

**PROTECTIVE COVENANTS, RESTRICTIONS AND EASEMENTS FOR MOUNTAIN PARK,
CONTAINED IN INSTRUMENT RECORDED UNDER PIERCE COUNTY AUDITOR'S FEE
NO. 8207230092, AS FOLLOWS:**

BACKGROUND

1. Developer is the owner of certain property in Pierce county, Washington, which is described in Exhibit "A" to this Declaration.

2. Developer intends to create on that property the first section of the planned community of Mountain Park with permanently maintained common areas for the benefit of the residents of that community.

3. Developer has been granted conditional approval by Pierce county of a preliminary development plan for the entire planned community. Developer has also been granted preliminary plat approval for the property described in Exhibit "A", the first section of that community.

4. Developer desires to preserve and enhance the property values, amenities, and opportunities in Mountain Park, and to provide for the health, safety, and welfare of residents, and to this end intends to subject the property described on Exhibit "A", together with such additions as may be made to the property (as provided in Article II) to the covenants, restrictions, assessments, charges, and liens set forth in this declaration, each of which is for the benefit of the property and each owner.

6. Developer has incorporated the Mountain Park Homeowners Association to provide a means for achieving the purposes set forth in this Declaration, and meeting the requirements of Pierce County.

DECLARATION:

Developer declares that the property described in exhibit "A", and such property as may be added under article II is, and shall be held, transferred, and occupied subject to the covenants, restrictions, easements, charges, and liens set forth in this declaration.

Further, Developer delegates and assigns to the mountain Park Homeowners Association the power of owning, maintaining, and administering the common area, administering and enforcing the covenants and restrictions, collecting and disbursing the assessments and charges created with this Declaration, and promoting the recreation, health, safety, and welfare of the residents.

ARTICLE I: DEFINITIONS:

Section 1. “ Approval “ means the issuance of written approval. or any written waiver of approval rights. or the issuance of a letter of “ no objection”.

Section 2. “ ACC” means the Architectural Control Committee as described in this Declaration.

Section 3. “Association “ means the Mountain Park Homeowners Association, a Washington non-profit corporation, its successors and assigns.

Section 4. “ Board “ or “ Board of Directors “ mean the Board of Directors of the Association.

Section 5. “ Common Areas “ means all real property and improvements owned or leased by the Association . for the use and enjoyment of the members.

Section 6. “ Developer “ means HERITAGE HOMECRAFTERS. INC.. a Washington corporation , and its successors and assigns; provided, however, that no successor or assignee of Developer, shall have any rights or obligations are specifically set forth in the instrument of succession or assignment. “Developer” shall also apply to any person or entity who owns a portion of the property covered by the development plan, and who develops that portion in accordance with a plan or plat approved by Pierce County.

Section 7. “Declaration” means this entire document as it may from time to time be amended.

Section 8. “Development Plan” or “ Plan “ mean the total general plan of intended development approved by Pierce County and illustrated in Exhibit “B”, as the plan may be amended from time to time, and as further defined in Article II.

Section 9. “Dwelling Unit” means any portion of a building situation the properties which portion is designated and intended for use as a single family . The term “Dwelling unit “ shall include apartment and condominium units, and shall apply to any lot upon which a resident is located.

Section 10. “Federal Mortgage Agencies “ means those federal agencies which may have an interest in the properties, such as the Federal housing administration, the Veterans Administration , the Federal National Mortgage Association, the federal Home Loan Mortgage Corporation, or the successors to their interests.

Section 11. “First Mortgage” means a lender who holds the first mortgage on a lot and who has modified the Association in writing of his holdings .

Section 12. “Lot” means any parcel or tract of land shown upon any recorded subdivision map of the properties or upon any approved final development plan of the properties, with the exception of the common areas.

Section 13. “Member” means every person or entity who holds

membership in the Association.

Section 14. "Mortgage" includes a deed of trust or other security instrument.

Section 15. "Notice " means written notice delivered personally or mailed to the last known address of the intended recipient.

Section 16. " Owner " means every person or entity, including Developer, dwelling unit is sold under real estate contract, the vendee or vendees under that contract; provided. However, that the term "owner" shall not include those having such interest merely as security for the performance of an obligation.

Section 17. "Properties" shall mean the real property described on Exhibit "A", together with such other property as may be annexed thereto under the provisions of Article II. from and after the time such other property is actually annexed.

ARTICLE II: Property Subject to this Declaration and Additions Thereto

Section 1. The properties. The real property which is subject to this Declaration is described On exhibit "A" and represents the first stage of the planned community of Mountain Park.

Section 2. Additions to the Properties. Additional properties may become subject to this Declaration in the following manner:

(a) Additions by Developer. The Developer shall have the unfettered right to subject to this Declaration any additional property which is covered by the Development Plan as it may be amended from time to time. The Developer or any owner shall have this right independently as to any portion of the property which it owns. This provision shall not apply if more than ten (10) years have elapsed since the filing of this Declaration.

(b) Other Additions. Additional properties, other than those described in Section 2 (a) above, may be annexed to the Properties upon the approval of two-thirds (2/3) of each class of members or of proxies entitled to cast Sixty (60%) Percent of the votes of each class of members shall constitute a quorum.

The additions authorized under Subsections (a) and (b) above shall be made by complying with the applicable ordinances of Pierce County, by ; recording one or more supplemental declarations of covenants and restrictions with respect to the additional property , and by filing with the Association the preliminary plat or site plan for such additions.

Section 3. The Development Plan.

(a) Purpose. The Development Plan. illustrated on Exhibit "B", is

the Developer's intended conceptual plan for the staged development of Mountain Park as a planned community. Developer currently intends to develop Mountain Park in nature, and does not bind the Developer to add any of the property shown on the Plan or to improve any portion of that property. The Developer does not intend to subject any nonresidential portion of the Development Plan property to the Declaration.

(b) Description. The Development Plan covers approximately 475 acres and provides for the development of a maximum of 1,727 dwelling units in single and multi-family housing types. The Plan also includes a site for professional offices (Phase 1) and commercial used (Phases 1 and 5). Elementary and junior high school sites are also shown on the Plan and Developer is currently negotiating the sale of those areas to the Puyallup School District. If the elementary and junior high school sites are not obtained by the School District, they will be developed with a maximum of 46 and 92 dwelling units, respectively. The only portion of The development Plan for which an actual design has been approved by Pierce County is the area containing single-family lots in Phases 1 and 2. The remaining portions have been granted preliminary approvals only and will be given additional review by Pierce County when actual site designs and plans are developed.

(c) Amendments. Developer reserves the right to add land to the Development Plan or to amend the Plan in response to technological, economic, environmental, or social conditions related to the development or marketing of property, or in response to changes and requirements of government agencies and financial institutions. The Development Plan shall be amended by:

(i) Giving notice of the proposed changes to the Association.

(ii) Securing the appraisal of the Pierce County as required by applicable ordinances and laws.

ARTICLE III: COMMON AREAS

SECTION 1. Developer to convey.

The developer may convey to the Association property covered by the development plan for use by the members as a common area, including, but not limited to, parks, open space areas, and water retention areas. Any such conveyance shall be by warranty deed free of all liens and encumbrances. The developer's current plan and the plan approved by Pierce County, calls for the conveyances of one (1) 3/4-acre park to the association at or before the time the first lot in phase 1, division 1 is sold, and the conveyance of another 3/4-acre park and a twenty (20) acre park during development of subsequent phases.

SECTION 2. Owner's Easements of Enjoyment

Each owner shall have a right and an easement of enjoyment in and to the common areas and for egress and egress over and through the common areas and such easement shall be appurtenant to and shall pass with the title to every dwelling unit, subject to the following provisions:

(a) The right of the association to charge reasonable fees for the use by guest of any common area recreational facility.

(b) The right of the Association to suspend the voting rights and right to use of the common area recreational facilities by an owner for the period during which any assessment against his dwelling unit remains unpaid, and for a period not to exceed sixty (60) days. For any infraction of its published rules and regulations.

(c) The right of the Association to adopt reasonable rules governing the use of the common areas and the conduct of persons authorized to use said areas, and to establish appropriate penalties for the violation of those rules.

(d) The right of the Association to dedicate or transfer all or any part of the common areas to any public agency, authority, or utility for the purpose for which such common areas were created. No such dedication or transfer shall be effective unless an instrument agreeing to the dedication or transfer signed by two-thirds (2/3) of each class of members has been recorded and unless approved by the first mortgages as set forth below.

SECTION 3 DELEGATION OF USE

Any owner may delegate his right of enjoyment to the common areas and facilities to the members of his family, his tenants, or his guest, subject to the limitations set forth above.

SECTION 4 ASSOCIATION TO MAINTAIN

The Association shall maintain, repair, replace, and improve the common areas as it deems appropriate, and shall pay the actual cost of the same from annual or special assessments.

SECTION 5 DELEGATION TO MANAGER

The Board of Directors may delegate any of its managerial duties, powers, or functions to any person, firm, or corporation, providing that any management agreement for the project shall be terminable by the Association for cause upon thirty (30) days written notice therefore, and the term of any such agreement may not exceed one (1) year, renewable by agreement of the parties for successive one (1) year periods. The members of the Board of Directors shall not be liable for any omission or improper exercise by; the manager of any duty, power, or function so delegated by written instrument executed by a majority of the Board of Directors.

ARTICLE IV
MEMBERSHIP AND VOTING RIGHTS

SECTION 1. Every owner of a dwelling unit shall be a member of the Association. Membership shall be appurtenant to and may not separate from ownership of any dwelling unit. Ownership of a dwelling unit shall be the sole qualification for membership.

SECTION 2. The association shall have two (2) classes of voting membership:

(a) Class "A". Class "A" members shall be all owners, with the exception of "B" class members, and shall be entitled to (1) one vote for each dwelling unit owned. When more than one person owns an interest in any dwelling unit, all such persons shall be members. The vote for such dwelling unit shall be divisible and exercised as the owners determined, but in no event shall more than one vote be cast with respect to any dwelling unit.

(b) Class "B". The class "B" members shall be the developer and any owner who acquires more than one (1) lot for the purpose of development, and shall be entitled to three (3) votes for each dwelling unit owned. The Class "B" membership shall cease and be converted to Class "A" membership upon the happening of either of the following events, which ever occurs earlier:

(i) When the total votes in Class "A" membership equals the total votes in the Class "B" membership.

(ii) On June 1, 1992

SECTION 3. The right to vote shall commence as follows:

(a) For the owners of dwelling units in the property described in Exhibit "A", on the date this declaration is recorded.

(b) For the owners of dwelling units in property annexed to the properties under Article II, on the date the supplemental declaration annexing the property is recorded.

SECTION 4. The total number of votes belonging to owners of dwelling units in apartment (but not condominium) buildings shall not exceed Forty-Nine (49%) Percent of the total voting power. If, at any time, the provisions of Section 2 above would result in the owners of apartment dwelling units having more than 49% of the total voting power:

(a) The vote belonging to each apartment dwelling unit shall be diminished proportionately so that the total of all such votes equals Forty-Nine (49%) of the total voting power.

(b) The vote belonging to each non-apartment dwelling unit shall be increased proportionately so that the total of all such votes equals Fifty-One

(51%) Percent of the total voting power.

The total votes on any portion of the properties designated on an approved final Development Plan as a multi-family residential site shall be determined as if the property contained the number of dwelling units for which the portion has been approved. From and after the time any of the dwelling units in a multi-family building on the site are occupied, voting rights for that building shall be based upon the number of dwelling units actually constructed therein.

ARTICLE V

EASEMENTS:

SECTION 1. Easement for association. The association and its agents shall have an easement for access across any portion of the properties and to the exterior of any building located thereon during reasonable hours as may be necessary for the following purposes:

(a) the maintenance, repair, replacement, or improvement of any common area accessible from that portion.

(b) Emergency repairs necessary to prevent damage to the common areas or to another portion of the properties or the improvements therein.

(c) Cleaning, maintenance, repair, or restoration work which the owner is required to do but has failed or refused to do.

Except in an emergency where advanced notice is not possible, these easements shall be exercised only after reasonable notice to the lot owner.

SECTION 2. Easement for the developer. The developer shall have an easement across all common areas for ingress, egress, storage, and placement of equipment and materials, and other actions necessary for or related to the development or maintenance of Mountain Park.

ARTICLE VI

ASSESSMENTS

SECTION 1. Covenants for Maintenance Assessments.

(a) Developer, for each dwelling unit owned by it, agrees, and each owner of a dwelling unit by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to agree to pay to the association (i) annual assessments; of charges, and (ii) special assessments for capital improvements.

(b) The annual and special assessments, together with interest, costs, and reasonable attorney's fees shall be charge and a continuing lien upon the dwelling unit against which each such assessment is made. Such lien may be foreclosed by the Association in like manner as a mortgage on real property.

(c) Each assessment, together with interest, cost, and reasonable attorney's fees shall also be the personal obligation of the person who was the owner of the dwelling unit assessed at the time the assessment fell due. The personal obligation shall not pass to the owner's successors-in interest unless expressly assumed by them. The new owner shall be personally related to the use and enjoyment of said area, and for the payment of taxes and insurance on the common area.

SECTION 2. PURPOSE OF ASSESSMENTS. The assessments levied by the association shall be used exclusively for the purpose of promotion the recreation, health, safety, and welfare of the residents of the properties, including the improvement, repair, and maintenance of the common area and the services and facilities related to the use and enjoyment of said area, and for the payment of taxes and insurance on the common areas.

SECTION 3. MAXIMUM ANNUAL ASSESSMENTS. The Board of Directors shall establish the maximum annual assessment which may, from time to time, be increased subject to the following conditions and limitations:

(a) Until such time as the class "B" membership ceases to exist, the Board of Directors may fix and increase the maximum annual assessment as necessary to fulfill the purposes set forth above.

(b) From and after the date upon which the class "B" membership ceases to exist, the maximum annual assessment may not be materially increased without an affirmative vote of two-thirds (2/3) of the Class "A" members who are voting in person or by proxy, at a meeting duly called for such purpose pursuant to SECTION 7 of this Article. A "material increase" shall be an increase which, cumulatively for the Association's fiscal year, increase the annual assessment by a percentage in excess of the percentage increase in the Consumer Price Index over the twelve (12) month ending one (1) month before

the start of the fiscal year. The Consumer Price Index shall be that applicable to "All Urban Consumers" published by the Bureau of Labor Statistics for the area which includes Mountain Park, or if that index is terminated or supersede, an equivalent measure.

SECTION 4. BOARD TO FIX ANNUAL ASSESSMENT. The Board of Directors shall fix the annual assessment at an amount not excess of the maximum at least fifteen (15) days prior to the start of the fiscal year. Written notice of the annual assessment shall be sent to every owner. In the event the Board fails to fix an annual assessment for any fiscal year, then the assessment established for the prior year shall automatically be continued until such time as the Board acts. The annual assessments shall be sufficient to meet the obligations imposed by the Declaration and the supplementary declarations, and shall be sufficient to establish an adequate reserve fund for the maintenance, repair and replacement of those common areas which require such actions on a periodic basis.

SECTION 5. SPECIAL ASSESSMENTS FOR CAPITAL IMPROVEMENTS. In addition to the annual assessments authorized above, the Association may levy in any assessment year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the common area, including the necessary fixtures and personal property related thereto; provided, however, that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose pursuant to Section 7 of this article.

SECTION 6. RATE OF ASSESSMENT. Both annual and special assessments shall be fixed at a uniform rate for all dwelling units, except that single-family residential lots shall be assessed at ten (10%) Percent of the uniform rate until such time as a building permit has been issued for the principal construction on that lot. The total assessment on any portion of the properties designated on an approved final Development Plan as a multi-family residential site shall be determined as if the property contained the number of dwelling units for which the portion has been approved. From and after the time any of the dwelling units in a multi-family building on the site are occupied, assessments for that building shall be based up in the number of dwelling units actually constructed therein.

SECTION 7, NOTICE AND QUORUM FOR ANY ACTION AUTHORIZED UNDER SECTIONS 3 AND 4. Written notice of any meeting conducted pursuant to Section 3 or 4 of this article shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting held. At the first meeting called for the purpose set forth in Sections 3 and 5, the presence of members or of proxies entitled to cast sixty (60%) Percent of all the votes of each class of

membership shall constitute a Quorum. If the required Quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth herein, and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

SECTION 8. Commencement of Annual Assessments: Due Dates. The annual assessment shall commence as to all dwelling units within the properties on the first (1st) day of the month following the conveyance of the first dwelling unit. If additional property is annexed to the properties pursuant to Article II, annual assessments on each of the dwelling units added shall commence on the first (1st) day of the month following the recording; of the supplemental declaration annexing the property. The first annual assessment on any dwelling unit shall be adjusted according to the number of months remaining in the calendar year.

SECTION 9. CERTIFICATION. The Association shall upon demand furnish a certificate in writing signed by an officer of the Association setting forth whether the assessment on a specified dwelling unit have been paid. A reasonable charge may be made by the association for the issuance of these certificates. Such certificates shall be conclusive evidence of payment of any assessment stated to have been paid.

SECTION 10. EFFECT OF NONPAYMENT OF ASSESSMENTS: Remedies of Association. Any Assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the Assessment shall bear interest from the date of delinquency at the rate of Twelve (12%) Percent per annum, and the Association may bring an action at law against the owner obligated to pay the assessment, or may foreclose the lien against the property, and in either event, interest, cost, and reasonable attorney's fees shall be added to the amount of the assessment. No owner may waive or otherwise escape liability for annual or special assessments by non-use of the common area or by abandonment of his dwelling unit.

SECTION 11. SUBORDINATION OF LIEN TO MORTGAGES. The lien of the assessments provided for in this Declaration shall be subordinate to the lien of any first mortgage. Sale or transfer of any dwelling unit shall not affect the assessment lien. However, where the mortgage of a mortgage of record or other purchaser of a dwelling unit obtains possession of the dwelling unit as the result of foreclosure of a mortgage, or by deed or assignment in lieu of foreclosure, such possessor, his successors and assigns, shall not be liable for share of the common expenses or assessments by the Association chargeable to such dwelling unit which became due prior to such possession. Such unpaid share of common expenses or assessments shall be deemed to be common expenses

collectable from all the owners, including such possessor, his successors and assigns.

SECTION 12. EXEMPT PROPERTY. The following property shall be exempt from the payment of annual and special assessments:

(a) All portions of the properties dedicated to and accepted by a local public authority.

(b) The common areas.

ARTICLE VII

ARCHITECTURAL CONTROL COMMITTEE

SECTION 1. APPOINTMENT. An Architectural Control Committee ("ACC.") consisting of not less than three (3) nor more than seven (7) persons shall be appointed. Each member shall hold office until he resigns, is removed, or until his successor has been appointed and qualified. The developer shall have the authority to determine the number of persons on the ACC. and to appoint those persons until the termination of the Class "B" membership as set forth in this Declaration. Therefore, the right to determine the size and membership of the ACC. shall belong the Board of Directors.

SECTION 2. DUTIES. The ACC. shall have the authority to review and act upon proposals and plans submitted and to perform other duties set forth in this declaration.

SECTION 3. ADOPTION AND GUIDELINES. The ACC shall have the authority to adopt and amend written guidelines to be applied in its review of plans and specifications, in order to further the intents and purposes of this declaration and any other covenants or restrictions covering the properties. If such guidelines are adopted, they shall be available to all members upon request.

SECTION 4. MEETINGS: COMPENSATION. The ACC. shall meet as necessary to properly perform its duties, and shall keep and maintain a record of all actions taken at the meetings or otherwise. Unless authorized by the Association, the members of the ACC shall not receive any compensation for their services. All members shall be entitled to reimbursement for reasonable expenses incurred in connection with the performance of any ACC duties.

SECTION 5. NON-WAIVER: Approval by the ACC of any plans, drawings or specifications shall not be a waiver of the right to withhold approval of any similar plan, drawing, specification, or matter submitted for approval.

SECTION 6. LIABILITY. Neither the ACC nor any of its members shall be liable to the Association or to any owner for any damage, loss or prejudice resulting from good faith on a matter submitted to the ACC for approval or for

failure to approve any matter submitted to the ACC.

ARTICLE VIII
ARCHITECTURAL AND LANDSCAPE CONTROL

SECTION 1. APPROVAL OF PLANS REQUIRED. None of the following actions may be taken until plans and specifications for the same have been approved in writing by the ACC:

(a) The construction or erection of any building, fence, wall, or other structure, except any multi-family residential building or accessory structure.

(b) The remodeling, reconstruction, or alteration of any building or other structure, except any multi-family residential building or accessory structure.

Any of such actions which has been approved shall only be taken in conformity with the plans and specifications actually approved by the ACC, and no changes in or deviations from the approved plans and specifications shall be made without the prior approval of the ACC.

Notwithstanding any provisions of this declaration, no action taken by Developer to develop the properties in accordance with the Development Plan shall require the approval of the ACC.

SECTION 2. PROCEDURE FOR APPROVAL. Any person wishing to take any of the actions described above shall submit to the ACC two (2) sets of plans and specifications.

Plans for the construction and Modification of any building, fence, wall, or other structure shall be building elevation plans which, in addition to the details customarily shown on such plans, shall show the proposed location of the structure on the lot, the exterior color scheme, proposed outdoor lighting, and proposed landscaping. At the request of the ACC, the person submitting such plans shall locate stakes on the lot which indicate the corners of the proposed structure.

Approval of plans and specifications shall be evidence by written endorsement of such plans and specifications, one (1) copy of which shall be delivered to the owner of the lot upon which the proposed action is to be taken. The ACC shall not be responsible for any structure defects in such plans or specifications or in any building or structure erected according to such plans and specifications.

SECTION 3. CRITERIA FOR APPROVAL. Approval of plans and specifications may be withheld or conditioned if the proposed action is at variance with these covenants, other covenants covering the properties, or design guidelines adopted by the ACC. Approval may also be withheld or conditioned if, in the option of the ACC, the proposed action will be detrimental to the community because of the grading and drainage plan, location of the improvement on the lot, color scheme, finish design, proportions, size of the improvement, shape height, style, materials, outdoor lighting proposed, or landscaping plan, or impact on view rights.

SECTION 4. FAILURE TO APPROVE. In the event that the ACC fails to approve or disapprove an action within thirty (30) days after plans and specifications have been submitted to it, or in any event, if no suit to enjoin the action has been commenced within ten (10) days after the completion thereof, approval will not be required and the related covenants shall be deemed to have been fully complied with.

SECTION 5. CONFORMITY WITH APPROVED PLANS. It shall be the responsibility of the ACC to determine that actions have been completed in accordance with the plans as submitted and approved. Such determination must be made within (60) days of the completion of the action. If the ACC shall determine that the action does not comply with the plans and specifications as approved, it shall notify the owner within that sixty (60) day period, and the owner, within such time as the ACC shall specify, but not less than thirty (30) days, shall either remove or alter the improvement or take such steps as the ACC shall designate. If no action by the ACC is taken within sixty (60) days of the date of completion of the improvement, the action shall conclusively be deemed to be satisfactory to the ACC.

ARTICLE IX

PERMITTED AND PROHIBITED USES

SECTION 1. All dwelling units shall be used for residential purposed only; provided however that this provision shall not prevent the renting or leasing of any dwelling unit.

SECTION 2. COMPLETION OF CONSTRUCTION. The work of construction on all building and structures shall be prosecuted diligently and continuously from commencement of construction until the structures are fully completed and painted. All structures shall be completed as to external appearance, including finish painting, within twelve (12) months from date of commencement of the construction period is extended by the ACC.

SECTION 3. SIGHT DISTANCE AT INTERSECTIONS. No fence, wall, tree,

hedge, shrub, or other planting which obstructs sight lines at elevations between two (2) and six (6) feet above the roadways shall be placed or permitted to remain on any corner lot within the triangular area formed by the street property lines and a line connecting them at a point twenty five (25) feet from the intersection of the street lines, or in the case of a rounded property corner from the intersection of the street property lines extended. The same sight line limitations shall apply on any lot within the ten (10) feet from the intersection of a street property line with the edge of a driveway.

SECTION 4. QUALITY OF CONSTRUCTION. The principal structure on each lot shall be constructed by a licensed building contractor.

SECTION 5. PARKING. Unless fully enclosed within an approved structure upon a lot, no recreational vehicles, commercial vehicles, construction or like equipment, trailers (utility, boat, camping, horse, or otherwise), or disabled vehicles shall be allowed to be parked or stored on any lot, street, or other area within the properties for a period in excess of twenty four (24) hours in any one week.

SECTION 6. NUISANCES. No noxious or undesirable thing, or noxious or undesirable use shall be permitted or maintained upon portion of the properties. If the Board determines that a thing or use is undesirable or noxious, that determination shall be conclusive.

SECTION 7. USE DURING CONSTRUCTION. Except with the approval of the Board, no persons shall reside upon the premises of any lot until such time as the improvements to be erected thereon in accordance with the plans and specifications approved by the Board have been completed.

SECTION 8. DIVISIONS OF LOTS. No lot shall be divided for the purpose of sale or lease without the prior written approval of the Board of Directors.

SECTION 9. OIL AND MINING OPERATION. No oil drilling, oil development operations, oil refining, quarrying, mining or mineral extraction operation of any kind shall be permitted upon the properties, nor shall oil wells, tanks, tunnels, mineral excavations or shaft be permitted upon properties. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon the properties.

SECTION 10. SEWAGE DISPOSAL SYSTEMS. No individual sewage disposal system shall be permitted on any lot unless the system is designed, located and constructed in accordance with the requirements, standards, and recommendations of all governmental agencies having jurisdiction of such system.

SECTION 11. WATER SUPPLY. No individual water supply system shall be permitted on any lot.

SECTION 12. SIGNS. No sign or billboard of any kind shall be displayed to

public view on any portion of any lot, excepting one sign of not more than five (5) square feet advertising the property for sale or rent, one sign indicating the owner; provided, however, that nothing in this section shall be deemed to prevent the use and display of signs of reasonable size during the construction and initial sales period.

SECTION 13. ANIMALS. No animals or reptiles of any kind shall be kept on the property, except that dogs, cats, or other household pets may be kept subject to the rules and regulations adopted by the Association. No animal may be kept, bred, or maintained for any commercial purpose.

SECTION 14. 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 local view. No building material of any kind shall be placed or stored upon the properties until the owner is ready to commence construction, and then such material shall be placed within the boundary lines of the lot upon which its use is intended.

SECTION 15. MOTORIZED VEHICLES. No motorized vehicles except necessary maintenance equipment shall be permitted on trails or jogging paths or any portion of the common areas not designated as a roadway or parking area.

SECTION 16. TEMPORARY STRUCTURE. No structure or moveable character including but not limited to a trailer, mobile home, basement, tent, shack, garage, barn or any other outbuilding shall be kept or used on any lot at any time as a residence. This provision shall not be deemed to prevent the use of a construction shack or trailer for purposes of storing or security at time during the initial period of construction.

SECTION 17. UTILITY LINES; RADIO AND TELEVISION ANTENNAS. All electrical service, telephone lines, and other outdoor utility lines shall be placed underground. No exposed or exterior radio or television transmission or receiving antennas shall be erected, placed, or maintained on any part of such premises except as approved by the ACC prior to installation or construction.

SECTION 18. TANKS, ETC... No elevated tanks of any kind shall be erected, placed, or permitted on any part of any premises, provided, that nothing herein shall prevent the Developer or their assigns, from erecting, placing, or permitting the placing of tanks or other water system apparatus on such premises. Any tanks for use in connection with any residence constructed on such premises, including tanks for the storage of fuels, must be buried or walled sufficiently to conceal them from the view from neighboring common areas, lots, or streets. All clothes lines, garbage cans, equipment, coolers, wood piles, or storage piles shall be walled in or otherwise suitably screened to conceal them from the view of neighboring dwelling units, lots, common areas, or streets. Plans for all enclosures of this nature must be approved by the ACC prior to construction.

SECTION 19. The builder of any single-family home for resale shall install landscaping and maintain it until the home is sold.

SECTION 20. DRAINFIELD RESERVATION. Areas reserve for drainfields are shown on Exhibit "C". No impervious surfaces, such as driveways, patios, walkways, or outbuildings shall be constructed or installed on these areas. Changes in the description of these areas shall not be made except with the approval of the appropriate health officer. Notwithstanding any other provisions in this Declaration, restrictions set forth in this Section shall remain in effects to a lot until such time as sanitary sewers are extended to that lot and then shall terminate and be no further in effect.

SECTION 21. AUTHORITY TO ADOPT ADDITIONAL RULES AND RESTRICTIONS. The Association shall have the authority to adopt additional written rules and restrictions governing the use of the properties, provided such rules and restrictions are consistent with the purposes of the Declaration, and to establish penalties for violation of those rules and restrictions. If rules and restrictions are adopted, they, along with established penalties, shall be available to all members upon request.

ARTICLE X

INSURANCE REQUIREMENTS

The Association shall continuously maintain in effect such casualty, flood and liability insurance and a fidelity bond meeting the insurance and fidelity bond requirements for a planned unit development project established by Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Veterans Administration, and Government National Mortgage Association, so long as any of them are a mortgagee or owner of a lot within the project, except to the extent such coverage is not available or has been waived in writing by Federal Home Loan Mortgage Corporation, Veterans Administration, and Government National Mortgage Association.

ARTICLE XI

DAMAGE OR DESTRUCTION

SECTION 1. In the event of damage or destruction to all or part of the common areas, the insurance proceeds, if sufficient, shall be applied to repair, reconstruct or rebuild the common area in accordance with the original plans. Such repair, reconstruction or rebuilding shall be arranged for promptly by the

Board of Directors.

SECTION 2. If the insurance proceeds are insufficient to pay for the cost to repair the common areas, the Board shall promptly, but in no event later than ninety (90) days after the date of damage or destruction, give notice to and conduct a special meeting of the owners to review the proposed repairs, replacement, and reconstruction, as proposed by the Board at the meeting, unless the owners decide by an affirmative vote of fifty one (51%) Percent of the total votes cast at such a meeting (provided a quorum exist), to repair, replace, or reconstruct the premises in accordance with original plan in a different manner than that proposed by the Board. In any case, however, the use of hazard insurance proceeds for other than repair, replacement, or reconstruction of the common area in accordance with the original plans shall not be permitted without the prior written approval of at least Sixty Seven (67%) Percent of the first mortgagees (based on one (1) vote for each first mortgage owned) or owners (if there is no first mortgage on that dwelling unit) of the dwelling units.

ARTICLE XII

CONDEMNATION

In the event of a partial condemnation of the common areas, the proceeds shall be used to restore the remaining common area, and any balance remaining shall be distributed to the Association.

In the event that the entire common area is taken or condemned, sold, or otherwise disposed of in lien of or in avoidance thereof, the condemnation award shall be distributed to the Association.

No proceeds received by the Association as the result of any condemnation shall be distributed to a dwelling unit owner or to any other party in plus of the rights of the first mortgagee of any dwelling unit.

ARTICLE XIII

MORTGAGEES PROTECTION

SECTION 1. As used in this Declaration: (1) "Mortgagee" includes the beneficiary of a deed of trust, a securing party, or other holder of a security interest; (2) " foreclosure" includes a notice and sale proceeding pursuant to a deed of trust or sale on default under a security agreement; and (3) "institutional

holder” means a mortgagee which is a bank or savings and loan association or established mortgage company, or other entity chartered under federal or state laws, any corporation or insurance company, or any federal or state agency.

SECTION 2. The prior written approval of a least Seventy Five (75%) Percent of the first mortgagees (based on one vote for each first mortgage owned) of the individual dwelling units shall be required for any of the following:

(a) The abandonment or termination of the status of the project, except for abandonment or termination, if any, provided by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain.

(b) Any material amendment to this Declaration, or to the Articles of Incorporation or By-Laws of the owners association, including, but not limited to, any amendment which would change the ownership interest of the owners in this project, change the pro-rate interest or obligation of any individual owner for the purpose of levying assessments of charges of for allocating distributions of hazard insurance proceeds of condemnation awards.

(c) The effectuation of any decision by the owners association to terminate professional management and assume self-management (however this shall not be deemed or construed to require professional management).

(d) Partitioning or subdividing any lot.

(e) Any act or omission seeking to abandon, partition, subdivide, encumber, sell or transfer the common areas; provided, however, that the granted of easements for public utilities or other public purposes consistent with the intended use of the common areas shall not be deemed a transfer within the meaning of this clause.

(f) Any act or omission seeking to change, waiver, or abandon any scheme of regulations or enforcement thereof, pertaining to the architectural design of the exterior appearance of buildings and other improvements, the exterior maintenance or buildings and other improvements, the maintenance of common property walks or common fences and driveways, or to the upkeep of lawns and plantings in the properties.

(g) Any act or omission whereby the association fails to maintain fire and extended coverage on insurable properties common property on a current replacement cost basis in the amount not less than one hundred (100%) of the insurable value (based on current replacement costs).

(h) Use of hazard insurance proceeds for losses to any properties common property for other than the repair, replacement or construction of such common property.

SECTION 3. Each first mortgagee (as well as each owner) shall be entitled to timely written notice of:

(a) Any significant damage or destruction to the common areas.

(b) Any condemnation or eminent domain proceeding effecting the common areas.

(c) Any default under this Declaration or Articles of Incorporation or By-Laws which gives rise to a cause of action against the owner of a dwelling unit subject to the mortgage of such a holder or insurer, where the default has not been cured in thirty (30) days.

(d) Any proposed abandonment or termination of the PUD status of this project.

(e) Any material amendment of this Declaration or to The Articles of Incorporation or By-Laws of the Association.

SECTION 4. Each first mortgagee shall be entitled, upon request, to:

(a) Inspect the books and records of the Association during normal business hours.

(b) Require the preparation of and, if preparation is required, receive an annual audited financial statement of the Association for the immediately preceding fiscal year, except that such statement need not be furnished earlier than ninety (90%) days following the end of such a fiscal year.

(c) Receive written notice of all meetings of the owners Association and be permitted to designate a representative to attend such meetings.

SECTION 5. First mortgagees of any dwelling units may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the common areas, and may pay overdue premiums on hazard insurance policies, or secure new hazard insurances coverage on the lapse of a policy, for such common areas, and the first mortgagees making such payments shall be owed immediate reimbursement therefore from the Association.

ARTICLE XIV

GENERAL PROVISIONS

SECTION 1. Binding Effect. All present and future owners or occupants of dwelling units shall be subject to and shall comply with the provisions of the Declaration, and the By-Laws and rules and regulations of the Association, as they may be amended from time to time. The acceptance of a deed of conveyance or the entering into occupancy of any dwelling unit shall constitute an agreement that the provisions of this Declaration, and the By-Laws and rules and regulations of the Association, as they may be amended from time to time, are accepted and

ratified by such each owner or occupant, and all such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such dwelling unit, as though such provisions were recited and stipulated at length in each and every deed and conveyance of lease thereof.

SECTION 2. ENFORCEMENT. The Association and any owner shall have the right to enforce, by any proceedings at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Should the Association or any owner employ counsel to enforce any of the foregoing covenants, conditions, reservation, or restrictions, all cost incurred in such enforcement, including a reasonable fee for counsel, shall be paid by the owner found to be in violation of said condition, covenants, reservation or restriction, or found to be delinquent in the payment of said lien or charge.

SECTION 3. FAILURE TO ENFORCE. No delay or omission on the part of the Developer or the owners of other dwelling units in exercising any rights, power, or remedy provided in this Declaration shall be constructed as a waiver of or acquiescence in any breach of covenants, conditions, reservation, or restriction set forth in the Declaration. No action shall be brought or maintained by anyone what so ever against the developer for or on account of it's failure to bring any action for any breach of these covenants, conditions, reservations, or restrictions, or for imposing restrictions which may be unenforceable.

SECTION 4. SEVERABILITY. Invalidation of any one of these covenants or restrictions by judgment or court order shall not affect any other provisions which shall remain in full force and effect.

SECTION 5. INTERPRETATION. In interpreting this Declaration, the term "person" may include natural persons, partnerships, corporations, associations, and personal representatives. The singular may also include the plural and the masculine may include the feminine, or visa ?, where the context so admits or requires. This Declaration shall be liberally construed in favor of the party seeing to enforce its provisions to effectuate the purpose of protecting and enhancing the value, marketability, and desirability of the properties by providing a common plan for the development of Mountain Park.

SECTION 6. AMENDMENT. The covenants and restrictions of this Declaration shall run with and bind the land, for term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended at any time during the first twenty (20) years by an instrument signed by the owners of not less than ninety (90%) percent of the dwelling units. Thereafter, the Declaration may be amended by an instrument signed by the

owners of Seventy-Five (75%) percent of the dwelling units. Any amendment must be recorded.

SECTION 7. POWER OF THE DEVELOPER TO AMEND TO MEET FINANCING REQUIREMENTS. Notwithstanding anything in this Declaration to the contrary, Developer may without the consent of any owner, at any time prior to the time it has sold and closed Seventy-Five (75%) Percent of the dwelling units, amend this Declaration by an instrument signed by Developer alone in order to satisfy the requirements of the Federal Mortgage Agencies.

SECTION 8. FHA/VA APPROVAL. As long as there is a class "B" membership, the following actions will require the prior approval of the Federal Housing Administration of the Veterans Administration if such Administrations have insured any properties or hold first mortgage on any of the properties: Annexation of addition properties, dedication of common area, any amendment to this Declaration of Covenants, conditions and Restrictions.

SECTION 9. CERTAIN RIGHTS OF DEVELOPER. From such time as developer shall own dwelling units there shall be no amendments to the Declaration, the Articles of Incorporation, the By-Laws, of the Association, or any rules and regulations adopted by the Association which:

(a) Discriminate or tend to discriminate against the Developer's rights as an owner.

(b) Change Article I ("Definitions") in a manor which alters Developer's rights or status.

(c) Alter Developer's rights under Article II regarding annexation of additional properties.

(d) Alter the character and rights of membership or the rights of Developer as set forth in Article V.

(e) Alter previously recorded or written agreements with public or quasi-public agencies regarding easements and rights-of-way.

(f) Deny the right to convey common areas to the association so long as such common areas lies within the land area represented in the Development Plan.

(g) Alter its rights as set forth in Articles IX and X relating to architectural controls.

(h) Alter the bases for assessments.

(i) Alter the provisions of the use restrictions set forth in Article XI.

(j) Alter the number or selection of Directors as established in the By-Laws.

(k) Alter the Developer's rights as they appear under this Article.

JUNE 8TH, 1982

*****END*****