTS**

We have reviewed this application with particular attention to those areas in which we have expertise and have identified areas of probable impact or areas where additional information is needed to properly assess this proposal.

Andrea Petzel
Signature of Director or Authorized Representative

5/18/2007
Date

ENVIRONMENTAL & DEVELOPMENT APPLICATION REVIEW SHEET

REVIEWING DEPARTMENT: Fire	COMMENTS DUE: MAY 31, 2007
APPLICATION NO: LUA07-047, V-A	DATE CIRCULATED: MAY 17, 2007
APPLICANT: The Reserve at Stonehaven, LLC	PROJECT MANAGER: Andrea Retzel
PROJECT TITLE: Stonehaven Lot #33 Variance	PLAN REVIEW: Arнета Henninger
SITE AREA: 7,338 square feet	BUILDING AREA (gross): 2,980 square feet
LOCATION: 4726 Burnett Court S.	WORK ORDER NO: 77754

SUMMARY OF PROPOSAL: The applicant requests a rear yard setback variance to allow for the construction of a 5x10' attached deck and stairs. The subject property is located in the R8 Zone, where the required rear yard setback is 20'. The rear yard setback would be reduced to 15'. Lot size is 7338 square feet, with 2096 square feet of lot coverage (29%). There are no critical areas onsite.

A. ENVIRONMENTAL IMPACT (e.g. Non-Code) COMMENTS

Element of the Environment	Probable Minor Impacts	Probable Major Impacts	More Information Necessary
Earth			
Air			
Water			
Plants			
Land/Shoreline Use			
Animals			
Environmental Health			
Energy/ Natural Resources			

Element of the Environment	Probable Minor Impacts	Probable Major Impacts	More Information Necessary
Housing			
Aesthetics			
Light/Glare			
Recreation			
Utilities			
Transportation			
Public Services			
Historic/Cultural Preservation			
Airport Environment 10,000 Feet 14,000 Feet			

NA

B. POLICY-RELATED COMMENTS

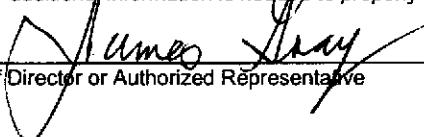
NA

C. CODE-RELATED COMMENTS

No Fire Comments.

We have reviewed this application with particular attention to those areas in which we have expertise and have identified areas of probable impact or areas where additional information is needed to properly assess this proposal.

Signature of Director or Authorized Representative



Date

5/18/07



NOTICE OF APPLICATION

A Master Application has been filed and accepted with the Development Services Division of the City of Renton. The following briefly describes the application and the necessary Public Approvals.

PROJECT NAME/NUMBER: Stonehaven Lot #33 Variance / LUA07-047, V-A

PROJECT DESCRIPTION: The applicant requests a rear yard setback variance to allow for the construction of a 5'x10' attached deck and stairs. The subject property is located in the R8 Zone where the required rear yard setback is 20'. The rear yard setback would be reduced to 15'. Lot size is 7336 square feet, with 2096 square feet of lot coverage (29%). There are no critical areas onsite.

PROJECT LOCATION: 4726 Burnett Court S.

PUBLIC APPROVALS: Administrative Variance approval

APPLICANT/PROJECT CONTACT PERSON: Cheryl Cardwell, The Reserve at Stonehaven, LLC; Tel (425) 485-1590; Email: ccardwell@westcothomes.com

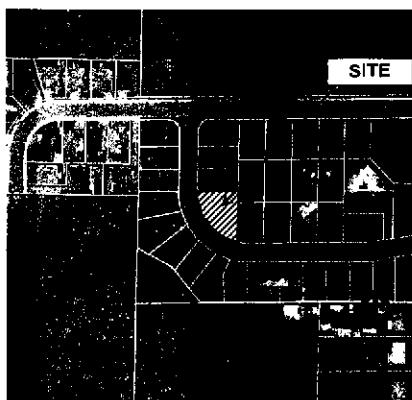
Comments on the above application must be submitted in writing to Andrea Petazel, Associate Planner, Development Services Division, 1055 South Grady Way, Renton, WA 98057, by 6:00 PM on May 31, 2007. If you have questions about this proposal, or wish to be made a party of record and receive additional notification by mail, contact the Project Manager at (425) 430-7270. Anyone who submits written comments will automatically become a party of record and will be notified of any decision on this project.

PLEASE INCLUDE THE PROJECT NUMBER WHEN CALLING FOR PROPER FILE IDENTIFICATION

DATE OF APPLICATION: May 3, 2007

NOTICE OF COMPLETE APPLICATION: May 17, 2007

DATE OF NOTICE OF APPLICATION: May 17, 2007



If you would like to be made a party of record to receive further information on this proposed project, complete this form and return to: City of Renton, Development Planning, 1055 South Grady Way, Renton, WA 98057.

File Name / No.: Stonehaven Lot #33 Variance / LUA07-047, V-A

NAME: _____

MAILING ADDRESS: _____

TELEPHONE NO.: _____

CERTIFICATION

I, SETH GEISER, hereby certify that 3 copies of the above document were posted by me in 3 conspicuous places or nearby the described property on

DATE: 5-17-07

SIGNED: SG

ATTEST: Subscribed and sworn before me, a Notary Public, in and for the State of Washington residing in

Seattle, on the 18th day of May

Amber Lynn Holman
NOTARY PUBLIC SIGNATURE, WASHINGTON
NOTARY PUBLIC STICKER, WASHINGTON
EXPIRES 10-10-2010

CITY OF RENTON
CURRENT PLANNING DIVISION
AFFIDAVIT OF SERVICE BY MAILING

On the 17th day of May, 2007, I deposited in the mails of the United States, a sealed envelope containing **Acceptance Letter & NOA** documents. This information was sent to:

Name	Representing
Cheryl Cardwell - The Reserve at Stonehaven, LLC	Owner/Applicant/Contact
Surrounding Property Owners - NOA only	See Attached

(Signature of Sender): *Stacy Tucker*

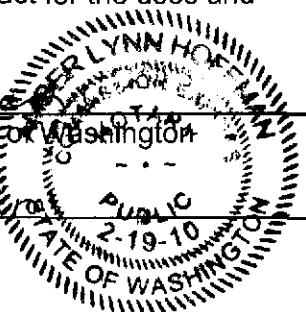
STATE OF WASHINGTON)
) SS
 COUNTY OF KING)

I certify that I know or have satisfactory evidence that **Stacy Tucker** signed this instrument and acknowledged it to be his/her/their free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: 5-18-07

Amber Lynn Hoffmann
 Notary Public in and for the State of Washington

Notary (Print): *Amber Lynn Hoffmann*
 My appointment expires: 3-19-10



Project Name:	Stonehaven Lot #33 Variance
Project Number:	LUA07-047, V-A

07-047
5-17-07

723800003003 ANDEBRHAN BEYENE+WAINNIE AS 4715 BURNETT CT S RENTON WA 98055	723800024009 BUI ANNA T 874 S 48TH ST RENTON WA 98055	723800027002 CABILES PEARL ANN 870 S 48TH ST RENTON WA 98055
723800023001 CHU GWEN HUYEN 906 S 48TH ST RENTON WA 98055	723800008002 CONDELLES JAMES+CHRISTINA R 855 S 48TH ST RENTON WA 98055	855920005003 DEAN DENNIS+CAROL 4714 SMITHERS AVE S RENTON WA 98055
322305918300 DEPT OF NATURAL RESOURCES PO BOX 47016 OLYMPIA WA 98504	723800007004 FULLER LARRY J+SHARIE L 4739 BURNETT CT S RENTON WA 98055	855920017008 GRADY MICHAEL W+SHIRIN 730 S 47TH ST RENTON WA 98055
855920007009 HOLMES TIMOTHY A+KRISTA M 739 S 47TH ST RENTON WA 98055	723800005008 HUNTER GLORIA L 4727 BURNETT CT S RENTON WA 98055	322305917609 KELLY JEFFREY+JESSICA 4823 MAIN AVE S RENTON WA 98055
723800006006 KHUU VAN+JULIE 4733 BURNETT CT S RENTON WA 98055	322305917005 LONGO L 18509 102ND SE RENTON WA 98055	322305917104 MACKENZIE JOSEPH + MARTHA 4835 MAIN AVE S RENTON WA 98055
723800026004 MARENTES JOSE N 866 S 48TH ST RENTON WA 98055	855920002000 NAVARRO JAIME+JOYCE 729 S 47TH ST RENTON WA 98055	723800030006 NGUYEN COUNG T+TRAN NINA N 903 S 47TH ST RENTON WA 98055
723800001007 PHAM CHINH C+MICHELLE T DAN 4703 BURNETT CT S RENTON WA 98055	855920003008 RASMUSSEN DAVID N+RUSSO TRA 723 S 47TH ST RENTON WA 98055	723800035005 RESERVE AT STONEHAVEN 10519 20TH ST SE STE 1 EVERETT WA 98205
312305904806 SCHNEIDER HOMES I LLC 6510 SOUTHCENTER BLVD STE 1 TUKWILA WA 98188	723800032002 SIVONGXAY PHON+MAY 865 S 47TH ST RENTON WA 98055	855920006001 SPECIALIZED HOMES 3001 E YESLER WAY SEATTLE WA 98122
855920001002 SPERBER JOHN LEE+KARLA JOANNE 735 S 47TH ST RENTON WA 98055	723800036003 UMAROV MURAT+RUSTAM+BOTAGOZ 4700 BURNETT CT S RENTON WA 98055	723800020007 VOONG PHANG K 910 S 48TH ST RENTON WA 98055
723800004001 WOO KYLE P+RANDY W 4721 BURNETT CT S RENTON WA 98055	855920018006 YU XINYAN 736 S 47TH ST RENTON WA 98055	



NOTICE OF APPLICATION

A Master Application has been filed and accepted with the Development Services Division of the City of Renton. The following briefly describes the application and the necessary Public Approvals.

PROJECT NAME/NUMBER: Stonehaven Lot #33 Variance / LUA07-047, V-A

PROJECT DESCRIPTION: The applicant requests a rear yard setback variance to allow for the construction of a 5'x10' attached deck and stairs. The subject property is located in the R8 Zone, where the required rear yard setback is 20'. The rear yard setback would be reduced to 15'. Lot size is 7338 square feet, with 2096 square feet of lot coverage (29%). There are no critical areas onsite.

PROJECT LOCATION: 4726 Burnett Court S.

PUBLIC APPROVALS: Administrative Variance approval

APPLICANT/PROJECT CONTACT PERSON: Cheryl Cardwell, The Reserve at Stonehaven, LLC; Tel: (425) 485-1590; Email: ccardwell@westcothomes.com

Comments on the above application must be submitted in writing to Andrea Petezel, Associate Planner, Development Services Division, 1055 South Grady Way, Renton, WA 98057, by 5:00 PM on May 31, 2007. If you have questions about this proposal, or wish to be made a party of record and receive additional notification by mail, contact the Project Manager at (425) 430-7270. Anyone who submits written comments will automatically become a party of record and will be notified of any decision on this project.

PLEASE INCLUDE THE PROJECT NUMBER WHEN CALLING FOR PROPER FILE IDENTIFICATION

DATE OF APPLICATION: May 3, 2007

NOTICE OF COMPLETE APPLICATION: May 17, 2007

DATE OF NOTICE OF APPLICATION: May 17, 2007



If you would like to be made a party of record to receive further information on this proposed project, complete this form and return to: City of Renton, Development Planning, 1055 South Grady Way, Renton, WA 98057.

File Name / No.: Stonehaven Lot #33 Variance / LUA07-047, V-A

NAME: _____

MAILING ADDRESS: _____

TELEPHONE NO.: _____



Kathy Keolker, Mayor

CITY OF RENTON

Planning/Building/Public Works Department

Gregg Zimmerman P.E., Administrator

May 17, 2007

Cheryl Cardwell
The Reserve at Stonehaven, LLC
19515 N Creek Parkway #300
Bothell, WA 98011

**Subject: Stonehaven Lot #33 Variance
LUA07-047, V-A**

Dear Ms. Cardwell:

The Development Planning Section of the City of Renton has determined that the subject application is complete according to submittal requirements and, therefore, is accepted for review.

You will be notified if any additional information is required to continue processing your application.

Please contact me at (425) 430-7270 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrea Petzel".

Andrea Petzel, Planner
Development Services



LUA07-047

City of Renton
LAND USE PERMIT
MASTER APPLICATION

DEVELOPMENT
CITY OF RENTON

MAY - 3 2007

RECEIVED

PROPERTY OWNER(S)	
NAME:	The Reserve at Stonehaven, LLC
ADDRESS:	19515 North Creek Pkwy STE 300
CITY:	Bothell, WA
ZIP:	98011
TELEPHONE NUMBER:	425 - 485 - 1950
APPLICANT (if other than owner)	
NAME:	
COMPANY (if applicable):	
ADDRESS:	
CITY:	
ZIP:	
TELEPHONE NUMBER:	
CONTACT PERSON	
NAME:	Cheryl Cardwell
COMPANY (if applicable):	The Reserve at Stonehaven, LLC
ADDRESS:	19515 North Creek Pkwy STE 300
CITY:	Bothell, WA
ZIP:	98011
TELEPHONE NUMBER AND E-MAIL ADDRESS:	425 - 485 - 1950 / ccardwell@westcotthomes.com

PROJECT INFORMATION	
PROJECT OR DEVELOPMENT NAME:	The Reserve at Stonehaven Lot 3B VAR
PROJECT/ADDRESS(S)/LOCATION AND ZIP CODE:	4726 Bennett Carts Renton, WA
KING COUNTY ASSESSOR'S ACCOUNT NUMBER(S):	7238000330
EXISTING LAND USE(S):	Single Family Residential
PROPOSED LAND USE(S):	RSF
EXISTING COMPREHENSIVE PLAN MAP DESIGNATION:	RSF
PROPOSED COMPREHENSIVE PLAN MAP DESIGNATION (if applicable):	
EXISTING ZONING:	R8
PROPOSED ZONING (if applicable):	
SITE AREA (in square feet):	7,338
SQUARE FOOTAGE OF PUBLIC ROADWAYS TO BE DEDICATED:	—
SQUARE FOOTAGE OF PRIVATE ACCESS EASEMENTS:	—
PROPOSED RESIDENTIAL DENSITY IN UNITS PER NET ACRE (if applicable):	—
NUMBER OF PROPOSED LOTS (if applicable):	—
NUMBER OF NEW DWELLING UNITS (if applicable):	—

PROJECT INFORMATION (continued)

NUMBER OF EXISTING DWELLING UNITS (if applicable):			
SQUARE FOOTAGE OF PROPOSED RESIDENTIAL BUILDINGS (if applicable):			
SQUARE FOOTAGE OF EXISTING RESIDENTIAL BUILDINGS TO REMAIN (if applicable):	2980 SF		
SQUARE FOOTAGE OF PROPOSED NON-RESIDENTIAL BUILDINGS (if applicable):			
SQUARE FOOTAGE OF EXISTING NON-RESIDENTIAL BUILDINGS TO REMAIN (if applicable):			
NET FLOOR AREA OF NON-RESIDENTIAL BUILDINGS (if applicable):			
NUMBER OF EMPLOYEES TO BE EMPLOYED BY THE NEW PROJECT (if applicable):			

PROJECT VALUE:

IS THE SITE LOCATED IN ANY TYPE OF ENVIRONMENTALLY CRITICAL AREA, PLEASE INCLUDE SQUARE FOOTAGE (if applicable):

- AQUIFER PROTECTION AREA ONE _____ sq. ft.
- AQUIFER PROTECTION AREA TWO _____ sq. ft.
- FLOOD HAZARD AREA _____ sq. ft.
- GEOLOGIC HAZARD _____ sq. ft.
- HABITAT CONSERVATION _____ sq. ft.
- SHORELINE STREAMS AND LAKES _____ sq. ft.
- WETLANDS _____ sq. ft.

LEGAL DESCRIPTION OF PROPERTY

(Attach legal description on separate sheet with the following information included)

SITUATE IN THE SW QUARTER OF SECTION 32, TOWNSHIP 23, RANGE 5, IN THE CITY OF RENTON, KING COUNTY, WASHINGTON.

TYPE OF APPLICATION & FEES

List all land use applications being applied for:

1. Variance
2. _____
3. _____
4. _____

Staff will calculate applicable fees and postage: \$ 100

AFFIDAVIT OF OWNERSHIP

I, (Print Name/s) MARK S. Donner, declare that I am (please check one) the current owner of the property involved in this application or the authorized representative to act for a corporation (please attach proof of authorization) and that the foregoing statements and answers herein contained and the information herewith are in all respects true and correct to the best of my knowledge and belief.

I certify that I know or have satisfactory evidence that MARK S. Donner signed this instrument and acknowledged it to be his/her/their free and voluntary act for the uses and purposes mentioned in the instrument.

(Signature of Owner/Representative)

Rebecca J. Harper

Notary Public in and for the State of Washington

(Signature of Owner/Representative)

Rebecca J. Harper

My appointment expires: Sept. 15, 2010



DEVELOPMENT SERVICES DIVISION
WAIVER OF SUBMITTAL REQUIREMENTS
FOR LAND USE APPLICATIONS

LAND USE PERMIT SUBMITTAL REQUIREMENTS:	WAIVED BY:	MODIFIED BY:	COMMENTS:
Calculations 1			
Colored Maps for Display 4	<i>✓</i>		
Construction Mitigation Description 2 AND 4			
Deed of Right-of-Way Dedication			
Density Worksheet 4	<i>✓</i>	<i>✓</i>	hot met density for Stonehaven
Drainage Control Plan 2			
Drainage Report 2	<i>✓</i>	<i>✓</i>	
Elevations, Architectural 3 AND 4			
Environmental Checklist 4	<i>✓</i>		
Existing Covenants (Recorded Copy) 4			
Existing Easements (Recorded Copy) 4			
Flood Hazard Data 4	<i>✓</i>		
Floor Plans 3 AND 4			
Geotechnical Report 3 AND 4			
Grading Plan, Conceptual 2	<i>✓</i>		
Grading Plan, Detailed 2	<i>✓</i>		
Habitat Data Report 4	<i>✓</i>		
Improvement Deferral 2			
Irrigation Plan 4	<i>✓</i>		
King County Assessor's Map Indicating Site 4			
Landscape Plan, Conceptual 4	<i>✓</i>		
Landscape Plan, Detailed 4	<i>✓</i>		
Legal Description 4			
List of Surrounding Property Owners 4			
Mailing Labels for Property Owners 4			
Map of Existing Site Conditions 4			
Master Application Form 4			
Monument Cards (one per monument) 1			
Neighborhood Detail Map 4			

This requirement may be waived by:

1. Property Services Section
2. Public Works Plan Review Section
3. Building Section
4. Development Planning Section

PROJECT NAME: Stonehaven Deck Change

DATE: 20 April 07 DEVELOPMENT PLANNING
CITY OF RENTON

MAY - 3 2007
RECEIVED

DEVELOPMENT SERVICES DIVISION
WAIVER OF SUBMITTAL REQUIREMENTS
FOR LAND USE APPLICATIONS

LAND USE PERMIT SUBMITTAL REQUIREMENTS:	WAIVED BY:	MODIFIED BY:	COMMENTS:
Parking, Lot Coverage & Landscaping Analysis ⁴			
Plan Reductions (PMTs) ⁴			<i>Anytime Large plan Sheets</i>
Plat Name Reservation ⁴			
Postage ⁴			
Preapplication Meeting Summary ⁴	<i>ND</i>		
Public Works Approval Letter ²	<i>ND</i>		
Rehabilitation Plan ⁴			
Screening Detail ⁴			
Site Plan ^{2 AND 4}			
Stream or Lake Study, Standard ⁴	<i>ND</i>		
Stream or Lake Study, Supplemental ⁴			
Stream or Lake Mitigation Plan ⁴			
Street Profiles ²	<i>ND</i>		
Title Report or Plat Certificate ⁴			
Topography Map ³			
Traffic Study ²	<i>ND</i>		
Tree Cutting/Land Clearing Plan ⁴	<i>ND</i>		
Urban Center Design Overlay District Report ⁴			
Utilities Plan, Generalized ²	<i>ND</i>		
Wetlands Mitigation Plan, Final ⁴	<i>ND</i>		
Wetlands Mitigation Plan, Preliminary ⁴			
Wetlands Report/Delineation ⁴			
Wireless:			
Applicant Agreement Statement ^{2 AND 3}			
Inventory of Existing Sites ^{2 AND 3}			
Lease Agreement, Draft ^{2 AND 3}			
Map of Existing Site Conditions ^{2 AND 3}			
Map of View Area ^{2 AND 3}			
Photosimulations ^{2 AND 3}			

This requirement may be waived by:

1. Property Services Section
2. Public Works Plan Review Section
3. Building Section
4. Development Planning Section

PROJECT NAME: Standover Deck Ukraine
 DATE: 20 April



WESTCOTT HOMES

Andrea Petzel, Planner
Renton City Hall- 6th Floor
1055 South Grady Way

DEVELOPMENT PLANNING
CITY OF RENTON

MAY - 3 2007

RECEIVED

19515 North Creek Pkwy,
Suite 300
Bothell, WA 98011

425.485.1590 phone
425.485.1597 fax

May 2, 2007

RE: Variance Request for The Reserve at Stonehaven Lot 33

Project Narrative:

The location of the project is 4726 Burnett CT s. in Renton, Wa. This is a new single family home that is 2980 SF. It is located on a corner lot with in the plat of The Reserve at Stonehaven, a 36 lot plat. This plat is zoned R8 and the site area of the lot is 7338 SF, it conforms to the lot density for the plat. All of the development regulations have been met and all site improvements have been made, including all wet and dry utilities. This new RSF home has obtained its Certificate of Occupancy and is ready to be sold to a loving new family.

Justification for request:

This house sits on a sloped lot to the rear of the yard; it is also a corner lot that abuts to the street on 2 sides. Its only access to the rear yard is from a sliding door in the dining nook. Due to the slope of the yard the sliding door is approximately 5' from finished grade. We acknowledge that in the planning stages of this house we could have done a better job to reduce this impact. In the City of Renton we would be allowed to pour a patio or construct a deck in the rear yard setback if it was not more than 18" high. Our specific request is to allow for a deck to be built within the rear yard setback to allow for the home owners to access this area of their yard. In doing so the deck would be built to the plans attached and would be approximately 3.5' above what the current code would allow. This deck would encroach into the setback 5' and would be 10' wide, with stairs to a poured patio at grade. This new deck would not be detrimental to the neighboring homes since it abuts their side yard and would still leave a 15' buffer between them. All the other homes in the plat have access to their rear yard so this would not constitute a grant of special privilege; only add this benefit to a home that doesn't otherwise have that ability. The deck has been designed to have the least impact to other neighboring properties and would be the best alternative to not having access to a yard that the city required. In addition, to reduce any impact that this deck may have, we would plant 2 new trees approximately 2 1/2" in caliper in the north east corner of the lot.

Thank you for your support.

Sincerely,

Cheryl Cardwell
Westcott Homes

CHICAGO TITLE INSURANCE COMPANYDEVELOPMENT PLANNING
CITY OF RENTON

25668 104TH AVENUE SE, KENT, WA 98031

MAY - 3 2007**A.L.T.A. COMMITMENT****SCHEDULE A****RECEIVED**
1209039

Order No.:

Title Unit: U-11 Customer Number: RESERVE AT STONEHAVEN/PESTL
Phone: (253)520-7691 Buyer(s): LUE PESTL AND ANGELA PESTL
Fax: (253)856-9775
Officer: LORI FORBES, PENNI WARREN, JANE PERRY

Commitment Effective Date: APRIL 26, 2007 at 8:00 A.M.

1. Policy or Policies to be issued: PREMIUM APPLICABLE BETWEEN \$600,001.00 - \$610,000.00
ALTA Owner's Policy Amount: \$609,950.00
1992 STANDARD Premium: \$468.00
BUILDER SALE - STANDARD RATE Tax: \$ 41.65

Proposed Insured:

LUE PESTL AND ANGELA PESTL, HUSBAND AND WIFE

Policy or Policies to be issued:

ALTA Loan Policy Amount: \$0.00
Premium:
Tax:

Proposed Insured:

Policy or Policies to be issued:

ALTA Loan Policy Amount: \$0.00
Premium:
Tax:

Proposed Insured:

2. The estate or interest in the land which is covered by this Commitment is:

FEE SIMPLE

3. Title to the estate or interest in the land is at the effective date hereof vested in:

RESERVE AT STONEHAVEN, LLC, A WASHINGTON LIMITED LIABILITY COMPANY

4. The land referred to in this Commitment is described as follows:

SEE ATTACHED LEGAL DESCRIPTION EXHIBIT

CHICAGO TITLE INSURANCE COMPANY
A.L.T.A. COMMITMENT
SCHEDULE A
(Continued)

Order No.: 1209039
Your No.: RESERVE AT STONEHAVEN/PESTL

LEGAL DESCRIPTION EXHIBIT
(Paragraph 4 of Schedule A continuation)

LOT 33, THE RESERVE AT STONEHAVEN, ACCORDING TO THE PLAT THEREOF, RECORDED IN
VOLUME 233 OF PLATS, PAGES 43 THROUGH 47, IN KING COUNTY, WASHINGTON.

CHICAGO TITLE INSURANCE COMPANY

A.L.T.A. COMMITMENT
SCHEDULE B

Order No.: 1209039
Your No.: RESERVE AT STONEHAVEN/PESTL

Schedule B of the policy or policies to be issued will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the Company.

GENERAL EXCEPTIONS

- A. Rights or claims of parties in possession not shown by the public records.
- B. Encroachments, overlaps, boundary line disputes, or other matters which would be disclosed by an accurate survey and inspection of the premises.
- C. Easements, or claims of easements, not shown by the public records.
- D. Any lien, or right to a lien, for contributions to employee benefit funds, or for state workers' compensation, or for services, labor, or material heretofore or hereafter furnished, all as imposed by law, and not shown by the public records.
- E. Taxes or special assessments which are not shown as existing liens by the public records.
- F. Any service, installation, connection, maintenance, tap, capacity or construction charges for sewer, water, electricity, other utilities, or garbage collection and disposal.
- G. Reservations or exceptions in patents or in Acts authorizing the issuance thereof; Indian tribal codes or regulations, Indian treaty or aboriginal rights, including easements or equitable servitudes.
- H. Water rights, claims, or title to water.
- I. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records, or attaching subsequent to the effective date hereof but prior to the date the proposed insured acquires of record for value the estate or interest or mortgage thereon covered by this Commitment.

SPECIAL EXCEPTIONS FOLLOW

CHICAGO TITLE INSURANCE COMPANY
A.L.T.A. COMMITMENT
SCHEDULE B
(Continued)

Order No.: 001209039
Your No.: _____

SPECIAL EXCEPTIONS

1. COVENANTS, CONDITIONS, RESTRICTIONS, EASEMENTS, NOTES, DEDICATIONS AND SETBACKS, IF ANY, SET FORTH IN OR DELINEATED ON THE PLAT OF THE RESERVE AT STONEHAVEN, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 233 OF PLATS, PAGES 43 THROUGH 47, IN KING COUNTY, WASHINGTON.
2. COVENANTS, CONDITIONS, RESTRICTIONS, EASEMENTS AND LIABILITY FOR ASSESSMENTS CONTAINED IN INSTRUMENT, BUT OMITTING ANY COVENANTS OR RESTRICTIONS, IF ANY, BASED UPON RACE, COLOR, RELIGION, SEX, SEXUAL ORIENTATION, FAMILIAL STATUS, MARITAL STATUS, DISABILITY, HANDICAP, NATIONAL ORIGIN, ANCESTRY, OR SOURCE OF INCOME, AS SET FORTH IN APPLICABLE STATE OR FEDERAL LAWS, EXCEPT TO THE EXTENT THAT SAID COVENANT OR RESTRICTION IS PERMITTED BY APPLICABLE LAW:

RECORDED: MARCH 21, 2006
RECORDING NUMBER: 20060321000568

3. AGREEMENT AND THE TERMS AND CONDITIONS THEREOF:

BETWEEN: SOOS CREEK WATER AND SEWER DISTRICT
AND: TALBOT DEVELOPMENT PARTNERS, LLC
RECORDED: JULY 31, 2001
RECORDING NUMBER: 20010731000733
REGARDING: DEVELOPER EXTENSION REIMBURSEMENT
AGREEMENT

4. PAYMENT OF THE REAL ESTATE EXCISE TAX, IF REQUIRED.

THE PROPERTY DESCRIBED HEREIN IS SITUATED WITHIN THE BOUNDARIES OF LOCAL TAXING AUTHORITY OF CITY OF RENTON. PRESENT RATE IS 1.78%.

ANY CONVEYANCE DOCUMENT MUST BE ACCCOMPANIED BY THE OFFICIAL WASHINGTON STATE EXCISE TAX AFFIDAVIT. THE APPLICABLE EXCISE TAX MUST BE PAID AND THE AFFIDAVIT APPROVED AT THE TIME OF THE RECORDING OF THE CONVEYANCE DOCUMENTS.

5. GENERAL AND SPECIAL TAXES AND CHARGES, PAYABLE FEBRUARY 15, DELINQUENT IF FIRST HALF UNPAID ON MAY 1, SECOND HALF DELINQUENT IF UNPAID ON NOVEMBER 1 OF THE TAX YEAR (AMOUNTS DO NOT INCLUDE INTEREST AND PENALTIES):

CHICAGO TITLE INSURANCE COMPANY
A.L.T.A. COMMITMENT
SCHEDULE B
(Continued)

Order No.: 1209039
Your No.: RESERVE AT STONEHAVEN/PESTL

SPECIAL EXCEPTIONS

YEAR:	2007
TAX ACCOUNT NUMBER:	723800-0330-00
LEVY CODE:	2130
ASSESSED VALUE-LAND:	\$ 124,000.00
ASSESSED VALUE-IMPROVEMENTS:	\$ 337,000.00
GENERAL & SPECIAL TAXES:	BILLED: \$ 5,091.87 PAID: \$ 0.00 UNPAID: \$ 5,091.87

NOTE: IF THE TAX AMOUNT IS NOT EVENLY DIVISIBLE INTO TWO PAYMENTS, KING COUNTY WILL REQUIRE THE HALF PAYMENT BE ROUNDED UP TO THE NEXT CENT. FAILURE TO ROUND UP THE HALF PAYMENT MAY RESULT IN REJECTION OF THE TAX PAYMENT BY THE COUNTY.

6. DEED OF TRUST AND THE TERMS AND CONDITIONS THEREOF:

GRANTOR:	THE RESERVE AT STONEHAVEN, LLC, A WASHINGTON LIMITED LIABILITY COMPANY
TRUSTEE:	CHICAGO TITLE INSURANCE COMPANY
BENEFICIARY:	STERLING SAVINGS BANK
AMOUNT:	\$ 14,983,180.00
DATED:	MARCH 24, 2006
RECORDED:	MARCH 27, 2006
RECORDING NUMBER:	20060327001139
LOAN NUMBER:	NOT DISCLOSED

THE AMOUNT NOW SECURED BY SAID DEED OF TRUST AND THE TERMS UPON WHICH THE SAME CAN BE DISCHARGED OR ASSUMED SHOULD BE ASCERTAINED FROM THE HOLDER OF THE INDEBTEDNESS SECURED.

AFFECTS: INCLUDES OTHER PROPERTY

APPOINTMENT OF SUCCESSOR TRUSTEE:

APPOINTED:	FIDELITY SERVICE CORPORATION
BY:	STERLING SAVINGS BANK
RECORDED:	NOVEMBER 3, 2006
RECORDING NUMBER:	20061103002208

CHICAGO TITLE INSURANCE COMPANY
A.L.T.A. COMMITMENT
SCHEDULE B
(Continued)

Order No.: 1209039
Your No.: RESERVE AT STONEHAVEN/PESTL

SPECIAL EXCEPTIONS

7. THE LEGAL DESCRIPTION IN THIS COMMITMENT IS BASED ON INFORMATION PROVIDED WITH THE APPLICATION AND THE PUBLIC RECORDS AS DEFINED IN THE POLICY TO ISSUE. THE PARTIES TO THE FORTHCOMING TRANSACTION MUST NOTIFY THE TITLE INSURANCE COMPANY PRIOR TO CLOSING IF THE DESCRIPTION DOES NOT CONFORM TO THEIR EXPECTATIONS.

NOTE 1:
THE FOLLOWING DEED(S) AFFECTING SAID LAND WAS (WERE) RECORDED WITHIN 24 MONTHS OF THE DATE OF THIS COMMITMENT:

NONE

NOTE 2:
COUNTY RECORDS INDICATE THAT THE ADDRESS OF THE IMPROVEMENT LOCATED ON SAID LAND IS:

4726 BURNETT COURT SOUTH
RENTON, WASHINGTON 98055

NOTE 3:
AS OF THE DATE HEREOF THERE ARE NO MATTERS WHICH WOULD APPEAR AS EXCEPTIONS IN THE POLICY TO ISSUE AGAINST:

LUE PESTL AND ANGELA PESTL

NOTE 4:
EFFECTIVE JANUARY 1, 1997, DOCUMENT FORMAT AND CONTENT REQUIREMENTS HAVE BEEN IMPOSED BY WASHINGTON LAW. FAILURE TO COMPLY WITH THE FOLLOWING REQUIREMENTS MAY RESULT IN REJECTION OF THE DOCUMENT BY THE COUNTY RECORDER OR IMPOSITION OF A \$50.00 SURCHARGE.

FOR DETAILS OF THESE STATEWIDE REQUIREMENTS PLEASE VISIT THE KING COUNTY RECORDER'S OFFICE WEBSITE AT WWW.METROKC.GOV/RECELEC/RECORDS AND SELECT ONLINE FORMS AND DOCUMENT STANDARDS.

THE FOLLOWING MAY BE USED AS AN ABBREVIATED LEGAL DESCRIPTION ON THE DOCUMENTS TO BE RECORDED TO COMPLY WITH THE REQUIREMENTS OF RCW 65.04. SAID ABBREVIATED LEGAL DESCRIPTION IS NOT A SUBSTITUTE FOR A COMPLETE LEGAL DESCRIPTION WHICH MUST ALSO APPEAR IN THE BODY OF THE DOCUMENT:

CHICAGO TITLE INSURANCE COMPANY
A.L.T.A. COMMITMENT
SCHEDULE B
(Continued)

Order No.: 1209039
Your No.: RESERVE AT STONEHAVEN/PESTL

SPECIAL EXCEPTIONS

LOT 33, VOLUME 233 OF PLATS, PAGE 43.

END OF SCHEDULE B

TO EXPEDITE THE COMPLETION OF YOUR CLOSING, PLEASE FORWARD YOUR
CLOSING ORDER AND RECORDING DOCUMENTS TO:

CHICAGO TITLE INSURANCE COMPANY - CENTRAL RECORDING
701 FIFTH AVENUE, 33RD FLOOR
SEATTLE, WASHINGTON 98104

THANK YOU,
UNIT 11 - SOUTHENDE TITLE UNIT

CHICAGO TITLE INSURANCE COMPANY
A.L.T.A. COMMITMENT
SCHEDULE B
(Continued)

Order No.: 1209039
Your No.: RESERVE AT STONEHAVEN/PESTL

SPECIAL EXCEPTIONS

THE FOLLOWING PARTIES HAVE BEEN SENT A COPY OF THIS COMMITMENT:

CTI/RENA SAUNIER
555 SOUTH RENTON VILLAGE PLACE
SUITE 225
RENTON, WASHINGTON 98055
RENA SAUNIER 3/1
(425)277-8681

JOHN L. SCOTT
20632 108TH AVE. S.E.
KENT, WASHINGTON 98031
JOAN POSANKE 1/0
(253)852-9200

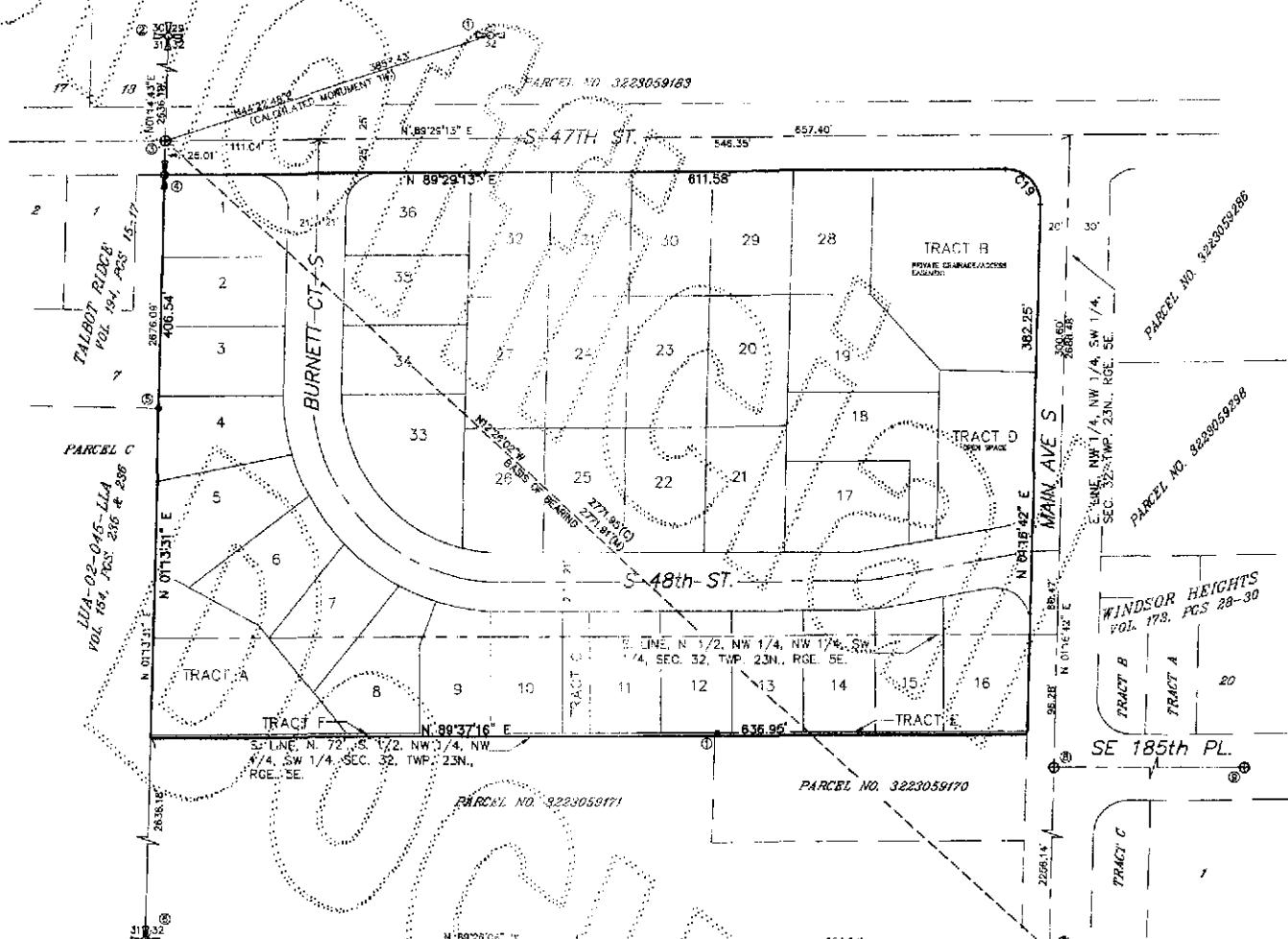
JOHN L. SCOTT
20632 108TH AVE. S.E.
KENT, WASHINGTON 98031
JOAN POSANKE 1/1
(253)852-9200

WESTCOTT HOMES
19515 NORTH CREEK PKWY # 300
BOTHELL, WASHINGTON 98011
LORI O NEAL 2/2
(425)485-1590

THE RESERVE AT STONEHAVEN

NW 1/4, SW 1/4, SEC. 32, TWP. 23N., RGE. 5E., W.M.
CITY OF RENTON, KING COUNTY, WASHINGTON

VOL/PC
233/045
LUA-05-130-FP
LND-10-0411



Scale 1" = 60'
MERIDIAN:

PLAT OF WINDSOR HEIGHTS, RECORDED IN VOLUME 173 OF PLATS AT PAGES 29-30, UNDER RECORDING NUMBER 9504241079, RECORDS OF KING COUNTY, WASHINGTON.

EQUIPMENT & PROCEDURES:

A 5" ELECTRONIC TOTAL STATION WAS USED FOR THIS FIELD TRAVERSE SURVEY. ACCURACY MEETS OR EXCEEDS W.A.C. 332-130-090.

REFERENCES:

1. PLAT OF WINDSOR HEIGHTS, RECORDED IN VOLUME 173 OF PLATS AT PAGES 29-30, UNDER RECORDING NUMBER 9504241079, RECORDS OF KING COUNTY, WASHINGTON. HELD FOR SECTION SUBDIVISION.
2. PLAT OF TALBOT RIDGE, RECORDED IN VOLUME 194 OF PLATS AT PAGES 15-17, UNDER RECORDING NUMBER 200004040001058, RECORDS OF KING COUNTY, WASHINGTON.
3. CITY OF RENTON LOT LINE ADJUSTMENT "LUA-02-045-LLA", RECORDED IN BOOK 154 OF SURVEYS AT PAGES 235 & 235A, UNDER RECORDING NUMBER 20020823900003, RECORDS OF KING COUNTY, WASHINGTON.

CONTROL LEGEND:

① NORTH 1/4 CORNER SEC. 27, TWP. 23N., RGE. 5E. POSITION CALCULATED FROM PARCEL NO. 17. SAME POINT AS CITY OF RENTON CONTROL POINT 1986. NOT VISITED.

② NORTHWEST CORNER SEC. 32, TWP. 23N., RGE. 5E. POSITION CALCULATED FROM REFERENCE NO. 2. NOT VISITED.

③ FOUND 4" x 4" CONCRETE MONUMENT WITH 1 1/4" PUNCHED BRASS DISC STAMPED "2335" IN CASE. HELD POSITION AS CALCULATED FROM REFERENCE NO. 2. (6/05)

④ WEST 1/4 CORNER OF SEC. 32, TWP. 23N., RGE. 5E. NOT FOUND. POSITION CALCULATED FROM REFERENCE NO. 2. MONUMENT POSSIBLY DESTROYED WITH CONSTRUCTION OF THE PLAT OF "TALBOT RIDGE".

⑤ FOUND 1/2" REBAR WITH CAP "2454" AT CALCULATED POSITION. (6/05)

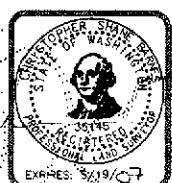
6. SOUTHWEST CORNER SEC. 32, TWP. 23N., RGE. 5E. MONUMENT NOT FOUND. POSITION CALCULATED FROM REFERENCES 1 & 2. ALSO CITY OF RENTON CONTROL POINT NO. 687.

CONTROL LEGEND:

① FOUND CONCRETE MONUMENT WITH 1 1/4" DOMED BRASS DISC SET DOWN 0.4' IN CASE APPROXIMATELY 16' SOUTH OF THE INTERSECTION OF MAIN AVE. S. AND SE 192ND ST. MONUMENT IS STAMPED "WPA 17384". MONUMENT IS AT CALCULATED POSITION IN THE SOUTH 1/16TH CORNER. PER REFERENCE 1.

② FOUND 4" x 4" CONCRETE MONUMENT WITH 1 1/4" PUNCHED BRASS DISC DOWN 0.4' IN CASE AT THE INTERSECTION OF MAIN AVE. S. AND SE 185TH PL. MONUMENT IS STAMPED "14430". MONUMENT IS 0.25' NORTH AND 0.15' EAST OF CALCULATED POSITION. (6/05)

③ FOUND 4" x 4" CONCRETE MONUMENT WITH 1 1/4" PUNCHED BRASS DISC DOWN 0.4' IN CASE AT THE INTERSECTION OF MAIN AVE. S. AND SE 185TH PL. MONUMENT IS STAMPED "14490". MONUMENT IS 0.23' EAST OF CALCULATED POSITION. (6/05)



LEGEND:
④ FOUND SURVEY MONUMENT AS NOTED.
S.C.W.S.D. SOOS CREEK WATER AND SEWER DISTRICT

CURVE TABLE		
CURVE LENGTH	RADIALS	DELTA
C19	140.05	23.00 81°47'28"

JOB NO. 04279
SHEET 3 OF 5

Mead Gilman & Assoc.
PROFESSIONAL LAND SURVEYORS

17625 130TH AVE. N.E., STE. 104, WOODINVILLE, WA 98072
MAILING ADDRESS, P.O. BOX 269, WOODINVILLE, WA 98072

PHONE: (425) 486-1252 FAX: (425) 486-5108

ED/104

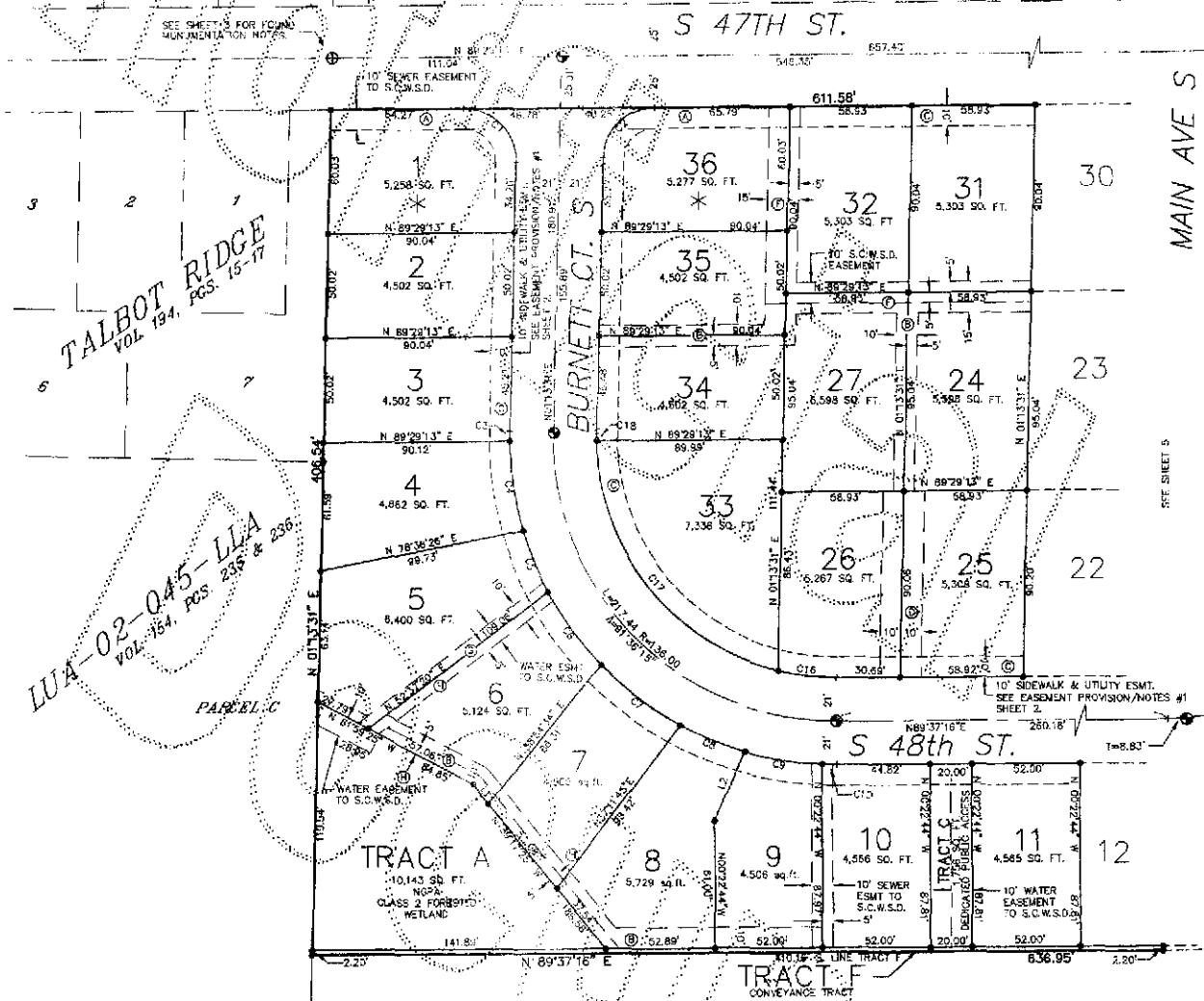
THE RESERVE AT STONEHAVEN

NW1/4, SW1/4, SEC. 32, TWP. 23N., RGE. 5E., W.M.

CITY OF RENTON, KING COUNTY, WASHINGTON

VOL/PG
233/046
LUA-05-130-FP
LND-10-0411

PARCEL NO. 3223059183



Scale 1" = 40'

LEGEND:

- FOUND SURVEY MONUMENT AS NOTED.
- SET 1/2" REBAR WITH 1 3/4" ORANGE PLASTIC CAP STAMPED "MEAD GILMAN & ASSOCIATES 24276/32434/35145/36811"
- SET 4" x 4" CONCRETE MONUMENT WITH 1 5/8" BRASS DISC WITH "X" STAMPED "55145" IN STANDARD KING COUNTY CASE.

S.C.W.S.D. SOOS CREEK WATER AND SEWER DISTRICT

* SEE GENERAL NOTE 4 SHEET 2

EASEMENT LEGEND:

- PUBLIC SANITARY SEWER EASEMENT. SEE EASEMENT PROVISIONS/NOTES NO. 3, SHEET 2.
- PRIVATE DRAINAGE EASEMENT. SEE EASEMENT PROVISIONS/NOTES NOS. 2 & 5, SHEET 2.
- PRIVATE UTILITY AND PRIVATE DRAINAGE EASEMENT. PUBLIC WATER EASEMENT. SEE EASEMENT PROVISIONS/NOTES NOS. 2 & 5, SHEET 2.
- PRIVATE ACCESS, UTILITY AND DRAINAGE EASEMENT. SEE EASEMENT PROVISIONS/NOTES NOS. 2, & 9, SHEET 2.
- PRIVATE DRAINAGE EASEMENT & PUBLIC SANITARY SEWER EASEMENT. SEE EASEMENT PROVISIONS/NOTES NOS. 2, 3, & 6, SHEET 2.
- PUBLIC WATER EASEMENT. SEE EASEMENT PROVISIONS/NOTES NO. 3, SHEET 2.
- ACCESS AND FENCE MAINTENANCE EASEMENT. SEE EASEMENT PROVISIONS/NOTES NO. 11, SHEET 2.

CURVE TABLE		
C1	-40.03	25.00
C2	-38.51	25.00
C3	-4.82	157.00
C4	-43.35	157.00
C5	-32.04	157.00
C6	-43.65	157.00
C7	-49.25	157.00
C8	-34.01	157.00
C9	-37.77	157.00
C10	7.38	157.00
C11	28.42	115.00
C12	151.90	115.00
C13	-3.54	115.00

LINE TABLE		
L1	12.15	N89°29'13"E
L2	36.37	N23°27'56"E



3/16/06

Mead Gilman & Assoc.

PROFESSIONAL LAND SURVEYORS

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PHONE: (425) 486-1252 FAX: (425) 486-6108

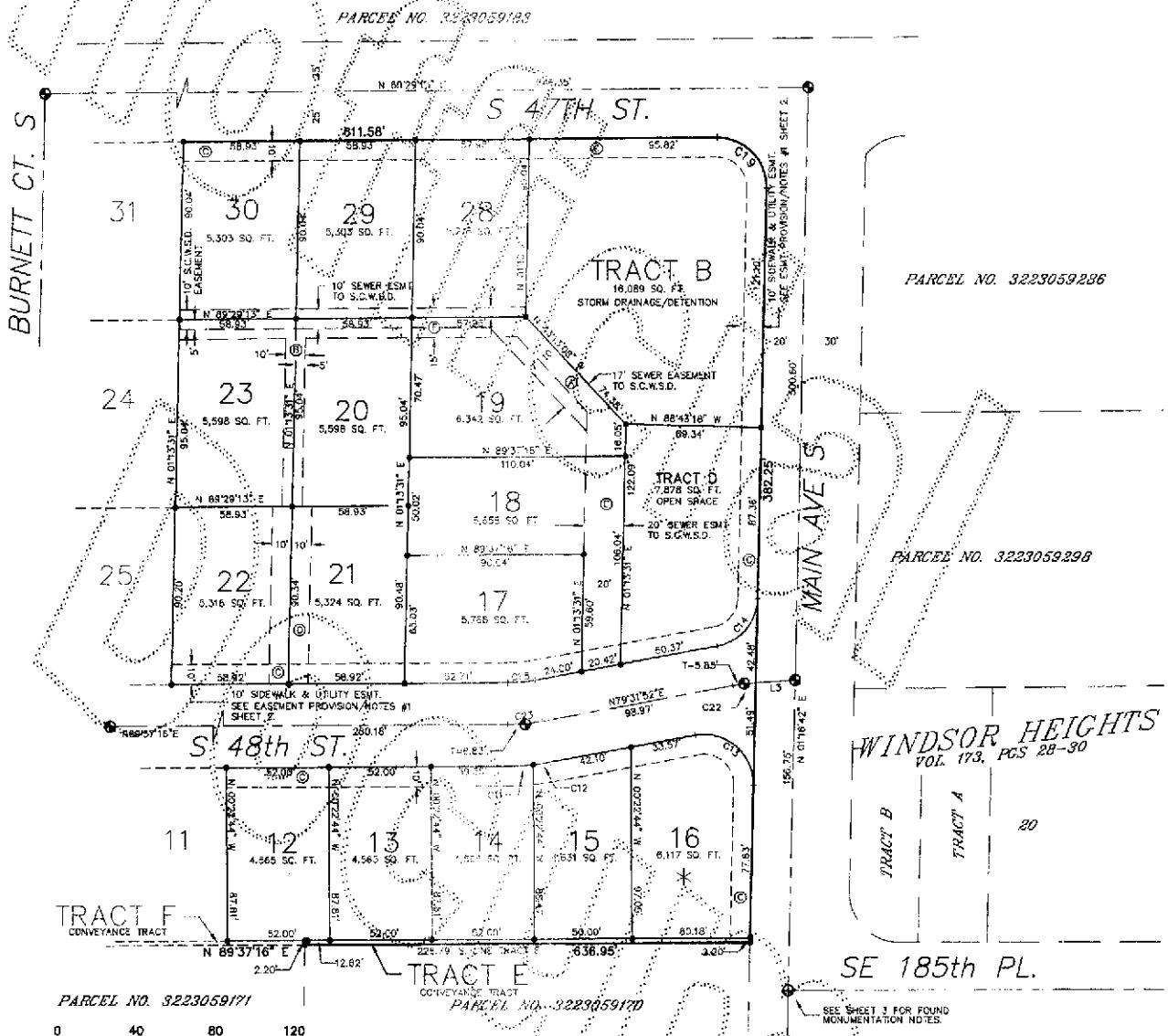
JOB NO. 04279
SHEET 4 OF 5

VOL/PG
3/16/06

THE RESERVE AT STONEHAVEN

NW 1/4, SW 1/4, SEC. 32, TWP. 23N., RGE. 5E., W.M.
CITY OF RENTON, KING COUNTY, WASHINGTON

VOL/PG
233/047
LUA-05-130-FP
LND-10-0411



LEGEND: Scale 1" = 40'

- FOUND SURVEY MONUMENT AS NOTED.
- SET 1/2" REBAR WITH 1 3/4" ORANGE PLASTIC CAP STAMPED "MEAD GILMAN & ASSOCIATES 29276/32434/35145/38B11"
- SET 4" x 4" CONCRETE MONUMENT WITH 1 5/8" BRASS DISC WITH "X" STAMPED 35145 IN STANDARD KING COUNTY CASE.

* SEE GENERAL NOTE 4 SHEET 2

EASEMENT LEGEND:

- Ⓐ PUBLIC SANITARY SEWER EASEMENT. SEE EASEMENT PROVISIONS/NOTES NO. 3, SHEET 2.
- Ⓑ PRIVATE DRAINAGE EASEMENT. SEE EASEMENT PROVISIONS/NOTES NOS. 2 & 5, SHEET 2.
- Ⓒ PRIVATE UTILITY AND PRIVATE DRAINAGE EASEMENT, PUBLIC WATER EASEMENT. SEE EASEMENT PROVISIONS/NOTES NOS. 2 & 5, SHEET 2.
- Ⓓ PRIVATE ACCESS, DRAINAGE AND UTILITY EASEMENT. SEE EASEMENT PROVISIONS/NOTES NOS. 2 & 8, SHEET 2.
- Ⓔ PRIVATE ACCESS UTILITY & DRAINAGE EASEMENT, AND PUBLIC SANITARY SEWER EASEMENT. SEE EASEMENT PROVISIONS/NOTES NOS. 2, 3, 5, & 7, SHEET 2.
- Ⓕ PRIVATE DRAINAGE EASEMENT & PUBLIC SANITARY SEWER EASEMENT. SEE EASEMENT PROVISIONS/NOTES NOS. 2, 3, & 8, SHEET 2.

CURVE TABLE			
CURVE	LENGTH	RADIUS	DEFL.
C13	44.40	25.00	101°45'50"
C14	12.67	25.00	53°58'56"
C12	8.84	12.00	40°52'28"
C14	36.14	25.00	78°15'0"
C15	13.91	79.00	10°05'24"
C15	40.06	25.00	91°47'29"
C22	11.49	100.00	63°41'42"
C23	17.41	100.00	102°04'14"

LINE TABLE

3/13/06

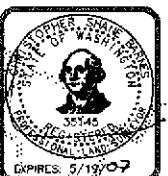
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JOB NO. 04279
SHEET 5 OF 5

PHONE: (425) 486-1252 FAX: (425) 486-6108

104/105



DEVELOPMENT PLANNING
CITY OF RENTON

MAY - 3 2007

RECEIVED

LIMITED LIABILITY COMPANY AGREEMENT

OF

The Reserve At Stonehaven, LLC

(a Washington Limited Liability Company)

Dated and Effective

as of July 2, 2004

**LIMITED LIABILITY COMPANY AGREEMENT
OF**

THE RESERVE AT STONEHAVEN, LLC

THIS LIMITED LIABILITY COMPANY AGREEMENT (the "Agreement") is made and entered into effective as of July 2, 2004, by the members of the Company (as defined below), in accordance with and pursuant to the Act (as defined below).

ARTICLE 1 - DEFINITIONS

1.1 Definitions. The following terms used in this Agreement shall have the following meanings (unless otherwise expressly provided herein):

"Act" means the Washington Limited Liability Company Act, as amended (RCW Ch. 25.15).

"Assignee" means the holder or transferee of an interest in the Company who has not been admitted as a Member of the Company. An Assignee shall have no right to participate in the Management of the business and affairs of the Company. An Assignee is entitled to share in such profits and losses, to receive such distributions, and to receive such allocations of income, gain, loss, deduction or credit or similar item to which the assignor was entitled, subject to the limitations applicable to the assignor, to the extent of the transferred interest.

"Agreement" means this Limited Liability Company Agreement, as originally executed and as subsequently amended from time to time.

"Built-In Gains" means the excess of the value over tax basis of property contributed to the Company which is allocated pursuant to section 704(c) of the Code in determining Net Profits and Net Losses.

"Built-In Losses" means the excess of tax basis over the value of property contributed to the Company which is allocated pursuant to section 704(c) of the Code.

"Capital Account" means the capital account determined and maintained for each Member or Transferee on the books of the Company pursuant to Section 8.3.

"Capital Contribution" means the total amount of cash and the fair market value of other property (net of liabilities secured by such property that the Company is considered to assume or take subject to under section 752(c) of the Code) contributed to the Company by a Member pursuant to the terms of this Agreement.

"Certificate of Formation" means the certificate of formation pursuant to which the Company was formed, as originally filed with the office of the Secretary of State, and as amended from time to time.

"Code" means the Internal Revenue Code of 1986, as amended, and underlying Regulations.

"Company" means The Reserve At Stonehaven, LLC, formed and operated in accordance with the terms and conditions of this Agreement.

"Distributable Cash" means the amount of cash determined by the Manager pursuant to Section 10.1 to be available for distribution to the Member.

"Economic Interest" means the interest of an Assignee in the Company.

"Entity" means any general partnership, limited partnership, limited liability partnership, limited liability company, corporation, joint venture, trust, estate, business trust, cooperative or association or any other organization that is not a natural Person.

"Event of Dissociation" means an event of dissociation as defined by RCW 25.15.130.

"Incompetence" or "Incompetent" means the inability of a Member or Manager to manage his or her property and affairs effectively for reasons including, but not limited to, mental illness, mental deficiency, physical illness or disability, advanced age, chronic use of drugs, chronic intoxication, confinement, detention by a foreign power or disappearance. If the Member or Manager is unable to act because of physical or mental illness or disability, advanced age, or chronic intoxication or drug use, then written notice to that effect must be signed by that Member's or Manager's personal physician or, if he or she has no personal physician, by any qualified physician who is then treating him or her. If the Member or Manager is unable to act because of being detained, confined or missing, then written notice must be signed by someone having personal knowledge of his or her situation.

"Joinder Agreement" means an agreement substantially in the form of attached Schedule D.

"LLC" means "limited liability company," as defined by the Act.

"Manager or Managers" means Mark Donner, and any other Person who may become a substitute or additional Manager as provided in Article 5.

"Member" or "Members" means Westcott Holdings Inc., and each Person or entity who makes his, her or its required Capital Contribution and executes a counterpart of this Agreement as a Member and each Person who may hereafter becomes a Member pursuant to the terms of this Agreement. The term "Member" as used herein shall include a Manager to the extent of his or her Membership Interest in the Company.

"Membership Interest" or "Interest" means the interest in the Company representing the Member's right to receive distributions from the Company, to receive allocations of profits and

losses and to vote or otherwise participate in any decision subject to approval by Members. The Membership Interest of each Member is set forth on Schedule C, as amended or restated.

"Net Profits" and "Net Losses" means for any taxable year the net income or loss of the Company, as reported for federal income tax purposes, and additional amounts allocated to the Members pursuant to sections 702 and 705 of the Code.

"Permitted Transferee" means

a. Any Person who is a lineal descendant of a Member, including adopted persons ("Lineal Descendant");

b. A spouse of a Lineal Descendant, but only for the period during which the spouse is married to the Lineal Descendant or is the surviving spouse of the Lineal Descendant;

c. A trustee of any trust or custodian of a custodial arrangement which at the applicable time is held solely for the benefit of Permitted Transferees;

d. Any corporation, partnership, limited liability company, or other form of business organization, in which each class of stock, interest, or other ownership interest is 100% owned by Permitted Transferees; and

e. The executor or administrator of the estate of a deceased Permitted Transferee subject to Article 13.

"Person" means any individual or Entity, and the heirs, executors, administrators, legal representatives, successors, and assigns of such "Person" where the context so permits.

"Property" means any real, personal, tangible or intangible property contributed to, purchased, developed or otherwise acquired by, the Company including but not limited to the assets described on Schedule B, as amended or restated.

"Purchase Event" means any one of the events described in Section 13.1 below which events result in the right of the Company and/or the Members to purchase the affected Membership Interests or Economic Interests pursuant to Section 13.2.

"Regulations" means proposed, temporary and final Treasury Regulations promulgated under the Code and the corresponding sections of any regulations subsequently issued that amend or supersede such regulations.

"Tax Matters Manager" means Mark Donner and any other Person who may become a substitute Tax Manager as provided in Section 11.6.

"Transfer" means any sale, assignment, gift, exchange, pledge, encumbrance, devise, bequest, intestate transfer, change in beneficial interest of any trust or estate, distribution from any

trust or estate, change in ownership of Entity Members, or any other disposition of a Membership Interest, whether voluntary or involuntary.

"Unit Holder" means either a Member, an Assignee or both.

1.2 Interpretation.

1.2.1 When required by the context, the singular includes the plural and vice versa, and the masculine includes the feminine and neuter genders, and vice versa;

1.2.2 Except as otherwise specifically indicated, all references in this Agreement to "Schedules," "Articles," "Sections," and other subdivisions are to the corresponding Schedules, Articles, Sections or subdivisions of this Agreement as they may be amended from time to time; and

1.2.3 Headings used in this Agreement have been included for convenience and ease of reference only and will not in any manner influence the construction or interpretation of any provision of this Agreement.

1.3 **Governing Law.** This Agreement shall be construed and the rights, duties and obligations of the parties shall be determined in accordance with the laws of the state of Washington.

ARTICLE 2 - FORMATION OF COMPANY

2.1 **Formation.** The Company was formed on July 2, 2004 when the executed Certificate of Formation was filed with the office of the Secretary of State in accordance with and pursuant to the Act.

2.2 **Name.** The name of the Company is The Reserve At Stonehaven, LLC

2.3 **Principal Place of Business.** The principal place of business of the Company shall be 10519 20th Street, SE Ste. 1, Everett Washington. The Company may locate its places of business at any other place or places as the Members may from time to time unanimously designate in writing.

2.4 **Registered Office and Registered Agent.** The Company's initial registered agent and the address of its initial registered office in the State of Washington are as follows:

Name	Address
Mark Donner.	10519 20 th Street, SE Ste 1 Everett, Washington 98270

The registered office and registered agent may be changed by the unanimous written consent of the Members, and by filing a Certificate of Change of Registered Agent or Registered Office Address with the Washington Secretary of State.

ARTICLE 3 - TERM

3.1 Term. The term of the Company shall be perpetual, unless the Company is earlier dissolved in accordance with either Article 14 or the Act.

ARTICLE 4 - BUSINESS OF COMPANY

The business of the Company shall be:

4.1 To engage in the business of the ownership, development, sale and management of real property including the Property and related services.

4.2 To engage in any business, trade or activity which may be lawfully conducted by a Limited Liability Company organized under the Act; and

4.3 To engage in all such activities as are incidental or conducive to the attainment of the purposes of this Company, or any of them, and to exercise any and all powers authorized or permitted to be done by a limited liability company under any laws that may be now or hereafter applicable or available to this Company.

The foregoing clauses of this Article 4 shall each be construed as purposes and powers, and the matters expressed in each clause shall be in no way limited or restricted by reference to or inference from the terms of any other clauses, but shall be regarded as independent purposes and powers; and nothing contained in these clauses shall be deemed in any way to limit or exclude any power, right, or privilege given to this limited liability company by law or otherwise.

ARTICLE 5 - MANAGEMENT

5.1 Management. The business and affairs of the Company shall be managed by the Manager. The initial Manager is Mark Donner. Except as otherwise expressly provided in this Agreement including under Section 6.6 below, the Manager shall have full and complete authority, power and discretion to manage and control the business, affairs and properties of the Company, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incident to the management of the Company's business. At any time when there is more than one Manager, any one Manager may take any action permitted to be taken by the Managers, unless the approval or more than one of the managers is expressly required by this Agreement or the Act. Without limiting the generality of the foregoing, each Manager shall have power and authority, on behalf of the Company:

5.1.1 to acquire property from any Person as the Manager may determine, and subject to Section 5.5, the fact that a Manager or a Member is affiliated with such Person shall not prohibit the Manager from dealing with that Person;

5.1.2 to borrow money from financial institutions, the Manager, Member, or Affiliates of the Manager or Member on such terms as the Manager deems appropriate, and in connection therewith, to hypothecate, encumber and grant security interests in the assets of the Company to secure repayment of the borrowed sums;

5.1.3 to purchase liability and other insurance to protect the Company's property and business;

5.1.4 except as provided in Section 6.6, to acquire, improve, manage, charter, operate, sell, grant an option for the sale of, lease, transfer, exchange, encumber, pledge or dispose of any real or personal property of the Company;

5.1.5 to invest Company funds temporarily in time deposits, short-term governmental obligations, commercial paper or other short-term investments;

5.1.6 to vote or give proxies to vote any stock or other voting security, to exercise management rights as a general partner or as a manager or member of a limited liability company, and to enter into or oppose, alone or with others, voting trusts, mergers, consolidations, foreclosures, liquidations, reorganizations or other changes in the financial structure of any business organization or buy-sell agreements, stock restriction agreement or stock redemption agreements;

5.1.7 to execute instruments and documents, including without limitation, checks, drafts, notes and other negotiable instruments, mortgages or deeds of trust, security agreements, financing statements, documents providing for the acquisition, mortgage or disposition of the Company's property, assignments, bills of sale, leases, partnership agreements, operating agreements of other limited liability companies, and any other instruments or documents necessary, in the opinion of the Manager, to the business of the Company;

5.1.8 to employ accountants, legal counsel, managing agents or other experts to perform services for the Company and to compensate them from Company funds;

5.1.9 to enter into any and all other agreements with any other Person for any purpose, in such form as the Manager may approve;

5.1.10 to collect obligations payable to the Company and take any lawful means for the recovery thereof by legal process or otherwise, and to execute and deliver a satisfaction and release therefor, together with the right to compromise any claim;

5.1.11 from time to time open bank accounts in the name of the Company, and the Manager shall be the sole signatory thereon, unless the Manager determines otherwise; and

5.1.12 to do and perform all other acts as may be necessary or appropriate to the conduct of the Company's business.

5.2 Time. The Manager will devote to the business of the Company such time as the Manager, in his individual capacity, considers to be reasonable and prudent.

5.3 Compensation. The Manager's compensation, if any, shall be determined from time to time by the affirmative vote of a Majority Interest of the Members.

The Manager shall also be reimbursed by the Company for reasonable out-of-pocket expenses incurred by the Manager in connection with their Company's business, including without limitation expenses incurred in the organization of the Company and the placement of the Membership Interests.

5.4 Limitation on Liability; Indemnification.

5.4.1 A Manager shall not be liable, responsible or accountable in damages or otherwise to the Company, other Managers, or the Unit Holders for any act or omission by a Manager performed in good faith and in a manner reasonably believed by such Manager to be (a) within the scope of authority granted to the Manager by this Agreement or in accordance with its provisions, and (b) in the best interest of the Company. A Manager shall be liable for an act or omission that constitutes fraud, intentional misconduct, bad faith, gross negligence, a knowing violation of law, or any other act referred to by RCW 25.15.040(1)(a). The liability of any Manager shall be further limited as set forth in the Act and other applicable law, unless the terms of the Agreement state otherwise.

5.4.2 The Company shall indemnify and hold harmless the Manager, and each director, officer, partner, employee or agent thereof, against any liability, loss, damage, cost or expense incurred by them on behalf of the Company or in furtherance of the Company's interests without relieving any such Person of liability for fraud, misconduct, bad faith or negligence. No Member shall have any personal liability with respect to the satisfaction of any required indemnification of the above-mentioned Persons.

Any indemnification required to be made by the Company shall be made promptly following the fixing of the liability, loss, damage, cost or expense incurred or suffered by a final judgment of any court, settlement, contract or otherwise. In addition, the Company may advance funds to a Person claiming indemnification under this Section 5.4 for legal expenses and other costs incurred as a result of a legal action brought against such Person only if (i) the legal action relates to the performance of duties or services by the Person on behalf of the Company, (ii) the legal action is initiated by a party other than a member, and (iii) such Person undertakes to repay the advanced funds to the Company if it is determined that such Person is not entitled to indemnification pursuant to the terms of this Agreement.

5.5 Related Party Transactions A Manager may cause the Company to obtain products or services from entities controlling, controlled by, or under common control of any Manager and to pay such entities reasonable fees for such products and services.

5.6 Removal or Resignation. At a meeting called expressly for that purpose, a Manager may be removed at any time, with or without cause, by the affirmative vote of a Majority Interest of the Members. The removal or resignation of a Manager who is also a

Member shall not affect the Manager's rights as a Member and shall not constitute a withdrawal of a Member.

5.7 Vacancies. Any vacancy occurring for any reason in the number of Managers may be filled by the affirmative vote of a Majority Interest of the Members.

5.8 Right to Rely on the Manager. Any Person dealing with the Company may rely (without duty of further inquiry) upon a certificate signed by a Manager as to the identity and authority of the Manager or other Person to act on behalf of the Company or any Member.

ARTICLE 6 - RIGHTS AND OBLIGATIONS OF MEMBERS

6.1 Identification of Members. The name and address of each Member is set forth on the attached Schedule C, as amended or restated.

6.2 Limitation of Liability. No Member shall be liable for satisfaction of Company obligations. Each Member's liability shall be limited to the extent provided in Section 5.4.1 with the term "Member" read in place of the term "Manager."

6.3 Indemnification. The Company shall indemnify each Member for all costs, losses, liabilities and damages paid or accrued by such Member, and advance expenses incurred by such Member, in connection with the business of the Company, to the fullest extent provided or allowed by the Act.

6.4 Member Not Agent of the Company. No Member, other than a Member acting as a Manager, shall have any powers as a Member to bind the Company in contract or otherwise, nor will the Company be liable, responsible, or accountable in damages or otherwise for any action or failure to act by the Member. The Manager is vested with all management responsibility for the Company.

6.5 Accountability to Company. Every Member shall be accountable to the Company as provided in Section 5.4 with the term "Member" being read in place of the term "Manager."

6.6 Approval of Sale of All Assets. Notwithstanding the powers of the Manager under Section 5.1, the Company shall not sell, exchange or otherwise dispose of all, or substantially all, of its assets without the unanimous written consent of all Members.

6.7 Inspection of Records. Upon reasonable request and during ordinary business hours, each Member shall have the right to inspect and copy the records maintained by the Company at such Member's expense.

6.8 No Priority and Return of Capital. Except as expressly provided in Articles 8 or 9, no Member shall have priority over any other Member, either as to the return of Capital Contributions or as to Net Profits, Net Losses or distributions; provided, that this Section 6.8 shall not apply to loans made by a Member to the Company.

6.9 Withdrawal of Member. Except as expressly permitted in this Agreement, no Member shall voluntarily resign or otherwise withdraw as a Member. Unless otherwise approved by the unanimous written consent of all other Members, a Member who resigns or withdraws shall be entitled to receive only those distributions to which such Member would have been entitled had such Member remained a Member (and only at such times as such distribution would have been made had such Member remained a Member). Except as otherwise expressly provided herein, a resigning or withdrawing Member shall become an Assignee.

6.10 Expulsion of Member. Any Member may be expelled from the Company on the unanimous vote of all the Members (excluding the Member who is the subject of the vote). Upon the expulsion of any Member, the Company shall be required to pay to such Member the Fair Market Value, defined in Section 13.4, of such Member's Membership Interest.

ARTICLE 7 - MEETINGS OF MEMBERS

7.1 Annual Meeting. The annual meeting of the Members shall be held on January 10th of each and every year, or at such other time as shall be determined by the Members, for the purpose of the transaction of such business as may come before the meeting.

7.2 Special Meetings. Special meetings of the Members, for any purpose or purposes, may be called by any Member.

7.3 Place of Meetings. The Members by unanimous agreement may designate any place, either within or outside the State of Washington, as the place of meeting for any meeting of the Members. If no designation is made, or if a special meeting is called, the place of meeting shall be the principal place of business of the Company specified in Section 2.3.

7.4 Notice of Meetings. Written notice stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called shall be delivered not less than ten (10) nor more than fifty (50) days before the date of the meeting, either personally or by mail, by or at the direction of the Member calling the meeting, to each Member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered two (2) calendar days after being deposited in the United States Mail, addressed to the Member as specified on attached Schedule C (as the same may be amended from time to time) with postage thereon prepaid.

7.5 Record Date. For the purpose of determining Members entitled to notice of or to vote at any meeting of Members or any adjournment thereof, or members entitled to receive payment of any distribution, the date on which notice of the meeting is mailed or the date on which the resolution declaring such distribution is adopted, as the case may be, shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Section, such determination shall apply to any adjournment thereof.

7.6 Quorum. The presence of all Members, in person or by proxy, shall constitute a quorum at any meeting of Members. At adjourned meeting at which a quorum shall be present

or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal during such meeting of any Member whose absence would cause less than a quorum.

7.7 Manner of Acting. If a quorum is present, the affirmative vote of Members holding more than fifty percent (50%) of the voting power represented at the meeting in person or by proxy shall be the act of the Members, unless the vote of a greater or lesser percentage is required by this Agreement or the Act.

7.8 Proxies. At all meetings of Members, a Member may vote in person or by proxy executed in writing by the Member. Such proxy shall be filed with a Manager of the Company (or the presiding Member, if a Manager is not present) before or at the time of the meeting. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

7.9 Action by Members Without a Meeting. Action required or permitted to be taken at a meeting of Members may be taken without a meeting if the action is evidenced by one or more written consents describing the action taken, executed by all Members entitled to vote thereon and included in the Company's minutes. Action taken under this Section 7.9 is effective when all Members entitled to vote thereon have signed such consents, unless such consents specify a different effective date. The record date for determining Members entitled to take action without a meeting shall be the date the first Member signs a consent.

7.10 Waiver of Notice. When any notice is required to be given to a Member, a waiver thereof in writing signed by the Member entitled to such notice, whether before, at, or after the time stated therein, shall be equivalent to the giving of such notice.

ARTICLE 8 - CONTRIBUTIONS TO THE COMPANY AND CAPITAL ACCOUNTS

8.1 Members' Capital Contributions. Each Member has contributed such amounts as is set forth in attached Schedule A as such Member's share of the assets of the Members' Capital Contribution as of the date set forth on said Schedule A.

8.2 Additional Contributions. No Member will be required to make any Capital Contributions in addition to that Member's initial Capital Contribution without such Member's consent. No Member may make an additional contribution without the consent of all Members.

8.3 Capital Accounts.

8.3.1 Establishment and Maintenance. A separate Capital Account will be maintained for each Unit Holder throughout the term of the Company in accordance with the regulations under section 704 of the Code. A Member's capital account initially shall be the agreed value of initial capital contributed by the Member as shown on Schedule A. Each Unit Holder's Capital Account will be increased by (1) the amount of money contributed by such Unit Holder to the Company; (2) the fair market value of property contributed by such Unit Holder to the

Company (net of liabilities secured by such contributed property that the Company is considered to assume or take the property subject to under Code Section 752); (3) allocations to such Unit Holder of Net Profits excluding Built-In Gains and Built-In Losses; and (4) allocations to such Unit Holder of income and gain exempt from federal income tax. Each Unit Holder's Capital Account will be decreased by (1) the amount of money distributed to such Unit Holder by the Company; (2) the fair market value of property distributed to such Unit Holder by the Company (net of liabilities secured by such distributed property that such Unit Holder is considered to assume or take the property subject to Code Section 752); (3) allocations to such Unit Holder of expenditures described in Code Section 705(a)(2)(B); and (4) allocations to such Unit Holder of Net Losses excluding Built-In Gains and Built-In Losses. In the event of a permitted sale or exchange of a Membership Interest or an Economic Interest in the Company, the Capital Account of the transferor shall become the Capital Account of the transferee to the extent it relates to the transferred Membership Interest or Economic Interest.

8.3.2 Compliance with Regulations. The manner in which Capital Accounts are to be maintained pursuant to this Section 8.3 is intended to comply with the requirements of Code Section 704(b) and the Regulations promulgated thereunder. If in the opinion of the Company's legal counsel or accountants the manner in which Capital Accounts are to be maintained pursuant to the preceding provisions of this Section 8.3 should be modified in order to comply with Code Section 704(b) and the regulations thereunder, then notwithstanding anything to the contrary contained in the preceding provisions of this Section 8.3, the method in which Capital Accounts are maintained shall be so modified; provided, however, that any change in the manner of maintaining Capital Accounts shall not materially alter the economic agreement between or among the Members.

8.4 Withdrawal or Reduction of Members' Contributions to Capital. A Member shall not receive out of the Company's property any part of its Capital Contribution until all liabilities of the Company, except liabilities to Members on account of their Capital Contributions, have been paid or there remains property of the Company sufficient to pay them. A Member, irrespective of the nature of its Capital Contribution, has only the right to demand and receive cash in return for its Capital Contribution.

ARTICLE 9 - ALLOCATIONS OF NET PROFITS AND LOSSES

9.1 Allocation of Net Profits and Net Losses. The Company's Net Profits and Losses remaining after the allocations required by Section 9 shall be allocated proportionately among the Unit Holders according to their respective interests. No Unit Holder has priority over any other Unit Holder as to the Net Profits and Losses of the Company.

9.2 Transfer or Death. In the event of a Transfer of a Membership Interest or Economic Interest, a Unit Holder's death, or the expulsion of a Member, Net Profits and Losses shall be allocated based on the number of days in the particular year during which each Unit Holder owned such interest, or on any other reasonable basis consistent with applicable federal tax laws and regulations.

9.3 Authority to Vary Allocations. The Manager has the authority to vary allocations to the extent necessary to comply with federal income tax laws.

9.4 Determination of Net Profit or Loss.

9.4.1 Computation of Net Profit or Loss. The Net Profit or Net Loss of the Company, for each fiscal year or other period, shall be an amount equal to the Company's taxable income or loss for such period, determined in accordance with Code Section 703(a) (and, for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Code Section 703(a)(1), including income and gain exempt from federal income tax, shall be included in taxable income or loss).

9.4.2 Adjustments to Net Profit or Loss. For purposes of computing taxable income or loss on the disposition of an item of Company property or for purposes of determining the cost recovery, depreciation, or amortization deduction with respect to any property, the Company shall use such property's book value determined in accordance with Regulation Section 1.704-1 (b). Consequently, each property's book value shall be equal to its adjusted basis for federal income tax purposes, except as follows:

(a) The initial book value of any property contributed by a Member to the Company shall be the gross fair market value of such property at the time of contribution;

(b) In the sole discretion of the Manager, the book value of all Company properties may be adjusted to equal their respective gross fair market values, as determined by the Manager as of the following times: (1) in connection with the acquisition of an interest in the Company by a new or existing Member for more than a de minimis capital contribution, (2) in connection with the liquidation of the Company as defined in Regulation Section 1.704-(1)(b)(2)(ii)(g), or (3) in connection with a more than de minimis distribution to a retiring or a continuing Unit Holder as consideration for all or a portion of his or its interest in the Company. In the event of a revaluation of any Company assets hereunder, the Capital Accounts of the Unit Holders shall be adjusted, including continuing adjustments for depreciation, to the extent provided in Regulation Section 1.704-(1)(b)(2)(iv)(f);

(c) If the book value of an item of Company property has been determined pursuant to this Section 9.4.2, such book value shall thereafter be used, and shall thereafter be adjusted by depreciation or amortization, if any, taken into account with respect to such property, for purposes of computing Net Profit or Net Loss.

9.5 Mandatory Tax Allocations Under Code Section 704(c). In accordance with Code Section 704(c) and Regulation Section 1.704-3, income, gain, loss and deduction with respect to any property contributed to the capital of the Company shall, solely for tax purposes, be allocated among the Unit Holders so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its initial book value computed in accordance with paragraph (a) of Section 9.4.2. Prior to the contribution of any property to the Company that has a fair market value that differs from its adjusted tax basis in the hands of the contributing Member on the date of contribution, the contributing Member and the

Manager (or, if the contributing Member is a Manager, a Majority Interest of the non-contributing Members) shall agree upon the allocation method to be applied with respect to that property under Regulation Section 1.704-3, which allocation method shall be set forth on a new Schedule 1 to be attached hereto, as amended from time to time.

If the book value of any Company property is adjusted pursuant to paragraph (b) of Section 9.4.2, subsequent allocations of income, gain, loss and deduction with respect to such property shall take account of any variation between the adjusted basis of such property for federal income tax purposes and its book value in the same manner as under Code Section 704(c). The choice of allocation methods, if made, under Regulation Section 1.704-3 with respect to such revalued property shall be made by the Manager and, if made, set forth on a new Schedule 2 to be attached hereto, as amended from time to time.

Allocations pursuant to this Section 9.5 are solely for purposes of federal, state, and local taxes and shall not affect, or in any way be taken into account in computing, any Unit Holder's Capital Account or share of Net Profit, Net Loss, or other items as computed for book purposes, or distributions pursuant to any provision of this Agreement.

ARTICLE 10 - DISTRIBUTIONS

10.1 Cash Distributions. The Company shall make distributions to the Manager or Members only as provided in this Article and as provided in Article 14 upon liquidation of the Company.

10.1.1 Non-liquidating Distributions. Distributable Cash includes only cash remaining after the Manager has set aside reasonable reserves of cash for working capital, expected expenditures, current and reasonably expected investment opportunities and foreseen debt service and contingencies. Cash derived from Member contributions, borrowed funds and from sale of Company Property shall not be considered Distributable Cash. [If the Manager determines that the Distributable Cash to be distributed to the Members will be insufficient to enable the Members to pay income taxes attributable to their respective interests in the Company, the Manager may distribute an amount reasonably necessary (as determined by the Manager) to cover any federal, state and local taxes on the Members' allocable share of taxable Company profits.]

10.1.2 Distributions in Liquidation. Notwithstanding Section 10.1.1, distributions in liquidation of the Company shall be made to each Unit Holder in the manner set forth in Section 14.3.

10.2 Distributions in Kind. The Manager shall not distribute any Property in kind except upon liquidation of the Company.

10.3 Withholding; Amounts Withheld Treated as Distributions. The Manager are authorized to withhold from distributions, or with respect to allocations or payments, to Unit Holders and to pay over to the appropriate federal, state or local governmental authority any amounts required to be withheld pursuant to the Code or provisions of applicable state or local law. All amounts withheld pursuant to the preceding sentence in connection with any payment,

distribution or allocation to any Unit Holder shall be treated as amounts distributed to such Unit Holder pursuant to this Article 10 for all purposes of this Agreement.

10.4 Limitation Upon Distributions. No distribution shall be declared and paid unless, after the distribution is made, the assets of the Company are in excess of all liabilities of the Company, except liabilities to Members on account of their contributions.

ARTICLE 11 -ACCOUNTING, BOOKS, AND RECORDS

11.1 Accounting Principles. The Company's books and records shall be kept, and its income tax returns prepared, under such permissible method of accounting, consistently applied, as the Manager determines to be in the best interest of the Company and its Members.

11.2 Interest on and Return of Capital Contributions. No Member shall be entitled to interest on its Capital Contribution or to return of its Capital Contribution, except as otherwise specifically provided for herein.

11.3 Loans to Company. Nothing in this Agreement shall prevent any Member from making secured or unsecured loans to the Company.

11.4 Accounting Period. The Company's accounting period shall be the calendar year.

11.5 Records, Audits and Reports. At the expense of the Company, the Manager shall maintain records and accounts of all operations and expenditures of the Company. At a minimum the Company shall keep at its principal place of business the following records:

11.5.1 A current list and past list, setting forth the full name and last known mailing address of each Member, Assignee and Manager;

11.5.2 A copy of the Certificate of Formation and all amendments thereto;

11.5.3 Copies of this Agreement and all amendments hereto;

11.5.4 Copies of the Company's federal, state, and local tax returns and reports, if any, for the three most recent years;

11.5.5 Minutes of every meeting of the members and any written consents obtained from Members for actions taken by Members without a meeting;

11.5.6 Copies of the Company's financial statements for the three most recent years;

11.5.7 The amount of cash and a description of the agreed value of the other property or services contributed by each Member (including that Member's predecessors in interest), and which each Member has agreed to contribute.

The Manager shall deliver to the Secretary of State, for filing, annual reports which set forth information as required by the Act.

11.6 Tax Matters Manager.

11.6.1 Designation. The Manager, or if the Manager is ineligible to serve then the Member with the largest interest in Company profits, shall be the “tax matters manager” of the Company for purposes of Code Section 6221 et seq. and corresponding provisions of any state or local tax law.

11.6.2 Resignation; Replacement. The Tax Matters Manager may resign upon written notice to all other Members mailed by certified mail no later than thirty (30) days preceding the effective date of such resignation. The Members may remove a Tax Matters Manager and may elect a new Tax Matters Manager by affirmative vote of a Majority Interest.

11.6.3 Expenses of Tax Matters Manager, Indemnification. The Company shall indemnify and reimburse the Tax Matters Manager for all reasonable expenses, including legal and accounting fees, claims, liabilities, losses and damages incurred in connection with any administrative or judicial proceeding with respect to the tax liability of the Unit Holders attributable to the Company. The payment of all such expenses shall be made before any distributions are made to Unit Holders (and such expenses shall be taken into consideration for purposes of determining Distributable Cash) or any discretionary reserves are set aside by the Manager. Neither the Tax Matters Manager nor any Member shall have any obligation to provide funds for such purpose. The provisions for exculpation and indemnification of the Manager set forth in Section 5.4 of this Agreement shall be fully applicable to any Member acting as Tax Matters Manager for the Company.

11.7 Returns and Other Elections. The Manager shall cause the preparation and timely filing of all tax and information returns required to be filed by the Company pursuant to the Code and all other tax and information returns deemed necessary and required in each jurisdiction in which the Company does business. Copies of such returns, or pertinent information therefrom, shall be furnished to the Unit Holders within a reasonable time after the end of the Company’s fiscal year.

11.8 Tax Elections. Except as otherwise expressly provided to the contrary in this Agreement, all elections permitted to be made by the Company under federal or state laws shall be made by the Manager in his sole discretion; provided that no election shall be made to exclude the Company from the application of the provisions of subchapter K of the Code or from any similar provisions of state tax laws. If a Membership Interest is transferred, a Member dies, or any Property is distributed to a Member, the Manager shall, upon the written request of any Member, elect to cause the basis of the Property to be adjusted for federal income tax purposes under sections 734, 743 and 754 of the Code.

ARTICLE 12 -TRANSFERABILITY

12.1 General. A Permitted Transferee shall be admitted as a Member after satisfying the conditions set forth in Section 12.3.1. A Permitted Transferee who is not admitted as a Member because all of the conditions of Section 12.3.1 have not been satisfied, shall be treated as an "Assignee" pursuant to Section 12.5. If the Permitted Transferee does not become a Member, but is an Assignee, the Assignee shall, nevertheless, still be required to comply with the terms of Section 12.3.3 below. Except as otherwise expressly provided in this Agreement, neither a Member nor an Assignee shall have the right to:

12.1.1 sell, assign, transfer, exchange or otherwise transfer for consideration, (collectively, "sell" or "sale"),

12.1.2 gift, bequeath or otherwise transfer for no consideration whether or not by operation of law, except in the case of bankruptcy (collectively "gift"), all or any part of its Membership Interest or Economic Interest, except to a Permitted Transferee.

Each Member and Assignee hereby acknowledges the reasonableness of the restrictions on sale and gift of Membership Interests and Economic Interests imposed by this Agreement in view of the Company's purposes and the relationship of the Members and Assignees. Accordingly, the restrictions on sale and gift contained herein shall be specifically enforceable. In the event that any Unit Holder pledges or otherwise encumbers any of its Membership Interest or Economic Interest as security for repayment of a liability or performance of any obligation, any such pledge or hypothecation shall be made pursuant to a pledge or hypothecation agreement that requires the pledgee or secured party to be bound by all the terms and conditions of this Article 12.

12.2 First Refusal Rights.

12.2.1 A Unit Holder desiring to sell all or any portion of its Membership Interest or Economic Interest to a third party purchaser shall obtain from such third party purchaser a bona fide written offer to purchase such Membership Interest or Economic Interest, stating the terms and conditions upon which the purchase is to be made and the consideration offered therefor. Such Unit Holder shall give written notice to the other Unit Holders and Manager of its intention to so Transfer such Interest. Such notice shall set forth the complete terms of the written offer to purchase and the name and address of the proposed third party purchaser.

12.2.2 The other Unit Holders, shall, on a basis pro rata to their combined Membership Interests and Economic Interests , have the first right to purchase all (but not less than all) of the Membership Interests or Economic Interests proposed to be sold by the selling Unit Holder upon the same terms and conditions stated in the notice given pursuant to Section 12.2.1 by giving written notice to the other Unit Holders and the Manager within ten (10) days after such notice from the selling Unit Holder. The failure of a Unit Holder to so notify the other Members and Manager of its desire to exercise its first refusal rights within said ten (10) day period as required by this Section 12.2.2 shall result in the termination of such Unit Holder's first refusal rights.

12.2.3 Within ten (10) days after expiration of the ten (10) day period specified in the preceding paragraph, the Manager shall notify those Unit Holders electing to exercise their first refusal rights of any Membership Interests or Economic Interests that the other Unit Holders did not elect to purchase. Those Unit Holders exercising first refusal rights in accordance with the preceding paragraph shall then notify the Manager and the other purchasing Unit Holders whether they elect to purchase such remaining interests, which shall be pro rata or allocated in such other manner as the purchasing Unit Holders shall agree. If no such notification is received by the Manager from any such Unit Holders in accordance with this paragraph, no Unit Holder shall have any further first refusal rights with respect to such interests.

12.2.4 If Unit Holders have elected to purchase all of the Membership Interests or Economic Interests offered by the selling Unit Holder, the selling Unit Holder shall sell such interests upon the same terms and conditions specified in the notice required by Section 12.2.1, and the purchasing Unit Holders shall have the right to close the purchase within thirty (30) days after receipt of notification from the Manager that such Unit Holders have elected to purchase the selling Unit Holder's Membership Interests or Economic Interests.

12.2.5 If Unit Holders do not elect to purchase all of the Membership Interests or Economic Interests offered by the selling Unit Holder in accordance with this Section 12.2, then the selling Unit Holder shall be entitled to sell such Membership Interests or Economic Interests to the third party purchaser in accordance with the terms and conditions upon which the purchase is to be made as specified in the notice under Section 12.2.1. However, if such sale is not completed within thirty (30) days following expiration of the other Unit Holders' first refusal rights under this Section 12.2, then the selling Unit Holder shall not be entitled to complete the sale to such third party purchaser and the selling Unit Holder's Membership Interests or Economic Interests shall continue to be subject to the rights of first refusal set forth in this Section 12.2 with respect to any proposed subsequent transfer.

12.2.6 Subject to Section 12.3 below, a Unit Holder may gift all or any portion of its Membership Interest and Economic Interest (without regard to Section 12.2.1 and 12.2.2) and further provided that the donee is a Permitted Transferee. In the event of the gift of all or any portion of a Unit Holder's Membership Interest or Economic Interest to one or more donees who are under eighteen (18) years of age, one or more trusts shall be established to hold the gifted interest(s) for the benefit of such donee(s) until all of the donee(s) reach the age of at least eighteen (18) years.

12.3 Admission as Member; Transferee Not Member in Absence of Consent.

12.3.1 To be admitted as a Member, an Assignee must (1) obtain the written consent of all the Members, which consent may be withheld by each Member in his or her sole and absolute discretion, and (2) deliver to the Company a fully executed Joinder Agreement substantially in the form of the attached Schedule D, and if applicable, a fully executed Spousal Consent substantially in the form of the attached Schedule E. A Person holding a valid proxy of a Member may sign a written consent on behalf of the Member. These requirements apply to all Assignees, including Permitted Transferees. Any Assignee who is not admitted as a Member shall retain the status of an Assignee as defined in this Agreement.

12.3.2 Promptly following any sale or gift of a Member's Economic Interest which does not at the same time transfer the balance of the rights associated with such Person's Membership Interest, the Company shall purchase from such Person, and such Person shall sell to the Company for a purchase price of \$100, all such remaining rights and interests retained by such Person which immediately prior to such sale or gift were associated with the transferred Economic Interest or from which such Economic Interest was derived. The acquisition by the Company of such Person's rights shall not cause a dissolution of the Company and such Person shall no longer be a Member.

12.3.3 Conditions to Transfer. To the extent not dealt with under Section 12.3.1 above, upon the purchase or the gift of a Membership Interest or an Economic Interest, whether or not to a Permitted Transferee and as a condition to recognizing the effectiveness and binding nature of any sale or gift and (subject to all other provisions in this Agreement) substitution of a Person as a new Assignee, the Manager or, if no Manager, then the majority of the remaining Members may require the transferring Unit Holder and the proposed purchaser, donee or successor-in-interest, as the case may be to execute, acknowledge and deliver to the Company such instruments of transfer, assignment and assumption and such other agreements and to perform all such other acts that the Manager or, if no Manager, then the majority of the remaining Members, may deem necessary or desirable to:

- a. constitute such Person as an Assignee;
- b. confirm that the Person desiring to become an Assignee, has accepted, assumed and agreed to be subject and bound by all of the terms, obligations and conditions of this Agreement;
- c. maintain the status of the Company as a partnership for federal tax purposes; and
- d. assure compliance with any applicable state and federal laws, including securities laws and regulations.

12.4 Effective Date; Indemnity. Any sale, gift or other Transfer of a Membership Interest or Economic Interest or admission of a Member in compliance with this Article 12 shall be deemed effective as of the last day of the calendar month in which the remaining Members, consent thereto was given, or, if no such consent was required pursuant to this Article 12, then on such date that the transferor and the transferee both comply with Section 12.3. The transferring Unit Holder hereby indemnifies the Company and the Manager, if there is one, against any and all loss, damage, or expense (including, without limitation, tax liabilities or loss of tax benefits) arising directly or indirectly as a result of any Transfer or purported Transfer in violation of this Article 12.

12.5 Rights of Assignees. An "Assignee" shall be entitled only to allocations and distributions with respect to such Economic Interest in accordance with this Agreement, but shall have no right to any information or accounting of the affairs of the Company, shall not be

entitled to inspect the books and records of the Company and shall not have any of the rights or powers of a Member under the Act or this Agreement. Furthermore, such Assignee shall be bound by the restrictions on Transfer set forth in this Agreement as if a Member and shall execute an Agreement to be so bound.

12.6 No Withdrawals by Members. No Member shall have the right to withdraw from the Company without the prior written consent of all Members, which consent may be withheld for any reason whatsoever. A purported withdrawal by a Member shall be null and void and of no force and effect whatsoever.

12.7 Indemnification. In the case of a Transfer of Membership Interest or an Economic Interest that is not permitted by this Section 12, the parties engaging in such Transfer or withdrawal shall be liable to, and indemnify and hold harmless the Company and the other Members from all costs, liabilities, and damages that any such identified persons may incur (including, without limitation, incremental tax liabilities, attorneys' fees and expenses) as a result of such a Transfer or withdrawal and efforts to enforce the indemnity granted hereby.

ARTICLE 13 - PURCHASE EVENTS.

13.1 Definition of Purchase Event. For purposes of this Agreement, any one of the following events shall constitute a "Purchase Event":

13.1.1 Death. The death of a Member, unless the Membership Interest or Economic Interest passes to a Permitted Transferee in full compliance with the conditions of Article 12, and all other conditions of this Agreement. For such Purchase Event, the personal representative of the deceased Member shall be obligated to give notice of his appointment or qualification to the Company and the remaining Members as soon as practicable following his appointment or qualification. For purposes of determining the purchase price under Section 13.4, the date of the death of the Member shall be deemed the date of the Purchase Event.

13.1.2 Bankruptcy or Assignment for Benefit of Creditors. A Member's assignment for the benefit of creditors, or a Member being adjudicated bankrupt. In any such event, such Member shall be obligated to give notice of such event to the Company and the remaining Members as soon as practicable following such event. For purposes of determining the purchase price under Section 13.3, the date of the assignment for the benefit of creditors, or the date of the bankruptcy adjudication, whichever is applicable, shall be deemed the date of the Purchase Event.

13.1.3 Incompetency. A finding that a Member is Incompetent by a Court of competent jurisdiction under such circumstances that Member's interest in Company (or the right to exercise ownership powers over such interest) shall pass to a trustee, guardian or successor. The trustee, guardian, or successor shall be obligated to give notice of his appointment to the Company and remaining Members as soon as practicable following his appointment. For purposes of determining the purchase price under Section 13.4, the date the Court finds the Member is Incompetent shall be deemed the date of the Purchase Event.

13.1.4 Marriage Dissolution. Legal dissolution of the marriage of a Member (hereinafter such Member, not the spouse, is referred to as the “Divorced Member”) in which the former spouse of such Divorced Member is entitled to receive any or all of the Divorced Member’s Membership Interest or Economic Interest of the Company. Notwithstanding the foregoing, this shall not be a Purchase Event if the former spouse of the Divorced Member is a Permitted Transferee. For any Purchase Event under this Section 13.1.4, such Divorced Member and the former spouse to whom title of the Membership Interest is to pass, shall be obligated to give notice of such event to the Company and the remaining Members as soon as practicable following the event. For purposes of determining the purchase price under Section 13.4, the date of dissolution shall be deemed the date of the Purchase Event.

13.2 Offering Procedure in Event of Purchase Event.

13.2.1 Upon the occurrence of any Purchase Event under Section 13.1, Company shall have the first right to elect to purchase the Membership Interest or Economic Interest in the Company held by the Member precipitating the Purchase Event, by written notice to that Member (or executor, as the case may be), the transferee(s) of that Member’s Membership Interest or Economic Interest in Company and the other Members. Company shall have thirty (30) days after Company’s knowledge of the occurrence of the Purchase Event within which to elect to purchase. Upon Company’s failure to elect to purchase within said thirty (30) days, the other Members shall have thirty (30) days to elect to purchase by written notice to Company, to the transferee(s) of the Membership Interest or Economic Interest and to the Member (or executor) participating in the Purchase Event.

13.2.2 The exercise of any right to purchase hereunder, to be valid, must be for all of the Member’s Membership Interest or Economic Interest in the Company available for sale (or a former spouse’s share of Membership Interest or Economic Interest, in the event of a Purchase Event under Section 13.1.4). In the event neither the Company nor the other Member(s) exercises the option to purchase, then unless all remaining (non-selling) Members agree otherwise (excluding the selling Member), the Company shall be liquidated. In such case, the remaining Member(s) (as opposed to the selling Member) shall have the right and duty to proceed with the liquidation of the Company with such liquidation to be completed as soon as reasonably practicable. No additional payment shall be made to the remaining Member(s) for such Members’ efforts in the dissolution, although all costs and expenses, including professional fees reasonably incurred in such liquidation, shall be an expense of and paid by the Company. The selling Member, or those claiming by, through, or under the selling Member, shall provide a proxy to the remaining Member(s) to vote the selling Member’s Membership Interest or Economic Interest in connection with the liquidation and winding up of the Company, and shall sign such further additional documents as reasonably requested by the remaining Member(s) in accomplishing such liquidation.

13.3 Determination and Payment of Purchase Price in Event of Section 13.1.2 (Bankruptcy, Etc.) Purchase Event. In the event of any purchase of a Membership Interest or Economic Interest under a Purchase Event described in Section 13.1.2 above, the purchase price shall be that percentage of the book value of the Company as shown on the Company’s books

and records at the date of such Purchase Event (with no value for goodwill or other intangible assets, except as those have been reflected on the books of the Company using generally accepted accounting principles, immediately prior to the date of the Purchase Event under Section 13.1.2) equal to the Seller's percentage of Membership Interest or Economic Interest in the Company. The purchase price, thus determined, shall be reduced by forty-five percent (45%) for a minority interest and lack of marketability, unless the Membership Interest being sold represent more than fifty percent (50%) of the issued and outstanding Membership Interests. If the Membership Interest involved is more than fifty percent (50%) of the issued and outstanding Membership Interests, then the discount for lack of marketability will offset the control premium so there will be no premium and no discount. The purchaser shall pay the purchase price in three (3) equal annual installments, without interest, with the first installment payable three (3) months after the notice of exercising the election to purchase.

13.4 Determination and Payment of Purchase Price under Other Purchase Events. In the event of any purchase of a Member's Interest, for any Purchase Event under Sections 13.1, 13.3 or 13.4, the purchase price shall be based upon Company's fair market value at the time of the Purchase Event. If the Purchaser and Seller cannot agree on the purchase price, then the same shall be the fair market value of the assets and liabilities of the Company, discounted as appropriate for minority discount and lack of marketability discounts. For all marketable securities, the last sale price as of the close of business on the date of the purchase (as reported in The Wall Street Journal if in fact such securities are reported in such journal) shall be the fair market value of such assets. Otherwise, the fair market value shall be determined by appraisal as follows:

13.4.1 The Seller and the Purchaser shall each select an appraiser, who shall be an individual licensed as a certified public accountant who has been practicing as a CPA for at least five (5) consecutive years preceding such appointment, and who is experienced in valuing businesses similar to Company's business. Promptly upon designation of an appraiser, each party shall notify the other party of the name, address and phone number of such appraiser. If within 10 days after receipt of notice of the appointment of an appraiser by the other party, one party fails to designate an appraiser, then the one appointed appraiser shall make the determination. If the two appraisers thus selected cannot, within a reasonable time, reach an agreement as to the purchase price, then the two appraisers shall jointly select a third appraiser and the decision agreed to by a majority of the three appraisers shall be binding. If for any reason the two appraisers cannot agree upon a third appraiser, then either the Seller or the Purchaser may apply to the Presiding Judge of the King County Superior Court for the appointment of the third appraiser.

13.4.2 Each party shall pay the cost of the appraiser designated by that party, and the cost of any third appraiser shall be shared equally by the Seller and Purchaser.

13.4.3 Once the purchase price has been determined, if the parties cannot agree on other terms of payment, it shall be paid as follows:

(a) A down payment shall be paid in cash within ninety (90) days of the date said purchase price is agreed upon or the appraisal is completed, whichever is earlier, as the "Initial Payment." The Initial Payment shall be twenty percent (20%) of the purchase price.

(b) The balance of the purchase price shall be amortized in equal monthly installments of principal over a period of ten (10) years, commencing thirty (30) days after the Initial Payment is made, including interest at the Prime Rate as reported in The Wall Street Journal for Bank of America, as of the date of the Initial Payment.

(c) Until payment in full of the purchase price, the Membership Interest or Economic Interest being sold shall be pledged and held in escrow according to the terms of a pledge agreement in form and substance reasonably satisfactory to the parties at such law firm as Seller shall select as Escrow Agent. The fee for such escrow shall be paid for by Seller. Said pledged Membership Interest or Economic Interest shall be security for the unpaid balance of the purchase price.

ARTICLE 14 - DISSOLUTION AND TERMINATION

14.1 Dissolution. The Company shall be dissolved upon the occurrence of any of the following events:

- 14.1.1 upon expiration of the term specified in Article 3;
- 14.1.2 an Event of Dissociation of any Member who is also a Manager; or
- 14.1.3 by the written agreement of all Members.

Upon the Event of Dissociation of any Member who is also a Manager, the Company shall not be dissolved, however, if there are at least two remaining Members and, within ninety (90) days from the occurrence of the Event of Dissociation, a Majority Interest of remaining Members vote to continue the Company under this Agreement. The Company shall continue despite an Event of Dissociation of a Member who is not a Manager. Upon the occurrence of an Event of Dissociation of a Member (including a Member who is also a Manager), the dissociating Member (or such Member's assignee) shall have the rights of an assignee pursuant to RCW 25.15.130. No Member shall have the right to dissolve or terminate the Company for any reason other than as set forth above and each Member hereby waives any other rights that Member may have to dissolve or terminate the Company.

14.2 Allocation of Net Profit and Loss in Liquidation. The allocation of Net Profit, Net Loss and other items of the Company following the date of dissolution, including but not limited to gain or loss upon the sale of all or substantially all of the Company's assets, shall be determined in accordance with the provisions of Articles 9 and 10 and shall be credited or charged to the Capital Accounts of the Unit Holders in the same manner as Net Profit, Net Loss, and other items of the Company would have been credited or charged if there were no dissolution and liquidation.

14.3 Winding Up, Liquidation and Distribution of Assets. Upon dissolution, the Manager shall immediately proceed to wind up the affairs of the Company, unless the business of the Company is continued as provided in Section 14.1.3. The Manager shall sell or otherwise liquidate all of the Company's assets as promptly as practicable (except to the extent the Manager may determine to distribute any assets to the Unit Holders in kind) and shall apply the proceeds of such sale and the remaining Company assets in the following order of priority:

14.3.1 Payment of creditors, including Members and Managers who are creditors, to the extent otherwise permitted by law, in satisfaction of liabilities of the Company, other than liabilities for distributions to Members;

14.3.2 To establish any reserves that the Manager deems reasonably necessary for contingent or unforeseen obligations of the Company and, at the expiration of such period as the Manager shall deem advisable, the balance then remaining in the manner provided in Section 14.3.3 below;

14.3.3 By the end of the taxable year in which the liquidation occurs (or, if later, within ninety (90) days after the date of such liquidation), to the Unit Holders in proportion to the positive balances of their respective Capital Accounts, as determined after taking into account all Capital Account adjustments for the taxable year during which the liquidation occurs (other than those made pursuant to this Section 14.3.3).

14.4 No Obligation to Restore Negative Capital Account Balance on Liquidation. Notwithstanding anything to the contrary in this Agreement, upon a liquidation within the meaning of Regulation Section 1.704-1 (b)(2)(ii)(g), if any Unit Holder has a negative Capital Account balance (after giving effect to all contributions, distributions, allocations and other Capital Account adjustments for all taxable years, including the year during which such liquidation occurs), such Unit Holder shall have no obligation to make any Capital Contribution to the Company, and the negative balance of such Unit Holder's Capital Account shall not be considered a debt owed by such Unit Holder to the Company or to any other Person for any purpose whatsoever.

14.5 Termination. The Manager shall comply with any applicable requirements of applicable law pertaining to the winding up of the affairs of the Company and the final distribution of its assets. Upon completion of the winding up, liquidation and distribution of the assets, the Company shall be deemed terminated. The Manager is hereby authorized to do any and all acts and things authorized by law in order to effect such winding up and liquidation and distribution of the Company's assets.

14.6 Certificate of Cancellation. When all debts, liabilities and obligations have been paid and discharged or adequate provisions have been made therefor and all of the remaining property and assets have been distributed to the Unit Holders, the Manager shall file a certificate of cancellation as required by the Act. Upon filing the certificate of cancellation, the existence of the Company shall cease, except as otherwise provided in the Act.

14.7 Return of Contribution Nonrecourse to Other Members. Except as provided by law or as expressly provided in this Agreement, upon dissolution each Unit Holder shall look solely to the assets of the Company for the return of its Capital Contribution. If the property remaining after the payment or discharge of liabilities of the Company is insufficient to return the contributions or Capital Account balances of Unit Holders, no Unit Holder shall have recourse against any other Unit Holder.

ARTICLE 15 - INDEPENDENT ACTIVITIES OF MANAGERS AND MEMBERS

Any Manager and Member may engage in or possess an interest in other business ventures of every nature and description, independently or with others, including but not limited to, the ownership, financing, management, employment by, lending to or otherwise participating in businesses which are similar to the business of the Company, and neither the Company nor any Manager or Unit Holders shall have any right by virtue of this Agreement in and to such independent ventures or to the income or profits therefrom.

ARTICLE 16 -- POWER OF ATTORNEY

16.1 General. Each Member names the Manager as the Member's attorney-in-fact, and gives the Manager full power and authority in the place of the Member to undertake the limited actions set forth in this Section 16.1. After the Manager establishes his authority to act pursuant to Article 5, the Manager may sign, file and record, on behalf of all the Members, any document necessary to accomplish or complete the authorized acts or activities. Such documents include, but are not limited to, those which (1) relate to the refinancing of the Company's Property, (2) amend the Certificate of Formation, (3) are required by any state in which the Company is doing business, (4) are deemed advisable by the Manager, (5) are required to continue the Company, admit additional or substituted Members, or dissolve or terminate the Company or any interest in it, (6) are required to obtain or settle any loan, and (7) are required to Transfer any Property.

16.2 Power With an Interest. The power of attorney granted under this Article 16: (1) is a power coupled with an interest; (2) is a durable power of attorney and survives the Member's Incompetence; (3) may be exercised by the Manager by a facsimile signature or by listing all of the Members executing the instrument with the signature of the Manager as the attorney-in-fact for all of them; and (4) survives the assignment of the Member's interest, and empowers the Manager to act to the same extent for such successor Member.

ARTICLE 17 - MISCELLANEOUS PROVISIONS

17.1 Notices. Any notice, demand, or communication required or permitted under this Agreement shall be deemed to have been duly given if delivered personally to the party to whom directed or, if mailed by registered or certified mail, postage and charges prepaid, addressed (a) if to a Member, to the Member's address specified on attached Schedule C, as the same may be amended from time to time, (b) if to the Company, to the address specified in Section 2.4, and (c) if to the Manager, to the address specified in Section 2.4. Except as otherwise provided herein, any such notice shall be deemed to be given when personally delivered or, if mailed, three (3) business days after the date of mailing. A Member, the Company or the Manager may

change its address for the purposes of notices hereunder by giving notice to the others specifying such changed address in the manner specified in this Section 17.1.

17.2 Governing Law. This Agreement shall be construed and enforced in accordance with the internal laws of the State of Washington.

17.3 Amendments. This Agreement may not be amended except by the unanimous written agreement of all of the Members.

17.4 Waiver of Right of Partition. The Members hereby irrevocably waive any and all right that each may have to maintain any action for partition with respect to the Property, which is now held by the Company or is hereafter acquired, or to compel any sale thereof under any law now existing or hereinafter enacted.

17.5 Construction. Whenever the singular number is used in this Agreement and when required by the context, the same shall include the plural and vice versa, and the masculine gender shall include the feminine and neuter genders and vice versa.

17.6 Headings. The headings in this Agreement are inserted for convenience only and shall not affect the interpretations of this Agreement.

17.7 Waivers. The failure of any Person to seek redress for violation of or to insist upon the strict performance of any covenant or condition of this Agreement shall not prevent a subsequent act, which would have originally constituted a violation, from having the effect of an original violation.

17.8 Rights and Remedies Cumulative. The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy shall not preclude or waive the right to use any or all other remedies. Said rights and remedies are given in addition to any other rights, other than the right of partition, the parties may have by law, statute, ordinance or otherwise.

17.9 Severability. If any provision of this Agreement or the application thereof to any Person or circumstance shall be invalid, illegal or unenforceable to any extent, the remainder of this Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.

17.10 Heirs, Successors and Assigns. Each of the covenants, terms, provisions and agreements herein contained shall be binding upon and inure to the benefit of the parties hereto and, to the extent permitted by this Agreement, their respective heirs, legal representatives, successors and assigns.

17.11 Creditors. None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditors of the Company.

17.12 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument.

17.13 Arbitration. Any dispute or controversy arising out of this Agreement, including any claimed breach thereof, or in connection with dissolution of the Company, shall be determined and settled by arbitration pursuant to the arbitration rules of the American Arbitration Association although the arbitration need not be conducted by the American Arbitration Association. Any award rendered therein shall be final and binding on all parties to such arbitration and judgment may be entered thereon in any court of competent jurisdiction.

17.14 Attorneys' Fees. In the event of a dispute between the Manager and Members, or the Members arising out of this Agreement, which is arbitrated or litigated, the non-prevailing party shall pay the reasonable costs and attorneys' fees of the prevailing party, including the reasonable costs and attorneys' fees incurred in the appeal of any final or interlocutory judgment.

17.15 Reasonableness. Whenever the consent or approval of a Member is required under this Agreement, the same shall be given in a timely manner and shall not be unreasonably withheld.

17.16 Investment Representations. The Membership Interests and/or Economic Interests have not been registered under the Securities Act of 1933, the Securities Act of Washington or any other state securities laws (collectively, the "Securities Acts") because the Company is issuing the Membership Interests and/or Economic Interests in reliance upon the exemptions from the registration requirements of the Securities Acts, and the Company is relying upon the fact that the Membership Interests and/or Economic Interests are to be held by each Unit Holder for investment.

Accordingly, each Unit Holder hereby confirms the Membership Interests and/or Economic Interests have been acquired for such Unit Holder's own account, for investment and not with a view to the resale or distribution thereof and may not be offered or sold to anyone unless there is an effective registration or other qualification relating thereto under all applicable Securities Acts or unless such Unit Holder delivers to the Company an opinion of counsel, satisfactory to the Company, that such registration or other qualification is not required. The Unit Holders understand that the Company is under no obligation to register the Membership Interests and/or Economic Interests or to assist any Unit Holder in complying with any exemption from registration under the Securities Acts.

Executed by the undersigned Member effective as of the date set forth above.

WESTCOTT HOLDINGS INC., Member

By: 

Its: PRESIDENT

Table of Attachments

Schedule A	Member's Capital Contributions
Schedule B	Description of Company Property
Schedule C	Current Membership Interests, including names and addresses of members
Schedule D	Joinder Agreement
Schedule E	Spousal Consent

Schedule A

Member Capital Contributions
Effective as of July 2, 2004

Names and Addresses of Members	Initial Capital Contribution
1. WESTCOTT HOLDINGS INC.	\$195.00
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Schedule B
Description of Company Property

Schedule C

Member Information
Effective as of July 2, 2004

Names and Addresses of Members	Current Capital Contribution	Membership Interest
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1. WESTCOTT HOLDINGS INC.	\$195.00	100%
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Schedule D

Joinder Agreement CURRENTLY NOT INACTED

This Agreement is made and entered into this _____ day of _____, _____, by and between Mark Donner (the "Manager") acting on behalf of _____ (the "Company"), and the person whose signature appears below ("New Member").

A. Admission. The New Member is hereby admitted to the Company as a [Member/Manager/Member and Manager] and shall have all the rights and be subject to all the obligations of [Member/Manager/Member and Manager] under the Limited Liability Company Agreement of _____ dated and effective as of _____ (the "Agreement").

2. Agreement to Be Bound by Agreement. The New Member acknowledges receipt of a copy of the Agreement. The New Member agrees to be bound by all the terms and conditions of the Agreement.

3. Capital Contribution. The New Member shall make a contribution to capital (if any) as shown on an amendment to Schedule C to the Agreement to the extent applicable.

4. Counterparts. This Agreement may be executed in multiple counterparts.

This Agreement is executed as of the date first written above.

Manager

New Member

Mark Donner

By: _____

STATE OF WASHINGTON)
) ss.
COUNTY OF _____)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that he/she signed this instrument and acknowledged it to be his/her free and voluntary act for the uses and purposes mentioned in this instrument.

DATED: _____ [Notary Signature]

_____ [Type or Print Name of Notary]

NOTARY PUBLIC for the State of Washington,
residing _____
at _____
My appointment expires: _____

STATE OF WASHINGTON)
) ss.
COUNTY OF _____)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that he/she signed this instrument and acknowledged it to be his/her free and voluntary act for the uses and purposes mentioned in this instrument.

DATED: _____ [Notary Signature]

_____ [Type or Print Name of Notary]

NOTARY PUBLIC for the State of Washington,
residing at _____
My appointment expires: _____

Schedule E

Spousal Consent CURRENTLY NOT INACTED

The Undersigned, being the spouse of a Member of _____ (the "Company"), hereby acknowledges that I have read the foregoing Agreement and understand its contents, including those provisions that allow the Company and other members to purchase any interest that I may have or acquire by any means at such time as I cease to be married to a Member. In accordance with the Agreement, I hereby agree on behalf of myself and all my successors in interest that the Agreement shall bind my community property interest, if any, in any Membership Interest therein that is at any time registered on the books of the Company in the name of my spouse. In addition to the above, I hereby consent to (i) the execution of all documents relating to the Company business or property by my spouse, without the necessity of obtaining my signature, and (ii) the grant of a power of attorney in my spouse for the sole and exclusive purpose of dealing with my respective Membership Interest and the Property. I acknowledge that I have been advised to seek separate counsel in the execution of this consent.

Date _____

DEVELOPMENT PLANNING
CITY OF RENTON

MAY - 3 2007

20060321000567

VOL/PG
233/043
LUA-05-130-FP
LND-10-0411

RECEIVED
THE RESERVE AT STONEHAVEN
 NW1/4, SW1/4, SEC. 32, TWP. 23N., RGE. 5E., W.M.
 CITY OF RENTON, KING COUNTY, WASHINGTON

DEDICATION/CERTIFICATION:

KNOW ALL PEOPLE BY THESE PRESENTS THAT WE, THE UNDERSIGNED OWNERS IN FEE SIMPLE OF THE LAND HEREBY PLATED, HEREBY DECLARE THIS PLAT AND DEDICATE/CONVEY, TO THE USE OF THE PUBLIC FOREVER ALL STREETS AND AVENUES NOT SHOWN AS PRIVATE HERON AND THE USE THEREOF FOR ALL PUBLIC HIGHWAY PURPOSES; ALSO THE RIGHT TO MAKE ALL NECESSARY SLOPES FOR CUTS AND FILLS UPON THE LOTS AND BLOCKS SHOWN ON THIS PLAT FOR THE OWNERS' REASONABLE CONVENIENCE; EASEMENTS AND RIGHTS RESERVED TO RENTON, AND FURTHER DEDICATE/CONVEY TO THE USE OF THE PUBLIC ALL EASEMENTS SHOWN ON THIS PLAT FOR ALL PUBLIC PURPOSES AS INDICATED THEREON, INCLUDING BUT NOT LIMITED TO UTILITIES AND DRAINAGE, UNLESS SUCH EASEMENTS ARE SPECIFICALLY CERTIFIED ON THIS PLAT AS BEING DEDICATED/CERTIFIED OR CONVEYED TO A PERSON OR ENTITY OTHER THAN THE PUBLIC, IN WHICH CASE WE DO HEREBY DEDICATE/CONVEY SUCH STREETS AND EASEMENTS TO THE PERSON OR ENTITY IDENTIFIED AND FOR THE PURPOSE STATED.

TRACT A (SENSITIVE AREA), IS HEREBY GRANTED AND CONVEYED TO THE STONEHAVEN HOMEOWNERS ASSOCIATION (HOA) OWNERSHIP AND MAINTENANCE ACTIVITIES FOR SAID TRACT WILL BE THE RESPONSIBILITY OF THE HOA. IN THE EVENT THAT THE HOA IS DISSOLVED OR OTHERWISE FAILS TO MEET ITS PROPERTY TAX OBLIGATIONS AS EVIDENCED BY NON-PAYMENT OF PROPERTY TAXES FOR A PERIOD OF EIGHTEEN (18) MONTHS, THEN EACH LOT IN THIS PLAT SHALL ASSUME AND HAVE AN EQUAL AND UNDIVIDED OWNERSHIP INTEREST IN THE TRACT PROVIDED THAT THE HOA AND THE OWNER OF THE TRACT DO NOT ASSUME THE ENTIRE VITAL DEVELOPER RESPONSIBILITY FOR HOA; THE DEVELOPER, RATHER THAN THE HOMEOWNER'S ASSOCIATION, IS TO BE RESPONSIBLE FOR THE INITIAL INSTALLATION, MAINTENANCE AND MINIMUM 5 YEARS OF SUCCESSFUL WETLAND MITIGATION MONITORING PURSUANT TO THE APPROVED WETLAND MITIGATION PLAN. THE TRANSFER OF RESPONSIBILITY TO THE HOMEOWNER'S ASSOCIATION SHALL NOT OCCUR UNTIL THE CITY OF RENTON RELEASES THE DEVELOPER FROM ITS LIABILITY FOR THE UNDERRAWN LAND USE AND THE COMPLETION OF A MINIMUM OF FIVE SUCCESSFUL CONSECUTIVE YEARS OF THE WETLAND MONITORING CONSISTENT WITH THE APPROVED WETLAND MONITORING AND MAINTENANCE PLAN.

TRACT B (STORM DRAINAGE/DETENTION), AND D (OPEN SPACE) ARE HEREBY GRANTED AND CONVEYED TO THE STONEHAVEN HOMEOWNERS ASSOCIATION (HOA) OWNERSHIP AND MAINTENANCE ACTIVITIES FOR SAID TRACT WILL BE THE RESPONSIBILITY OF THE HOA. IN THE EVENT THAT THE HOA IS DISSOLVED OR OTHERWISE FAILS TO MEET ITS PROPERTY TAX OBLIGATIONS AS EVIDENCED BY NON-PAYMENT OF PROPERTY TAXES FOR A PERIOD OF EIGHTEEN (18) MONTHS, THEN EACH LOT IN THIS PLAT SHALL ASSUME AND HAVE AN EQUAL AND UNDIVIDED OWNERSHIP INTEREST IN THE TRACTS PREVIOUSLY OWNED BY THE HOA AND HAVE THE ATTENDANT RESPONSIBILITIES.

TRACT C (ACCESS) IS HEREBY GRANTED AND CONVEYED TO THE CITY OF RENTON ALONG WITH ALL MAINTENANCE RESPONSIBILITIES. AN EASEMENT FOR WATER MAINS IS HEREBY DEDICATED TO SODA CREEK WATER AND SEWER DISTRICT OVER TRACT C.

TRACT E IS HEREBY GRANTED AND CONVEYED TO THE OWNERS AND FUTURE OWNERS OF THE PARCEL ABUTTING SAID TRACT ON THE SOUTH. (KING COUNTY TAX PARCEL 32236591710) UPON THE RECORDING OF THIS PLAT.

TRACT F IS HEREBY GRANTED AND CONVEYED TO THE OWNERS AND FUTURE OWNERS OF THE PARCEL ABUTTING SAID TRACT ON THE SOUTH. (KING COUNTY TAX PARCEL 32236591711) UPON THE RECORDING OF THIS PLAT.

AN ACCESS EASEMENT OVER TRACT B IS HEREBY DEDICATED TO THE CITY OF RENTON FOR THE PURPOSE OF OBSERVING AND INSPECTING THE PRIVATE DRAINAGE FACILITIES WITHIN SAID TRACT TO ASSURE THAT THE OWNER, THEIR SUCCESSORS AND ASSIGNEES ARE PROPERLY OPERATING AND MAINTAINING SAID FACILITIES PURSUANT TO AN ENGINEERING PLAN APPROVED BY THE CITY OF RENTON FOR THE PROJECT OF "THE RESERVE AT STONEHAVEN". THE CITY OF RENTON SHALL NOT BE SOUGHT OUT BY THE OWNER, THEIR SUCCESSORS AND ASSIGNEES OF THE DRAINAGE FACILITY IN THE EVENT THE OWNER IS CARELESS OR NEGLECTFUL IN THE MAINTENANCE OF THE DRAINAGE FACILITIES. THESE REPAIRS SHALL BE AT THE OWNER'S COST.

KNOW ALL PEOPLE BY THESE PRESENTS, THAT WE THE HEREN BELOW SIGNED OWNERS IN FEE SIMPLE OF THE LAND HEREBY SUBMITTED, HEREBY CERTIFY THAT WE HAVE ESTABLISHED "THE RESERVE AT STONEHAVEN HOMEOWNERS ASSOCIATION (HOA) IN ACCORDANCE WITH WASHINGTON STATE LAW AND THE DOCUMENTS OF RECORD FOR THE LAND HELD HEREBY. THE HOA IS SUBJECT TO THE DECLARATION OF COVENANTS AND RESTRICTIONS FOR THE PLAT OF "THE RESERVE AT STONEHAVEN" AS DESCRIBED BY INSTRUMENT UNDER KING COUNTY RECORDING NUMBER 20060321000567.

IN WITNESS WHEREOF WE HAVE SET OUR HANDS AND SEALS.

W. L. Lewis
THE RESERVE AT STONEHAVEN, LLC, A
WILLIAM L. LEWIS COMPANY

R. E. Lewis
MORTGAGE
OF STERLING SAVINGS BANK, C/O ACTION

DECLARATION OF COVENANTS:

THE OWNER OF THE LAND ENCLOSED WITHIN THIS LONG PLAT, IN RETURN FOR THE BENEFIT TO ACCORDING FROM THE CITY OF RENTON, HEREBY COVENANT AND RESTRICT AGREES THE COVENANTS SET FORTH IN THE LIST ENCLOSED, SHOWN ON THIS LONG PLAT TO AND WITH ALL FUTURE PURCHASERS OF THE LAND, OR OF ANY SUBDIVISION THEREOF. THE COVENANT SHALL RUN WITH THE LAND AS SHOWN ON THIS LONG PLAT.

ACKNOWLEDGEMENTS:

STATE OF WashingtonCOUNTRY OF King County

I CERTIFY THAT I KNOW OR HAVE SATISFACTORY EVIDENCE THAT Mack S. Danner
SIGNED THIS INSTRUMENT, ON OATH STATED
THAT (HE/SHE) WAS AUTHORIZED TO EXECUTE THE INSTRUMENT AND ACKNOWLEDGED IT AS THE
MANAGER
OF THE RESERVE AT STONEHAVEN LLC TO BE THE FREE AND
VOLUNTARY ACT OF SUCH PARTY FOR THE USES AND PURPOSES MENTIONED IN THE INSTRUMENT.



DATED March 14, 2006
 SIGNATURE OF Mack S. Danner
 NOTARY PUBLIC
 PRINTED NAME Mack S. Danner
 TITLE Manager
 MY APPOINTMENT EXPIRES 02/28/07

STATE OF WashingtonCOUNTRY OF King County

I CERTIFY THAT I KNOW OR HAVE SATISFACTORY EVIDENCE THAT Robin Amrine
SIGNED THIS INSTRUMENT, ON OATH STATED
THAT (HE/SHE) WAS AUTHORIZED TO EXECUTE THE INSTRUMENT AND ACKNOWLEDGED IT AS THE
Vice President
OF STERLING SAVINGS BANK TO BE THE FREE AND
VOLUNTARY ACT OF SUCH PARTY FOR THE USES AND PURPOSES MENTIONED IN THE INSTRUMENT.



DATED March 14, 2006
 SIGNATURE OF Robin Amrine
 NOTARY PUBLIC
 PRINTED NAME Robin Amrine
 TITLE Vice President
 MY APPOINTMENT EXPIRES 02/28/07

CITY OF RENTON APPROVALS

CITY OF RENTON PLANNING/BUILDING/PUBLIC WORKS DEPARTMENT
EXAMINED AND APPROVED THIS 17th DAY OF MARCH, 2006.

Greg Zimmerman
ADMINISTRATOR

CITY OF RENTON MAJOR
EXAMINED AND APPROVED THIS 17th DAY OF MARCH, 2006.

Kathy Kunkel
MAYOR
CITY CLERK



CITY OF RENTON FINANCE DIRECTOR'S CERTIFICATE

I HEREBY CERTIFY THAT THERE ARE NO DELINQUENT SPECIAL ASSESSMENTS AND THAT ALL SPECIAL ASSESSMENTS ARE PAID TO THE CITY TREASURER FOR COLLECTION ON ANY PROPERTY HEREIN CONTAINED DEDICATED FOR STREETS, ALLEYS OR OTHER PUBLIC USES ARE PAID IN FULL.

THIS 15 DAY OF March, 2006.
M. Olexa
M. Olexa
FINANCE DIRECTOR

COUNTY APPROVALS

KING COUNTY DEPARTMENT OF ASSESSMENTS

EXAMINED AND APPROVED THIS 21st DAY OF March, 2006.

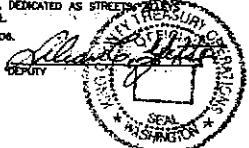
Scott Noble
KING COUNTY ASSESSOR
Deputy King County Assessor

J22300-3481-01 A 32236591710-0022-05
ACCOUNT NO.

FINANCE DIVISION CERTIFICATE

I HEREBY CERTIFY THAT ALL PROPERTY TAXES ARE PAID, THAT THERE ARE NO DELINQUENT SPECIAL ASSESSMENTS CERTIFIED TO THIS OFFICE FOR COLLECTION ON ANY OF THE PROPERTY HEREIN CONTAINED, DEDICATED AS STREET, ALLEY OR FOR OTHER PUBLIC USE ARE PAID IN FULL.

THIS 21st DAY OF March, 2006.
Interim Phil Sanders
Interim Phil Sanders
MANAGER, FINANCE DIVISION



SURVEYOR'S CERTIFICATE

I, CHRISTOPHER SHANE BARNES HEREBY CERTIFY THAT THIS PLAT OF THE RESERVE AT STONEHAVEN IS BASED UPON AN ACTUAL SURVEY AND SUBDIVISION OF SECTION 32, TOWNSHIP 23 NORTH, RANGE 5 EAST, W.M. THAT THE COURSES AND DISTANCES ARE CORRECT AND THAT THE LOT LINES AND CORNERS WILL BE SET AND THE LOT CORNERS WILL BE SURNED CORRECTLY ON THE GROUND AS THE SURVEY IS COMPLETED AND THAT I HAVE FULLY COMPLIED WITH THE PROVISIONS OF THE PLATING REGULATIONS.



CHRISTOPHER SHANE BARNES, PLS
PROFESSIONAL LAND SURVEYOR
STATE OF WASHINGTON
CERTIFICATE NO. 35415

3/13/06

RECORDING CERTIFICATE

FILED FOR RECORD AT THE REQUEST OF THE CITY OF RENTON THIS 17th DAY OF MARCH, 2006, 11:00 AM, 115 MINUTES PAST
 12:00 PM AND RECORDED IN VOLUME 354 OF PLATE, PAGE(S) 1
 RECORDS OF KING COUNTY, WASHINGTON.

DIVISION OF RECORDS AND ELECTIONS
N/A
 MANAGER

D. H. H.
 SUPERINTENDENT OF RECORDS

Mead Gilman & Assoc.
PROFESSIONAL LAND SURVEYORS

17625 130TH AVE. N.E., STE. 104, WOODINVILLE, WA 98072

MAILING ADDRESS, P.O. BOX 289, WOODINVILLE, WA 98072

PHONE: (425) 486-1252 FAX: (425) 486-6108

JOB NO. 0427B
SHEET 1 OF 5

VOL/PG

THE RESERVE AT STONEHAVEN

NW1/4, SW1/4, SEC. 32, TWP. 23N., RGE. 5E., W.M.
CITY OF RENTON, KING COUNTY, WASHINGTON

VOL/PG
233/044
LUA-05-130-PP
LND-10-0411

LEGAL DESCRIPTION:

PARCEL A:
THE NORTH HALF OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 32, TOWNSHIP 23 NORTH, RANGE 5 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON;
EXCEPT THE EAST 20 FEET THEREOF CONVEYED TO KING COUNTY FOR ROAD PURPOSES BY DEED RECORDED UNDER RECORDING NUMBER 1461384; ALSO
EXCEPT THAT PORTION THEREOF CONVEYED TO KING COUNTY FOR ROAD PURPOSES BY DEED RECORDED UNDER RECORDING NUMBER 19990812001273.

PARCEL B:
THE NORTH 72 FEET OF THE SOUTH HALF OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 32, TOWNSHIP 23 NORTH, RANGE 5 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON;
EXCEPT THE EAST 20 FEET THEREOF CONVEYED TO KING COUNTY FOR ROAD PURPOSES BY DEED RECORDED UNDER RECORDING NUMBER 1461384;
EXCEPT ANY MOBILE OR MANUFACTURED HOME LOCATED THEREON.

RESTRICTIONS:

- PROPERTY IS SUBJECT TO THE EXCEPTIONS AND RESERVATIONS CONTAINED IN DEED FROM PACIFIC COAST COAL COMPANY RECORDED UNDER RECORDING NUMBER 3340970.
- PROPERTY IS SUBJECT TO THE AGREEMENT AND THE TERMS AND CONDITIONS THEREOF BETWEEN SOOS CREEK WATER AND SEWER DISTRICT AND TALBOT DEVELOPMENT PARTNERS, LLC AS RECORDED UNDER RECORDING NUMBER 20010731000733.
- LOTS 1 & 38, SHALL HAVE THE FRONT YARD SETBACK FACING BURNETT COURT S. AND LOT 18, SHALL HAVE THE FRONT YARD SETBACK FACING S. 48TH STREET.

GENERAL NOTES:

- THE ROAD AND STORM DRAINAGE SYSTEMS SHALL BE CONSTRUCTED ACCORDING TO THE APPROVED PLAN AND PROFILE ON FILE WITH RENTON DEVELOPMENT SERVICES DIVISION AND AN APPROVAL FROM THE APPROVED PLANS WILL BE REQUIRED PRIOR TO PROVING FROM THE PROPERTY AGENCY, CURRENTLY RENTON DEVELOPMENT SERVICES DIVISION.
- ALL BUILDING DOWNSPOUTS, FOOTING DRAINS AND DRAINS FROM ALL IMPERVIOUS SURFACES SUCH AS PATIOS AND DRIVEWAYS SHALL BE CONNECTED TO THE PERMANENT STORM DRAINAGE SYSTEM AS SHOWN ON THE APPROVED PLANS ON FILE WITH RENTON DEVELOPMENT SERVICES DIVISION. THIS PLAN SHALL BE SUBMITTED WITH THE APPLICATION OF ANY BUILDING PERMIT. ALL CONNECTIONS OF THE DRAINS MUST BE CONSTRUCTED AND APPROVED PRIOR TO FINAL BUILDING INSPECTION APPROVAL.
- NO LOT OR PORTION OF A LOT IN THIS PLAT SHALL BE DIVIDED AND SOLD OR RESOLD OR OWNERSHIP CHANGED OR TRANSFERRED HEREBY OR BY THE OWNERSHIP OF ANY PORTION OF THIS PLAT SHALL BE LESS THAN THE AREA REQUIRED FOR THE USE DISTRICT IN WHICH IT LOCATED.
- THE ORIENTATION OF THE FRONT YARD OF LOTS 1 AND 38 TO FACE BURNETT CT. S. AND LOT 18 TO FACE S. 48TH STREET.

SENSITIVE AREA NOTE:

DEDICATION OF A SENSITIVE AREA TRACT SENSITIVE AREA AND BUFFER CONVEYS TO THE PUBLIC A BenefICIAL INTEREST IN THE LAND WITHIN THE TRACT/SENSITIVE AREA AND BUFFER. THIS INTEREST INCLUDES THE PRESERVATION OF NATIVE VEGETATION FOR ALL PURPOSES THAT ENHANCE THE PHYSICAL, CHEMICAL AND BIOLOGICAL QUALITY OF THE LAND, PREVENT WATER AND EROSION, MAINTENANCE OF SLOPE STABILITY AND PROTECTION OF PLANT AND ANIMAL HABITAT. THE SENSITIVE AREA/TRACT SENSITIVE AREA AND BUFFER IMPOSES UPON ALL PRESENT AND FUTURE OWNERS AND OCCUPIERS OF THE LAND SUBJECT TO THE TRACT/SENSITIVE AREA AND BUFFER THAT THE VEGETATION WITHIN THE TRACT/SENSITIVE AREA AND BUFFER MAY NOT BE CUT, PRUNED, COVERED BY FILL, REMOVED OR DAMAGED WITHOUT APPROVAL IN WRITING FROM THE CITY OF RENTON DEVELOPMENT SERVICES DIVISION.

EASEMENT PROVISIONS/NOTES:

THE EASEMENTS DEPICTED ON THE MAP SHEETS OF THIS FINAL PLAT ARE FOR THE LIMITED PURPOSES LISTED BELOW AND ARE HEREBY CONVEYED FOLLOWING THE RECORDING OF THIS FINAL PLAT AS SPECIFIED ACCORDING TO THE RESERVATIONS LISTED BELOW:

THE CITY OF RENTON SHALL HAVE THE RIGHT TO ENTER THE PRIVATE DRAINAGE EASEMENTS SHOWN HEREON TO REPAIR AND REPAIR DEFICIENCIES OF THE DRAINAGE FACILITY. IN THE EVENT THE OWNERS IS/ARE NEGLECTIVE IN THE MAINTENANCE OF THE DRAINAGE FACILITIES, THESE REPAIRS SHALL BE AT THE OWNER'S COST.

1. AN EASEMENT IS HEREBY GRANTED AND CONVEYED TO THE CITY OF RENTON, Puget Sound Energy, SOOS CREEK WATER AND SEWER DISTRICT, CONCAC, THE OWNERS OF ALL LOTS WITHIN THIS PLAT AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNEES, UNDER, OVER AND UPON THOSE EASEMENTS DESIGNATED AS "10' SIDEWALK AND UTILITY EASEMENT", THE EXTENT TO FEET PARALLEL WITH AND ADJOINING THE STREET FRONTAGE OF ALL LOTS AND TRACTS IN THIS PLAT AS SHOWN ON THE APPROVED PLANS ON FILE WITH RENTON DEVELOPMENT SERVICES DIVISION. THE EASEMENT SHALL BE CONNECTED TO THE PUBLIC UTILITY SYSTEMS, CABLE PIPELINE, AND OTHER FACILITIES AND OTHER EQUIPMENT FOR THE PURPOSE OF SERVICE TO THIS SUBMISSION AND OTHER PROPERTY WITH ELECTRIC, TELEPHONE, GAS, CABLE T.V. SERVICE, SEWER, WATER AND DRAINAGE TOGETHER WITH THE RIGHT TO ENTER UPON THE EASEMENTS AT ALL TIMES FOR THE PURPOSES STATED. THE LINES OR WIRES FOR THE TRANSMISSION OF ELECTRIC CURRENT, GAS, CABLE, TELEPHONE, AND OTHER EQUIPMENT, AND OTHER FACILITIES FOR OTHER PURPOSES, SHALL BE PLACED UPON ANY LOT UNLESS THE SAME SHALL BE UNDERGROUND OR IN CONDUIT ATTACHED TO A BUILDING.

2. THE PRIVATE DRAINAGE EASEMENTS AS SHOWN ON THE MAP SHEETS OF THIS PLAT ARE FOR THE LIMITED PURPOSES OF THE STONEHAVEN HOMEOWNERS ASSOCIATION. UNLESS SPECIFICALLY NOTED OTHERWISE IN THESE EASEMENT PROVISIONS AND NOTES, THE RESERVE AT STONEHAVEN HOMEOWNERS ASSOCIATION SHALL BE RESPONSIBLE FOR THE MAINTENANCE OF THE PRIVATE DRAINAGE FACILITIES WITHIN SAID EASEMENTS.

3. THE PUBLIC WATER AND SEWER EASEMENTS AS SHOWN ON THE MAP SHEETS OF THIS PLAT, OR THE RESERVE AT STONEHAVEN ARE HEREBY CONVEYED AND GRANTED TO THE SOOS CREEK WATER AND SEWER DISTRICT FOR THE PURPOSE OF PROVIDING THIS PLAT AND OTHER PROPERTIES WITH WATER AND SEWER SERVICE. ALL WATER AND SEWER FACILITIES WITHIN SAID EASEMENTS SHALL BE OWNED AND MAINTAINED BY THE SOOS CREEK WATER AND SEWER DISTRICT.

4. THE OWNERS OF LOTS 1-16 AND 33 & 34, SHALL BE RESPONSIBLE FOR THE ROOF AND FOOTING DRAIN SYSTEMS WITHIN THE 10' EASEMENT ADJACENT TO AND PARALLEL WITH BURNETT COURT SOUTH AND SOUTH 48TH STREET. SAID LOTS SHALL BE EQUAL RESPONSIBILITY FOR MAINTENANCE OF THAT PORTION OF THE FACILITIES WITHIN SAID EASEMENT USED IN COMMON WITH THE EXCEPTION THAT NO OWNER SHALL BE RESPONSIBLE FOR MAINTENANCE OF THE FACILITIES ABOVE THEIR CONNECTION POINT.

5. THE 10' PRIVATE DRAINAGE EASEMENT OVER THE REAR PORTION OF LOTS 5-6 & 8-10, THE OWNERS OF LOTS 5-10 SHALL BEAR EQUAL RESPONSIBILITY FOR MAINTENANCE OF THAT PORTION OF THE FACILITIES WITHIN SAID EASEMENT USED IN COMMON WITH THE EXCEPTION THAT NO OWNER SHALL BE RESPONSIBLE FOR MAINTENANCE OF THE FACILITIES ABOVE THEIR CONNECTION POINT.

EASEMENT PROVISIONS/NOTES, CONT.

6. THE OWNERS OF LOTS 18, 19 & 28-32, SHALL BE RESPONSIBLE FOR THE ROOF AND FOOTING DRAIN SYSTEMS WITHIN THE PRIVATE DRAINAGE EASEMENTS ON SAID LOTS. SAID LOTS SHALL BE EQUAL RESPONSIBILITY FOR THOSE PORTIONS OF THE DRAINAGE SYSTEMS USED IN COMMON WITH NO OWNER BEING RESPONSIBLE FOR ANY PORTION THEREOF ABOVE THEIR CONNECTION POINT.

7. THE PRIVATE ACCESS AND UTILITY EASEMENT OVER LOT 18 IS FOR THE BENEFIT OF LOTS 17 AND 19. THE OWNERS OF LOTS 17-18 SHALL SHARE IN EQUAL PARTS THE MAINTENANCE OF ALL FACILITIES WITHIN SAID EASEMENT, WITH THE EXCEPTION OF THE DRAINAGE AND SANITARY SEWER FACILITIES.

8. THE PRIVATE ACCESS AND UTILITY EASEMENT OVER LOTS 21 AND 22 IS FOR THE BENEFIT OF LOTS 21 AND 22. THE OWNERS OF LOTS 21 AND 22 SHALL SHARE IN EQUAL PARTS THE MAINTENANCE OF ALL FACILITIES WITHIN SAID EASEMENT, WITH THE EXCEPTION OF THE DRAINAGE FACILITIES.

9. THE PRIVATE ACCESS AND UTILITY EASEMENT OVER LOTS 25 AND 26 IS FOR THE BENEFIT OF LOTS 25 AND 26. THE OWNERS OF LOTS 25 AND 27 SHALL SHARE IN EQUAL PARTS THE MAINTENANCE OF ALL FACILITIES WITHIN SAID EASEMENT, WITH THE EXCEPTION OF THE DRAINAGE FACILITIES.

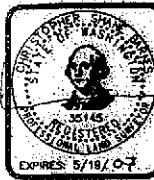
10. THE OWNERS OF THE LAND ENBRACED WITHIN THIS PLAT, IN RETURN FOR THE BENEFIT TO AQUIRE FROM THIS SUBMISSION, BY SIGNING HEREBY, COVENANTS AND AGREES TO CONVEY THE PRIVATE UTILITY EASEMENT IN THE PLACES AND PARTS SHOWN ON THIS PLAT TO ANY AND ALL FUTURE PURCHASERS OF THE LOTS, OR ANY SUBDIVISION THEREOF. THIS COVENANT SHALL RUN WITH THE LAND AS SHOWN ON THE PLAT.

11. A 5' ACCESS AND MAINTENANCE EASEMENT IS HEREBY CONVEYED TO THE CITY OF RENTON, THE RESERVE AT STONEHAVEN HOMEOWNERS ASSOCIATION AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNEES, FOR THE PURPOSE OF MAINTENANCE AND MAINTENANCE OF THE WETLAND PLANTINGS WITHIN TRACT A, AND MAINTENANCE OF THE FENCE AND WETLAND SIGNAGE ALONG THE BOUNDARY WITH TRACT A.

12. TRACT A IS A NATIVE GROWTH PROTECTION AREA. THE NATIVE GROWTH PROTECTION AREA IS A 5' BUFFER AROUND THE ASSOCIATED BUFFER. THE CREATION OF THIS INTEREST SHALL BE FOR THE PURPOSE OF PRESERVING NATIVE VEGETATION FOR THE CONTROL OF SURFACE WATER AND EROSION, VISUAL AND AURAL BUFFERING, AND PROTECTION OF PLANT AND ANIMAL HABITAT. THE HOA IMPOSES UPON ALL PRESENT AND FUTURE OWNERS AND OCCUPIERS OF THE LAND, UNDERTAKING THE MAINTENANCE, CARE AND OTHER VEGETATION WITHIN THE HOA. THE VEGETATION WITHIN THE HOA MAY NOT BE CUT, PRUNED, COPIED, REMOVED OR DAMAGED WITHOUT EXPRESS WRITTEN PERMISSION FROM THE CITY OF RENTON, THE RIGHT OF ENTITY HEREIN SHALL APPLY TO THE AGENTS, OF REPRESENTATIVES AND EMPLOYEES OF THE OWNERS OR SUBSEQUENT OWNERS OF THE LAND.

ADDRESSING BLOCK

LOT #	HOUSE #	ROAD NAME
1	4703	BURNETT COURT S.
2	4708	BURNETT COURT S.
3	4715	BURNETT COURT S.
4	4721	BURNETT COURT S.
5	4727	BURNETT COURT S.
6	4733	BURNETT COURT S.
7	4738	BURNETT COURT S.
8	886	S. 48TH STREET
9	881	S. 48TH STREET
10	887	S. 48TH STREET
11	891	S. 48TH STREET
12	897	S. 48TH STREET
13	913	S. 48TH STREET
14	918	S. 48TH STREET
15	1003	S. 48TH STREET
16	1011	S. 48TH STREET
17	1020	S. 48TH STREET
18	1025	S. 48TH STREET
19	1032	S. 48TH STREET
20	1038	S. 48TH STREET
21	914	S. 48TH STREET
22	902	S. 48TH STREET
23	898	S. 48TH STREET
24	874	S. 48TH STREET
25	1200	S. 48TH STREET
26	858	S. 48TH STREET
27	870	S. 48TH STREET
28	1003	S. 48TH STREET
29	811	S. 48TH STREET
30	803	S. 48TH STREET
31	873	S. 48TH STREET
32	845	S. 48TH STREET
33	4728	BURNETT COURT S.
34	4712	BURNETT COURT S.
35	4706	BURNETT COURT S.
36	4700	BURNETT COURT S.



3/13/06
JOB NO. 04279
SHEET 2 OF 5

Mead Gilman & Assoc.
PROFESSIONAL LAND SURVEYORS

17625 130TH AVE. N.E., STE. 104, WOODINVILLE, WA 98072
MAILING ADDRESS, P.O. BOX 289, WOODINVILLE, WA 98072

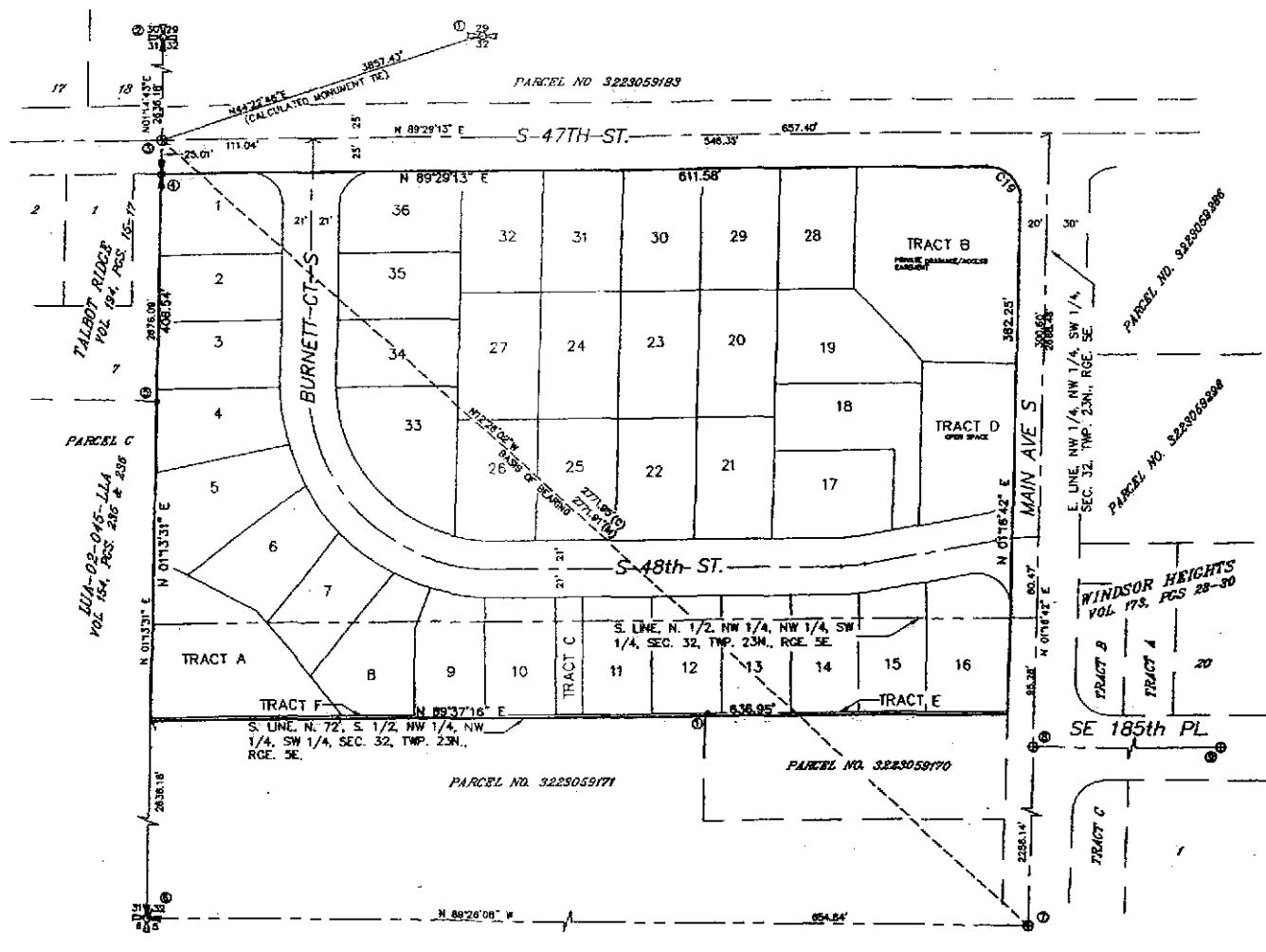
PHONE: (425) 486-1252 FAX: (425) 486-6108

VOL/PG
CPL/RC

THE RESERVE AT STONEHAVEN

NW1/4, SW1/4, SEC. 32, TWP. 23N., RGE. 5E., W.M.
CITY OF RENTON, KING COUNTY, WASHINGTON

VOL/PG
233/045
LUA-05-130-FP
LND-10-0411



Scale 1" = 60'

MERIDIAN:

PLAT OF WINDSOR HEIGHTS, RECORDED IN VOLUME 173 OF PLATS AT PAGES 28-30, UNDER RECORDING NUMBER 2000241079, RECORDS OF KING COUNTY, WASHINGTON.

EQUIPMENT & PROCEDURES:

A 5" ELECTRONIC TOTAL STATION WAS USED FOR THIS FIELD TRAVERSE SURVEY. ACCURACY MEETS OR EXCEEDS W.A.C. 332-130-090.

REFERENCES:

1. PLAT OF WINDSOR HEIGHTS, RECORDED IN VOLUME 173 OF PLATS AT PAGES 28-30, UNDER RECORDING NUMBER 2000241079, RECORDS OF KING COUNTY, WASHINGTON. HELD FOR SECTION SUBMISSION.
2. PLAT OF TALEB RIDGE, RECORDED IN VOLUME 184 OF PLATS AT PAGES 15-17, UNDER RECORDING NUMBER 20000404001058, RECORDS OF KING COUNTY, WASHINGTON.
3. CITY OF RENTON LOT LINE ADJUSTMENT "LUA-02-045-LUA", RECORDED IN BOOK 154 OF SURVEYS AT PAGES 235 & 236A, UNDER RECORDING NUMBER 2002023900003, RECORDS OF KING COUNTY, WASHINGTON.

LEGEND:

- ① FOUND SURVEY MONUMENT AS NOTED.
- ② S.C.W.S.D. 5005 CREEK WATER AND SEWER DISTRICT

CONTROL LEGEND:

① NORTH 1/4 CORNER OF SEC. 32, TWP. 23N., RGE. 5E., POSITION CALCULATED FROM REFERENCE NO. 1. SAME POINT AS CITY OF RENTON CONTROL POINT 1884. NOT VISITED.

② NORTHWEST CORNER SEC. 32, TWP. 23N., RGE. 5E., POSITION FROM REFERENCE NO. 2. NOT VISITED.

③ FOUND 4" x 4" CONCRETE MONUMENT WITH 1 3/4" PUNCHED BRASS DISC STAMPED "22335" IN CASE. HELD POSITION AS CALCULATED FROM REFERENCE NO. 2. (6/05)

④ WEST 1/4 CORNER OF SEC. 32, TWP. 23N., RGE. 5E., NOT FOUND. POSITION CALCULATED FROM REFERENCE NO. 2. MONUMENT POSSIBLY DESTROYED WITH CONSTRUCTION OF THE PLAT OF "TALEB RIDGE".

⑤ FOUND 1/2" REBAR WITH CAP "21484" AT CALCULATED POSITION. (6/05)

⑥ SOUTHWEST CORNER SEC. 32, TWP. 23N., RGE. 5E., MONUMENT NOT FOUND. POSITION CALCULATED FROM REFERENCES 1 & 2. ALSO CITY OF RENTON CONTROL POINT NO. 567.

CONTROL LEGEND:

⑦ FOUND CONCRETE MONUMENT WITH 1 1/4" DOMED BRASS DISC SET DOWN 6.4" IN CASE APPROXIMATELY 18' SOUTH OF THE INTERSECTION OF MAIN AVE. S. AND SE 185TH PL. MONUMENT IS STAMPED "17384". MONUMENT IS AT CALCULATED POSITION OF THE SOUTH 1/4TH CORNER, PER REFERENCE 1.

⑧ FOUND 4" x 4" CONCRETE MONUMENT WITH 1 3/4" PUNCHED BRASS DISC DOWN 6.4" IN CASE AT THE INTERSECTION OF MAIN AVE. S. AND SE 185TH PL. MONUMENT IS STAMPED "14480". MONUMENT IS 0.25' NORTH AND 0.15' EAST OF CALCULATED POSITION. (6/05)

⑨ FOUND 4" x 4" CONCRETE MONUMENT WITH 1 3/4" PUNCHED BRASS DISC DOWN 6.4" IN CASE AT THE INTERSECTION OF MAIN AVE. S. AND SE 185TH PL. MONUMENT IS STAMPED "14480". MONUMENT IS 0.23' EAST OF CALCULATED POSITION. (6/05)



CURVE TABLE		
CURVE LENGTH	RADIUS	DELA
218	40.05	25.00
		91°47'29"

JOB NO. 04279
SHEET 3 OF 5

Mead Gilman & Assoc.
PROFESSIONAL LAND SURVEYORS

17625 130TH AVE. N.E., STE. 104, WOODINVILLE, WA 98072
MAILING ADDRESS, P.O. BOX 289, WOODINVILLE, WA 98072

PHONE: (425) 486-1252 FAX: (425) 486-6108

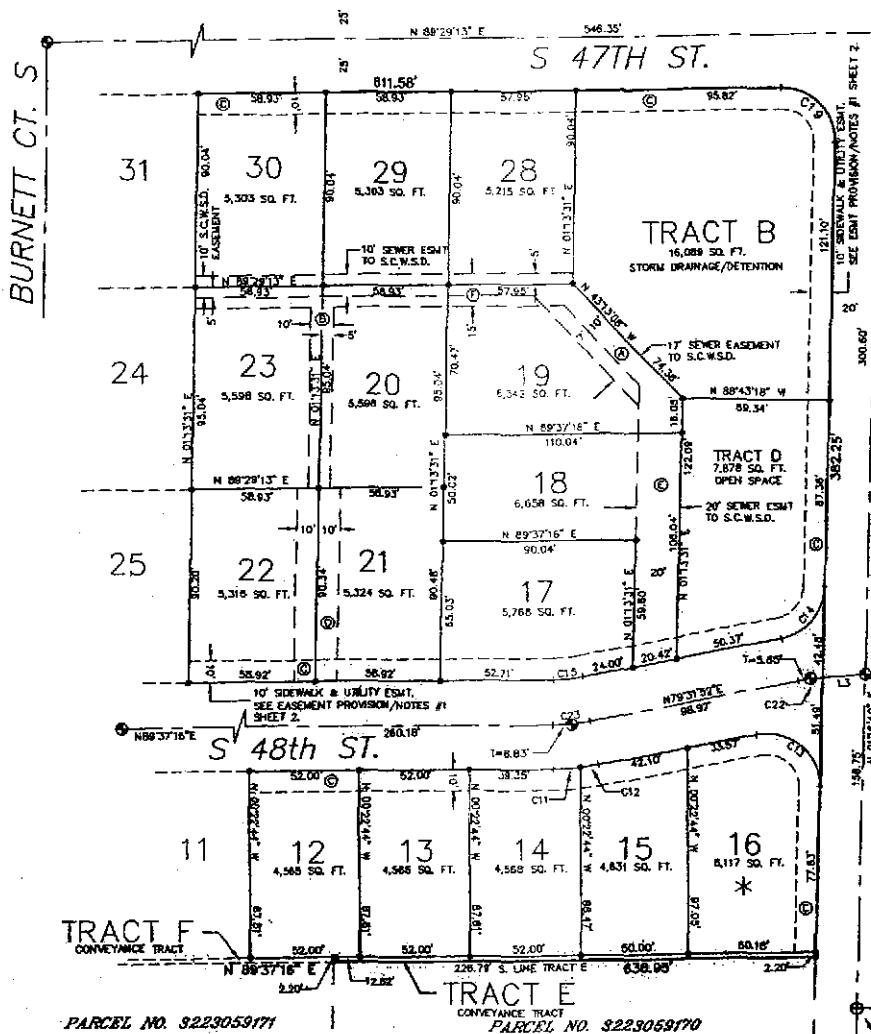
9/10/06

THE RESERVE AT STONEHAVEN

NW1/4, SW1/4, SEC. 32, TWP. 23N., RGE. 5E., W.M.
CITY OF RENTON, KING COUNTY, WASHINGTON

VOL/PG
233/047
LUA-05-130-FP
LND-10-0411

PARCEL NO. 3223059183



40 0 40 80 120

Scale 1" = 40'

LEGEND:

- ① FOUND SURVEY MONUMENT AS NOTED.
- SET 1/2" REBAR WITH 1 3/4" ORANGE PLASTIC CAP STAMPED "MEAD GILMAN & ASSOCIATES 20276/32-341/36145/38811"
- ② SET 4" x 4" CONCRETE MONUMENT WITH 1 5/8" BRASS DISC WITH "X" STAMPED "38145" IN STANDARD KING COUNTY CASE.

S.C.W.S.D. 50003 CREEK WATER AND SEWER DISTRICT

* SEE GENERAL NOTE 4 SHEET 2

EASEMENT LEGEND:

- ① PUBLIC SANITARY SEWER EASEMENT. SEE EASEMENT PROVISIONS/NOTES NO. 3, SHEET 2.
- ② PRIVATE DRAINAGE EASEMENT. SEE EASEMENT PROVISIONS/NOTES NOS. 2 & 5, SHEET 2.
- ③ PRIVATE UTILITY & PRIVATE DRAINAGE EASEMENT. PUBLIC WATER EASEMENT. SEE EASEMENT PROVISIONS/NOTES NOS. 2 & 4, SHEET 2.
- ④ PRIVATE ACCESS, DRAINAGE AND UTILITY EASEMENT. SEE EASEMENT PROVISIONS/NOTES NOS. 3 & 6, SHEET 2.
- ⑤ PRIVATE ACCESS, UTILITY & DRAINAGE EASEMENT, AND PUBLIC SANITARY SEWER EASEMENT. SEE EASEMENT PROVISIONS/NOTES NOS. 2, 3, 6, & 7, SHEET 2.
- ⑥ PRIVATE DRAINAGE EASEMENT & PUBLIC SANITARY SEWER EASEMENT. SEE EASEMENT PROVISIONS/NOTES NOS. 2, 3, & 6, SHEET 2.

CURVE TABLE		
CURVE	LENGTH	RADIUS (DELT A)
C13	44.40	25.00 1014450°
C11	12.67	25.00 038290°
C12	6.64	121.00 103720°
C14	34.11	25.00 701010°
C15	13.31	76.00 000000°
C19	41.05	25.00 074450°
C22	11.89	200.00 031140°
C23	17.81	100.00 101124°

LINE	LENGTH	BEARING
L3	20.00	N88173.34 E

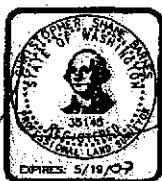
3/13/06

Mead Gilman & Assoc.
PROFESSIONAL LAND SURVEYORS

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MAILING ADDRESS, P.O. BOX 289, WOODINVILLE, WA 98072

PHONE: (425) 486-1252 FAX: (425) 486-6108

VOL/PG





20040819003259

CHICAGO TITLE ND 22 00
PAGE001 OF 004
08/19/2004 15:51

KING COUNTY, WA

WHEN RECORDED RETURN TO
THE RESERVE AT STONEHAVEN LLC
10519 20TH STREET SE SUITE 1
EVERETT WA 98205

E2063770

08/19/2004 15:55
KING COUNTY, WA
TAX \$49,021.20
SALE \$2,754,000.00

PAGE001 OF 001

CHICAGO TITLE INSURANCE COMPANY



STATUTORY WARRANTY DEED

1134252

Dated AUGUST 12, 2004

THE GRANTOR

CARL D FALK, JANET L ABUBAKAR, OR THEIR SUCCESSORS IN TRUST, AS CO-TRUSTEES OF THE NINA E. FALK RESIDENCE TRUST AS TO PARCEL A, AND

FRED E GUSTAFSON AND DEBRA O GUSTAFSON, HUSBAND AND WIFE AS TO PARCEL B
for and in consideration of

TEN DOLLARS AND OTHER GOOD AND VALUABLE CONSIDERATION

CHICAGO TITLE INS. CO (4)
REF# 1134252-10

in hand paid, conveys and warrants to

THE RESERVE AT STONEHAVEN, LLC, A WASHINGTON LIMITED LIABILITY COMPANY

the following described real estate situated in the County of KING
Tax Account Number(s)

State of Washington

322305-9022 & -9096

PARCEL A

THE NORTH HALF OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE
SOUTHWEST QUARTER OF SECTION 32, TOWNSHIP 23 NORTH, RANGE 5 EAST,
WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON,

EXCEPT THE EAST 20 FEET THEREOF CONVEYED TO KING COUNTY FOR ROAD
PURPOSES BY DEED RECORDED UNDER RECORDING NUMBER 1461384; ALSO

EXCEPT THAT PORTION THEREOF CONVEYED TO KING COUNTY FOR ROAD PURPOSES
BY DEED RECORDED UNDER RECORDING NUMBER 1990812001273.

PARCEL B:

THE NORTH 72 FEET OF THE SOUTH HALF OF THE NORTHWEST QUARTER OF THE
NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 32, TOWNSHIP 23

SEE ATTACHED DESCRIPTION

THE NINA E FALK RESIDENCE TRUST

CARL D FALK, CO-TRUSTEE

JANET L ABUBAKAR, CO-TRUSTEE

FRED E GUSTAFSON

DEBRA O GUSTAFSON

SWD/RDA/089

CHICAGO TITLE INSURANCE COMPANY

Escrow No: 1134252

EXHIBIT A

Title No: 1134252

NORTH, RANGE 5 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON,

EXCEPT THE EAST 20 FEET THEREOF CONVEYED TO KING COUNTY FOR ROAD PURPOSES
BY DEED RECORDED UNDER RECORDING NUMBER 1461384

SUBJECT TO EXHIBIT "A" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART
HEREOF

STATE OF WASHINGTON
KING

SS

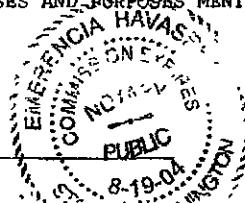
COUNTY OF

I CERTIFY THAT I KNOW OR HAVE SATISFACTORY EVIDENCE THAT CARL D. FALK, AND JANET L. ABUBAKAR IS THE PERSON WHO APPEARED BEFORE ME, AND SAID PERSON ACKNOWLEDGED THAT THEY SIGNED THIS INSTRUMENT, ON OATH STATED THAT THEY WERE AUTHORIZED TO EXECUTE THE INSTRUMENT AND ACKNOWLEDGED IT AS CO-TRUSTEES OF NINA E. FALK RESIDENCE TRUST TO BE THE FREE AND VOLUNTARY ACT OF SUCH PARTY FOR THE USES AND PURPOSES MENTIONED IN THE INSTRUMENT.

DATED Aug 16th 2004

Emeencia Havasreti

NOTARY SIGNATURE



PRINTED NAME: EMEENCIA HAVASRETI
NOTARY PUBLIC IN AND FOR THE STATE OF WASHINGTON
RESIDING AT KENT

MY APPOINTMENT EXPIRES Aug 19 2004

STATE OF WASHINGTON
COUNTY OF KING

SS

ON THIS 16th DAY OF AUGUST 2004 BEFORE ME, THE UNDERSIGNED, A NOTARY PUBLIC IN AND FOR THE STATE OF WASHINGTON, DULY COMMISSIONED AND SWORN, PERSONALLY APPEARED FRED E. GUSTAFSON AND DEBRA O. GUSTAFSON KNOWN TO ME TO BE THE INDIVIDUAL(S) DESCRIBED IN AND WHO EXECUTED THE WITHIN INSTRUMENT AND ACKNOWLEDGED THAT THEY SIGNED AND SEALED THE SAME AS THEIR FREE AND VOLUNTARY ACT AND DEED, FOR THE USES AND PURPOSES HEREIN MENTIONED.

Emeencia Havasreti

NOTARY SIGNATURE

PRINTED NAME: EMEENCIA HAVASRETI
NOTARY PUBLIC IN AND FOR THE STATE OF WASHINGTON
RESIDING AT KENT

MY COMMISSION EXPIRES ON Aug 19, 2004



CHICAGO TITLE INSURANCE COMPANY

EXHIBIT A

Escrow No. 1134252

EXCEPTIONS AND RESERVATIONS CONTAINED IN DEED:

FROM: PACIFIC COAST COAL COMPANY
RECORDED: OCTOBER 11, 1943
RECORDING NUMBER: 3340970

AS FOLLOWS: ALL COAL AND MINERAL RIGHTS OF EVERY NATURE WHATSOEVER IN SAID LANDS, AND THE RIGHT TO DIG, MINE, EXCAVATE, CARRY AWAY, SELL, AND DISPOSE OF SUCH MINERALS AS MAY BE FOUND THEREIN, WITHOUT LIABILITY FOR ANY LOSS OR DAMAGES DUE TO SUBSIDENCE OF THE SOIL OR ARISING IN ANY MANNER OUT OF MINING OPERATIONS THAT HAVE BEEN OR MAY HERAFTER BE CARRIED ON IN SAID LAND, WHETHER SAID SUBSIDENCE BE CAUSED BY NEGLIGENTLY CARRYING ON SAID MINING OPERATIONS OR OTHERWISE IT IS THE INTENTION OF THIS DEED TO CONVEY THE SURFACE ONLY OF SAID LAND

AFFECTS: PARCEL B.

AGREEMENT AND THE TERMS AND CONDITIONS THEREOF:

BETWEEN: SOOS CREEK WATER AND SEWER DISTRICT
AND: TALBOT DEVELOPMENT PARTNERS, LLC
RECORDED: JULY 31, 2001
RECORDING NUMBER: 20010731000733
REGARDING: DEVELOPER EXTENSION REIMBURSEMENT AGREEMENT

AFFECTS: PARCEL A, AND OTHER PROPERTY.

WHEN RECORDED RETURN TO:

City Clerks Office
City of Renton
1055 s. Grady Way
Renton, WA 98055



20060321000568

CITY OF RENTON COV
PAGE001 OF 036
03/21/2006 10:15
KING COUNTY, WA

69.00

Document Title: Declaration of Covenants, Conditions and Restrictions of The Reserve at Stonehaven

Grantor: The Reserve at Stonehaven, LLC

Grantee: Plat of The Reserve at Stonehaven

Legal Description:

Abbreviated Legal Description: NW1/4, NW1/4, SEC. 32, TWP. 23N, RGE. 5E., W.M.

Full Legal Description: See Exhibit A attached.

Assessor's Tax Parcel Nos.: 322305-9096-06 & 322305-9022-05

Reference Nos. of Documents Released or Assigned: N/A

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
THE RESERVE AT STONEHAVEN
KING COUNTY, WASHINGTON

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EXHIBIT A – Legal Description of the Project

EXHIBIT B – Common Fence Design Standards

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
THE RESERVE AT STONEHAVEN
KING COUNTY, WASHINGTON

THIS DECLARATION is made this 2 day of March, 2006, by the undersigned, hereinafter collectively referred to as "Declarant."

DESCRIPTION OF THE LAND

A. Declarant owns certain real property located within the State of Washington, which property and improvements are commonly known as **The Reserve at Stonehaven**, located in King County, Washington, and legally described in attached Exhibit A (the "Project"). All Common Areas of the Project are shown on the Plat Maps recorded in conjunction with this Declaration.

B. For the benefit and protection of the Project, to enhance its value and attractiveness, and as an inducement to lenders and investors to make and purchase loans secured by Lots within the Project, Declarant agrees to provide herein for a method of use and architectural control within the Project.

NOW, THEREFORE, Declarant hereby declares that the Lots described herein shall be held, conveyed, encumbered, leased, rented, used, occupied and improved subject to the following uniform covenants, conditions, restrictions, reservations, grants of easement, rights, rights-of-way, liens, charges and equitable servitudes.

Any conveyance, transfer, sale, assignment, lease or sublease of a Lot in the Project, shall and hereby is deemed to incorporate by reference all provisions of this Declaration. The provisions of this Declaration shall be enforceable by Declarant, any Lot Owner, the Association, and any first mortgagee of any Lot.

ARTICLE 1: INTERPRETATION

1.1 **Liberal Construction.** The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation and maintenance of the Project.

1.2 **Covenant Running with Land.** It is intended that this Declaration shall be operative as a set of covenants running with the land, or equitable servitudes, as applicable, binding on Declarant, its successors and assigns, all subsequent Owners of the Project or any

Lots, together with their grantees, successors, heirs, executors, administrators, devisees or assigns.

1.3 **Declarant is Original Owner.** Declarant is the original Owner of all Lots and Project and will continue to be deemed the Owner thereof except as conveyances or documents changing such ownership regarding specifically described Lots or portions of the Project are filed of record by Declarant.

1.4 **Captions.** Captions given to the various articles and sections herein are for convenience only and are not intended to modify or affect the meaning of any of the substantive provisions hereof.

1.5 **Definitions.**

1.5.1 **"ACC"** shall mean the Architectural Control Committee provided for in Article 6.

1.5.2 **"Association"** shall mean the Owners' Association provided for in Article 4 and its successors and assigns.

1.5.3 **"Board"** shall mean the Board of Directors of the Association provided for in Article 5.

1.5.4 **"Bylaws"** shall mean the duly adopted bylaws of the Association.

1.5.5 **"Common Area"** shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the Owners and shall include (unless/until dedicated to a governmental entity): all Common Areas described on the Plat Map including but not limited to Tracts A, B, C, D, E, G, I, J, K, L, Q, R, U and V; Project entry sign(s) and landscaping; planter islands on roads or cul-de-sacs; and mailbox stands serving more than one Lot.

1.5.6 **"Declarant"** shall mean the undersigned (being the sole Owner of the real property described in Exhibit A hereof), and its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development and by written instrument in recordable form be specifically assigned the rights and duties of Declarant.

1.5.7 **"Declarant Control Period"** shall mean the period of time from the date of recording of this Declaration until one (1) year after the date upon which all of the Lots and any other portion of the Project (excluding Common Areas) that are subject to this Declaration have been sold, or any earlier period as may be agreed to by Declarant. A partial delegation of authority by Declarant of any of its management duties described in the Declaration shall not terminate the Declarant Control Period.

1.5.8 "Declaration" shall mean this declaration and any amendments thereto.

1.5.9 "Home" shall mean and refer to any structure, or portion of a structure, located on a Lot, which structure is designed and intended for use and occupancy as a residence by a single family or which is intended for use in connection with such residence.

1.5.10 "Lot" shall mean and refer to any plot of land shown upon any recorded Plat Map of the Project excluding Common Areas, provided the "Lot" shall not include any land now or hereafter owned by the Association or by all of the Lot Owners as tenants in common, nor include any land shown on a Plat Map but dedicated to the public or to a governmental entity.

1.5.11 "Mortgage" shall mean a recorded mortgage or deed of trust that creates a lien against a Lot and shall also mean a real estate contract for the sale of a Lot.

1.5.12 "Mortgagee" shall mean the beneficial holder, or the designee of the beneficial holder, of an encumbrance on a Lot created by mortgage or deed of trust and shall also mean the vendor, or the designee of a vendor, of a real estate contract for the sale of a Lot.

1.5.13 "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 Project, and, except as may be otherwise expressly provided herein, shall, in the case of a Lot which has been sold pursuant to a real estate contract, include any person of record holding a vendee's interest under such real estate contract, to the exclusion of the vendor thereunder. Any person or entity having such an interest merely as security for the performance of an obligation shall not be considered an Owner.

1.5.14 "Person" shall include natural persons, partnerships, limited liability companies, corporations, associations and personal representatives.

1.5.15 "Project" shall mean the real estate described in Exhibit A and all improvements and structures thereon, including such additions thereto as may hereafter be brought within the jurisdiction of the Association.

1.5.16 "Plat Map" shall mean the Plat Map(s) approved by the appropriate governmental entity and recorded in conjunction with or subsequent to this Declaration, which Plat Maps depict the layout of the Lots on the Project.

1.6 Percentage of Mortgagees. For purposes of determining the percentage of first Mortgagees approving a proposed decision or course of action, a Mortgagee shall be deemed a separate Mortgagee for each Lot on which it holds a mortgage that constitutes a first lien on said Lot.

1.7 **Percentage of Owners.** For purposes of determining the percentage of Owners approving a proposed decision or course of action, an Owner shall be deemed a separate Owner for each Lot owned.

ARTICLE 2: OWNERSHIP OF COMMON AREA

2.1 **Ownership of Common Area.** The Common Areas, if any, within any Additional Lands (as defined in Article 16) will be deemed to be conveyed to the Association upon the recording of an amendment to this Declaration incorporating such Additional Lands within the Project and will be depicted on the Plat Map recorded in conjunction with such amendment. The Common Area shall exclude those portions of common areas (and improvements thereto) which have been or may hereafter be, dedicated to and owned by the public or a governmental entity. The Common Area shall for all purposes be under the control, management and administration of the Declarant during the Declarant Control Period, and under the control, management and administration of the Association thereafter. The Association (and the Owners who are members thereof) have the responsibility and obligation to maintain, repair and administer the Common Area in a clean, attractive, sanitary and safe condition and in full compliance with applicable, governmental laws, rules and regulations and the provisions of this Declaration.

Provided that the developer, rather than the homeowner's association, is to be responsible for the initial minimum 5 years of successful wetland maintenance and mitigation monitoring pursuant to the approved wetland mitigation plan. The transfer of responsibility to the Homeowners Association shall not occur until the City of Renton releases the developer in writing from further maintenance and monitoring upon the completion of a minimum of 5 years successful consecutive years of the wetland monitoring consistent with the approved wetland monitoring and maintenance plan.

ARTICLE 3: OWNER'S PROPERTY RIGHTS

3.1 **Owner's Rights of Enjoyment.** Every Owner shall have a non-exclusive right and easement, in common with all Owners, 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:

3.1.1 The right of the Association to limit access to those portions of the Common Areas, which in the opinion of the Board are dangerous.

3.1.2 The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon any Common Area.

3.1.3 The right of the Association to suspend the voting rights and right to use of the Common Areas by an Owner: for any period during which any assessment against such Owner's Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations.

3.1.4 Upon agency approval the rights of the Association to dedicate or transfer all or any part of the Common Area, including easements across said properties, to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members of the Association. Provided that no easements may be granted over the wetland Tract A or the drainage Tract B without prior written City of Renton Approval. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by two-thirds (2/3) of the Owners has been recorded and the provisions of Article 12 hereof have been observed; provided, only a majority of Owners will be necessary to approve dedicating a storm retention pond or similar facility, if any, to a governmental entity which shall agree to maintain such ponds or facilities.

3.1.5 The right of the Association to limit the number of guests of members.

3.1.6 The right of the Association, in accordance with this Declaration and its Articles of Incorporation and Bylaws, to borrow money for the purpose of improving the Common Area and facilities and in aid thereof to mortgage said property, but the rights of such Mortgagee in said property shall be subordinate to the rights of the Owners hereunder and subject to the provisions of Section 11.5.

3.1.7 The right of the Association to take such steps as are reasonably necessary to protect any property mortgaged in accordance with Section 3.1.6 against foreclosure, including, but not limited to, the right to charge admission and other fees as a condition to continued enjoyment by the Owners and, if necessary, to open the enjoyment of such properties to the public.

3.1.8 During the Declarant Control Period, the exercise of all of the rights and powers set forth in subsections 3.1.2, 3.1.3, 3.1.4, 3.1.5 and 3.1.6 shall require the prior written approval of Declarant.

3.2 **Delegation of Use.** Any Owner may delegate (in accordance with the Bylaws), his/her right of enjoyment to the Common Area and facilities to the members of his/her family, or his/her tenants or contract purchasers who reside on the Owner's Lot and (subject to regulation by the Association) to his/her temporary guests.

ARTICLE 4: OWNERS' ASSOCIATION

4.1 **Establishment.** There is hereby created an association to be called THE RESERVE AT STONEHAVEN HOMEOWNERS' ASSOCIATION (referred to hereinafter as the "Association").

4.2 **Form of Association.** The Association shall be a nonprofit corporation formed and operated pursuant to Title 24 and Chapter 64.38, Revised Code of Washington. In the event of any conflict between this Declaration and the Articles of Incorporation or Bylaws for such nonprofit corporation, the provisions of this Declaration shall prevail.

4.3 Membership.

4.3.1 Qualification. Each Owner of a Lot in the Project (including Declarant) shall be a member of the Association and shall be entitled to one membership for each Lot so owned. Ownership of a Lot shall be the sole qualification for membership in the Association.

4.3.2 Transfer of Membership. The Association membership of each Owner (including Declarant) shall be appurtenant to the Lot giving rise to such membership, and shall not be assigned, conveyed, pledged or alienated in any way except upon the transfer of title to said Lot and then only to the transferee of title to such Lot. Any attempt to make a prohibited transfer of membership shall be void. Any transfer of title to a Lot shall operate automatically to transfer the membership in the Association appurtenant thereto to the new Owner thereof.

4.4 Voting. The total voting power of all Owners shall equal the number of Lots at any given time and the total number of votes available to Owners of any one Lot shall be one (1) vote.

4.5 Bylaws of Association. Bylaws for the administration of the Association and the Project and to further the intent of this Declaration, may be adopted or amended by the Owners at a regular or special meeting; provided, that the initial Bylaws shall be adopted by Declarant, and during the Declarant Control Period, Declarant shall have the sole right to amend the Bylaws. In the event of any conflict between this Declaration and any Bylaws, the provisions of this Declaration shall prevail.

4.6 Declarant Control Period. During the Declarant Control Period, the Association and the ACC (as defined in Section 6.1 below), together with all Common Areas administered by the Association shall, for all purposes, be under the management and administration of Declarant or its assignees. During the Declarant Control Period, Declarant shall appoint the directors of the Association as provided in the Bylaws. Declarant may appoint any persons Declarant chooses as directors. At the Declarant's sole discretion, Declarant may appoint members of the Association to such committees or positions in the Association, including the ACC, as Declarant deems appropriate, to serve at Declarant's discretion, and Declarant may assign such responsibilities, privileges and duties to the members as Declarant determines, or for such time as Declarant determines. Members appointed by Declarant during the Declarant Control Period may be dismissed at Declarant's discretion.

Declarant's control of the Association during the Declarant Control Period is established in order to insure that the Project and the Association will be adequately administered in the initial phases of development and to insure an orderly transition of Association operations. Except for initial wetland mitigation maintenance monitoring as provided in Article 2.1, from and after the end of the Declarant Control Period, the Association shall have the authority and obligation to manage and administer the Common Areas and to enforce this Declaration. Such authority shall include all authority provided for in the Association's articles, bylaws, rules and regulations and this Declaration, together with other duties that may be assigned to the Association in any easement or in the plat of The Reserve at Stonehaven. From and after the end

of the Declarant Control Period, the Association shall also have the authority and obligation to manage and administer the activities of the ACC and its responsibilities.

ARTICLE 5: MANAGEMENT OF THE ASSOCIATION

5.1 Administration of the Development. The Owners covenant and agree that the administration of the Project shall be in accordance with the provisions of this Declaration and the Bylaws of the Association.

5.2 Management by Declarant. The Project shall be managed on behalf of the Association by the Declarant during the Declarant Control Period. Declarant may terminate the Declarant Control Period as to all or a part of the Project by giving at least thirty (30) days' prior written notice of Declarant's election to permanently relinquish all of its authority under this Section 5.2 by written notice to all Owners. So long as Declarant is managing the Project, Declarant or a managing agent selected by Declarant shall have the exclusive power and authority to exercise all the rights, duties and functions of the Board and the Association set forth or necessarily implied in this Declaration; provided, however, that the Association may not be bound directly or indirectly to any contracts or leases without the right of termination exercisable without cause and without penalty at any time after transfer of control to the Board elected pursuant to Section 5.3, upon not more than ninety (90) days notice to the other party to the contract.

5.3 Management by Elected Board of Directors. At the expiration of Declarant Control Period, the Association shall hold an election to elect the Board of Directors. Power and authority shall vest in the Board of Directors elected from among the Lot Owners. The number of directors shall be specified in the Bylaws and shall be sufficient to adequately handle the affairs of the Association. The Board may delegate all or any portion of its management duties to a managing agent or officer of the Association as provided for in the Bylaws. All Board offices shall be open for election at an organizational meeting. The Board shall elect from among its members a president who shall preside over meetings of the Board and the meetings of the Association.

5.4 Authority and Duties of the Board. On behalf of and acting for the Association, the Board (or the Declarant or Declarant's managing agent as provided in Section 5.2 hereof), for the benefit of the Project and the Owners, shall have all powers and authority permitted to the Board under this Declaration and any applicable law, including but not limited to the following:

5.4.1 Assessments. Establish and collect regular assessments (and to the extent necessary and permitted hereunder, special assessments) to defray expenses attributable to carrying out its duties hereunder and maintain an adequate reserve fund for the maintenance, repair, improvement and replacement of those portions of the Common Area or facilities which must be maintained, repaired or replaced on a periodic basis, which reserve shall be funded by the above assessments. The Association may impose and collect charges for late payments of assessments

5.4.2 Service. Obtain the services of persons or firms as required to properly manage the affairs of the Project to the extent deemed advisable by the Board including legal and accounting services, property management services as well as such other personnel as the Board shall determine are necessary or proper for the operation of the Common Area, whether such personnel are employed directly by the Board or are furnished by the manager or management firm or agent.

5.4.3 Utilities. Obtain water, sewer, garbage collection, electrical, telephone, gas and any other necessary utility service, including utility easements and street lighting, as required for the Common Area; and install, activate and operate street lights for roadways within the Project. The Association shall pay off any sums owed for street light installation prior to conveying street lights and related landscape areas and roads to the City of Renton.

5.4.4 Insurance. Obtain and pay for policies of insurance or bonds providing Common Area casualty and liability coverage, and for fidelity of Association officers and other employees, the requirements of which are more fully set forth in Article 15.

5.4.5 Maintenance and Repair of Common Areas. Pay for the costs of painting, maintenance, repair and all landscaping and gardening work for all Common Area, and improvements located thereon, so as to keep the Project in a good, clean, attractive, sanitary and safe condition and in full compliance with applicable governmental laws, rules and regulations and the provisions of this Declaration. The foregoing shall include: the cost of maintaining storm retention ponds or similar facilities, if any; the cost of maintaining, repairing and replacing mailbox stands that serve more than one (1) Lot; and such replacing and repairing of furnishings and equipment, if any, for the Common Area as the Board shall determine are necessary and proper.

5.4.6 Maintenance of Rights of Way, Etc. To the extent deemed advisable by the Board, pay for the costs of maintaining and landscaping rights of way, traffic islands and medians, or other similar areas which are within or adjacent to the Project boundaries, and which are owned by or dedicated to a governmental entity, if said governmental entity fails to do so; provided, the Lot Owner at the Owner's expense (rather than the Association) shall maintain and landscape such areas as are adjacent to such Owner's Lot.

5.4.7 Fences, Landscaping, Etc. To the extent deemed advisable by the Board, pay for the cost of constructing, maintaining, repairing and replacing: perimeter and interior fences, if any; and landscaping and improvements on easements, if any, which are located on or across Lots; provided, the Board at its option may require a Lot Owner at the Owner's expense to maintain, repair and replace such fences, landscaping and improvements as are adjacent to such Owner's Lot. All such perimeter and interior fences shall be constructed, maintained, repaired and replaced in accordance with the Common Fence Design Standards contained in attached Exhibit B.

5.4.8 Enforce Declaration. Enforce the applicable provisions of the Declaration for the management and control of the Project.

5.4.9 **Contracting and Payment for Materials, Services, Etc.** Contract and pay for any materials, supplies, labor or services which the Board should determine are necessary or proper for the enforcement of this Declaration, including legal, accounting, management or other services; provided that if for any reason any materials, supplies, labor or services are provided for particular Lots or their Owners, the cost thereof shall be specially charged to the Owners of such Lots.

5.4.10 **Attorney-in-Fact.** Each Owner, by the mere act of becoming an Owner, shall irrevocably appoint the Association as his/her attorney-in-fact, with full power of substitution, to take such action as reasonably necessary to promptly perform the duties of the Association and Board hereunder, including but not limited to the duties to maintain, repair and improve the Project, to deal with the Project upon damage or destruction, and to secure insurance proceeds.

5.4.11 **Borrowing of Funds.** In the discharge of its duties and the exercise of its powers as set forth herein, but subject to the limitations set forth herein, the Board may borrow funds on behalf of the Association.

5.4.12 **Adoption of Rules and Regulations; Fines.** When and to the extent deemed advisable by the Board, to adopt reasonable rules and regulations governing the maintenance and use of the Project and other matters of mutual concern to the Lot Owners, which rules and regulations are not inconsistent with this Declaration and the Bylaws and which treat all Owners fairly and on a non-discriminatory basis. The Board may impose and collect charges for late payments of assessments and, after notice and an opportunity to be heard by the Board or by a representative designated by the Board in accordance with procedures as provided in the Bylaws or rules and regulations adopted by the Board, levy reasonable fines in accordance with a previously established schedule adopted by the Board and furnished to the Owners for violation of the Bylaws, rules and regulations of the Association.

5.4.13 **Additional Powers of Association.** In addition to the duties and powers of the Association as specified in this Declaration, but subject to the provisions of this Declaration, the Association, acting through its Board, shall have the power to do all other things that it may deem reasonably necessary to carry out its duties and the purposes of this Declaration.

ARTICLE 6: ARCHITECTURAL CONTROL

6.1 Construction and Exterior Alteration or Repair.

6.1.1 All buildings and structures (including, without limitation, concrete or masonry walls, rockeries, fences, sheds, swimming pools, if any, or other structures) to be constructed within the Project, and all exterior alterations and repairs (including, but not limited to, reroofing or repainting) of any buildings or structures on the Project and visible from any public street, Common Area or other Lot must be approved in writing by the Board,

or by an Architectural Control Committee ("ACC") composed of three (3) or more representatives appointed by the Board, at least two (2) of whom shall be Board members; provided that during the Declarant Control Period, Declarant at its option may exercise all of the rights and powers of the Board under Section 6.1 including without limitation the appointment of members of the ACC. References in this Article 6 to the ACC shall be deemed to include the ACC, the Board, or the Declarant, as circumstances may dictate. Complete plans and specifications, including colors, of all such proposed buildings, structures, and exterior alterations and repairs, together with detailed plans showing the proposed location of the same on the particular building site and other data requested by the ACC, shall be submitted to the ACC along with a written request for approval signed by the Owner. Any exterior modifications in accordance with plans and specifications developed by the Declarant and filed with the Board at the time of transfer (pursuant to Article 5.3) shall be deemed approved exterior modifications.

6.1.2 The ACC will review all requests for approval of construction, alteration or repair for quality of workmanship and materials planned and for conformity and harmony of the external design with proposed or existing structures on the Lots, and for location of the building with respect to topography, finish grade elevation and building setback restrictions.

6.1.3 In the event the ACC fails to approve, approve with conditions, or disapprove the plans and specifications submitted by an Owner within thirty (30) days after submission of an application therefore, then the applicant may request in writing a response within an additional fourteen (14) days. In the event there remains no response, the application shall be deemed approved, provided, however, the plans and specifications must still comply with this Declaration in all aspects.

6.1.4 All plans and specifications for approval by the ACC must be submitted in duplicate, at least thirty (30) days prior to the proposed construction or exterior alteration or repair starting date. Construction, alteration or repair shall not be started until written approval thereof is given by the ACC.

6.1.5 The ACC may require that said plans or specifications be prepared by an architect or a competent house designer, approved by the ACC. One complete set of said plans and specifications shall in each case be delivered to and permanently retained by the ACC. All buildings or structures (including but not limited to garden sheds) shall be erected or constructed, and all exterior alterations or repairs made, by a contractor, house builder or other person or entity approved by the ACC. The ACC shall have the right to refuse to approve any design, plan or color for such improvements, construction, or exterior alteration or repair visible from a public street, Common Area or other Lot which is not suitable or desirable, in the ACC's reasonable opinion, aesthetic or otherwise.

6.1.6 In so passing upon such design, the ACC shall have the right to take into consideration the suitability of the proposed building or other structure, and the material of which it is to be built, and the exterior color scheme, to the site upon which it is proposed

to be erected, the harmony thereof with the surroundings, and the effect or impairment that said structure will have on the view or outlook of surrounding building sites, and any and all factors, which, in the ACC's opinion, could affect the desirability or suitability of such proposed structure, improvements, or exterior alteration or repair.

6.1.7 The ACC shall have the right to disapprove the design or installation of a swimming pool or any other recreational structure or equipment, in the ACC's reasonable opinion, aesthetic or otherwise. In so passing upon such design or proposed installation, the ACC shall have the right to take into consideration the visual impact of the structure and the noise impact of the related activities upon all of the properties located in close proximity. Any enclosure or cover used in connection with such a recreational structure or equipment, whether temporary, collapsible, seasonal, or otherwise, shall be treated as a permanent structure for the purposes of these covenants, and shall be subject to all the conditions, restrictions, and requirements as set forth herein for all buildings and structures.

6.1.8 The ACC shall have the right to require, at a Lot Owner's expense, the trimming or topping (or, if deemed necessary by the ACC, removal) of any tree, hedge or shrub on a Lot which the ACC determines is unreasonably blocking or interfering with the view or access to sunlight of another Lot.

6.1.9 The ACC shall have the right to specify precisely the size, color and style of mailboxes, and of the post or support on which such mailboxes are affixed, and their location within the Project, whether or not such mailbox stand is a Common Area.

6.1.10 Approval by the ACC is independent of, in addition to, and not to be construed as a representation as to compliance with, any requirements for a permit, license or other approval by the City of Renton or other applicable governmental or quasi-governmental entity. The Lot Owner is responsible for obtaining any such governmental approvals.

6.1.11 Declarant (including any successor in interest to Declarant's status as Declarant) shall not be subject to the restrictions of this Section 6.1 as to any Lot owned by Declarant, either during or after the Declarant Control Period.

6.2 **Sales Facilities of Declarant.** Notwithstanding any provision in this Declaration to the contrary, Declarant (and its agents, employees and contractors) shall be permitted to maintain during the period of sale of Lots and/or Homes upon such portion of the Project as Declarant still owns and as Declarant may choose, such facilities as in the sole opinion of the Declarant may be reasonably required, convenient or incidental to the construction, sale or rental of Lots and Homes, including but not limited to, a business office, storage area, signs, model units, sales office, construction office, and parking areas for all prospective tenants or purchasers of Declarant.

6.3 **Variances.** So long as Declarant owns any Lot, the Board may in its reasonable discretion, upon written request of the Declarant, grant a variance from the requirements of Article 7; thereafter, the Board may, upon written request of an Owner, grant

a variance from the requirements of Article 7 only in cases where, because of the physical characteristics of the Lots, strict enforcement would result in an unnecessary hardship. Beginning at such time that Declarant owns no Lot, the Board may only grant a variance from the provisions of Sections 7.11 through 7.17, 7.19 through 7.21, 7.23, 7.29, or 7.36. The Board's authority to grant such a variance shall not be delegated to the ACC. Prior to granting such a variance, the Board shall hold an open hearing at which other Owners may comment. At least fifteen (15) days prior to such hearing, the Board shall give written notice of the nature of the requested variance: to the Owner of each Lot immediately adjacent to the Lot for which the variance is requested; to other Owners that would reasonably be affected by the variance; and by requiring the Owner requesting the variance to post a notice on such Owner's Lot in a form reasonably satisfactory to the Board.

6.4 Appeals. Any aggrieved Owner may appeal a decision of the ACC to the Board by written notice within sixty (60) days after the ACC's written decision. The Board will review the ACC decision at the Board's next regularly scheduled meeting (but in any event not later than thirty (30) days after receipt of the notice of appeal). The Board shall give written notice to the appealing Owner of the time and place of such meeting at least five (5) days in advance. During the Declarant Control Period, the Declarant shall perform the role of the Board described in this Section 6.4.

ARTICLE 7: USE AND MAINTENANCE OBLIGATION OF OWNERS

7.1 Maintenance of Lots. Each Owner, at said Owner's sole cost and expense, shall promptly and continuously maintain, repair and restore said Owner's Lot (including the yard and landscaping) and Home and other improvements located thereon, and also such other areas as may be required pursuant to Sections 5.4.6 and 5.4.7, in a good, clean, attractive, safe and sanitary condition and in full compliance with all applicable governmental laws, rules and regulations and the provisions of this Declaration and the rules and regulations of the Association.

7.2 Residential Use. Except as provided in Section 7.6, all Lots and improvements located thereon shall be used, improved and devoted exclusively to residential use.

7.3 Restriction on Further Subdivision. No Lot or portion of a Lot shall be divided and sold or resold, nor ownership changed or transferred whereby the ownership of any portion of this Project shall be less than the area required for the use district in which located; provided, the foregoing shall not prohibit deeds of correction, deeds to resolve boundary disputes and similar corrective instruments. Lots may be joined and joined Lots may subsequently be subdivided only into the Lots originally joined.

7.4 Rental Lots.

7.4.1 With respect to the leasing, renting, or creating of any kind of tenancy of a Lot and improvements thereon by its Owners, such Owner shall be prohibited from

leasing or renting less than the entire Lot or improvements thereon, or (with the exception of a lender in possession of a Lot and improvements thereon following a default in a first mortgage, a foreclosure proceeding or any deed of trust sale or other arrangement in lieu of a foreclosure) for a term of less than six (6) months; and all leasing or rental agreements shall be in writing, and shall be subject to the Declaration and Bylaws (with a default of the tenant in complying with the Declaration and Bylaws constituting a default under the lease or rental agreement).

7.4.2 If a Lot or Home is rented by its Owner, the Board on behalf of the Association may collect, and the tenant or lessee shall pay over to the Board, so much of the rent for such Lot or Home as is required to pay any amounts due the Association hereunder, plus interest and costs, if the same are in default over thirty (30) days. The renter or lessee shall not have the right to challenge payment over to the Board, and such payment will discharge the lessee's or renter's duty of payment to the Owner for rent, to the extent such rent is paid to the Association, but will not discharge the liability of the Owner or the Lot under this Declaration for assessments and charges, or operate as an approval of the lease. The Board shall not exercise this power where a receiver has been appointed with respect to the Lot or its Owner, nor in derogation of any rights which a mortgagee of such Lot may have with respect to such rents. Other than as stated in this Article 7 there are no restrictions on the right of any Owner to lease or otherwise rent such Owner's Lot or Home.

7.5 **Zoning Regulations.** Zoning regulations, building regulations, environmental regulations and other similar governmental regulations applicable to the Project shall be observed. In the event of any conflict between any provision of such governmental regulations and the restrictions of this Declaration, the more restrictive provision shall apply.

7.6 **Business Use.** No business of any kind shall be conducted on any Lot with the exception of: (a) the business of Declarant in developing and selling all of the Lots; and (b) such home occupation as may be permitted by the appropriate local government and which is not otherwise in violation of the provisions of this Declaration.

7.7 **Building Setback Requirements.** All buildings and other Lot improvements shall comply with all applicable governmental requirements, including without limitation minimum setback requirements.

7.8 **Oil and Mining Operations.** No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot; nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot.

7.9 **Catch Basin.** The Owner of each Lot shall ensure the cleaning of all catch basins, if any, located on such Lot at least once prior to September 15 of each calendar year.

7.10 **Lot Size.** No residential structure shall be erected or placed on any Lot which has a Lot area of less than that required by the government entity having appropriate jurisdiction over the Project.

7.11 **Garages.** Every Home must have a garage capable of holding at least two full-size cars, but no more than three full-size vehicles (any car, boat, recreational vehicle, etc. shall be deemed one car for purposes of this limitation). All vehicles must be stored in garages or in a manner which the Board reasonably determines is not offensive when viewed from the street or from the ground level of adjacent Lots or Common Areas.

7.12 **Square Footage.** Each single family residence must include a minimum of 1,400 square feet for single story Homes and 1,600 square feet for two-story Homes, excluding garage, porches and decks.

7.13 **Mobile or Manufactured Housing.** Custom designs by licensed architects shall be strongly encouraged and any use of repetitive design shall be strongly discouraged and/or prohibited at the discretion of the ACC. The ACC may refuse to approve a plan based on design or repetitive use of a plan, or for failure to meet the approved criteria as set forth. There shall be no mobile or manufactured housing.

7.14 **Driveway Standards.** All driveways shall be constructed of concrete with a minimum of aggregate finish or other material approved by ACC.

7.15 **Parking.** Unless substantially screened from view from the street or from the ground level of adjacent Lots and Common Area in a manner reasonably approved by the ACC, no recreational vehicles, commercial vehicles, construction or like equipment, motorcycles, or trailers (utility, boat, camping, horse, or otherwise), shall be allowed to be parked or stored on any Lot or street for a cumulative period in excess of fourteen (14) days in any one (1) calendar year. No motor vehicles of any kind shall be parked overnight on any street adjoining any Lot or Common Area; provided that, such vehicles belonging to guests of a Lot Owner may occasionally be so parked so long as such parking will not violate any other provision of this Section 7.15. No motor vehicle of any kind that is inoperative by reason of mechanical failure shall be parked or stored on any Lot or in any right-of-way or street adjoining any Lot or Common Area for more than seventy-two (72) hours. The Board shall have full authority to determine, in its sole discretion, if any vehicle is obnoxious or undesirable to other Lot Owners and to enforce this covenant. Pursuant to Article 9 of this Declaration, the Association may levy fines or have vehicles that are parked in violation of this Section towed and impounded at the Owner's expense.

7.16 **Roof.** The exterior of all roofs shall be composed of materials approved by ACC. All roofs must have a pitch of at least 4/12 (four on twelve), unless approved by the ACC based on considerations regarding a specific Lot. Under no circumstances are flat roofs allowed. Roof material shall be at least twenty-five (25) year architectural composition asphalt shingle, charcoal color or other color approved by the ACC, and by a manufacturer approved and accepted by ACC.

7.17 **Exterior Finish.** The exterior of each Home shall be designed, built and maintained in such a manner as to blend in with the natural surroundings, existing structures and landscaping of the Project. All exterior materials and all exterior colors must be approved by the ACC in accordance with the provisions of this Declaration. Exterior trim, fences, doors, railing, decks, eaves, gutters and the exterior finish of garages and other accessory buildings (including garden sheds) shall be designed, built and maintained to be compatible with the exterior of the structures they adjoin. Homes and other structures may be finished in vinyl siding if approved by the ACC. In no event shall T-111 panelized type siding be permitted on any Home or other structure.

7.18 **Utilities.** All utilities shall be installed underground. No fuel tank shall be maintained above ground unless properly screened in a manner acceptable to the ACC. All Lots shall be served by public water and sewer. No wells or septic systems shall be constructed or maintained on any Lot.

7.19 **Antenna.** No antenna, satellite dish or other similar type of exterior equipment shall be allowed on any Lot unless approved in writing by the ACC. As a condition of approval the ACC may require reasonable shielding of such antenna, satellite dish or equipment from view from the street and the ground level of adjacent Lots or Common Areas. In no event shall any satellite dish or similar antenna greater than one (1) meter in diameter be permitted.

7.20 **Fencing.** No fences or site-screening improvements shall be erected without the prior written approval of the ACC. Fences may only be placed along the rear property line, along the front building line, and from the front building line to the rear Lot line, cannot exceed six (6) feet in height above the ground, under no circumstances may obstruct view from any other Lot, must be constructed of wood or other material approved by the ACC, and shall be constructed, maintained, repaired and replaced in accordance with the Common Fence Design Standards contained in attached Exhibit B; provided that the foregoing height limitation shall not apply to site screening approved by the ACC pursuant to Section 7.15. Hedges or other solid screen planting may be used as Lot line barriers subject to the same height restrictions as fences. No chain-link fences shall be permitted on a Lot. No fence, wall or hedge shall be permitted on a Lot any nearer to any street than a building is permitted under Section 7.7, except that nothing shall prevent the erection of a necessary retaining wall, the top of which does not extend more than three (3) feet above the finished grade at the back of said retaining wall.

7.21 **Fireplace Chimneys.** Fireplace chimneys must be constructed with material approved by the ACC and as otherwise required by this Declaration.

7.22 **Garbage and Refuse.** No garbage, refuse, rubbish, cuttings, or debris of any kind shall be deposited on or left upon any Lot unless placed in an attractive container suitably located and screened from view from the street and from the ground level of adjacent Lots and Common Area. Such containers shall be returned to the screened location by the end of each scheduled pick-up day. All equipment for the storage or disposal of such materials

shall be kept in a clean and sanitary condition. No building material of any kind shall be placed or stored on any property within the Project until the Lot Owner is ready to commence construction, and then such materials shall be placed within the boundary lines of the Lot upon which its use is intended. Garbage cans may only be placed in public view on the day of garbage pick-up. All woodpiles and storage areas must be placed so that they do not obstruct or hamper any other Lot Owner's view and must be suitably screened from view from the street and from the ground level of adjacent Lots and Common Area.

7.23 **Games and Play Structures.** No deck, platform, dog house, playhouse or structure of a similar kind or nature shall be constructed on any part of a Lot located in front of the rear line of the residence constructed thereon, and any such structure must have prior approval of the ACC.

7.24 **Construction of Significant Recreation Facilities.** The construction of any significant recreational facilities on any Lot including, but not limited to, such items as swimming pools and tennis, badminton or pickle ball courts shall require the approval of the ACC and shall be subject to the requirements adopted by the ACC.

7.25 **Livestock and Poultry.** No animals or reptiles of any kind shall be kept on the Project, except that dogs, cats, and other indoor household pets may be kept provided that they are not kept, bred, or maintained for any commercial purpose. No individual Lot Owner shall keep more than two (2) dogs.

7.26 **Landscaping.** All cleared areas between the front building line and the street shall be fully landscaped within thirty (30) days, depending on weather conditions, of the time when Home is ready for occupancy. Owner shall install or have installed fully landscaped rear and side yards within nine (9) months of occupancy unless a longer time is approved by the ACC.

7.27 **Signs.** No signs of any kind, nor for any uses, shall be erected, posted, painted or displayed on any Lot or Common Area whatsoever, except for public notices by political divisions of the State or County or as required by law. Any builder or the builder's agent may erect and display signs during the period the builder is building and selling property in the Project only with prior approval from ACC. Any Lot Owner or the Lot Owner's agent wishing to sell that Owner's Lot may place one (1) "For Sale" sign on the Lot, provided such sign complies with any rules published by the ACC.

7.28 **Temporary Structures.** No trailer, basement, tent, shack, garage, barn or other outbuildings or any structure of a temporary character erected or placed on the Project shall at any time be used as a residence, even temporarily. No building or structure shall be moved on to the Project from any land outside the Project. A trailer may be placed and occupied by the designated subdivision sales agent with the prior written approval of the ACC. A construction shack may be used by an Owner's construction contractor during the construction period.

7.29 **Completion of Construction.** All construction shall begin within eighteen (18) months of the date of closing of the sale from the Declarant for each Lot. Any dwelling or structure erected or placed on any Lot shall be completed as to external appearance, including finish painting or staining, and shall be connected to sewers within eight (8) months from the date of commencement of construction, unless some longer period of time is approved in writing by the ACC.

7.30 **Easements.** Easements for the installation and maintenance of utilities, drainage and irrigation facilities are reserved as shown on the Plat Map and as described in Article 12. Within these easements no structure, planting or other materials shall be placed or permitted to remain which may damage or interfere with the installation and/or maintenance of such utilities, or which may change the directions of flow of water through a drainage channel in the easement, or which may obstruct or retard the flow of water through drainage channels in the easement. Any easement or portion thereof located on any Lot and all improvements thereon shall be maintained continuously by the Lot Owner.

7.31 **Use During Construction.** Except with the approval of the ACC, no person shall reside in any structure on any Lot until such time as the improvements to be erected thereon in accordance with the plans and specifications approved by the ACC have been completed. Completion shall be considered receipt of a final inspection of the dwelling unit by the King County Building Department or other applicable government official.

7.32 **Excavations.** Except with the permission of the ACC, or except as may be necessary in connection with the construction of any approved improvement, no excavation shall be made nor shall any dirt be removed from or added to any Lot. Except with permission of ACC, no retaining wall of more than four feet (4) in height (exposed height) may be constructed on any Lot.

7.33 **Nuisances.** No noxious or undesirable thing, or noxious or undesirable use shall be permitted or maintained upon any Lot or upon any other portion of the Project. If the Board determines that a thing or use is undesirable or noxious, that determination shall be conclusive.

7.34 **Clothes Lines, Other Structures.** No clothes lines or other structures of a similar nature shall be visible from any street or the ground level of any adjacent Lot or Common Area.

7.35 **Common Drives.** Common drives, walks (if any) and paths (if any) shall be used exclusively for normal transit and no obstructions shall be placed thereon or therein except by express written consent of the Board.

7.36 **Building Height.** Except with the permission of the ACC, no building height shall exceed thirty five (35) feet, as measured from the lowest floor elevation of the house (either garage floor or living area floor) to the maximum point on the roof or as otherwise limited by the building code of the applicable jurisdiction or government entity.

7.37 **Storm Runoff.** Each Lot Owner shall ensure that all roof down spout drains are properly cleaned and maintained, and that the tight line drainage lines or storm infiltration system on each Lot are clean and free of any debris. Due diligence shall be exercised by each Lot Owner to prevent adverse impact of storm runoff onto down stream Lots.

ARTICLE 8: COMMON EXPENSES AND ASSESSMENTS

8.1 **Creation of the Lien and Personal Obligation of Assessments.** The Declarant, for each Lot owned within the Project, 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 any assessment duly levied by the Association as provided herein. Such assessments, together with interest, costs, late charges and reasonable attorneys' 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, late charges and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to successors in title unless the lien for such delinquent assessments had been properly recorded prior to title transfer or unless expressly assumed by them. Provided, however, that in the case of a sale of any Lot which is charged with the payment of an assessment or assessments payable in installments, the person or entity who is the Owner immediately prior to the date of any such sale shall be personally liable only for the amount of the installments due prior to said date. The new Owner shall be personally liable for installments which become due on and after said date.

8.2 **Uniform Rate.** Any assessments which may be levied from time to time pursuant to the authority of the Board as set forth in Section 5.4.1, shall be fixed at a uniform rate for each Lot, except for assessments levied against an Owner for the purpose of reimbursing the Association for costs incurred in bringing the Owner or his/her Home and/or Lot into compliance with the provisions of this Declaration. Declarant shall not be obligated to pay any assessment levied against any Lots owned by it. An assessment against a Lot shall be the joint and several personal obligation of all Owners of that Lot.

8.3 **Initial Assessment Amount.** Upon the sale of each Lot by the Declarant (whether to a builder or otherwise), each Lot Owner, at the time of his/her purchase of the Lot, shall pay an initial start-up assessment to the Association in the amount of \$300.00. Such initial assessment shall be in addition to any annual assessment provided for in this Article 8 and shall be for the purpose of reimbursing the Declarant and/or Association for maintenance and operating expenses of and for the Common Areas during the initial development and house sales period, and for costs incurred by the Declarant and/or Association for the installation, activation and operation of street lights within the Project. Notwithstanding the provisions set forth above, the Declarant shall not be liable for any initial assessments assessed or due so long as Declarant owns any Lot.

8.4 **Limitation on Annual Assessment Amount.**

8.4.1 **Board Authority.** At any time after the sale of the first Lot by the Declarant (whether to a builder or otherwise), the Board shall have the authority, without obtaining prior approval of the Owners, to levy assessments in a given calendar year totaling not more than \$285.00 per Lot. Assessments included in the foregoing calculation shall not include any assessments which are levied against an Owner for reimbursing the Association for costs incurred in bringing the Owner or his/her Home and/or Lot into compliance with the provisions of this Declaration nor any initial assessments provided for in Section 8.3. Notwithstanding the provisions set forth above, the Declarant shall not be liable for any fees or assessments assessed or due so long as Declarant owns any Lot.

8.4.2 **Annual Increase in Dollar Limit.** The maximum dollar amount specified in Section 8.4.1 shall not be increased by more than fifteen percent (15%) without the approval of a majority of the Lot Owners voting at a meeting duly called for such purpose.

8.4.3 **Owner Approval Required.** Any assessment to be levied in a given calendar year which would cause the total of all assessments for the year to exceed the sum per Lot permitted by Sections 8.4.1 and 8.4.2 shall require the calling of a meeting of the Association upon notice sent to all members not less than thirty (30) nor more than sixty (60) days in advance of the meeting, and the approval at such meeting of the levy of such assessment by a majority of the Lots represented at such meeting, provided a quorum is present as defined in the Bylaws.

8.5 **Manner and Time of Payment.** Assessments shall be payable by each Owner in such reasonable manner as the Board shall designate. Any assessment or installment thereof which remains unpaid for at least fifteen (15) days after the due date thereof shall bear interest at an annual rate equal to the greater of twelve percent (12%) or the Prime Rate plus three percent (3%), and the Board may also assess a late charge in an amount not exceeding twenty-five (25%) of any unpaid assessment which has been delinquent for more than fifteen (15) days. "Prime Rate" means the prime business lending rate, determined and quoted from time to time by U.S. Bank, Seattle Main Branch (or its successor), as the same may be adjusted from time to time. If U.S. Bank ceases to quote a prime rate or a similar rate, the interest rate shall be based upon such similar prime business lending rate as is determined and quoted from time to time by the Wall Street Journal or, if the Wall Street Journal ceases to quote such rate, by a nationally recognized financial publication selected by the Board. If any such prime rate is determined and quoted as a range of rates, the simple average of the high and low rates of such range shall be used.

8.6 **Accounts.** Any assessments collected by the Association shall be deposited in one or more insured institutional depository accounts established by the Board. The Board shall have exclusive control of such accounts and shall maintain accurate records thereof; provided, however, that the Board may exercise such control through a property manager retained pursuant to Section 5.4.2. No withdrawal shall be made from said accounts except to pay for charges and expenses authorized by this Declaration.

8.7 **Lien.** In the event any assessment or installment thereof remains delinquent for more than thirty (30) days, the Board may, upon fifteen (15) days prior written notice to the Owner of such Lot of the existence of the default, accelerate and demand immediate payment of

the entire assessment. The amount of any assessment assessed or charged to any Lot plus interest, costs, late charges and reasonable attorneys' fees, shall be a lien upon such Lot. A claim of lien may be recorded in the office where real estate conveyances are recorded for the county in which this Project is located. Such claim of lien may be filed at any time at least fifteen (15) days following delivery of the notice of default referred to above. The lien for payment of such assessments and charges shall have priority over all other liens and encumbrances, recorded or unrecorded, limited as provided in Section 11.1. Suit to recover a money judgment for unpaid assessments or charges shall be maintainable with or without foreclosure or waiver of the lien securing the same.

8.8 **Waiver of Homestead.** Each Owner hereby waives, to the extent of any liens created pursuant to this Article, the benefit of any homestead or exemption law in effect at the time any assessment or installment thereof becomes delinquent or any lien is imposed pursuant to the terms hereof.

8.9 **Continuing Liability for Assessments.** No Owner may exempt himself/herself from liability for his/her Assessments by abandonment of his/her Lot.

8.10 **Records, Financial Statements.** The Board shall prepare or cause to be prepared, for any calendar year in which the Association levies or collects any assessments, and shall distribute to all Owners, a balance sheet and an operating (income/expense) statement for the Association, which shall include a schedule of assessments received and receivable, identified by the number of the Lot and the name of the Owner so assessed. The Board shall cause detailed and accurate records of the receipts and expenditures of the Association to be kept specifying and itemizing the maintenance, operating, and any other expenses incurred. Such records, copies of this Declaration, the Articles and the Bylaws, and any resolutions authorizing expenditures of Association funds shall be available for examination by any Owner at reasonably convenient hours.

8.11 **Certificate of Assessment.** A certificate executed and acknowledged by the treasurer or the president of the Board, or an authorized agent thereof if neither the president nor treasurer is available, stating the indebtedness for assessments and charges or lack thereof secured by the assessment lien upon any Lot shall be conclusive upon the Association as to the amount of such indebtedness on the date of the certificate, in favor of all persons who rely thereon in good faith. Such a certificate shall be furnished to any Owner or any encumbrancer of a Lot within a reasonable time after request, in recordable form, at a reasonable fee. Unless otherwise prohibited by law, any encumbrancer holding a lien on a Lot may pay any unpaid assessments or charges with respect to such Lot, and, upon such payment, shall have a lien on such Lot for the amounts paid of the same rank as the lien of his/her encumbrance.

8.12 **Foreclosure of Assessment Lien, Attorneys' Fees and Costs.** The Declarant or Board, on behalf of the Association, may initiate action to foreclose the lien of, or collect, any assessment. In any action to foreclose the lien of, or otherwise collect, delinquent assessments or charges, any judgment rendered in favor of the Association shall include a reasonable sum for attorneys' fees and all costs and expenses reasonably incurred in preparation for or in the

prosecution of said action (including in any arbitration, on appeal, and in any bankruptcy proceeding), in addition to taxable costs permitted by law.

8.13 **Curing of Default.** The Board shall prepare and record a satisfaction and release of the lien for which a claim of lien has been filed and recorded in accordance with this Article upon timely payment or other satisfaction of all delinquent assessments set forth in the Notice, and all other assessments which have become due and payable following the date of such recordation with respect to the Lot as to which such claim of lien was recorded, together with all costs, late charges and interest which have accrued thereon. An additional administrative fee of twenty-five dollars (\$25.00) covering the cost of preparation and recordation shall be paid to the Association prior to such action. The satisfaction of the lien created by the claim of lien shall be executed by the president or treasurer of the Association or by any authorized representative of the Board. For the purposes of this paragraph, the term "costs" shall include costs and expenses actually incurred or expended by the Association in connection with the cost of preparation and recordation of the claim of lien and in efforts to collect the delinquent assessments secured by the lien and a reasonable sum for attorneys' fees.

8.14 **Omission of Assessment.** The omission by the Board or the Association to fix the estimate for assessments and charges hereunder for the next year before the expiration of any current year shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of the Owner from the obligation to pay the assessments and charges, or any installment thereof for that or any subsequent year. The assessment and charge fixed for the preceding year shall continue until a new assessment or charge is fixed.

8.15 **Assessment Deposit.** A Lot Owner may be required, by the Board or by the managing agent, from time to time, to make and maintain a deposit of not more than the total of: one (1) annual assessment; plus either one (1) special assessment if special assessments are payable on an annual basis, or three (3) special assessment installments if special assessments are payable on a monthly or other periodic basis. Such deposit may be collected as are other assessments and charges. Such deposit shall be held in a separate fund, be credited to such Owner, and be for the purpose of establishing a working capital fund for the initial Project operations and a reserve for delinquent assessments. Resort may be had thereto at any time when such Owner is ten (10) days or more delinquent in paying his/her assessments and charges, to meet unforeseen expenditures, to acquire additional equipment or services deemed necessary or desirable by the Board, or as a credit against any annual or special assessments to become due from such Owner. Said deposits shall not be considered as advance payments of annual assessments. All or any portion of such deposit may at any time be refunded to the Owner by the Association in the discretion of the Board, such refund being made as a cash refund or a credit against assessments subsequently to become due or a combination thereof.

8.16 **Exempt Property.** The following property subject to this Declaration shall be exempt from the assessments created herein:

8.16.1 All properties dedicated to and accepted by a governmental entity;

8.16.2 All Common Areas; and

8.16.3 All properties owned by a charitable or nonprofit organization or an organization exempt from taxation by the laws of the State of Washington.

However, the land or improvements, which are referred to in Sections 8.16.1, 8.16.2 and 8.16.3 and which are devoted to dwelling use, shall not be exempt from said assessments.

8.17 **Effect of Legal Proceedings.** In any legal proceeding commenced pursuant to Section 9.1.1, and notwithstanding the assessment limitations provided for in this Declaration, the court having jurisdiction over such proceeding shall also have jurisdiction and power to cause assessments to be levied and collected on an equal per Lot basis in such amounts as is reasonably necessary to cause the Project to be properly administered in accordance with the provisions of this Declaration and the Bylaws, or to cause the provisions of this Declaration and the Bylaws to be properly applied and enforced.

ARTICLE 9: COMPLIANCE WITH DECLARATION

9.1 Enforcement.

9.1.1 **Compliance of Owner.** Each Owner, Board member and the Association shall comply strictly with the provisions of this Declaration and with the Bylaws and administrative rules and regulations adopted by the Association (as the same may be lawfully amended from time to time). Failure to comply shall be grounds for an action to recover sums due for damages, or injunctive relief, or both, maintainable by the Board (acting through its officers on behalf of the Association and the Owners), or by the aggrieved Owner on his/her own against the party (including an Owner or the Association) failing to comply. In addition, the Association may impose and collect fines as provided in Section 5.4.12 of this Declaration.

9.1.2 **Compliance of Lessee.** Each Owner who shall rent or lease his/her Lot shall insure that the lease or rental agreement is in writing and subject to the terms of this Declaration, Articles of Incorporation, and Bylaws. Said agreement shall further provide that failure of any lessee to comply with the provisions of said documents shall be a default under the lease.

9.1.3 **Attorneys' Fees.** In any action to enforce the provisions of this Declaration, the Articles of Incorporation or the Bylaws, the prevailing party in such legal action shall be entitled to an award for reasonable attorneys' fees and all costs and expenses reasonably incurred in preparation for or prosecution of said action (including in any arbitration, on appeal, or in any bankruptcy proceeding), in addition to taxable costs permitted by law.

9.2 **No Waiver of Strict Performance.** The failure of the Board, or Declarant or Declarant's managing agent, as applicable, in any one or more instances to insist upon or enforce the strict performance of any of the terms, covenants, conditions or restrictions of this Declaration, or of any Bylaws or administrative rules or regulations, shall not be construed as a

waiver or a relinquishment for the future of such term, covenant, condition or restriction, but such term, covenant, condition or restriction shall remain in full force and effect. No waiver by the Board of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Board.

9.3 **Right of Entry.** Violation of any of the provisions hereof shall give to Declarant, its successors, or the Association, the right to enter upon the Lot as to which such violation exists and to abate, correct and remove, at the expense of the Owner thereof, any erection, thing or condition that may be or exists thereon contrary to the provisions hereof. Such entry shall be made only after three (3) days notice to said Owner and with as little inconvenience to the Owner as possible, and any damage caused thereby shall be repaired by the Association. Declarant, its successors, or the Association shall not be deemed guilty of any manner of trespass by such entry, abatement or removal.

9.4 **Remedies Cumulative.** The remedies provided are cumulative, and the Board may pursue them concurrently, as well as any other remedies which may be available under law although not expressed herein.

ARTICLE 10: LIMITATION OF LIABILITY

10.1 **No Personal Liability.** So long as a Board member, Association committee member, Association officer, Association agent, or Declarant exercising the powers of the Board, has acted in good faith, without willful or intentional misconduct, upon the basis of such information as may be possessed by such person, no such person shall be personally liable to any Owner, or other party, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error, negligence (except gross negligence), any discretionary decision, or failure to make a discretionary decision, by such person in such person's official capacity; PROVIDED, that this section shall not apply where the consequences of such act, omission, error or negligence are covered by insurance or bonds obtained by the Board pursuant to this Declaration.

10.2 **Indemnification of Board Members.** Each Board member or Association committee member, or Association officer, Association agent, or Declarant exercising the powers of the Board, and their respective heirs and successors, shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed in connection with any proceeding to which he/she may be a party, or in which he/she may become involved, by reason of being or having held such position at the time such expenses or liabilities are incurred, except in such cases wherein such person is adjudged guilty of intentional misconduct or gross negligence or a knowing violation of law in the performance of his/her duties, and except in such cases where such person has participated in a transaction from which said person will personally receive a benefit in money, property, or services to which said person is not legally entitled; PROVIDED, that, in the event of a settlement, the indemnification shall apply only when the Board approves such settlement and reimbursement as being in the best interest of the Association. Nothing contained in this Section 10.2 shall, however, be deemed to obligate the Association to indemnify any Owner of a Lot who is or has

been a Board member or officer of the Association with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of the Declaration as an Owner of a Lot covered thereby and not as a Board member or officer of the Association.

ARTICLE 11: MORTGAGEE PROTECTION

11.1 Priority of Mortgagee. Notwithstanding all other provisions hereof, the liens created under this Declaration upon any Lot for assessments shall be subject to tax liens on the Lot in favor of any assessing unit and/or special district and be subject to the rights of the secured party in the case of any indebtedness secured by first lien Mortgages which were made in good faith and for value upon the Lot. Where the Mortgagee of a Lot, or other purchaser of a Lot, obtains possession of a Lot as a result of Mortgage judicial or nonjudicial foreclosure or deed in lieu thereof, such possessor and its successors and assigns shall not be liable for the share of any assessment by the Association chargeable to such Lot which becomes due prior to such possession, but will be liable for any assessment accruing after such possession. Such unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from all of the Lot Owners including such possessor, its successor and assigns.

11.2 Effect of Declaration Amendments. No amendment to this Declaration shall be effective to modify, change, limit or alter the rights expressly conferred upon Mortgagees in this instrument with respect to any unsatisfied Mortgage duly recorded unless the amendment shall be consented to in writing by the holder of such Mortgage. Any provision of this Article concerning rights of Mortgagees that is inconsistent with any other provision of this Declaration shall control over such other inconsistent provisions.

11.3 Right of Lien Holder. A breach of any of the provisions, conditions, restrictions, covenants, easements or reservations herein contained shall not affect or impair the lien or charge of any bona fide Mortgage made in good faith and for value on any Lots; provided, however, that any subsequent Owner of the Lot shall be bound by these provisions whether such Owner's title was acquired by foreclosure or trustee's sale or otherwise.

11.4 Change in Manner of Architectural Review and Maintenance Within Project. The Association shall not, without prior written approval of seventy-five percent (75%) of all first Mortgagees (based upon one (1) vote for each first Mortgage owned) and seventy-five percent (75%) of all Owners (other than Declarant) of record by act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of Homes, the exterior maintenance of Homes, maintenance of walkways, fences and driveways, or the upkeep of lawns and plantings in the development, including the provisions of Articles 4 and 5 hereof.

11.5 Copies of Notices. If the first Mortgagee of any Lot so requests the Association in writing, the Association shall give written notice to such first Mortgagee if an Owner/Mortgagor of a Lot has for more than sixty (60) days failed to meet any obligation under this Declaration.

11.6 **Furnishing of Documents.** The Association shall make available to prospective purchasers, Mortgagees, insurers, and guarantors, at their request, current copies of the Declaration, Bylaws, and other rules governing the Project, and the most recent balance sheet and income/expense statement for the Association, if any has been prepared.

ARTICLE 12: EASEMENTS

12.1 **Association Functions.** There is hereby reserved to Declarant and the Association, or their duly authorized agents and representatives, such easements as are necessary to perform the duties and obligations of the Association as are set forth in the Declaration, or in the Bylaws, and rules and regulations adopted by the Association.

12.2 **Easements Over Common Areas.** Except as provided in Article 3.1.4, the Board, on behalf of the Association and all members thereof, shall have authority to grant (in accordance with applicable governmental laws and regulations) utility, road and similar easements, licenses and permits, under, through or over the Common Area, which easements the Board determines are reasonably necessary to the ongoing development and operation of the Project.

12.3 **Access to Public Streets.** Each Owner and his/her guests and invitees shall have a perpetual, non-exclusive easement across all roadways constructed within the Project, thereby providing access throughout the Project and to public streets.

12.4 **Utility Easements.** On each Lot, easements are reserved as provided by the Plat Map and applicable laws, ordinances and other governmental rules and regulations for utility installation and maintenance, including but not limited to, underground electric power, telephone, water, sewer, drainage, and accessory equipment, together with the right to enter upon the Lots at all times for said purposes.

12.5 **Storm Drainage and Maintenance Easements.** A private perpetual, nonexclusive easement for storm drainage, grading, landscaping and maintenance is hereby granted and conveyed to the Lot Owners and the Association under and upon the exterior five (5) feet adjoining each side and rear boundary line of each Lot and Tract. If the boundary line of any Lot or Tract is altered, the easement shall relocate accordingly. The Association shall have the right of ingress and egress and the right to excavate, construct, operate, maintain, repair and/or rebuild: (i) an enclosed or open channel storm water conveyance system and/or other drainage facilities under, upon or through the drainage easement, provided that each Lot Owner shall have the explicit responsibility for maintaining the portion of the system located on the Owner's Lot; and (ii) landscaping, including retaining walls and similar improvements, fencing, and any regrading that the Association deems reasonable to advance the safety, beautification or value of the Project, provided that each Lot Owner shall have the explicit responsibility for maintaining the portion of any such improvements located on the Owner's Lot.

ARTICLE 13: TERM OF DECLARATION

13.1 Duration of Covenants. The covenants contained herein shall run with and bind the land for a term of thirty (30) years from the date this Declaration is recorded, after which time the covenants shall be automatically extended for successive periods of ten (10) years each, unless an instrument executed in accordance with Section 14.1 below shall be recorded, abandoning or terminating this Declaration.

13.2 Abandonment of Subdivision Status. The Association shall not, without the prior written approval of the governmental entity having jurisdiction over the Project and without prior written approval of one hundred percent (100%) of all first Mortgagees (based upon one (1) vote for each first Mortgage owned) and one hundred percent (100%) of all Owners (other than Declarant) of record, seek by act or omission to abandon or terminate the subdivision status of the Project as approved by the governmental entity having appropriate jurisdiction over the Project.

ARTICLE 14: AMENDMENT OF DECLARATION, PLAT MAP

14.1 Declaration Amendment. Amendments to the Declaration shall be made by an instrument in writing entitled "Amendment to Declaration" which sets forth the entire amendment. Except as otherwise specifically provided for in this Declaration, any proposed amendment must be approved by a majority of the Board prior to its adoption by the Owners. Amendments may be adopted at a meeting of the Owners if seventy-five percent (75%) of the Owners vote for such amendment, or without any meeting if all Owners have been duly notified and seventy-five percent (75%) of all the Owners consent in writing to such amendment. Notwithstanding the foregoing, any amendment to a provision of the Declaration establishing, providing for, governing or regulating the following shall require the consent of seventy-five percent (75%) of all the Owners and seventy-five percent (75%) of all the Mortgagees and the consent of the Declarant (during the Declarant Control Period): voting; assessments, assessment liens or subordination of such liens; reserves for maintenance, repair and replacements of Common Areas; insurance or bonds; use of Common Areas; responsibility for maintenance or repairs; expansion or construction of the Project or the addition, annexation or withdrawal of property to or from the Project; boundaries of Lots; converting of Lots into Common Areas or vice versa; leasing of Lots; provisions for the benefit of the Declarant; provisions for benefit of first Mortgagees, or holders, insures or guarantors of first Mortgages; the interests in Common Areas; or imposition of any right of first refusal or similar restrictions on the right of an Owner to sell, transfer or otherwise convey a Lot; provided, that a Mortgagee who fails to respond in writing within thirty (30) days of a written request to approve an amendment shall be deemed to have approved the request. In all events, the amendment when adopted shall bear the signature of the President of the Association and shall be attested by the Secretary, who shall state whether the amendment was properly adopted, and shall be acknowledged by them as officers of the Association. Amendments once properly adopted shall be effective upon recording in the appropriate governmental offices where real estate conveyances are recorded for the county in which the Project is located. It is specifically covenanted and understood that any amendment to

this Declaration properly adopted will be completely effective to amend any or all of the covenants, conditions and restrictions contained herein that may be affected and any or all clauses of this Declaration unless otherwise specifically provided in the section being amended or the amendment itself.

14.2 **Plat Map.** Except as otherwise provided herein, to effect an amendment to the Declaration adopted as provided for in Section 14.1, the Plat Map may be amended by revised versions or revised portions thereof, provided that the revised version or revised portions reference the adopted amendment to this Declaration. Copies of any such proposed amendment to the Plat Map shall be made available for the examination of every Owner. Such amendment to the Plat Map shall be effective, once properly adopted, upon having received any governmental approval required by law and recordation in conjunction with the Declaration amendment in the appropriate governmental office where real estate conveyances are recorded for the county in which the Project is located. The declaration may not be amended to eliminate the responsibility to maintain the storm water detention ponds or similar facilities without the permission of the City of Renton.

14.3 **Amendments to Conform to Construction.** Declarant, upon Declarant's sole signature, and as an attorney-in-fact for all Lot Owners with an irrevocable power coupled with an interest, may at any time, until all Lots have been sold by Declarant, file an amendment to the Declaration and to the Plat Map to conform data depicted therein to improvements as actually constructed and to establish, vacate and relocate utility easements and access road easements.

14.4 **Amendments to Conform to Lending Institution Guidelines.** So long as Declarant continues to own one or more Lots, Declarant, upon Declarant's sole signature, and as an attorney-in-fact for all Lot Owners with an irrevocable power coupled with an interest, may at any time, until all Lots have been sold by Declarant, file such amendments to the Declaration and Plat Map as are necessary to meet the then requirements of Federal National Mortgage Association, Veterans Administration, Federal Home Loan Mortgage Corporation, or other agencies, institutions or lenders financing and/or title insuring the purchase of a Lot from the Declarant.

14.5 **Article 16 Amendments.** Declarant, upon Declarant's sole signature, and as an attorney-in-fact for all Lot Owners with an irrevocable power coupled with an interest, may at any time, until all Lots have been sold by Declarant, file such amendments to the Declaration and Plat Map as are necessary in the exercise of Declarant's powers under Article 16. Annexations provided for in Article 16 shall be approved and recorded as an amendment to this Declaration as provided in this Article 14.

ARTICLE 15: INSURANCE

15.1 **Insurance.** The Board shall have authority in the exercise of its discretion to obtain and maintain at all times as a common expense a policy or policies and bonds of liability insurance and property insurance covering the ownership, use and operation of all of the Common Area (and Common Area improvements), if any, including common personal property

and supplies belonging to the Association; fidelity coverage for Association Board members (including Declarant), officers, employees or agents; and such other insurance as the Board may deem advisable or as may be required by the Federal National Mortgage Association, Federal Home Loan Mortgage Association, Veterans Administration or similar agencies or lending institutions. In the event of damage to or destruction of any part of the Common Area improvements, the Association shall repair or replace the same from the insurance proceeds available. If such insurance proceeds are insufficient to cover the costs of repair or replacement of the property damaged or destroyed, the Association may make a reconstruction assessment against all Lot Owners to cover the additional cost of repair or replacement not covered by the insurance proceeds, in addition to any other common assessments made against such Lot Owners.

ARTICLE 16: ANNEXATION AND WITHDRAWAL OF ADDITIONAL PROPERTIES

16.1 **Annexation and Withdrawal by Declarant.** Although not obligated to do so, Declarant reserves the right to develop as single family residential subdivisions additional lands that would be in addition to and are nearby the land described in Exhibit A ("Additional Lands"). Declarant may cause all or any portion of such Additional Lands to be annexed to the existing Project without the assent of the members of the Association; PROVIDED, however, that the annexation of Additional Lands described in this Article shall be adjacent to the then existing Project. Such Additional Lands shall be deemed "adjacent" to the existing Project even if separated therefrom by land which: (i) is owned by Declarant (or any entity under common control with Declarant), the Association or the Lot Owners as tenants in common; or (ii) is owned by or dedicated to the public or a governmental agency or instrumentality; or (iii) is available for the use or benefit of the Association or Lot Owners by easement or otherwise; or (iv) is a public or private street, path, bicycle path, railroad track or other improvement or easement for public transportation or utility service. Any Additional Lands shall be added to the Project covered by this Declaration by the filing for record of an amendment to this Declaration. All Lot Owners hereby covenant and agree to burden the Project and any Additional Lands with all of the duties, responsibilities, costs and expenses related to the management, administration, maintenance and improvement of the Common Areas, and such additional Common Areas as may be included in the Additional Lands. This Declaration does not give the Association or any Lot Owners any rights to any Additional Lands until such Additional Lands are subjected to this Declaration. When any Additional Lands are subjected to the terms of this Declaration, then the Additional Lands shall become part of the Project and the owners of the Additional Lands, including Lot Owners, shall automatically become members of the Association and shall be entitled to all of the rights and benefits, and subject to all of the obligations of, the members of the Association. Although not obligated to do so, Declarant reserves the right to discontinue development of and withdraw from the Project any unplatte land within the Project, including any Additional Lands previously annexed, without the assent of the members of the Association. When any Additional Lands are made subject to this Declaration, they shall also become subject to assessment. Assessments may be adjusted to reflect the total number of Lots obligated to contribute to the Association budget.

16.2 **Non-Declarant Annexations.** Annexation of Additional Lands other than Declarant annexations provided for in Section 16.1 hereof shall require the assent of the Owners, Mortgagees and Declarant as provided in Section 14.1.

16.3 **Common Areas Within Additional Lands.** Common Areas within any Additional Lands subsequently annexed to the existing Project shall be available for the common use of all Owners of Lots within the existing Project as well as within such subsequently annexed Additional Lands. Likewise, Common Areas within the existing Project shall be available for the common use of all Owners of Lots within such subsequently annexed Additional Lands as well as within the existing Project.

ARTICLE 17: MISCELLANEOUS

17.1 **Notices.** Any written notice, or other document as required by this Declaration, may be delivered personally or by mail. If by mail, such notice, unless expressly provided for herein to the contrary with regard to the type of notice being given, shall be deemed to have been delivered and received forty-eight (48) hours after a copy thereof has been deposited in the United States first-class mail, postage prepaid, properly addressed as follows:

(a) If to an Owner, other than Declarant, to the registered address of such Owner, as filed in writing with the Board pursuant to the requirements of the Bylaws.

(b) If to Declarant, whether in its capacity as an Owner, or in any other capacity, to the address which Declarant shall have advised the Board in writing.

(c) During the Declarant Control Period, notices to the Board shall be addressed to the address set forth in (b) above. Thereafter, notices to the Board shall be addressed either to an address to be posted by the Board at all times in a conspicuous place or to the registered office of the Association. In addition, from and after the expiration of the Declarant's management authority, notice of the address of the Association shall be given by the Board to each Owner, within a reasonable time after the Board has received actual notice of such Owner's purchase of a Lot.

17.2 **Conveyances, Notice Required.** The right of an Owner to sell, transfer, or otherwise convey his/her Lot shall not be subject to any right of approval, disapproval, first refusal, or similar restriction by the Association or the Board or anyone acting on their behalf. An Owner intending to sell a Lot shall deliver a written notice to the Board at least two (2) weeks before closing, specifying: the Lot being sold; the name and address of the purchaser, of the closing agent, and of the title insurance company insuring the purchaser's interest; and the estimated closing date. The failure of an Owner to properly give such notice to the Board shall not invalidate the sale. The Board shall have the right to notify the purchaser, the title insurance company, and the closing agent of the amount of unpaid assessments and charges outstanding against the Lot, whether or not such information is requested.

17.3 **Successor and Assigns.** This Declaration shall be binding upon and shall inure to the benefit of the heirs, personal representatives, successors and assigns of Declarant, and the heirs, personal representatives, grantees, lessees, subleases and assignees of the Owners.

17.4 **Joint and Several Liability.** In the case of joint ownership of a Lot, the liability of each of the Owners thereof in connection with the liabilities and obligations of Owners set forth in or imposed by this Declaration shall be joint and several.

17.5 **Mortgagee's Acceptance.**

17.5.1 **Priority of Mortgage.** This Declaration shall not initially be binding upon any Mortgagee of record at the time of recording of this Declaration but rather shall be subject and subordinate to said Mortgage.

17.5.2 **Acceptance Upon First Conveyance.** Declarant shall not consummate the conveyance of title to any Lot until each Mortgagor of record at the time of recording of this Declaration shall have accepted the provisions of this Declaration and made appropriate arrangements for partial release of Lots from the lien of said Mortgage. The issuance and recording of the first such partial release by said Mortgagee shall constitute its acceptance of the provisions of this Declaration and acknowledgment that this Declaration is binding upon all of the Lots remaining subject to its Mortgage; provided, that, except as to Lots so released, said Mortgage shall remain in full effect.

17.6 **Severability.** The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability of any other provision hereof.

17.7 **Effective Date.** The Declaration shall take effect upon recording.

17.8 **Government Right of Access.** Governmental entities shall have rights of access and inspection for the open space area and any drainage facilities contained therein.

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

DECLARANT:

The Reserve at Stonehaven, LLC

By: Belinda M. Wood
Belinda M. Wood

On this 13th day of March, 2006, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn personally appeared **Belinda Wood**, known to me to be the C.F.O. of The Reserve at Stonehaven, LLC, the limited liability company that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said limited liability company, for the purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

I certify that I know or have satisfactory evidence that the person appearing before me and making this acknowledgment is the person whose true signature appears on this document.

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


Signature

Signature



Thelma I. Lewis

Print Name

NOTARY PUBLIC in and for the State of

Washington, residing at Everett

My commission expires 02/22/07.

EXHIBIT A

Legal Description
As Prepared by Chicago Title Insurance Company
Order No.:

PARCEL A:

THE NORTH HALF OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 32, TOWNSHIP 23 NORTH, RANGE 5 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON;

EXCEPT THE EAST 20 FEET THEREOF CONVEYED TO KING COUNTY FOR ROAD PURPOSES BY DEED RECORDED UNDER RECORDING NUMBER 1461384; ALSO

EXCEPT THAT PORTION THEREOF CONVEYED TO KING COUNTY FOR ROAD PURPOSES BY DEED RECORDED UNDER RECORDING NUMBER 19990812001273.

PARCEL B;

THE NORTH 72 FEET OF THE SOUTH HALF OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 32, TOWNSHIP 23 NORTH, RANGE 5 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON;

EXCEPT THE EAST 20 FEET THEREOF CONVEYED TO KING COUNTY FOR ROAD PURPOSES BY DEED RECORDED UNDER RECORDING NUMBER 1461384.

EXCEPT ANY MOBILE OR MANUFACTURED HOME LOCATED THEREON.

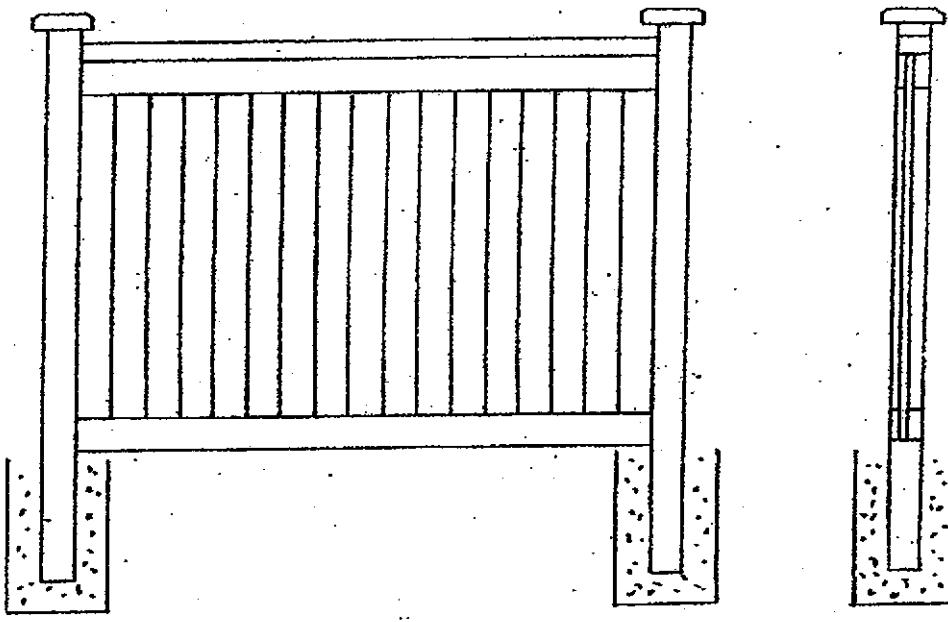
YALAND ACQUISITION\PRELIMED SITES\STONEHAVEN\FINAL PLAT\RS_HOA_CCRS.DOC

EXHIBIT B
Common Fence Design Standards

FULL PANEL

STYLE CEDAR FENCE

Fence Height	6'
Post Size:	4x4 Pressure Treated
Board Size:	1x4x6' Cedar
Cap:	1" Cedar
Stringer:	2x4 Cedar
Top Cap Board	2x4 Cedar
Trim:	1x4 Cedar
Post Spacing:	8' Maximum
Post Depth:	8" Diameter and 24" Deep



FRONT VIEW

SIDE VIEW

FILED FOR RECORD AT REQUEST OF
SOOS CREEK WATER AND
SEWER DISTRICT

WHEN RECORDED RETURN TO
SOOS CREEK WATER AND
SEWER DISTRICT
P.O. BOX 58039
RENTON, WA 98058-1039



**SOOS CREEK WATER AND SEWER DISTRICT
DEVELOPER EXTENSION REIMBURSEMENT AGREEMENT**

LATECOMER AGREEMENT NO. 118

DATED 6/5/01

Water

Total Latecomer \$ 62,123.88

Sewer

Total Latecomer

Resolution No. 2186-6

Termination Date 8/2/2015

2001 073 10007335

THIS AGREEMENT made and entered into by and between Soos Creek Water and Sewer District, a Washington Municipal Corporation, hereinafter referred to as "the District", and Talbot Development Partners, LLC., or assigns, hereinafter collectively referred to as "Owner"

WITNESSETH:

WHEREAS, Owner has installed water or sewer mains and/or facilities pursuant to a Developer Extension Agreement to provide service to properties within the service area of the District, and the District has accepted a Bill of Sale for such facilities; and

WHEREAS, in accordance with R.C.W. 57.22 the District has by Resolution provided for the execution of agreements for the reimbursement to owners from other property owners who connect to or use such facilities within 15 years.

NOW THEREFORE IT IS AGREED:

1. **Reimbursement.** That Owner shall be entitled to reimbursement from connection charges described herein within 15 years from the date of the District's acceptance of a Bill of Sale.

2. **Amount of reimbursement to Owner.** The Latecomer total is the amount which has been determined by the District to be the Owner's reasonable costs of construction of the facilities for which it is entitled to reimbursement, plus 10% for the District's reasonable costs of establishing and administering this Agreement. The District shall retain such additional 10%, and shall deduct 10% from the remainder as the Owner's share of the District's reasonable costs of establishing and administering this Agreement.

3. **Developer Extension Agreement.** That the terms of the Developer Extension Agreement between the parties regarding Latecomer Reimbursement is incorporated herein by this reference. A copy is on file at the District.

4. **Facilities.** That the facilities subject to this Agreement are described as follows:

See Exhibit "A"

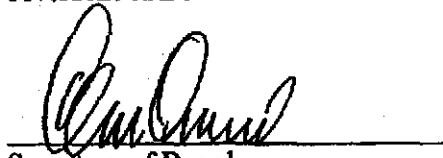
5. **Reimbursement Area.** That the reimbursement area subject to this Agreement is legally described as follows:

See Exhibit "B"

**SOOS CREEK WATER AND
SEWER DISTRICT**

By:

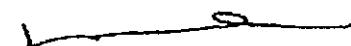

President of Board


Secretary of Board

OWNER

Talbot Development Partners, LLC

By: Harry J. O'Donnell
Ross N. Case


Co-Managing Member


Co-Managing Member

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this 8th day of JUNE, 2001, before me personally appeared
HARRY J O'DOWD and ROSS U. CASE, to me known to be co-managing
members the President and Secretary, respectively, of TALBOT DEVELOPMENT PARTNERS LLC
a Washington Corporation, the corporation that executed the foregoing instrument and
acknowledged said instrument to be the free and voluntary act and deed of said
corporation, for the uses and purposes therein mentioned.

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

ELLEN FRANCES SMITH NEBRE
STATE OF WASHINGTON
NOTARY --- PUBLIC
MY COMMISSION EXPIRES 11-05-04

Ellen Frances Smith Nebre,
NOTARY PUBLIC in and for the State of Washington,
Residing at: BELLEVUE WA
My commission expires 11-5-04

2001 073 1000735

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this 8th day of JUNE, 2001, before me personally appeared
members HARRY J O'DOWD and ROSS N CASE, to me known to be co-managing
the President and Secretary, respectively, of TAUAD DEVELOPMENT PARTNERS LLC
a Washington Corporation, the corporation that executed the foregoing instrument and
acknowledged said instrument to be the free and voluntary act and deed of said
corporation, for the uses and purposes therein mentioned.

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

ELLEN FRANCES SMITH NEBRE
STATE OF WASHINGTON
NOTARY --- PUBLIC
MY COMMISSION EXPIRES 11-05-04

Ellen Frances Smith Nebre
NOTARY PUBLIC in and for the State of Washington,
Residing at: BELLEVUE WA
My commission expires: 11-5-04

2001 073 1000735

Exhibit "A"
SOOS CREEK WATER & SEWER DISTRICT

WATER LATECOMER'S NO. 118
TALBOT RIDGE

Base Maps D-2 & E-2

073 1000733
2001

SIZE	ON	FROM	TO	LENGTH
8"	102nd Avenue S E	Valve, 140+/- feet South of the intersection of 102nd Avenue S E and South 47th Street	Valve cluster, intersection of 102nd Avenue S E and South 47th Street	136 L F
8"	South 47th Street	Valve cluster, intersection of 102nd Avenue S E and South 47th Street	Point, intersection of South 47th Street and Smithers Avenue S E	889 L F
8"	Smithers Avenue South	Point, intersection of South 47th Street and Smithers Avenue S E	Blow-off, 20+/- feet Westerly of the Southwest corner of Lot 6 of said Plat	184 L F
				Total 8" 1,209 L F

TOGETHER WITH valves, fire hydrants, services and appurtenances

Exhibit "B"
SOOS CREEK WATER & SEWER DISTRICT

WATER LATECOMER'S NO. 118
TALBOT RIDGE

Base Maps D-2 & E-2

PARCEL NO. 322305-9022

The North 150 feet of the following described parcel

The North half of the Northwest quarter of the Northwest quarter of the Southwest quarter of Section 32, township 23 North, Range 5 East, W M , King County, Washington,

1000735
LESS County Road,
AND LESS right-of-way to King County recorded under Recording No 19990812001273

073 LATECOMER'S CHARGE \$27,801 73
10% ADMIN CHARGE \$ 2,780 17
2001 TOTAL L C CHARGE \$ 30,581 90

PARCEL NO. 322305-9183

The South 150 feet of the following described parcel

The West half of the Southwest quarter of the Northwest quarter of Section 32, Township 23 North, Range 5 East, W M , King County, Washington

LATECOMER'S CHARGE \$28,674 53
10% ADMIN CHARGE \$ 2,867 45
TOTAL L C CHARGE \$ 31,541 98

LATECOMER'S RATE \$ 43 64 PER FRONT FOOT

20060327001139.001

When Recorded Return To:

STERLING SAVINGS BANK 06-03-24-000008 / 157914070-157914427
CONSTRUCTION ADMINISTRATION - BRANCH 687
111 N WALL STREET
SPOKANE, WA 99201



[Space Above This Line For Recording Data]

DEED OF TRUST

Grantor(s):

- (1) **THE RESERVE AT STONEHAVEN, LLC, A WASHINGTON LIMITED LIABILITY**
- (2)
- (3)
- (4)
- (5)
- (6)

 CHICAGO TITLE INS. CO **(20)**
 REF# 1192662-10

Grantee(s):

- (1) **STERLING SAVINGS BANK**
- (2) **CHICAGO TITLE COMPANY**

Legal Description (abbreviated): **LOTS 1-36, VOLUME 233 PLATS PG 43.**additional legal(s) on page **3**Assessor's Tax Parcel ID #: **322305-9096-06, 322305-9022-05**

DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 13, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 16.

- (A) "Security Instrument" means this document, which is dated **March 24, 2008** together with all Riders to this document.
- (B) "Borrower" is **THE RESERVE AT STONEHAVEN, LLC, A WASHINGTON LIMITED LIABILITY COMPANY**

Borrower is the trustor under this Security Instrument.

WASHINGTON—Single Family—Fannie Mae/Freddie Mac UNIFORM INSTRUMENT

Form 3048 1/01

ITEM 1983L1 (0011)

(Page 1 of 15 pages)

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06-03-24-000008

20060327001139.002

(C) "Lender" is **STERLING SAVINGS BANK**
 Lender is a **CORPORATION**
 and existing under the laws of **THE STATE OF WASHINGTON**
Bellevue, WA

organized
 Lender's address is

Lender is the beneficiary under this Security Instrument.

(D) "Trustee" is **CHICAGO TITLE COMPANY**

(E) "Note" means the promissory note signed by Borrower and dated **March 24, 2006**
 The Note states that Borrower owes Lender **Fourteen Million Nine Hundred Eighty Three Thousand One Hundred Eighty and no/100** Dollars (U.S. **\$14,983,180.00**) plus interest.
 Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than **April 01, 2007**

(F) "Property" means the property that is described below under the heading "Transfer of Rights in the Property."

(G) "Loan" means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument, plus interest.

(H) "Riders" means all Riders to this Security Instrument that are executed by Borrower. The following Riders are to be executed by Borrower [check box as applicable]:

<input checked="" type="checkbox"/> Adjustable Rate Rider	<input type="checkbox"/> Condominium Rider	<input type="checkbox"/> Second Home Rider
<input type="checkbox"/> Balloon Rider	<input type="checkbox"/> Planned Unit Development Rider	<input type="checkbox"/> Other(s) [specify]
<input checked="" type="checkbox"/> 1-4 Family Rider	<input type="checkbox"/> Biweekly Payment Rider	

(I) "Applicable Law" means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions.

(J) "Community Association Dues, Fees, and Assessments" means all dues, fees, assessments and other charges that are imposed on Borrower or the Property by a condominium association, homeowners association or similar organization.

(K) "Electronic Funds Transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.

(L) "Escrow Items" means those items that are described in Section 3.

(M) "Miscellaneous Proceeds" means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 5) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.

(N) "Mortgage Insurance" means insurance protecting Lender against the nonpayment of, or default on, the Loan.

(O) "Periodic Payment" means the regularly scheduled amount due for (i) principal and interest under the Note, plus (ii) any amounts under Section 3 of this Security Instrument.

20060327001139.003

(P) "RESPA" means the Real Estate Settlement Procedures Act (12 U.S.C. §2601 et seq.) and its implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to time, or any additional or successor legislation or regulation that governs the same subject matter. As used in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage loan" under RESPA.

(Q) "Successor in Interest of Borrower" means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.

TRANSFER OF RIGHTS IN THE PROPERTY

This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in the **County** [Type of Recording Jurisdiction]

of **KING** [Name of Recording Jurisdiction]

LOTS 1 THROUGH 36, THE RESERVE AT STONEHAVEN, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 233 OF PLATS, PAGES 43 THROUGH 47, IN KING COUNTY, WASHINGTON.

which currently has the address of

LOTS 1-36 THE RESERVE AT STONEHAVEN
[Street]

RENTON
[City]

, Washington

[Zip Code]

("Property Address"):

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seised of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

WASHINGTON—Single Family—Fannie Mae/Freddie Mac UNIFORM INSTRUMENT

ITEM 198SL3 (0011)

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Form 3048 L/01

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06-03-24-000008

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UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. Payment of Principal, Interest, Escrow Items, Prepayment Charges, and Late Charges. Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and any prepayment charges and late charges due under the Note. Borrower shall also pay funds for Escrow Items pursuant to Section 3. Payments due under the Note and this Security Instrument shall be made in U.S. currency. However, if any check or other instrument received by Lender as payment under the Note or this Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Note and this Security Instrument be made in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer.

Payments are deemed received by Lender when received at the location designated in the Note or at such other location as may be designated by Lender in accordance with the notice provisions in Section 15. Lender may return any payment or partial payment if the payment or partial payments are insufficient to bring the Loan current. Lender may accept any payment or partial payment insufficient to bring the Loan current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payments in the future, but Lender is not obligated to apply such payments at the time such payments are accepted. If each Periodic Payment is applied as of its scheduled due date, then Lender need not pay interest on unapplied funds. Lender may hold such unapplied funds until Borrower makes payment to bring the Loan current. If Borrower does not do so within a reasonable period of time, Lender shall either apply such funds or return them to Borrower. If not applied earlier, such funds will be applied to the outstanding principal balance under the Note immediately prior to foreclosure. No offset or claim which Borrower might have now or in the future against Lender shall relieve Borrower from making payments due under the Note and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.

2. Application of Payments or Proceeds. Except as otherwise described in this Section 2, all payments accepted and applied by Lender shall be applied in the following order of priority: (a) interest due under the Note; (b) principal due under the Note; (c) amounts due under Section 3. Such payments shall be applied to each Periodic Payment in the order in which it became due. Any remaining amounts shall be applied first to late charges, second to any other amounts due under this Security Instrument, and then to reduce the principal balance of the Note.

If Lender receives a payment from Borrower for a delinquent Periodic Payment which includes a sufficient amount to pay any late charge due, the payment may be applied to the delinquent payment and the late charge. If more than one Periodic Payment is outstanding, Lender may apply any payment received from Borrower to the repayment of the Periodic Payments if, and to the extent that, each payment can be paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges due. Voluntary prepayments shall be applied first to any prepayment charges and then as described in the Note.

Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Note shall not extend or postpone the due date, or change the amount, of the Periodic Payments.

3. Funds for Escrow Items. Borrower shall pay to Lender on the day Periodic Payments are due under the Note, until the Note is paid in full, a sum (the "Funds") to provide for payment of amounts due for: (a) taxes and assessments and other items which can attain priority over this Security Instrument as a lien or encumbrance on the Property; (b) leasehold payments or ground rents on the Property, if any; (c) premiums for any and all insurance required by Lender under Section 5; and (d) Mortgage Insurance premiums, if any, or any sums payable by Borrower to Lender in lieu of the payment of Mortgage Insurance premiums in accordance with the provisions of Section 10. These items are called "Escrow Items." At origination or at any time during the term of the Loan, Lender may require that Community Association Dues, Fees, and Assessments, if any, be escrowed by Borrower, and such dues, fees and assessments shall be an Escrow Item.

WASHINGTON—Single Family—Fannie Mae/Freddie Mac **UNIFORM INSTRUMENT**

Form 3048 1/01

ITEM 1983L4 (0011)

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GreatDoeSM

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Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Section. Borrower shall pay Lender the Funds for Escrow Items unless Lender waives Borrower's obligation to pay the Funds for any or all Escrow Items. Lender may waive Borrower's obligation to pay to Lender Funds for any or all Escrow Items at any time. Any such waiver may only be in writing. In the event of such waiver, Borrower shall pay directly, when and where payable, the amounts due for any Escrow Items for which payment of Funds has been waived by Lender and, if Lender requires, shall furnish to Lender receipts evidencing such payment within such time period as Lender may require. Borrower's obligation to make such payments and to provide receipts shall for all purposes be deemed to be a covenant and agreement contained in this Security Instrument, as the phrase "covenant and agreement" is used in Section 9. If Borrower is obligated to pay Escrow Items directly, pursuant to a waiver, and Borrower fails to pay the amount due for an Escrow Item, Lender may exercise its rights under Section 9 and pay such amount and Borrower shall then be obligated under Section 9 to repay to Lender any such amount. Lender may revoke the waiver as to any or all Escrow Items at any time by a notice given in accordance with Section 15 and, upon such revocation, Borrower shall pay to Lender all Funds, and in such amounts, that are then required under this Section 3.

Lender may, at any time, collect and hold Funds in an amount (a) sufficient to permit Lender to apply the Funds at the time specified under RESPA, and (b) not to exceed the maximum amount a lender can require under RESPA. Lender shall estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with Applicable Law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is an institution whose deposits are so insured) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items no later than the time specified under RESPA. Lender shall not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and Applicable Law permits Lender to make such a charge. Unless an agreement is made in writing or Applicable Law requires interest to be paid on the Funds, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender can agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds as required by RESPA.

If there is a surplus of Funds held in escrow, as defined under RESPA, Lender shall account to Borrower for the excess funds in accordance with RESPA. If there is a shortage of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the shortage in accordance with RESPA, but in no more than 12 monthly payments. If there is a deficiency of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the deficiency in accordance with RESPA, but in no more than 12 monthly payments.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender.

4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument, leasehold payments or ground rents on the Property, if any, and Community Association Dues, Fees, and Assessments, if any. To the extent that these items are Escrow Items, Borrower shall pay them in the manner provided in Section 3.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Borrower is performing such agreement; (b) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the

WASHINGTON—Single Family—Fannie Mae/Freddie Mac UNIFORM INSTRUMENT

ITEM 1863L5 (0311)

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lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which can attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Within 10 days of the date on which that notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth above in this Section 4.

Lender may require Borrower to pay a one-time charge for a real estate tax verification and/or reporting service used by Lender in connection with this Loan.

5. Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes and floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's right to disapprove Borrower's choice, which right shall not be exercised unreasonably. Lender may require Borrower to pay, in connection with this Loan, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time remappings or similar changes occur which reasonably might affect such determination or certification. Borrower shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency in connection with the review of any flood zone determination resulting from an objection by Borrower.

If Borrower fails to maintain any of the coverages described above, Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Section 5 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee. Lender shall have the right to hold the policies and renewal certificates. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. If Borrower obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. If the restoration or repair is

WASHINGTON—Single Family—Fannie Mae/Freddie Mac UNIFORM INSTRUMENT

ITEM 1963L6 (0011)

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Form 3048 1/01

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not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such insurance proceeds shall be applied in the order provided for in Section 2.

If Borrower abandons the Property, Lender may file, negotiate and settle any available insurance claim and related matters. If Borrower does not respond within 30 days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Lender acquires the Property under Section 22 or otherwise, Borrower hereby assigns to Lender (a) Borrower's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note or this Security Instrument, and (b) any other of Borrower's rights (other than the right to any refund of unearned premiums paid by Borrower) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Note or this Security Instrument, whether or not then due.

6. Occupancy. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within 60 days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control.

7. Preservation, Maintenance and Protection of the Property; Inspections. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Whether or not Borrower is residing in the Property, Borrower shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 5 that repair or restoration is not economically feasible, Borrower shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Borrower shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Borrower is not relieved of Borrower's obligation for the completion of such repair or restoration.

Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Borrower notice at the time of or prior to such an interior inspection specifying such reasonable cause.

8. Borrower's Loan Application. Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan. Material representations include, but are not limited to, representations concerning Borrower's occupancy of the Property as Borrower's principal residence.

9. Protection of Lender's Interest in the Property and Rights Under this Security Instrument. If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; and (c) paying reasonable attorneys' fees to

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protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take action under this Section 9, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 9.

Any amounts disbursed by Lender under this Section 9 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

10. Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan, Borrower shall pay the premiums required to maintain the Mortgage Insurance in effect. If, for any reason, the Mortgage Insurance coverage required by Lender ceases to be available from the mortgage insurer that previously provided such insurance and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the Mortgage Insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the Mortgage Insurance previously in effect, from an alternate mortgage insurer selected by Lender. If substantially equivalent Mortgage Insurance coverage is not available, Borrower shall continue to pay to Lender the amount of the separately designated payments that were due when the insurance coverage ceased to be in effect. Lender will accept, use and retain these payments as a non-refundable loss reserve in lieu of Mortgage Insurance. Such loss reserve shall be non-refundable, notwithstanding the fact that the Loan is ultimately paid in full, and Lender shall not be required to pay Borrower any interest or earnings on such loss reserve. Lender can no longer require loss reserve payments if Mortgage Insurance coverage (in the amount and for the period that Lender requires) provided by an insurer selected by Lender again becomes available, is obtained, and Lender requires separately designated payments toward the premiums for Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to maintain Mortgage Insurance in effect, or to provide a non-refundable loss reserve, until Lender's requirement for Mortgage Insurance ends in accordance with any written agreement between Borrower and Lender providing for such termination or until termination is required by Applicable Law. Nothing in this Section 10 affects Borrower's obligation to pay interest at the rate provided in the Note.

Mortgage Insurance reimburses Lender (or any entity that purchases the Note) for certain losses it may incur if Borrower does not repay the Loan as agreed. Borrower is not a party to the Mortgage Insurance.

Mortgage insurers evaluate their total risk on all such insurance in force from time to time, and may enter into agreements with other parties that share or modify their risk, or reduce losses. These agreements are on terms and conditions that are satisfactory to the mortgage insurer and the other party (or parties) to these agreements. These agreements may require the mortgage insurer to make payments using any source of funds that the mortgage insurer may have available (which may include funds obtained from Mortgage Insurance premiums).

As a result of these agreements, Lender, any purchaser of the Note, another insurer, any reinsurer, any other entity, or any affiliate of any of the foregoing, may receive (directly or indirectly) amounts that derive from (or might be characterized as) a portion of Borrower's payments for Mortgage Insurance, in exchange for sharing or modifying the mortgage insurer's risk, or reducing losses. If such agreement provides that an

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affiliate of Lender takes a share of the insurer's risk in exchange for a share of the premiums paid to the insurer, the arrangement is often termed "captive reinsurance." Further:

(a) Any such agreements will not affect the amounts that Borrower has agreed to pay for Mortgage Insurance, or any other terms of the Loan. Such agreements will not increase the amount Borrower will owe for Mortgage Insurance, and they will not entitle Borrower to any refund.

(b) Any such agreements will not affect the rights Borrower has—if any—with respect to the Mortgage Insurance under the Homeowners Protection Act of 1998 or any other law. These rights may include the right to receive certain disclosures, to request and obtain cancellation of the Mortgage Insurance, to have the Mortgage Insurance terminated automatically, and/or to receive a refund of any Mortgage Insurance premiums that were unearned at the time of such cancellation or termination.

11. Assignment of Miscellaneous Proceeds; Forfeiture. All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Borrower any interest or earnings on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. "Opposing Party" means the third party that owes Borrower Miscellaneous Proceeds or the party against whom Borrower has a right of action in regard to Miscellaneous Proceeds.

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Borrower shall be in default if any action or proceeding, whether civil or criminal, is begun that, in Lender's judgment, could result in forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. Borrower can cure such a default and, if acceleration has occurred, reinstate as provided in Section 19, by causing the action or proceeding to be dismissed with a ruling that, in Lender's judgment, precludes forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property are hereby assigned and shall be paid to Lender.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be applied in the order provided for in Section 2.

12. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to Borrower or any Successor in Interest of Borrower shall not operate to release the liability of Borrower or any Successors in Interest of Borrower. Lender shall not be required to commence proceedings against any Successor in Interest of Borrower or to refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or any Successors in Interest of Borrower. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender's acceptance of payments from third persons, entities or Successors in Interest of Borrower or in amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy.

13. Joint and Several Liability; Co-signers; Successors and Assigns Bound. Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. However, any Borrower who co-signs this Security Instrument but does not execute the Note (a "co-signer"): (a) is co-signing this Security Instrument only to mortgage, grant and convey the co-signer's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without the co-signer's consent.

Subject to the provisions of Section 18, any Successor in Interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Borrower's rights and benefits under this Security Instrument. Borrower shall not be released from Borrower's obligations and liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind (except as provided in Section 20) and benefit the successors and assigns of Lender.

14. Loan Charges. Lender may charge Borrower fees for services performed in connection with Borrower's default, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Borrower shall not be construed as a prohibition on the charging of such fee. Lender may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law.

If the Loan is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge (whether or not a prepayment charge is provided for under the Note). Borrower's acceptance of any such refund made by direct payment to Borrower will constitute a waiver of any right of action Borrower might have arising out of such overcharge.

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15. Notices. All notices given by Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in connection with this Security Instrument shall be deemed to have been given to Borrower when mailed by first class mail or when actually delivered to Borrower's notice address if sent by other means. Notice to any one Borrower shall constitute notice to all Borrowers unless Applicable Law expressly requires otherwise. The notice address shall be the Property Address unless Borrower has designated a substitute notice address by notice to Lender. Borrower shall promptly notify Lender of Borrower's change of address. If Lender specifies a procedure for reporting Borrower's change of address, then Borrower shall only report a change of address through that specified procedure. There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lender shall be given by delivering it or by mailing it by first class mail to Lender's address stated herein unless Lender has designated another address by notice to Borrower. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually received by Lender. If any notice required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

16. Governing Law; Severability; Rules of Construction. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. In the event that any provision or clause of this Security Instrument or the Note conflicts with Applicable Law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision.

As used in this Security Instrument: (a) words of the masculine gender shall mean and include corresponding neuter words or words of the feminine gender; (b) words in the singular shall mean and include the plural and vice versa; and (c) the word "may" gives sole discretion without any obligation to take any action.

17. Borrower's Copy. Borrower shall be given one copy of the Note and of this Security Instrument.

18. Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

19. Borrower's Right to Reinstate After Acceleration. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to any power of sale contained in this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower's right to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements;

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(c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument; and (d) takes such action as Lender may reasonably require to assure that Lender's interest in the Property and rights under this Security Instrument, and Borrower's obligation to pay the sums secured by this Security Instrument, shall continue unchanged. Lender may require that Borrower pay such reinstatement sums and expenses in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement by Borrower, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 18.

20. Sale of Note; Change of Loan Servicer; Notice of Grievance. The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Borrower. A sale might result in a change in the entity (known as the "Loan Servicer") that collects Periodic Payments due under the Note and this Security Instrument and performs other mortgage loan servicing obligations under the Note, this Security Instrument, and Applicable Law. There also might be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change which will state the name and address of the new Loan Servicer, the address to which payments should be made and any other information RESPA requires in connection with a notice of transfer of servicing. If the Note is sold and thereafter the Loan is serviced by a Loan Servicer other than the purchaser of the Note, the mortgage loan servicing obligations to Borrower will remain with the Loan Servicer or be transferred to a successor Loan Servicer and are not assumed by the Note purchaser unless otherwise provided by the Note purchaser.

Neither Borrower nor Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower or Lender has notified the other party (with such notice given in compliance with the requirements of Section 15) of such alleged breach and afforded the other party hereto a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period which must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. The notice of acceleration and opportunity to cure given to Borrower pursuant to Section 22 and the notice of acceleration given to Borrower pursuant to Section 18 shall be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 20.

21. Hazardous Substances. As used in this Section 21: (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous

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Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property (including, but not limited to, hazardous substances in consumer products).

Borrower shall promptly give Lender written notice of (a) any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

22. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under Section 18 unless Applicable Law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property at public auction at a date not less than 120 days in the future. The notice shall further inform Borrower of the right to reinstate after acceleration, the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale, and any other matters required to be included in the notice by Applicable Law. If the default is not cured on or before the date specified in the notice, Lender at its option, may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and/or any other remedies permitted by Applicable Law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 22, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If Lender invokes the power of sale, Lender shall give written notice to Trustee of the occurrence of an event of default and of Lender's election to cause the Property to be sold. Trustee and Lender shall take such action regarding notice of sale and shall give such notices to Borrower and to other persons as Applicable Law may require. After the time required by Applicable Law and after publication of the notice of sale, Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of the Property for a period or periods permitted by Applicable Law by public announcement at the time and place fixed in the notice of sale. Lender or its designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be *prima facie* evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it or to the clerk of the superior court of the county in which the sale took place.

23. Reconveyance. Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing

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debt secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty to the person or persons legally entitled to it. Such person or persons shall pay any recordation costs and the Trustee's fee for preparing the reconveyance.

24. Substitute Trustee. In accordance with Applicable Law, Lender may from time to time appoint a successor trustee to any Trustee appointed hereunder who has ceased to act. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by Applicable Law.

25. Use of Property. The property is not used principally for agricultural purposes.

26. Attorneys' Fees. Lender shall be entitled to recover its reasonable attorneys' fees and costs in any action or proceeding to construe or enforce any term of this Security Instrument. The term "attorneys' fees," whenever used in this Security Instrument, shall include without limitation attorneys' fees incurred by Lender in any bankruptcy proceeding or on appeal.

ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in pages 1 through 15 of this Security Instrument and in any Rider executed by Borrower and recorded with it.

THE RESERVE AT STONEHAVEN, LLC, A WASHINGTON LIMITED LIABILITY COMPANY

 (Seal) _____ (Seal)
WESTCOTT HOLDINGS, INC. -Borrower -Borrower

MEMBER

BY: MARK S DONNER, SOLE DIRECTOR

_____ (Seal) _____ (Seal)
-Borrower -Borrower

_____ (Seal) _____ (Seal)
-Borrower -Borrower

Witness:

Witness:

Comment:

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STATE OF WASHINGTON)
) SS
COUNTY OF KING)

On this 24th day of MARCH, A.D., 2006, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn personally appeared MARK S. DONNER to me known to be the SOUL DIRECTOR OF WESTCOTT HOLDINGS, INC., the Member of THE RESERVE AT STONEHAVEN, LLC the limited liability company that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said limited liability company for the uses and purposes therein mentioned.

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



Kimberlee F. Grubbs
Name: Kimberlee F. Grubbs

Notary Public in and for the State of Washington

Residing at Auburn, WA

My commission expires: 07-05-09

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1-4 FAMILY RIDER

(Assignment of Rents)

Application Number 06-03-24-000008
Loan Number 157914070-157914427

THIS 1-4 FAMILY RIDER is made this 24th day of **March 2006**
and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or
Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to
secure Borrower's Note to **STERLING SAVINGS BANK**

(the "Lender") of the same date and covering the Property described in the Security Instrument and located at:

LOTS 1-36, VOLUME 233 PLATS PG 43.
LOTS 1-36 THE RESERVE AT STONEHAVEN
RENTON, WA
[Property Address]

1-4 FAMILY COVENANTS. In addition to the covenants and agreements made in the Security
Instrument, Borrower and Lender further covenant and agree as follows:

A. ADDITIONAL PROPERTY SUBJECT TO THE SECURITY INSTRUMENT. In
addition to the Property described in Security Instrument, the following items now or hereafter
attached to the Property to the extent they are fixtures are added to the Property description, and
shall also constitute the Property covered by the Security Instrument: building materials,
appliances and goods of every nature whatsoever now or hereafter located in, on, or used, or
intended to be used in connection with the Property, including, but not limited to, those for the
purposes of supplying or distributing heating, cooling, electricity, gas, water, air and light, fire
prevention and extinguishing apparatus, security and access control apparatus, plumbing, bath
tubs, water heaters, water closets, sinks, ranges, stoves, refrigerators, dishwashers, disposals,
washers, dryers, awnings, storm windows, storm doors, screens, blinds, shades, curtains and
curtain rods, attached mirrors, cabinets, paneling and attached floor coverings, all of which,
including replacements and additions thereto, shall be deemed to be and remain a part of the
Property covered by the Security Instrument. All of the foregoing together with the Property
described in the Security Instrument (or the leasehold estate if the Security Instrument is on a
leasehold) are referred to in this 1-4 Family Rider and the Security Instrument as the "Property."

B. USE OF PROPERTY; COMPLIANCE WITH LAW. Borrower shall not seek, agree
to or make a change in the use of the Property or its zoning classification, unless Lender has
agreed in writing to the change. Borrower shall comply with all laws, ordinances, regulations and
requirements of any governmental body applicable to the Property.

C. SUBORDINATE LIENS. Except as permitted by federal law, Borrower shall not allow
any lien inferior to the Security Instrument to be perfected against the Property without Lender's
prior written permission.

D. RENT LOSS INSURANCE. Borrower shall maintain insurance against rent loss in
addition to the other hazards for which insurance is required by Section 5.

E. "BORROWER'S RIGHT TO REINSTATE" DELETED. Section 19 is deleted.

F. BORROWER'S OCCUPANCY. Unless Lender and Borrower otherwise agree in
writing, Section 6 concerning Borrower's occupancy of the Property is deleted.

G. ASSIGNMENT OF LEASES. Upon Lender's request after default, Borrower shall
assign to Lender all leases of the Property and all security deposits made in connection with leases

MULTISTATE 1-4 FAMILY RIDER—Fannie Mae/Freddie Mac UNIFORM INSTRUMENT

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of the Property. Upon the assignment, Lender shall have the right to modify, extend or terminate the existing leases and to execute new leases, in Lender's sole discretion. As used in this paragraph G, the word "lease" shall mean "sublease" if the Security Instrument is on a leasehold.

H. ASSIGNMENT OF RENTS; APPOINTMENT OF RECEIVER; LENDER IN POSSESSION. Borrower absolutely and unconditionally assigns and transfers to Lender all the rents and revenues ("Rents") of the Property, regardless of to whom the Rents of the Property are payable. Borrower authorizes Lender or Lender's agents to collect the Rents, and agrees that each tenant of the Property shall pay the Rents to Lender or Lender's agents. However, Borrower shall receive the Rents until (i) Lender has given Borrower notice of default pursuant to Section 22 of the Security Instrument and (ii) Lender has given notice to the tenant(s) that the Rents are to be paid to Lender or Lender's agent. This assignment of Rents constitutes an absolute assignment and not an assignment for additional security only.

If Lender gives notice of default to Borrower: (i) all Rents received by Borrower shall be held by Borrower as trustee for the benefit of Lender only, to be applied to the sums secured by the Security Instrument; (ii) Lender shall be entitled to collect and receive all of the Rents of the Property; (iii) Borrower agrees that each tenant of the Property shall pay all Rents due and unpaid to Lender or Lender's agents upon Lender's written demand to the tenant; (iv) unless applicable law provides otherwise, all Rents collected by Lender or Lender's agents shall be applied first to the costs of taking control of and managing the Property and collecting the Rents, including, but not limited to, attorney's fees, receiver's fees, premiums on receiver's bonds, repair and maintenance costs, insurance premiums, taxes, assessments and other charges on the Property, and then to the sums secured by the Security Instrument; (v) Lender, Lender's agents or any judicially appointed receiver shall be liable to account for only those Rents actually received; and (vi) Lender shall be entitled to have a receiver appointed to take possession of and manage the Property and collect the Rents and profits derived from the Property without any showing as to the inadequacy of the Property as security.

If the Rents of the Property are not sufficient to cover the costs of taking control of and managing the Property and of collecting the Rents any funds expended by Lender for such purposes shall become indebtedness of Borrower to Lender secured by the Security Instrument pursuant to Section 9.

Borrower represents and warrants that Borrower has not executed any prior assignment of the Rents and has not performed, and will not perform, any act that would prevent Lender from exercising its rights under this paragraph.

Lender, or Lender's agents or a judicially appointed receiver, shall not be required to enter upon, take control of or maintain the Property before or after giving notice of default to Borrower. However, Lender, or Lender's agents or a judicially appointed receiver, may do so at any time when a default occurs. Any application of Rents shall not cure or waive any default or invalidate any other right or remedy of Lender. This assignment of Rents of the Property shall terminate when all the sums secured by the Security Instrument are paid in full.

I. CROSS-DEFAULT PROVISION. Borrower's default or breach under any note or agreement in which Lender has an interest shall be a breach under the Security Instrument and Lender may invoke any of the remedies permitted by the Security Instrument.

MULTISTATE 1-4 FAMILY RIDER---Fannie Mae/Freddie Mac UNIFORM INSTRUMENT

Form 3170 1/01

ITEM 1790L2 (0411)

(Page 2 of 3 pages)

GreatDose™
To Order Call: 1-800-968-5775
06-03-24-000008

20060327001139.018

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in pages 1 through 3 of this 1-4 Family Rider.

BORROWER THE RESERVE AT STONEHAVEN, LLC, A WASHINGTON LIMITED LIABILITY COMPANY


WESTCOTT HOLDINGS, INC.,
MEMBER

BY: MARK S DONNER, SOLE DIRECTOR

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

MULTISTATE 1-4 FAMILY RIDER—Fannie Mae/Freddie Mac UNIFORM INSTRUMENT

ITEM 1790L3 (0411)

(Page 3 of 3 pages)

Form 3170 1/01

GreatDose™

To Order Call: 1-800-988-5775

06-03-24-000008

20060327001139.019

ADJUSTABLE RATE LOAN RIDER

Application Number 06-03-24-000008 Loan Number 157914070-15791

NOTICE: THE SECURITY INSTRUMENT SECURES A NOTE WHICH CONTAINS A PROVISION ALLOWING FOR CHANGES IN THE INTEREST RATE. INCREASES IN THE INTEREST RATE WILL RESULT IN HIGHER PAYMENTS. DECREASES IN THE INTEREST RATE WILL RESULT IN LOWER PAYMENTS.

This Rider is made this 24th day of March, 2006, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Deed to Secure Debt (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Note to Sterling Savings Bank, North 111 Wall Street, Spokane, Washington 99201 (the "Lender") of the same date (the "Note") and covering the property described in the Security Instrument and located at LOTS 1-36 THE RESERVE AT STONEHAVEN, RENTON, WA.

In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. INTEREST RATE AND MONTHLY PAYMENT CHANGES

The Note has an "Initial Interest Rate" of 8.250%. The Note Interest rate may be increased or decreased, on the first day of the month beginning on May 2006 and on that day of the month every one month thereafter (each, a "Change Date"), in the event of a change in the Index, to equal the Index rate plus 0.750% (the "Index Margin"). In no event shall the interest rate on this Note ever be less than NA % per annum, or greater than NA % per annum.

Changes in the interest rate are governed by changes in an interest rate index called the "Index". The Index is the: [CHECK one of the following boxes or indicate index.]

(1)* "Contract Interest Rate, Purchase of Previously Occupied Homes, National Average for all Major Types of Lenders" Published by the Federal Home Loan Bank Board (the "Contract Rate of Interest Index").

(2)* Bank of America Reference Rate

(3)* Wall Street Journal Prime Rate

(4)* Other: _____

[Check one of the following boxes to indicate whether there is any maximum limit on changes in the Interest Rate on each Change Date; if no box is checked there will be no maximum limit on changes.]

(1) There is no maximum limit on changes in the Interest rate at any Change Date.
CARLR - ADJUSTABLE RATE LOAN RIDER - 1 of 2 - GLARM

20060327001139.020

(2) The Interest rate cannot be changed by more than _____ % percentage points at any Change Date.

If the Interest rate changes, the amount of Borrower's monthly payments will change as provided in the Note. Increases in the interest rate will result in higher payments. Decreases in the interest rate will result in lower payments.

B. LOAN CHARGES

It could be that the loan secured by the Security Instrument is subject to a law that sets maximum loan charges and that law is interpreted so that the interest or other loan charges collected or to be collected in connection with the loan would exceed permitted limits. If this is the case, then: (A) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (B) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower.

C. PRIOR LIENS

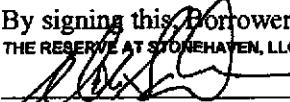
If Lender determines that all or any part of the sums secured by this Security instrument are subject to a lien which has priority over this Security Instrument, Lender may send Borrower a notice identifying that lien. Borrower shall promptly act with regard to that lien as provided in paragraph 4 of the Security Instrument or shall promptly secure an agreement in a form satisfactory to Lender subordinating that lien to this Security Instrument.

D. TRANSFER OF THE PROPERTY

If there is a transfer of the Property subject to paragraph 18 of the Security Instrument, or subject to the Building Loan Agreement Lender may require (1) an increase in the current Note interest rate, or (2) an increase in (or removal of) the limit on the amount of any one interest rate change (if there is a limit), or (3) an increase in the Index Margin, or (4) or any other change in loan terms or imposition of any other condition, or all of theses, as a condition to Lender's waiving the option to declare a Loan default and accelerate as provided in paragraph 18 of the Security Instrument.

By signing this, Borrower agrees to all of the above.

THE RESERVE AT STONEHAVEN, LLC, A WASHINGTON LIMITED LIABILITY COMPANY


WESTCOTT HOLDINGS, INC.
MEMBER

BY: MARK S DONNER, SOLE DIRECTOR

*If more than one box is checked or if no box is checked, and Lender and Borrower do not otherwise agree in writing, the "Contract Rate of Interest Index" will apply.

CARLR - ADJUSTABLE RATE LOAN RIDER - 2 of 2

20061103002208.001



20061103002208

FIDELITY SERVI AST 12.00
PAGE 001 OF 001
11/03/2006 14:53
KING COUNTY, WA

After Recording, return to:
Fidelity Service Corporation
c/o Mortgage Loan Servicing
111 N. Wall St.
Spokane, WA 99201

SUBSTITUTION OF TRUSTEE

9/21/2006 Loan No. 157914112

Fidelity Service Corporation, is hereby appointed successor Trustee under that certain Deed of Trust described below:

Borrower: **THE RESERVE AT STONEHAVEN, LLC, A WASHINGTON LIMITED LIABILITY COMPANY**
 Trustee: **CHICAGO TITLE COMPANY**
 Beneficiary: **STERLING SAVINGS BANK**
 Dated: **MARCH 24, 2006** Recorded: **MARCH 27, 2006**
 Auditor's File No.: **INSTRUMENT NO 20060327001139**
 Filed for recording in **KING County, State of WASHINGTON**

Date: October 5, 2006

STERLING SAVINGS BANK

By *Marie T. Milliken*
 Marie Milliken – Authorized Signer

State of Washington

)

) SS

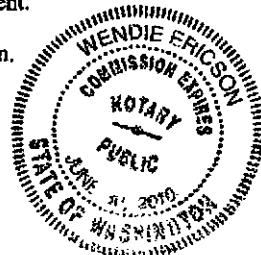
County of Spokane

)

On October 5, 2006, before me Wendie Ericson, the undersigned, a Notary Public in and for the state of Washington, duly commissioned and sworn, personally appeared Marie Milliken to me known to be AN AUTHORIZED SIGNER of 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 mention, and on oath state that she is authorized to execute the said instrument.

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

Wendie Ericson
 Wendie Ericson, Notary Public for Washington
 My Commission Expires: June 30, 2010



CITY OF RENTON1055 S. Grady Way
Renton, WA 98055

Printed: 05-03-2007

DEVELOPMENT PLANNING
CITY OF RENTON

MAY - 3 2007

RECEIVED

**Land Use Actions
RECEIPT****Permit#: LUA07-047**

Payment Made: 05/03/2007 02:50 PM Receipt Number: R0702023

Total Payment: **100.00** Payee: **THE RESERVE AT STONEHAVEN
LLC****Current Payment Made to the Following Items:**

Trans	Account	Code	Description	Amount
5022	000.345.81.00.0019		Variance Fees	100.00

Payments made for this receipt

Trans	Method	Description	Amount
Payment	Check	2072	100.00

Account Balances

Trans	Account	Code	Description	Balance	Due
3021	303.000.00.345.85		Park Mitigation Fee	.00	
5006	000.345.81.00.0002		Annexation Fees	.00	
5007	000.345.81.00.0003		Appeals/Waivers	.00	
5008	000.345.81.00.0004		Binding Site/Short Plat	.00	
5009	000.345.81.00.0006		Conditional Use Fees	.00	
5010	000.345.81.00.0007		Environmental Review	.00	
5011	000.345.81.00.0008		Prelim/Tentative Plat	.00	
5012	000.345.81.00.0009		Final Plat	.00	
5013	000.345.81.00.0010		PUD	.00	
5014	000.345.81.00.0011		Grading & Filling Fees	.00	
5015	000.345.81.00.0012		Lot Line Adjustment	.00	
5016	000.345.81.00.0013		Mobile Home Parks	.00	
5017	000.345.81.00.0014		Rezone	.00	
5018	000.345.81.00.0015		Routine Vegetation Mgmt	.00	
5019	000.345.81.00.0016		Shoreline Subst Dev	.00	
5020	000.345.81.00.0017		Site Plan Approval	.00	
5021	000.345.81.00.0018		Temp Use or Fence Review	.00	
5022	000.345.81.00.0019		Variance Fees	.00	
5024	000.345.81.00.0024		Conditional Approval Fee	.00	
5036	000.345.81.00.0005		Comprehensive Plan Amend	.00	
5909	000.341.60.00.0024		Booklets/EIS/Copies	.00	
5941	000.341.50.00.0000		Maps (Taxable)	.00	
5954	650.237.00.00.0000		Special Deposits	.00	
5955	000.05.519.90.42.1		Postage	.00	
5998	000.231.70.00.0000		Tax	.00	

Remaining Balance Due: **\$0.00**