

After Recording Return To:

BLUE FERN DEVELOPMENT 02, LLC
18300 Redmond Way Suite 120
Redmond, WA 98052

**DECLARATION OF
COVENANTS, EASEMENTS AND RESTRICTIONS FOR
TOWNS ON 7TH**

(A common interest community subject to Ch 64.90 RCW)

Grantor/Declarant: BLUE FERN DEVELOPMENT 02, LLC,
a Washington limited liability company
Additional names on pg. N/A

Grantee: BLUE FERN DEVELOPMENT 02, LLC,
a Washington limited liability company
Additional names on pg. N/A

Abbreviated Legal Description: Parcel A: Lot 1, KCSP 376102, AFN 7607090830;
Parcel B: Lot 2 and E 15 Ft Lot 3, KCSP 376102,
AFN 7607090830;
Parcel C: Lots 1-4, City of Issaquah SP-94-03, AFN
9407121806

(Full legal on Exhibit A)

TPN: 8844300030; 8844300031; 8844300032;
8844300033; 8844300026; 8844300027

Reference # (if applicable): N/A

This DECLARATION OF COVENANTS, EASEMENTS AND RESTRICTIONS FOR TOWNS ON 7TH (this “**Declaration**”) is made by BLUE FERN DEVELOPMENT 02, LLC, a Washington limited liability company (“**Declarant**”) as of this ____ day of _____, 2024.

Declarant is the owner of certain real property (the “**Property**”) in City of Issaquah, King County, Washington, legally described on **Exhibit A** hereto. The Property has been subjected to a division as shown on the Towns on 7th, a Binding Site Plan, recorded on _____ in the records of King County, Washington, under recording number _____ (the “**Binding Site Plan**”). This common interest community is subject to Ch. 64.90 RCW.

NOW, THEREFORE, Declarant declares that the Property is subject to the terms of this Declaration.

1. DEFINITIONS

1.1 Words Defined. The following terms shall have the following meanings and all definitions shall be applicable to the singular and plural forms of such terms:

1.1.1 “Association” shall mean the Towns on 7th Owners Association, its successor and assigns.

1.1.2 “First Mortgage” and “First Mortgagee” shall mean, respectively, (a) a recorded mortgage on a Unit that has legal priority over all other Mortgages thereon, and (b) the holder of a First Mortgage.

1.1.3 “Mortgage” shall mean a recorded mortgage or deed of trust that creates a lien against a Unit and shall also mean a real estate contract for the sale of a Unit.

1.1.4 “Mortgagee” shall mean the beneficial owner, or the designee of the beneficial owner, of an encumbrance on a Unit created by a 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 Unit.

1.1.5 “Owner” shall mean the record owner, whether one or more Persons, of fee simple title to a Unit within the Property, including a contract purchaser entitled to beneficial possession.

1.1.6 “Person” shall mean an individual, corporation, partnership, association, trustee, or other legal entity.

1.1.7 “Shared Improvements” shall have the meaning set forth in Section 3.

1.1.8 “Tracts” shall mean Tract A, Tract B, Tract C, Tract D, and Tract E, as depicted and described on the Binding Site Plan.

1.1.9 “Transition Date” shall have the meaning set forth in Section 7.6.

1.1.10 Unit” shall mean each condominium unit created on the Property in the areas generally depicted on the Binding Site Plan for the Property

2. ACCESS, UTILITIES, AND OPEN SPACE TRACTS.

Declarant hereby dedicates, grants, and conveys to the Association, for the benefit of all Units within the Property, the following Tracts for the purposes described below:

Tract Reference	Purpose
Tract A	Private Access and Utilities
Tract B	Private Access
Tract C	Private Access and Utilities
Tract D	Private Open Space
Tract E	Private Access

The Association shall be responsible for the repair, maintenance, and replacement of the paving, lighting, drainage facilities, utilities, guest parking stalls, and other improvements located within the Tracts with all expenses relating thereto assessed against the Owners pursuant to Section 8. Except as otherwise provided in Section 16 (Declarant’s Rights), parking and storage of vehicles or materials shall not be allowed in the Tracts other than the parking of operable passenger vehicles for guest of Owners within designated parking stalls. If for any reason the Association fails to repair, maintain, and replace such improvements as needed, the Owners shall be equally responsible to do so.

3. SHARED IMPROVEMENTS.

3.1 Easement. Declarant has or will install the following improvements within the Tracts to serve the Property (the “*Shared Improvements*”): landscaping, curbs, access tracts, sidewalks, pedestrian and bicycle ways, guest parking stalls, community signage, and grouped mailboxes. Declarant hereby creates in favor of Declarant a non-exclusive easement (the “*Shared Improvements Easement*”) for placement, use, maintenance, and repair of the Shared Improvements. The Shared Improvements Easement shall run with the land and be binding on the Tracts and any adjacent areas necessary or appropriate for use of, access to and maintenance of the Shared Improvements. The Shared Improvements shall benefit all the Units.

3.2 Maintenance and Repair. The Association shall operate, maintain, repair, and replace the Shared Improvements in compliance with all applicable codes and laws, and

expenses relating thereto shall be expenses of the Association, assessed against the Owners pursuant to Section 8. The Shared Improvements Easement granted herein shall benefit the Unit Owners to the extent the Association fails to maintain the Shared Improvements and the Unit Owners are required to do so in compliance with Section 2.

4. MAINTENANCE AND USE.

4.1 Maintenance. Each Owner shall keep its Unit in a clean and sanitary condition, free of rodents and pests, and in good order, condition and repair and shall do all redecorating, painting, and maintenance at any time necessary to maintain the appearance and condition of the Unit.

4.2 Residential Use. The Units shall be used only for single family residential purposes.

4.3 Parking. Commercial-type trucks, campers, trailers, motorhomes, boats or motorcycles shall be parked only inside a garage. Inoperative motor vehicles shall be parked and/or stored only inside a garage. Garages shall be used primarily for parking of vehicles and storage as a secondary use. All areas on the Binding Site Plan dedicated for vehicle parking (including inside garages) shall be maintained in perpetuity for that purpose. The Association shall maintain all vehicle circulation areas in a safe and functional condition.

4.4 Signs. Except as otherwise required by applicable law, no sign of any kind shall be displayed to the public view on or from any Unit, except for (i) address signage; (ii) one professionally created sign of not more than one square foot displaying the resident's name; and (iii) one sign of not more than five square feet advertising the Unit for sale or rent. This Section shall not apply to the Declarant. The Association shall maintain all community signage in compliance with applicable codes.

4.5 Landscaping. The Association shall maintain all landscaping and irrigation lines within the Property in good condition and repair consistent with applicable codes. Such work shall include the pruning and maintenance of any hedges installed to comply with screening and site area requirements. The Association shall maintain the minimum tree density required as a condition of approval of the Binding Site Plan and replace all fallen or failing trees when necessary.

4.6 Animals. The only animals permitted shall be dogs, cats and other household pets. No livestock, poultry, or other animals not normally kept as pets shall be allowed or kept in any Unit. Pets shall not be kept, bred or used for any commercial purpose. All animal enclosures must be kept in a clean, neat and odor-free condition at all times. Notwithstanding anything set forth herein all Owners shall comply with all applicable governmental laws, codes, ordinances, and relations pertaining to animals.

4.7 Temporary Structures. No structure of a temporary character, trailer, tent, or other outbuilding shall be installed, placed or used on the Property without prior Board approval and then, only for the approved purpose.

4.8 Clothes Lines. No washing, rugs, clothing, apparel or similar article shall be hung from the exterior of any Unit.

4.9 Radio and Television Aerials and Satellite Dishes. Subject to applicable law, no television or radio aerial or satellite receiving dishes or similar devices shall be erected or placed so that it is visible from the entry to the Property or the entry areas of any Unit.

4.10 Trash Containers and Debris. All trash shall be placed in sanitary containers screened or enclosed in a garage so as not to be visible from adjoining Units, streets or roadways, except on collection days.

4.11 Offensive Activity. No trade, craft, business, profession, commercial or manufacturing enterprise or business or commercial activity of any kind, including day schools, nurseries, or church schools (except in-home day care for not more than two children, provided that there shall be no external signage of such activity), shall be conducted or permitted in any Unit, nor shall goods, equipment, vehicles or materials used in connection therewith, be kept, parked, stored, dismantled or repaired outside of any Unit. Owners, or any occupant of the Property, shall refrain from making loud noises or playing musical instruments, radios, televisions, electronic music or using amplifiers at noise levels that may disturb other occupants of the Property or disturb surrounding property owners in the neighborhood. Owners, or any occupant of the Property, shall refrain from making loud noises or playing musical instruments, radios, televisions, electronic music or using amplifiers at noise levels that may disturb other occupants of the Property or disturb surrounding property owners in the neighborhood. No noxious or offensive activity shall be carried on in any Unit which may be or become an annoyance or nuisance to other Owners or occupants.

4.12 Damage. Any damage to Shared Improvements by Owners, their children, contractors, agents, visitors, friends, relatives or service personnel shall be repaired and restored to like new condition by such Owner within twelve (12) days from the occurrence of such damage.

5. PARTY WALLS

This Section 5 shall apply to the party walls between the adjoining Units prior to the recording of the Condominium Declaration for the Property.

5.1 Maintenance. Prior to the recording of a Condominium Declaration, ownership of each party wall shall be divided between the adjoining Units so that each

owns to the center of the wall, irrespective of whether the center of the wall is located exactly on the boundary line of that Owner's Unit and each Owner shall insure, maintain and repair its portion of the wall except as otherwise provided in Section 5.2 below.

5.2 Damage to Party Wall Without Significant Damage to Dwelling Units.

5.2.1 If a party wall is damaged and (1) the damage was not caused by the fault or negligence of either of the adjoining Owners of the wall, and (2) neither Unit has suffered Substantial Damage (defined below) other than that to the party wall, then the Owners of the adjoining Units shall each pay half of the cost of repairing or rebuilding the party wall. The wall shall be repaired or rebuilt to substantially the same condition and in the same location as the party wall was in immediately before the damage. Substantial Damage shall mean damage which is estimated to cost more than \$5,000 to repair.

5.2.2 If a party wall is damaged and (1) the damage was caused by the fault or negligence of one (but not both) of the adjoining Owners of the wall, and (2) neither Unit has suffered Substantial Damage other than that to the party wall, then the Owner who caused the damages shall at his/her sole cost and expense repair or rebuild the party wall to as nearly as practicable the same condition and in the same location as the party wall was in immediately before the damage and shall repair the resultant damage, if any, to the other Unit. Each Owner of the adjoining Units shall have the right to full use of the party wall as repaired or rebuilt.

5.3 Damage to Party Wall With Other Damage to Dwelling Unit. If a party wall is damaged and either or both of the adjoining units suffers Substantial Damage, the party wall will be repaired or rebuilt with costs shared as provided in Section 5.2.1 and the cost of repairing the other damage to each unit shall be paid by the Owner of that Unit. Notwithstanding the foregoing, (i) if neither Owner elects to rebuild, then the costs of demolishing and clearing debris from the party wall between the damaged units shall be shared equally, and (ii) if the damage was caused by the fault or negligence of either Owner, or its guests or invitees, then that Owner shall pay the first \$5,000 of repair expenses for repairs to the party wall and the other Owner's Unit. If both Owners elect to build new, separate exterior walls instead of rebuilding the party wall, then each shall bear the cost of its own new exterior wall.

5.4 Decision Deadline. Unless exercised to the contrary by written notice delivered to all Owners of the Units adjoining its Unit, within 30 days after the event of causing the damage giving rise to the election, each Owner of a Unit which is damaged or destroyed shall be conclusively deemed to have elected to repair and rebuild their Unit, including restoring the party wall.

5.5 Access to Party Wall Interior. Each Owner shall have the right, at its sole expense, to drill into, cut into or otherwise gain access to the interior of a party wall for the purpose of maintaining, repairing or restoring and, if consent be first obtained pursuant to

Section 5.6, remodeling or altering, water, utility, soundproofing or other services or amenities to its Unit subject to (1) the obligation to restore the party wall to the same condition it was in immediately before such act and (2) responsibility to the Owner of the other Unit adjoining the party wall for any damages caused thereby.

5.6 No Alteration. No Owner may make any changes to or alterations to a party wall which affect the adjacent Owner without the written consent of the other Owner.

5.7 Easement for Inadvertent Encroachment. Each Owner shall have an easement over the adjacent Unit for the following purposes:

(a) To have the party wall remain and be rebuilt in its same location as when originally built;

(b) To use, for party wall purposes, that portion of the adjoining Unit upon which the party wall is built; and

(c) For access through, in, or upon any portion of the adjoining Unit reasonably necessary to effect repairs to, maintenance of or reconstruction of the party wall or that portion of any foundation, exterior wall or roof of the Unit which meets with, adjoins or is connected to the party wall.

5.8 Weatherproofing. Each Owner shall take all steps reasonably required to, upon or in its unit to protect the party wall from infestation of, damage from or exposure to: rain, snow, hail, wind and other weather conditions; moisture, dry rot, rodents, termites and other damaging or dangerous vermin or insects; and deterioration or other injury, whether sudden or cumulative, from any use of or condition in their Unit except wear and tear incident to ordinary and prudent use and condition of the Unit.

5.9 Rights in the Event of Default. If an Owner fails to perform any act or make any payment required by this Section 5, and such failure continues after five days' prior written demand from adjoining Owner(s), then the adjoining Owner(s) may cure the default and charge the defaulting Owner for the cost of the cure, which shall be due upon demand, with interest at twelve percent per annum until repaid. Further, the curing Owner(s) shall have a lien upon the defaulting Owner's Unit, which may be recorded and, if recorded, shall contain the information required in a mechanic's lien. The lien may be foreclosed in the manner as provided and with the priority with respect to mechanic's liens. In addition, the curing Owner(s) shall have the right of access to, through, in or upon and to use the Unit of the defaulting Owner for the purpose of performing the act.

5.10 Equipment, Utilities and Other Portions of a Party Wall. For the purposes of this Section 5, the term "party wall" includes everything, if anything, located within such wall (such as studs, framing, insulation, soundproofing material, pipes, wires,

joints, junction boxes and other materials or equipment related to utilities) and below the wall (such as the surface of the ground and footings located in the ground).

6. ALTERATIONS TO OR REBUILDING OF A UNIT

6.1 Uniformity of Appearance. Declarant is in the process of constructing twenty-eight (28) single family townhomes and one (1) single family residence on the Property as one unified development. One of the purposes of this Declaration is to assure Owners that Units will maintain a uniformity of use and appearance and quality. Each Owner shall maintain the uniformity of appearance of the exterior of their Unit including paint colors and exterior finishes.

6.2 Uniformity of Design. Following the construction of the initial Units by Declarant, no Unit shall be altered (including rebuilding) unless the alteration is compatible with the design of the other Units on the Property. If an Owner wishes to alter the exterior appearance or design of a Unit, it shall submit to the Association detailed information regarding the proposed design and appearance of the alteration. The Owner shall be permitted to make the alteration only if the Association and the Owner(s) whose party wall adjoins the altered Unit, approve of the alteration.

6.3 Design Criteria and Aesthetic Standards. The Association may adopt rules to establish and enforce construction and design criteria and aesthetic standards for the Property. If adopted, such rules shall include procedures for enforcement of the standards and for approval of construction applications, including a reasonable time within which the Association must act after an application is submitted and the consequences of its failure to act.

7. HOMEOWNERS ASSOCIATION.

7.1 Form of Association and Qualification for Membership. The Owners of Units within the Property shall constitute the members of the Association. Each Owner (including Declarant) shall be a member of the Association. Each Unit shall be entitled to one vote, for a total of 29 votes for the Association as a whole. The persons constituting an Owner shall be entitled to one vote for each Unit owned; provided, that if a Unit has been sold on contract, the contract purchaser shall exercise the rights of an Owner for purposes of the Association and this Declaration except as hereinafter limited, and shall be the voting representative unless otherwise specified. Ownership of a Unit shall be the sole qualification for membership in the Association. The Association membership of each person constituting an Owner (including Declarant) shall be appurtenant to the Unit giving rise to such membership.

7.2 Voting. Except where otherwise specified in this Declaration, the Association shall act by a simple majority vote of the total votes (51% of the total votes). If a Unit is owned by more than one person and only one of them is present or represented at

a meeting, the one who is present or represented will represent the Owner. The vote for a Unit must be cast as a single vote, and fractional votes shall not be allowed. If joint owners are unable to agree among themselves how their vote shall be cast, they shall lose their right to vote on the matter in question. An Owner may, by written notice to the Manager, designate a voting representative for the Unit. The designated voting representative need not be an Owner. The designation may be revoked at any time by written notice to the Manager from a Person having an ownership interest in a Unit, or by actual notice to the Manager of the death or judicially declared incompetence of any Person with an ownership interest in the Unit. This power of designation and revocation may be exercised by the guardian of an Owner, the attorney-in-fact for the Owner under a durable power of attorney, and the administrator or executor of an Owner's estate. If no designation has been made, or if a designation has been revoked and no new designation has been made, the voting representative of each Unit shall be the group composed of all of its Owners.

7.3 Manager. The board of directors of the Association, by majority vote, shall retain a professional property management company to serve as the Manager of the Association. The Manager shall serve until that entity either resigns or a new Manager is elected by a majority vote. The Manager shall be responsible for calling the annual meeting of the Association. The Manager shall keep accurate books and records of the funds collected and expended by the Association, together with supporting documentation such as bank statements and copies of invoices. The books and records shall be available for examination by Owners, Mortgagees, and the agents or attorneys of either of them, upon reasonable notice to the Manager and shall be passed on to the next Manager. The Manager shall arrange for operation, maintenance and repair of the Shared Improvements and the Tracts, including payment of the utility charges for water and power and any other utilities used by the Shared Improvements, and for the insurance as provided in Section 13.

7.4 Annual and Special Meetings. Within 30 days of the Transition Date, there shall be a meeting of the members of the Association and thereafter there shall be an annual meeting of the members of the Association each year at such reasonable place and time as may be designated by written notice from the Board delivered to the Owners not less than fourteen days before, and not more than fifty days before, the meeting date. At the first such meeting, and at each annual meeting thereafter, the Owners shall elect, or re-elect, by majority vote, individuals to serve on the Board of Directors and officers for the Association. The Board shall present at the meeting a summary of the funds collected and expended since the last meeting and a proposed annual budget for consideration by the Owners and the Owners shall either ratify or reject the annual budget at the annual meeting, all in accordance with RCW 64.90.525. If the proposed budget is rejected, the periodic budget last ratified by the Owners shall continue until the Owners ratify a subsequent budget proposed by the Board. Special meetings of the members of the Association may be called by any member at any time upon not less than 14 days (but no more than fifty days) prior written notice to all Owners for any purpose. Any First

Mortgagee of a Unit may attend or designate a representative to attend the meetings of the Association. Member meetings may be conducted by telephonic, video, or other conferencing method in accordance with RCW 64.90.445(1)(f).

7.5 Enforcement of Declaration, Etc. Each member shall have the right to enforce the provisions of this Declaration. The failure of any Owner to comply with the provisions of this Declaration, or the rules and regulations of the Association will give rise to a cause of action in any aggrieved Owner for recovery of damages, or injunctive relief, or both. If a legal action is brought to interpret or enforce compliance with the provisions of this Declaration, or the rules or regulations of the Association, the prevailing party shall be entitled to judgment against the other party for its reasonable expenses, court costs, and attorneys' fees in the amount awarded by the Court.

7.6 Declarant Control. Declarant shall retain a period of Declarant control of the Association as contemplated in RCW 64.90.415 during which it may appoint and remove officers and board members or veto or approve proposed actions of the Board or Association. The period of Declarant control shall terminate within the period required under RCW 64.90.415(2) (the "*Transition Date*").

8 ASSESSMENT FOR COMMON EXPENSES

8.1 Common Expenses. All expenses incurred by the Association or the Manager to perform the obligations of the Association (the "*Common Expenses*") shall be allocated evenly among the Units; each Unit shall be assessed Three and Forty-Five One Hundredths (3.45%) of the total amount due. Examples of the Common Expenses are as follows: costs of maintaining, repairing and replacing the Shared Improvements and Tracts including paving, landscaping, and utilities, and insurance costs. The assessment may be collected on a monthly, quarterly or annual basis and shall be due and payable to the Manager within 30 days after the date of the notice. The notice shall include detailed information regarding the amounts due.

8.2 Certificate of Unpaid Assessments. Upon the request of any Owner or Mortgagee or prospective Owner or prospective Mortgagee of a Unit, the Manager will furnish a statement of the amount, if any, of unpaid assessments charged to the Unit. The statement shall be conclusive upon the Association as to the amount of such indebtedness on the date of the statement in favor of all purchasers and Mortgagees of the Unit who rely on the statement in good faith. All assessments shall belong to the Association.

9. LIEN AND COLLECTION OF ASSESSMENTS

9.1 Assessments Are a Lien; Priority. All assessments made under the authority of this Declaration shall constitute a lien on the Unit and all its appurtenances from the date the assessment becomes due and until fully paid. The lien for such unpaid

assessments shall be subordinate to tax liens on the Unit in favor of any assessing unit and/or special district, and to all sums unpaid on all First Mortgages of record, but to the extent permitted by applicable law, shall have priority over all other liens against the Unit. The lien shall also be prior to First Mortgages for assessments for common expenses (excluding any amounts for capital improvements), based on the periodic budget adopted by the Association pursuant to Chapter 64.90 RCW which would have become due during the six (6) months immediately preceding the institution of proceedings to foreclose either the Association's lien or a Mortgagee provided the notice and other applicable requirements of RCW 64.90.485 are satisfied. Subject to the preceding exception, a First Mortgagee that obtains possession through a Mortgage foreclosure or deed of trust sale, or by taking a deed in lieu of foreclosure or sale, or a purchaser at a foreclosure sale, shall take the Unit free of any claims for the share of common expenses or assessments by the Association chargeable to the Unit which became due before such possession, but will be liable for the common expenses and assessments that accrue after the taking of possession. The Unit's past-due share of common expenses or assessments shall become new common expenses chargeable to each Owner, including the Mortgagee or foreclosure sale purchaser. Notwithstanding any of the foregoing, however, both the Owner and any real estate contract vendor shall continue to be personally liable for past due assessments as provided in Section 9.3. For purposes of this Section, "Mortgage" does not include a real estate contract and "Mortgagee" does not include the vendor or the assignee or designee of a vendor of a real estate contract.

9.2 Lien May Be Foreclosed. The lien for delinquent assessments may be foreclosed judicially or non-judicially by the Board or Manager, acting on behalf of the Association, in the manner described in RCW 64.90.485. The Board or Manager, acting on behalf of the Association, shall have the power to bid in the Unit at the foreclosure sale, and to acquire and hold, lease, mortgage, and convey the same. To enable the Board or Manager to commence a non-judicial foreclosure, Declarant hereby grants, bargains, sells, and conveys to Chicago Title Insurance Company ("Trustee"), in trust, with power of sale, all Declarant's right, title, and interest, in the Property to secure the obligations of the Members to the Association for payment of assessments. The Units are not used principally for agricultural purposes. The power of sale granted in this Section is operative in the case of a default in the obligation to pay assessments.

9.3 Assessments are Personal Obligations. In addition to constituting a lien on the Unit, all sums assessed by Association chargeable to any Unit together with interest, late charges, costs and attorneys' fees in the event of delinquency, shall be the joint and several personal obligations of the Owner and any contract vendor of the Unit when the assessment is made. Suit to recover personal judgment for any delinquent assessments shall be maintainable without foreclosing or waiving the liens securing them.

9.4 Late Charges and Interest on Delinquent Assessments. The Board or Manager may from time to time charge a late charge of 5% of the delinquent amount for

assessments not paid within 10 days after the date when due. Delinquent assessments shall bear interest at the lesser of 12% per annum or the highest rate permitted by law.

9.5 Remedies Cumulative. The remedies provided herein are cumulative and the Association may pursue them, and any other remedies which may be available under law although not expressed herein, either concurrently or in any order.

10. FAILURE TO INSIST ON STRICT PERFORMANCE NO WAIVER.

The failure of the Manager in any instance to insist upon the strict compliance with this Declaration or to exercise any right, or to serve any notice or to institute any action, shall not be construed as a waiver or a relinquishment for the future of any term, covenant, condition, or restriction. The receipt by the Manager of payment of any assessment from an Owner, with knowledge of any breach by the Owner, shall not be a waiver of the breach. No waiver of any requirement shall be effective unless expressed in writing and signed by the President of the Board of Directors of the Association.

11. LIMITATION OF LIABILITY

So long as a Manager, or Association member or officer, or Declarant, acting on behalf of the Association, has acted in good faith, without willful or intentional misconduct, upon the basis of such actual information as is then possessed by such Person, then no such Person shall be personally liable to any Owner, or to any other Person, including the Association, for any damage, loss, or prejudice suffered or claimed on account of any act, omission, error, or negligence of such Person.

12. INDEMNIFICATION.

Each Manager or Association member or officer acting on behalf of the Association 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 such person may be a party, or in which such person may become involved, by reason of holding or having held such position, or any settlement thereof, whether or not such person holds such position at the time such expenses or liabilities are incurred, except in such cases wherein such Manager is adjudged guilty of willful misfeasance in the performance of their duties; provided, that in the event of a settlement, the indemnification shall apply only when the Association approves such settlement and reimbursement as being for the best interests of the Association.

13. INSURANCE.

The Association shall purchase and maintain as a common expense a policy or policies of (i) commercial general liability insurance covering the Association and members of the Association in a minimum amount of \$1,000,000; (ii) property damage insurance on all

of the Shared Improvements in the amount of their replacement cost, and (iii) insurance for the protection of the Association's Managers and the Board of Directors from personal liability in the management of the Association's affairs; and such other insurance as the Association deems advisable.

14. AMENDMENTS OF DECLARATION.

After the Transition Date, any Owner may propose amendments to this Declaration to the Association. Any member of the Association may propose an amendment to the other members by calling a meeting for that purpose. The affirmative vote of (i) Owners who represent at least sixty-seven percent (67%) of the total allocated votes in the Association, and (ii) the holders of at least fifty one percent (51%) of the first Mortgages (based on one (1) vote for each first mortgage owned), shall be required for any amendments of a material nature to this Declaration provided the unanimous consent of all Owners and First Mortgagees shall be required to adopt an amendment changing the voting power or portion of assessments appurtenant to each Unit. All other amendments shall be adopted if approved by a simple majority (51%) of votes. Once an amendment has been adopted by the Association, the amendment will become effective when a certificate of the amendment, executed by the President of the Board, has been recorded in the real property records of King County, Washington.

15. DURATION.

The covenants, conditions, and restrictions of this Declaration shall run with and bind the Property and shall inure to the benefit of and be enforceable by the Owners, their respective legal representatives, heirs, successors, and assigns, in perpetuity from the date this Declaration is recorded, unless an instrument signed by sixty-seven percent (67%) of the then Owners has been recorded agreeing to terminate the covenants, conditions and restrictions, subject to plat requirements or any requirements of applicable law.

16. SPECIAL DECLARANT'S RIGHTS .

16.1 Special Declarant Rights. Declarant reserves to itself until all Units have been sold by the Declarant, the following Special Declarant Rights: (a) to complete any or all improvements shown on the Binding Site Plan; (b) to use the Shared Improvements Easement through the Property for the purpose of making improvements and constructing the Units, (c) to access and enter the Property to exercise the Special Declarant Rights described in this Section 16, (d) to execute such amendments to this Declaration as may be permitted pursuant to RCW 64.90.285, (e) to appoint or remove any officer of the Association or any member of the Board of Directors during any period of Declarant control, (f) to veto or approve any proposed action of the Board of Directors or Association during any period of Declarant control, (g) to amend this Declaration during any period of Declarant control, (h) to maintain marketing signs, sales offices, management offices, and models, and (i) to record a condominium declaration creating a condominium community

on the Property. Until all Units have been sold by Declarant, this Declaration may not be amended by the Association in a manner which removes, limits, restricts, or alters in any way Declarant's rights under this Declaration, without the written approval of Declarant.

16.2 Easement for Marketing, Development, and Construction. Declarant hereby reserves for itself and its successors and assigns, affiliates, contractors, subcontractors and other agents, a nonexclusive easement over, under and across the Property for purposes of developing, constructing, marketing, and selling Units and/or homes and for the completion of all improvements and landscaping required as a condition of approval of the Property or otherwise deemed necessary or desirable by the Declarant. Any damage to the Property resulting from the exercise of such easement shall be repaired by, and at the expense of, the Declarant or individual or entity exercising the easement right. Declarant shall not unreasonably interfere with access to any Unit provided, however, temporary closures are allowed if needed for construction activities.

16.3 Amendment by Declarant. Declarant reserves the right to amend the Declaration as may be necessary to comply with Federal Home Loan Mortgage Corporation ("FHLMC") or Federal National Mortgage Association ("FNMA") or Federal Housing Administration ("FHA") regulations or requirements as necessary to enable the holders of first mortgages or deeds of trust to sell first mortgages or deeds of trust to FHLMC, FHA or FNMA or if such amendment is necessary to secure funds or financing provided by, through or in conjunction with FHLMC or FNMA or FHA or, if such amendment is necessary, in Declarant's opinion, for the efficient functioning of the Association, the Property, or the Binding Site Plan.

16.4 Transfer. The rights described in this Section 16 may not be transferred except by instrument evidencing the transfer executed by Declarant or its successor and the transferee, and recorded in King County, Washington. The rights and liabilities of the parties involved in such a transfer, and of all persons who succeed to any Special Declarant Right, are set out in RCW 64.90.425. Declarant may contract or otherwise arrange for any third party agent of Declarant to complete improvements within the Property; such arrangements shall not constitute a transfer of Special Declarant Rights.

16.5 Duration. The rights described in this Section 16 shall terminate on the earlier to occur of December 31, 2029, or the date Declarant finishes construction of all Shared Improvements and the Units and transfers the final Unit to a retail purchaser.

17. MISCELLANEOUS.

17.1 Notice. All notices given under the provisions of this Declaration shall be in the form of a record, as provided in RCW 64.90.515. Notices may be delivered in a tangible medium or by electronic transmission provided the requirements of RCW 64.90.515 are satisfied. Notices delivered by tangible medium are effective on the date of

hand delivery, three (3) days after deposit with the United States Postal Service or when sent by facsimile transmission. Notices delivered by electronic transmission are effective on the date of transmission to an address, location or system designated by the recipient for receipt of such notices or the date the notice is posted to an electronic network and a separate record of the posting has been sent to the recipient with instructions on how to access the posting.

17.2 Severability. The provisions of this Declaration shall be independent and severable, and the unenforceability of any one provision shall not affect the enforceability of any other provision, if the remainder affects the common plan. This Declaration shall be effective upon recording.

17.3 Assignment by Declarant. Declarant reserves the right to assign or delegate all or any of its rights, duties, and obligations created under this Declaration.

17.4 Superseded by the Condominium Declaration. When the Property is subjected to a Condominium Declaration, such Condominium Declaration shall supersede and control over all conflicting provisions in this document.

DATED as of this ____ day of _____, 2024.

DECLARANT:

BLUE FERN DEVELOPMENT 02, LLC

By:
Its:

STATE OF WASHINGTON)
) ss.
COUNTY OF _____)

This record was acknowledged before me on _____, 2024 by _____, in his capacity as _____ of BLUE FERN DEVELOPMENT 02, LLC.

(Stamp)

(Signature of Notary Public)

(Title of Office)

My Commission Expires: _____
(Date)

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

Legal Description of the Property

PARCEL A:

Lot 1, King County Short Plat Number 376102, according to the Short Plat thereof recorded under recording number 7607090830, records of the King County Auditor; Less Newport Way; Situate in the County of King, State of Washington.

PARCEL B:

Lot 2 and the East 15 feet of Lot 3, King County Short Plat Number 376102, according to the Short Plat thereof recorded under recording number 7607090830, records of the King County Auditor; Less Newport Way;

(Also known as Lot B, City of Issaquah Lot Line Adjustment No. LLA 86-03, recorded under recording number 8609150845, records of the King County Auditor);

Situate in the County of King, State of Washington.

PARCEL C:

Lots 1 through 4, inclusive, City of Issaquah Short Plat Number SP-94-03, according to the Short Plat thereof recorded under recording number 9407121806, records of the King County Auditor; Situate in the County of King, State of Washington.