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, Skagit County Auditor

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LAND TITLE COMPANY OF SKAGIT COUNTY

DOCUMENT TITLE(S) (or transactions contained herein):

THE E. C. DEMING TRUST DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS

REFERENCE NUMBER(S) OF DOCUMENTS ASSIGNED OR RELEASED:

SHORT PLAT NO. 97-0012

GRANTOR(S) (Last name, first name and initials):

DEMING, JOHN G. Trustee of the E.C. Deming Living Trust, E.C. DEMING TRACTS

GRANTEE(S) (Last name, first name and initials):

The Public, Owners, Successors and Assigns of Lot 1, 2, 3 and 4

LEGAL DESCRIPTION (Abbreviated: i.e., lot, block, plat or quarter, quarter, section, township and range):

Short Plat No. 97-0012

ASSESSOR'S PARCEL/TAX I.D. NUMBER: 48716, 48720 and 48674

**THE E. C. DEMING TRUST
DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS
AND EASEMENTS**

THIS DECLARATION is made this 11th day of October, 2000 by JOHN G. DEMING, TRUSTEE of the E. C. DEMING LIVING TRUST as the owner of certain real property situated in Skagit County, State of Washington and known as the E. C. DEMING TRACTS aka Short Plat 97-0012 which property is more fully described in Exhibit A which is attached hereto and incorporated herein by reference.

RECITALS

Declarant desires to develop E. C. DEMING TRACTS as a residential community. Declarant also desires to create common areas and facilities for the benefit of the E. C. DEMING TRACTS community and to provide for the preservation and maintenance of the natural values in E. C. DEMING TRACTS including Native Growth Protection Easement areas.

This Declaration establishes a plan for the private ownership of Lots and the buildings constructed thereon, for the dedication of certain areas to the public, and for the beneficial ownership through E. C. DEMING TRACTS of certain other land and related easements, hereafter defined and referred to as the "Common Areas". E. C. DEMING TRACTS shall be delegated and assigned the duties and powers of maintaining and administering the Common Areas, administering and enforcing these covenants, conditions, restrictions and easements, and determining, collecting and disbursing the assessments and charges hereinafter created.

NOW, THEREFORE, Declarant hereby establishes and declares that all of E. C. DEMING TRACTS, as defined herein and described in Exhibit A hereto, and any buildings and structures hereafter constructed thereon are, and will be, held, sold, and conveyed subject to and burdened by the following covenants, conditions, restrictions and easements, all of which are for the purpose of enhancing and protecting the value, desirability, and attractiveness of E. C. DEMING TRACTS for the benefit of the Owners thereof, their heirs, successors, grantees, and assigns. All provisions of this Declaration shall be binding upon all parties having or acquiring any right, title, or interest in E. C. DEMING TRACTS or any part thereof (except as otherwise set forth herein), and shall inure to the benefit of the Owners thereof and to the benefit of the Association and are intended to be and shall in all respects be regarded as covenants running with the land.



ARTICLE 1. DEFINITIONS

Section 1.1 "Association" shall mean and refer to the E. C. DEMING TRACTS HOMEOWNERS ASSOCIATION, a Washington nonprofit corporation, its successors and assigns.

Section 1.2 "Common Areas" shall mean and refer to all easements, including, but not limited to drainage, ingress and egress easements, and any improvements thereto.

ARTICLE 2. E. C. DEMING TRACTS

Section 2.1 Description of Association. The E. C. DEMING ASSOCIATION is a nonprofit corporation organized and existing under the laws of the State of Washington charged with the duties and vested with the powers prescribed by law and set forth in the Governing Documents, as they may be amended from time to time.

Section 2.2 Votes Appurtenant to Lots. Every Owner shall be a member of the Association and shall be entitled to cast one (1) vote in the Association for each Lot owned. A vote shall be appurtenant to and held and owned in the same manner as the beneficial fee interest in the Lot to which it relates. A vote shall not be separated from ownership of the Lot to which it relates; provided, however, that when more than one entity holds the beneficial fee interest in any Lot, the vote therefor shall be cast as the Owners among themselves determine, but in no event shall more than one vote be cast with respect to any Lot; and if the several Owners of a Lot are unable to agree as to the casting of their vote, such vote shall not be counted. If a Lot is further subdivided as the Owner of each additional Lot created shall be entitled to one vote in the Association for each Lot owned.

Section 2.3 Initial Number of Votes. From the commencement of the existence of the Association, there shall be a total number of four (4) outstanding votes in the Association. During the Development Period, the Declarant shall be entitled to cast all such votes, less one vote for each Lot then owned by an Owner other than Declarant.

Section 2.4 Bylaws, Rules and Regulations. On behalf of the Association, the Board shall have the power to adopt, modify, and amend rules and regulations governing the use of E. C. DEMING TRACTS. The rules and regulations shall apply uniformly to all Owners, except as specifically provided herein. The Board shall have the power to enforce the rules and regulations on behalf of the Association and may prescribe penalties for the violation of such rules and regulations, including, but not limited to, monetary penalties. Any such rules and regulations shall become effective thirty (30) days after promulgation and shall be mailed to all Owners prior to their effective date. A copy of the rules and regulations then in force shall be retained by the secretary of the



Association. On behalf of the Board, the Declarant may adopt the initial Bylaws and rules and regulations of the Association.

Section 2.5 Each single family residence shall contain a minimum of 1,400 square feet for one story and 2,000 square feet for two stories exclusive of open decks (covered or uncovered), garages, carports, sheds or outbuildings. No residence shall contain more than two and one half stories in height. Driveways shall be class "B" asphalt from existing street to property line at which point they may be concrete continuing to the garage. Driveways shall not exceed fifteen (15) feet in width where they intersect any roadway.

Section 2.6 Covered decks, garages, carports, sheds or outbuildings shall be of the same siding and roof material and style as the family residence.

ARTICLE 3. ASSOCIATION BUDGET, ASSESSMENTS AND LIENS

Section 3.1 Owner's Covenants to Pay Assessments. By acquisition or as needed to transfer of any ownership interest in a Lot, the Owner thereof covenants and agrees thereby, on behalf of himself and his heirs, successors and assigns, to pay the Association, in advance, all general and specific assessments levied as provided herein.

Section 3.2 Levy of General Assessment. In order to meet the costs and expenses projected in its operating budget, the Association shall by Association Action determine and levy in advance on every Owner a general assessment. The amount of each Owner's general assessment shall be equal to the number of lots owned by any owner divided by the total number of lots in the E.C. DEMING TRACTS multiplied by the amount of the Association's operating budget. The Association shall make reasonable efforts to determine the amount of the general assessment payable by each Owner for an assessment period at least thirty (30) days in advance of the beginning of such period and shall at that time prepare a roster of the Owners and the general assessment allocated to each, which shall be open to inspection by any Owner upon reasonable notice to the Association. Notice of the general assessment shall thereupon be sent to each Owner provided, however, that notification to an Owner of the amount of an assessment shall not be necessary to the validity thereof. The omission by the Association, before the expiration of any assessment period, to fix the amount of the general assessment hereunder for that or the next period, shall not be deemed a waiver or modification in any respect of the provisions of this Article or a release of any Owner from the obligation to pay the general assessment, or any installment thereof, for that or any subsequent assessment period, but the general assessment fixed for the preceding period shall continue until a new assessment is fixed. Upon any revision by the Association of the operating budget during the assessment period



for which such budget was prepared, the Association shall, if necessary, revise the general assessment levied against Owners and give notice to each Owner.

Section 3.3 Payment of General Assessment. Upon Association Action, installments of general assessments may be collected on a monthly, quarterly, semi-annual basis. Any Owner may prepay one or more installments on any assessment levied by the Association without penalty.

Section 3.4 Effect of Nonpayment of Assessment. If any assessment payment is not made in full within thirty (30) days after it was first due and payable, the unpaid amounts shall constitute a lien against the Lot assessed and shall bear interest from such due date at a rate set by the Board in its rules and regulations which shall not exceed the highest rate then permitted by law. By acceptance of a deed to a Lot, recording of a real estate contract therefor, or any other means of acquisition of an ownership interest, and whether or not it shall be so expressed in any such deed or other instrument, each Owner shall be deemed to grant thereby to the Association, its agents, and employees and to Declarant during the Development Period, the right and power to bring all actions against such Owner personally for the collection of such assessments as a debt, and to enforce the liens created by this Declaration in favor of the Association by foreclosure of the continuing liens in the same form of action as is then provided for the foreclosure of a mortgage on real property. The liens provided for in this Declaration shall be for the benefit of the Association, and shall arise in accordance with the terms of this Declaration without the necessity of any further action by the Association. The Association shall have the power to bid at any lien foreclosure sale and to acquire, hold, lease, mortgage, and convey the Lot foreclosed against.

Section 3.5 Duration of Lien. Any lien arising pursuant to Section 3.4 shall be a continuing lien in the amount stated in the assessment from the time of the assessment, but expiring pro rata as the assessment payments are made, and shall also be the personal obligation of the person or entity who is the Owner of the Lot at the time of the assessment. The personal obligation to pay a prior assessment shall not pass to successors-in-interest unless expressly assumed by them; provided, however, that in the case of a sale or contract for the sale of any Lot which is charged with the payment of an assessment the person or entity who is the Owner immediately prior to the date of such sale shall be personally liable for the amounts of the monthly installments due prior to sale date, and the new Owner shall be personally liable for monthly installments becoming due on or after such date. The foregoing limitation on the duration of the personal obligation of an Owner to pay assessments shall not, however, affect the validity or duration of the continuing lien for unpaid assessments against the respective Lot.



Section 3.6 Suspension for Nonpayment of Assessment. If an Owner shall be in arrears in the payment of any assessment due, or shall otherwise be in default of the performance of any terms of the Governing Documents of the Association for a period of 30 days, without the necessity of any further action by the Association, said Owner's voting rights shall be suspended (except as against foreclosing secured parties) and shall remain suspended until all payments, including interest thereon, are brought current and any other default is remedied. No Owner is relieved of liability for assessments by nonuse of the Common Areas or by abandonment of a Lot.

ARTICLE 4. SUBORDINATION OF LIENS

Section 4.1 Intent of Provisions. The provisions of this Article 4 apply for the benefit of each Mortgagee who lends money for purposes of construction or to secure the payment of the purchase price of a Lot.

Section 4.2 Mortgagee's Nonliability. The holder of a Mortgage shall not, by reason of its security interest only, be liable for the payment of any assessment or charge, nor for the observance or performance of any covenant or restriction, excepting only those enforceable by equitable relief and not requiring the payment of money, and except as hereafter provided.

Section 4.3 Mortgagee's Rights During Foreclosure. During foreclosure of a Mortgage, including any period of redemption, the holder of the Mortgage may exercise any or all of the rights and privileges of the Owner of the encumbered Lot, including but not limited to the right to vote in the Association to the exclusion of the Owner's exercise of such rights and privileges.

Section 4.4 Mortgagee as Owner. At such time as a Mortgagee shall become the record Owner of the Lot previously encumbered by the Mortgage, the Mortgagee shall be subject to all of the terms and conditions of this Declaration, including the obligation to pay for all assessments and charges in the same manner as any Owner.

Section 4.5 Mortgagee's Title Free and Clear of Liens. A Mortgagee or other secured party acquiring title to a Lot through foreclosure, deed in lieu of foreclosure, or equivalent method, shall acquire title to the encumbered Lot free and clear of any liens authorized by or arising out of the provisions of this Declaration, insofar as such lien secures the payment of any assessment due but unpaid before the final conclusion of any such proceeding, including the expiration date of any period of redemption. The Association may treat any unpaid assessments against a Lot foreclosed against as an expense of the Association.

Section 4.6 Survival of Assessment Obligation. After the foreclosure of a security interest in a Lot, any unpaid assessments



shall continue to exist and remain as a personal obligation of the Owner against whom the same was levied, and the Association shall use reasonable efforts to collect the same from such Owner.

Section 4.7 Subordination of Assessment Liens. The liens for assessments provided for in this Declaration shall be subordinate to the lien of any first Mortgage or other security interest placed upon a Lot as a construction loan security interest or as a purchase price security interest, and, upon demand, the Association will execute a written subordination document to confirm such priority. The same or transfer of any Lot or of any interest therein shall not affect the liens provided for in this Declaration except as otherwise specifically provided for herein, and in the case of a transfer of a Lot for purposes of realizing a security interest, liens shall arise against the Lot for any assessment payments coming due after the date of completion of foreclosure

ARTICLE 5. USE COVENANTS, CONDITIONS AND RESTRICTIONS

Section 5.1 Authorized Uses. Lots in E. C. DEMING TRACTS shall be used solely for residential purposes and related facilities and activities normally incidental to a residential community. Thereafter, no Lot shall be further subdivided, except Lot 4, without prior approval conferred by the Association.

Section 5.2 Landscaping. Front yards (which includes both streets of corner Lots) shall be fully landscaped upon completion of the home and prior to occupancy. No trees or obstructions of any height will be allowed which substantially obstructs the view from another Lot will be permitted without the approval of the Committee. The view of the other Lot owners will be the prime consideration when an exception is made by the Committee.

Section 5.3 Animals. No livestock or poultry of any kind shall be raised, bred, or kept; provided, however, that dogs, cats, or other conventional household pets may be kept. In no event may more than two (2) dogs or two (2) cats be kept on any Lot on a permanent basis, although offspring of family pets will be allowed for a reasonable period after birth. No domestic pet may be kept if it is a source of annoyance or a nuisance. The Association shall have the authority to determine whether a particular pet is a nuisance or a source of annoyance, and such determination shall be final and conclusive. Pets shall be registered, licensed, and inoculated from time to time as required by law. When not confined to the Owner's Lot, pets within E. C. DEMING TRACTS shall be leashed and accompanied by a person responsible for cleaning up any animal waste.

Section 5.4 Vehicle Parking and Storage. No storage of goods, vehicles, boats, trailers, trucks, campers, recreational vehicles or other equipment or device shall be permitted in open view from any Lot, except this shall not exclude temporary (less



than seven (7) days) parking of vehicles on the driveway areas adjacent to garages on the Lots. Upon forty-eight (48) hours notice to the owner of an improperly parked or stored vehicle, boat, or other equipment, the Association has authority to have removed at the Owner's expense any such vehicle visible from the street that is parked on any Lot, dedicated right-of-way, or tract or within a Common Area for more than forty-eight (48) hours. Properly constructed screens, structures or enclosures approved by the Association may circumvent this requirement.

Section 5.5 Garbage. No garbage, refuse, or rubbish shall be deposited or left in E. C. DEMING TRACTS, unless placed in a suitable covered container. All residences shall provide a fully screened storage area for garbage receptacles. Trash and garbage containers shall not be permitted to remain in public view. No incinerator shall be kept or maintained, and no burning of any trash, refuse, or scrap of any kind shall be permitted.

Section 5.6 Utilities Underground. Except for hoses and the like which are reasonably necessary in connection with normal lawn maintenance, no water pipe, sewer pipe, gas pipe, drainage pipe, telephone, power, or television cable, or similar transmission line shall be installed or maintained above the surface of the ground.

Section 5.7 Owners' Maintenance Responsibilities. The maintenance, upkeep, and repair of individual Lots, driveway and parking improvements located solely within undivided Lots and improvements thereto, shall be the sole responsibility of the individual Owners thereof, and in no way shall it be the responsibility of the Association, its agents, officers or directors. Without limitation as to the foregoing, each Owner shall be obligated to keep his Lot, driveways, parking areas, and improvements thereto in a clean, sightly and sanitary condition and maintain the landscaping on his Lot in a healthy and attractive state and in a manner comparable to that on the other Lots in E. C. DEMING TRACTS. No storage of firewood shall be permitted in front yards. After thirty (30) days written notice to an Owner from the Association of such Owner's failure to so maintain his home or Lot, and after approval by a two-thirds (2/3) majority vote by the Board, the Association shall have the right, through its agents and employees, to enter upon any Lot which has been found to violate the foregoing standards in order to restore the Lot or the improvements thereto to such standards. The costs of such work shall be a special assessment on such Owner and his Lot only.

Section 5.8 Weapons. No firearms of any kind or nature, including rifles, handguns, bows, slingshots, BB guns, slings, traps, or any other like weapon, shall be used or discharged within E. C. DEMING TRACTS.



Section 5.9 Temporary Structures. No structure of a temporary character, trailer, basement, tent, shack, garage, barn, or any other out-building shall be used on any Lot at any time as a residence except during construction.

Section 5.10 No Obstruction of Easements. No structure, planting, or other material shall be placed or permitted to remain upon E.C. DEMING TRACTS which may damage or interfere with any easement or the installation or maintenance of utilities, or which may unreasonably change, obstruct, or retard direction or flow of any drainage channels. No decorative planting, structure or fence may be maintained within an easement area unless specifically approved by the Architectural Control Committee and applicable governmental authorities.

ARTICLE 6. ENFORCEMENT

Section 6.1 Right to Enforce. The Association, Declarant or any Owner, shall have the right to enforce, by any appropriate proceeding at law or in equity, all covenants, conditions, restrictions, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration. Failure or forbearance by any person or entity so entitled to enforce the provisions of this Declaration to pursue enforcement shall in no event be deemed a waiver of the right to do so thereafter.

Section 6.2 Remedies Cumulative. Remedies provided by this Declaration are in addition to, cumulative with, and are not in lieu of other remedies provided by law. There shall be, and there is hereby created, a conclusive presumption that any breach or attempted breach of the covenants, conditions, and restrictions herein cannot be adequately remedied by an action at law or exclusive by recovery of damages.

Section 6.3 Covenants Running with the Land. The covenants, conditions, restrictions, liens, easements, enjoyment right, and other provisions contained herein are intended to and shall run with the land and shall be binding upon all persons purchasing, leasing, subleasing, or otherwise occupying any portion of E. C. DEMING TRACTS, their heirs, executors, administrators, successors, grantees, and assigns. All instruments granting or conveying any interest in any Lot shall be subject to this Declaration.

ARTICLE 7. AMENDMENT AND REVOCATION

Section 7.1 Amendment by Declarant or Association. Declarant may, on its sole signature, during the Development Period, amend this Declaration. This Declaration may also be amended at any time by an instrument executed by the Association for and on behalf of the Owners, provided, however, that such amendment shall have received the prior approval of a vote of the Owners having two-thirds of the total outstanding votes in the Association; and



provided, further, that no such amendment shall be valid during the Development Period without the prior written consent of the Declarant. Notwithstanding any of the foregoing, the prior written approval of fifty-one percent (51%) of all Mortgagees who have requested from the Association notification of amendments shall be required for any material amendment to the Declaration or the Association's Bylaws of any of the following: voting rights; assessments, assessment liens and subordination of such liens; reserves for maintenance, repair, and replacement of any Common Areas; insurance or fidelity bonds; responsibility for maintenance and repair; reallocation of interest in the Common Areas; leasing of Lots other than as set forth herein; imposition of any restrictions on the right of an Owner to sell or transfer his Lot; a decision by the Association to establish self-management when professional management had been required previously by an eligible Mortgagee; any action to terminate the legal status of E. C. DEMING TRACTS after substantial destruction or condemnation occurs; or any provisions which are for the express benefit of Mortgagees or eligible insurers or guarantors of First Mortgages.

Section 7.2 Effective Date. Amendments shall take effect only upon their recording with the Skagit County Department of Records and Elections.

ARTICLE 8. GENERAL PROVISIONS

Section 8.1 Attorneys' Fees. In the event of a suit or action to enforce any provision of this Declaration or to collect any money due hereunder or to foreclose a lien, the unsuccessful party in such suit or action shall pay to the prevailing party all costs and expenses, including title reports, and all attorneys' fees that the prevailing party has incurred in connection with the suit or action, in such amounts as the court may deem to be reasonable therein, and also including all costs, expenses, and attorneys' fees incurred in connection with any appeal from the decision of a trial court or any intermediate appellate court.

Section 8.2 Notices. All notices, demands, or other communications ("Notices") permitted or required to be given by this Declaration shall be in writing and, if mailed postage prepaid by certified or registered mail, return receipt requested shall be deemed given three (3) days after the date of mailing thereof, or on the date of actual receipt, if sooner; otherwise, Notices shall be deemed given on the date of actual receipt. Notice to any Owner may be given at any Lot owned by such Owner; provided, however, that an Owner may from time to time by Notice to the Association designate such other place or places or individuals for the receipt of future Notices. If there is more than one Owner of a Lot, Notice to any one such Owner shall be sufficient. The address of Declarant and of the Association shall be given to each Owner at or before the time he becomes an Owner. If the address of Declarant or the Association shall be changed, Notice shall be given to all Owners.



Section 8.3 Indemnification. The Association shall indemnify every officer, director, agent and any member of any committee authorized to act on behalf of the Association by the Board or by this Declaration against any and all expenses, including attorneys' fees, reasonably incurred by, or imposed upon, any officer, director, agent or committee member in connection with any action, suit or proceeding if approved by the then Board to which he or she may be a party by reason of being or having been an officer, director, agent or committee member. The officers, directors, agents and committee members shall not be liable for any mistakes of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers, directors, agents and committee members shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers, directors, agents and committee members may also be members of the Association), and the Association shall indemnify and forever hold each officer, director, agent and committee member free and harmless against any and all liability to others on account of any such contract or commitment. The Association shall, as a common expense, maintain adequate general liability and officers', directors', agents' and committee members' liability insurance to fund this obligation.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration the day and year first above written.

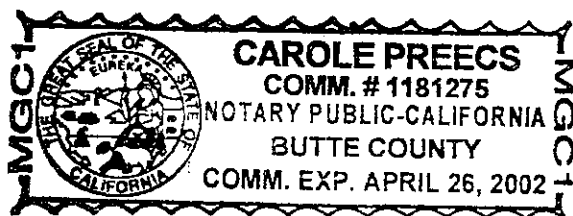
E.C. DEMING TRACTS

By: John G. Deming
JOHN G. DEMING, Trustee of
the E.C. DEMING LIVING TRUST

STATE OF CALIFORNIA)
COUNTY OF Butte) ss:

On this day personally appeared before me JOHN G. DEMING, Trustee of the E.C. DEMING LIVING TRUST, and acknowledged the said instrument to be a free and voluntary act, for the uses and purposes therein mentioned, and on oath stated he is authorized to execute said instrument.

GIVEN under my hand and official seal this 11th day of October, 2000.



Carole Preecs
NOTARY PUBLIC for the State of
California, residing at Paradise.
My Commission Expires 4/26/02.



EXHIBIT "A"

**Short Plat No. 97-0012 Situate in the County of Skagit, State
of Washington.**



200010180047

, Skagit County Auditor