

After recording return to:
InterWest Properties, Inc.
P. O. Box 1649
Oak Harbor, WA 98277



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, Skagit County Auditor

1/23/2001 Page 1 of 24 11:29:43AM

DECLARATION OF MADDOX HIGHLANDS CONDOMINIUM I

GRANTOR: InterWest Properties, Inc.

ISLAND TITLE CO.

QB 2065 ✓

GRANTEE(S): The Public

LEGAL DESCRIPTION: Phase I Lots B-10 and B-11 Maddox Creek P.U.D., Phase 3, as recorded August 14, 2000, under Skagit County Auditor's File No. 200008140137, records of Skagit County, Washington.

Future Phase II - Lot B-9 Maddox Creek P.U.D., Phase 3, as recorded August 14, 2000, under Skagit County Auditor's File No. 200008140137, records of Skagit County, Washington.

ASSESSOR'S PARCEL #: Lot B-10: 4756-002-010-0000
Lot B-11: 4756-002-011-0000
Lot B-9: 4756-002-009-0000

All land described under all possible phases except the land described in the phase contained herein and referenced above and less the land described for all previously recorded phases.

THIS DECLARATION, pursuant to the provisions of the Washington Condominium Act, is made and executed this 17 day of JANUARY, 2001, by InterWest Properties, Inc. a Washington corporation ("Declarant").

Declarant proposes to create a condominium to be known as MADDOX HIGHLANDS CONDOMINIUM I, which will be located in Skagit County, Washington. The purpose of this Declaration is to submit MADDOX HIGHLANDS CONDOMINIUM I to the condominium form of ownership and use in the manner provided by the Washington Condominium Act.

NOW, THEREFORE, Declarant does hereby declare and provide as follows:

ARTICLE 1

DEFINITIONS

When used in this Declaration the following terms shall have the following meanings:

- 1.1. "Association" means the association of Unit Owners established pursuant to Article 14 below.
- 1.2. "Board of Directors" means the Board of Directors of Association.
- 1.3. "Bylaws" means the Bylaws of the Association of Unit Owners of MADDUX HIGHLANDS CONDOMINIUM I adopted pursuant to Article 14.4 below as the same may be amended from time to time.
- 1.4. "Common Elements" shall include the Common Facilities, and shall mean those portions of the Condominium Property (including the land described in Exhibit "A" as Phase 1, and improvements thereto) as provided in Article 5 as limited by Article 6.
- 1.5. "Condominium" means all of that property submitted to the condominium form of ownership by this Declaration plus any additional property that may be annexed to the project pursuant to Article 15 below.
- 1.6. "Declarant" means InterWest Properties, Inc., and its successors and assigns.
- 1.7. "Eligible Mortgage Insurer or Guarantor" means an insurer or governmental guarantor of a first mortgage on a Unit who has requested notice of certain matters from the Association in accordance with Article 13.1 below.
- 1.8. "Eligible Mortgage Holder" means a holder of a first Mortgage on a Unit who has requested notice of certain matters from the Association in accordance with Article 13.1 below.
- 1.9. "Limited Common Elements" shall include Limited Common Facilities, and shall mean those portions of the Common Elements as provided in Article 6.
- 1.10. "Mortgage" and "Mortgagee" mean, respectively, a recorded mortgage, deed of trust or contract of sale which creates a lien against a Unit, and the holder, beneficiary or vendor of such a mortgage, deed of trust or contract of sale.
- 1.11. "Owner" means the Declarant or other person who owns a Unit, but does not include a person who has an interest in a Unit solely as security for an obligation. "Owner" means



the vendee, not the vendor, of a Unit under a real estate contract.

- 1.12. "Survey Map and Plans" means the survey map and plans of MADDOX HIGHLANDS CONDOMINIUM I, Phase 1, recorded simultaneously with the recording of this Declaration, bearing Skagit County Auditor's File No. 200101230037.
- 1.13. "Unit" means a physical portion of the Condominium designated for separate ownership, the boundaries of which are described pursuant to RCW 64.34.204(1).
- 1.14. "Unit Number" means a symbol, number or address that identifies only one Unit.
- 1.15. Incorporation by Reference. Except as otherwise provided in this Declaration, each of the terms defined in RCW 64.34.020, a part of the Washington Condominium Act, shall have the meanings set forth in such section.

ARTICLE 2

SUBMISSION OF PROPERTY TO CONDOMINIUM STATUTE

The property submitted to the Washington Condominium Act by this Declaration is held by Declarant and conveyed by Declarant in fee simple estate. The land submitted is located in Skagit County, Washington, and is more particularly described in the attached Exhibit A. The property submitted includes the land so described, all buildings, improvements and structures, all easements, and rights and appurtenances located on, belonging to or used in connection with such land. It is intended that this Declaration shall be operative as a set of covenants running with the land, or equitable servitudes, binding on Declarant, its successors and assigns, all subsequent Owners of the Property, administrators, devisees, or assigns, supplementing and interpreting the Act, and operating independently of the Act should the Act be, in any respect, inapplicable.

ARTICLE 3

NAME OF CONDOMINIUM

The name by which the Condominium shall be known is "MADDOX HIGHLANDS CONDOMINIUM I."



ARTICLE 4

UNITS

- 4.1. General Description, Location and Designation of Units. Maddox Highlands Condominium I will consist of a maximum of thirteen (13) units. Phase 1 consists of a total of ten (10) units. The dimensions designation and location of each Unit are shown in the survey map and plans, which is made a part of this Declaration as though fully set forth. The approximate area of each Unit in Phase 1 is shown on the attached Exhibits B-1 and B-2. Exhibits B-1 and B-2 contain the identifying number, number of bathrooms (whole or partial), number of bedrooms, number of built-in fireplaces, level or levels on which each Unit is located, type of heat and heat service, number of parking spaces and whether covered, uncovered, or enclosed, if any as the same apply to each Unit. Each Unit shall not include the garage within the Unit, but the garage assigned to each Unit shall be a limited common area. Phase 1 contains a total of eighteen (18) parking spaces in the garages.
- 4.2. Boundaries of Units. Each Unit shall be bounded by the interior surfaces of its perimeter and bearing walls, floors, ceilings, windows and window frames, doors and door frames, and trim. The Unit shall include all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of its finished surfaces. All other portions of the walls, floors or ceilings shall be a part of the common elements.
- 4.3. Monuments as Boundaries. The physical boundaries of a Unit constructed in substantial accordance with the Survey Map and Plans become its boundaries rather than the metes and bounds expressed in the Survey Map and Plans, regardless of settling or lateral movement of the building or minor variance between boundaries shown on the Survey Map and Plans and those of the building.

ARTICLE 5

COMMON ELEMENTS

The common elements consist of everything except the Units.

- 5.1. Except as otherwise specifically reserved, assigned or limited by the provisions of Article 6 hereof, the Common Elements and Facilities consist of the following:
- 5.1.1. The land described in Exhibit "A" as Phase 1.



- 5.1.2. The windows, roofs, foundation, columns, studding, joists, beams supports, walls (except nonbearing interior partitions of Units), chimneys, and all other structural parts of the Buildings, to the interior surfaces of the Units' perimeter walls, floors, ceilings, windows, and doors; that is, to the boundaries of the Units as the boundaries are defined in the Act, and any replacements thereto.
- 5.1.3. Installation of central services such as power, light, gas, hot and cold water, heating, refrigeration, air conditioning and incinerating; pipes, conduits and wires, wherever they may be located whether in partitions or otherwise and whether they serve one (1) Unit, all Units, or the Common Elements; tanks, pumps, motors, fans, compressors, ducts; and in general all apparatus and installations existing for common use; but excluding plumbing, electrical and similar fixtures, which fixtures are located within a Unit for the exclusive use of that Unit.
- 5.1.4. The driving areas (not assigned as Limited Common Elements in Article 7) which provide access to the Limited Common Elements for parking, and any guest parking or other parking areas not assigned to Units.
- 5.1.5. The landscaped areas and walkways (not assigned as Limited Common Elements in Article 7) which surround and provide access to the Buildings or are used for aesthetic purposes.
- 5.1.6. All other parts of the Property necessary or convenient to its existence, maintenance and safety; or normally in common use.

ARTICLE 6

LIMITED COMMON ELEMENTS

The following shall constitute limited common elements, the use of which shall be restricted to the Units to which they pertain:

- 6.1. All patios and patio storage, decks, stairways and storage, and driveways, each of which shall pertain to the Unit which it adjoins as shown on the Survey Map and Plans. Garages are limited common elements. There are no uncovered parking areas assigned to Units as limited common areas.
- 6.2. Any shutters, awnings, window boxes, doorsteps, stoops, porches, porch lights, balconies, patios, and all exterior doors and windows or other fixtures designed to serve a single Unit, but which are located outside of the Unit's boundaries.



- 6.3. All crawl spaces located within the confines of the foundation walls under all lower Units have restricted use. Use of this crawl space for storage or any other purpose other than maintenance of the building and/or existing mechanical devices is not allowed by local municipal code, and is expressly prohibited.

ARTICLE 7

ALLOCATION OF UNDIVIDED INTERESTS IN COMMON ELEMENTS

Each Unit will be entitled to an undivided equal ownership interest in the common elements determined by total interest divided by the number of units in the Association. Such allocation will change if additional Buildings are added to the Condominium as is more particularly described in Article 15.4 below.

ARTICLE 8

COMMON PROFITS AND EXPENSES: VOTING

- 8.1. Allocation of Common Profits and Expenses. The common profits and common expenses of the Condominium shall be allocated to the Owner of each Unit according to the allocation of undivided interest of such Unit in the common elements. Except upon termination of the Condominium or as otherwise provided in the Bylaws with respect to damage, destruction or condemnation, any such common profits shall be used solely for the purpose of maintaining, repairing and replacing the common elements or for other expenses or reserves of the Association.
- 8.2. Allocation of Voting Rights. Each Unit Owner shall be entitled to one vote in the affairs of the Association and for the purposes of this Declaration for each Unit owned by him. The method of voting shall be as specified in the Bylaws.

ARTICLE 9

SPECIAL DECLARANT RIGHTS

Declarant may maintain one sales office/model in the Units or on the common elements. Declarant also has certain rights as set forth in Article 12.4, and Article 15.



ARTICLE 10

USE OF PROPERTY

Each Unit is to be used for residential purposes. Additional limitations on use are contained in the Bylaws and the rules and regulations adopted pursuant to the Bylaws. Each Unit Owner shall be bound by each of such documents. The Bylaws impose the following limitations on the use of the property which limitations are also hereby imposed on the use of the property:

"7.5. Restrictions and Requirements Respecting Use of Condominium Property.

The following restrictions and requirements are in addition to all other restrictions and requirements contained in the Declaration and these Bylaws:

(a) Residential use. No commercial activities of any kind shall be carried on in any Unit or in any other portion of the Condominium without the consent of the Board of Directors of the Association or manager, except activities relating to the rental or sale of Units. This provision, however, shall not be construed so as to prevent or prohibit a Unit Owner from maintaining his or her professional personal library, keeping his or her personal business or professional records or accounts, handling his or her personal business or professional telephone calls, or conferring with business or professional associates, clients or customers, in such Owner's Unit.

(b) Use of common elements. The common elements shall be used for the furnishing of services and facilities for which the same are reasonably intended, for the enjoyment of the Units. The use, operation and maintenance of the common elements shall not be obstructed, damaged or unreasonably interfered with by any Unit Owner.

(c) Offensive or unlawful activities. No noxious or offensive activities shall be carried on in any Unit nor shall anything be done in or placed upon any Unit which interferes with or jeopardizes the enjoyment of other Units or the common elements or which is a source of annoyance to residents. Unit occupants shall exercise extreme care not to make noises which may disturb other Unit occupants, including the use of musical instruments, radios, televisions and amplifiers. No unlawful use shall be made of the Condominium nor any part thereof, and all valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction thereof shall be observed.



(d) Animals. No animals or fowls shall be raised, kept or permitted within the Condominium or any part thereof, except domestic dogs, cats, or other household pets kept within a Unit. No such dogs, cats or pets shall be permitted to run at large nor shall be kept, bred or raised for commercial purposes or in unreasonable numbers. Any inconvenience, damage or unpleasantness caused by such pets shall be the responsibility of the respective Owners thereof, and Owners shall be responsible for removal of wastes of their animals. All dogs shall be carried or kept on a leash while outside a Unit. No pet shall be permitted to cause or create a nuisance or unreasonable disturbance or noise. A Unit Owner may be required to remove a pet upon receipt of the third notice in writing from the Board of Directors of violations of any rule, regulation or restriction governing pets within the Condominium.

(e) Exterior lighting or noisemaking devices and antennas. Except with the consent of the Board of Directors of the Association or manager, no exterior lighting or noisemaking devices shall be installed or maintained on any Unit and no antennas or transmitting towers shall be affixed to the general or limited common elements.

(f) Windows, decks, and outside walls. In order to preserve the attractive appearance of the Condominium the Board of Directors of the Association or the manager may regulate the nature of items which may be placed in or on windows, decks, patios, and the outside walls so as to be visible from other Units, the common elements, or outside the Condominium. Garments, rugs, laundry and other similar items may not be hung from windows, facades, decks or patios.

(g) Trailers, campers and boats. Except with the consent of the Board of Directors of the Association or manager, no trailer, truck camper, motorcycle, boat or boat trailer, or other recreational vehicle shall be parked on any portion of the Condominium, except in areas designated for such purpose by the Board of Directors.

(h) Leasing and rental of Units. Except with the consent of the Board of Directors of the Association or the manager, no Unit Owner may lease or rent less than his or her entire Unit. The initial term of any lease must be at least 30 days. Other than the foregoing, there is no restriction on the right of any Unit Owner to lease or rent such Owner's Unit.



(i) Signs. Unless written approval is first obtained from the Board of Directors, no sign of any kind shall be displayed to the public view on or from any Unit or the common elements except signs used by the Declarant to advertise Units for sale or lease. Provided that any unit offered for sale may post one sign in a window and one sign near the entry to the condominium property. No such sign shall be greater than 600 square inches.

(j) Trash. No part of any Unit or any part of the common elements shall be used or maintained as a dumping ground for rubbish, trash, garbage or other waste. No garbage, trash or other waste shall be kept or maintained on any part of the property except in sanitary containers in the designated areas.

(k) Insurance. Nothing shall be done or kept in any Unit or in the common elements which will increase the cost of insurance on the common elements. No Owner shall permit anything to be done or kept in his or her Unit or in the common elements which will result in cancellation of insurance on any Unit or any part of the common elements."

ARTICLE 11

MAINTENANCE OF COMMON ELEMENTS

- 11.1. Responsibility for Maintenance. The necessary work to maintain, repair or replace the common elements shall be the responsibility of the Board of Directors of the Association and shall be carried out as provided in the Bylaws.
- 11.2. Mortgagee's Rights upon Failure to Maintain. If the Mortgagee of any Unit determines that the Board of Directors is not providing an adequate maintenance, repair and replacement program for the common elements, such Mortgagee, at its option, may give a notice to the Board of Directors by delivering same to the registered agent, setting forth the particular defect which it believes exists in the maintenance, repair and replacement program. If the specified defects are not corrected within 90 days subsequent to receipt of such notice, then the Mortgagee, upon written notice to the registered agent that it is exercising its proxy rights, shall have the right to attend succeeding annual or special meetings of the Association and to cast a vote for each Unit on which it holds a Mortgage on all business coming before such meeting. Such proxy rights shall continue until the defects listed on the notice are corrected.



ARTICLE 12

EASEMENTS

- 12.1. In General. Each Unit has an easement in and through each other Unit and the common elements for all support elements and utility, wiring, heat, and service elements, and for reasonable access thereto, as required to effectuate and continue proper operation of the Condominium. In addition, each Unit and all the common elements are specifically subject to easements as required for the electrical wiring and plumbing for each Unit. The specific mention or reservation of any easement in this Declaration does not limit or negate the general easement for common elements reserved by law.
- 12.2. Encroachments. Except as provided in Article 4.3, each Unit and all common elements shall have an easement over all adjoining Units and common elements for the purpose of accommodating any present or future encroachment as a result of engineering errors, construction, reconstruction, repairs, settlement, shifting, or movement of any portion of the property, or any other similar cause, and any encroachment due to building overhang or projection. There shall be valid easements for the maintenance of the encroaching Units and common elements so long as the encroachments shall exist, and the rights and obligations of Owners shall not be altered in any way by the encroachment. This provision does not relieve a Unit Owner of liability in the case of willful misconduct of the Unit Owner, or relieve Declarant or any contractor, subcontractor or materialman from any liability as a result of failure to adhere to the Survey Map and Plans. The encroachments described in this Article 12.2 shall not be construed to be encumbrances affecting the marketability of title to any Unit.
- 12.3. Granting of Easements by Association. The Association, upon prior approval of seventy-five (75) percent of the voting power of the Unit Owners, may execute, acknowledge, deliver and record on behalf of the Unit Owners leases in excess of two years, easements, rights-of-way, licenses, and similar interests affecting the common elements and consent to vacation of roadways within and adjacent to the Condominium. Any such instrument shall be executed by the chairperson and secretary of the Association. No such interest may be granted with regard to a limited common element unless the Owners and Mortgagees of the Units having the right to use such limited common element join in the instrument granting the interest.
- 12.4. Right of Entry. The Board of Directors of the Association, managing agent, manager or any other person authorized by the Board of Directors shall have the right to enter any Unit in the case of an emergency originating in or threatening such Unit or other condominium property, whether or not the Owner is present at the time. Such persons shall also have the right to enter any Unit for the purpose of performing installations, alterations or repairs to any common element and for the purpose of inspection to verify



that the Unit Owner is complying with the restrictions and requirements described in this Declaration and the Bylaws, provided that requests for entry are made in advance and that such entry is at a time convenient to the Owner.

12.5. Easements for Declarant. Declarant and Declarant's agents, successors and assigns shall have an easement over and upon the common elements as may be reasonably necessary for the purpose of constructing additional Phases, if any, and to the extent provided for in Article 15, for completing or making repairs to existing structures, for the purpose of carrying out sales activities necessary or convenient for the sale of Units, including, without limitation, the right to use the Units owned by Declarant as model Units and the right to use a Unit as a sales office, and for the purpose of discharging any other obligation of Declarant or exercising any other special Declarant right, whether arising under the Washington Condominium Act or reserved in this Declaration or the Bylaws.

12.6. Reservation of Easements for Future development Declarant hereby reserves:

- (a) a nonexclusive easement for ingress and egress over all roadways and driveways within the Condominium, and over such portion of the vacant land as may be necessary to connect roads with such roadway and driveway system,
- (b) an easement for the maintenance and use of all existing utility lines and systems within the Condominium, including without limitation, water, sewer, electrical, telephone and cable television systems, and
- (c) an easement for the installation, maintenance and use of new utility lines and systems upon the general common element land of the Condominium, provided Declarant restores any damage to the general common elements resulting from such installation or maintenance. Such easements shall be for the benefit of and shall run with the ownership of the entire remainder of the proposed project site, more particularly described in the attached Exhibit A, and each and every portion thereof.

ARTICLE 13

APPROVAL BY MORTGAGEES

13.1. Notice of Action. Upon written request to the Association identifying the name and address of the Eligible Mortgage Holder or Eligible Mortgage Insurer or Guarantor and the Unit Number of the Unit on which it has (or insures or guarantees) the Mortgage, any such Eligible Mortgage Holder or Eligible Mortgage Insurer or Guarantor shall be entitled to timely written notice of the following:



- (a) Any condemnation or casualty loss which affects a material portion of the Condominium or affects the Unit securing its Mortgage.
- (b) Any 60-day delinquency in the payment of assessments or charges owed by an Owner of any Unit on which it holds the Mortgage.
- (c) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.
- (d) Any proposed action which would require consent of a specified percentage of Eligible Mortgage Holders as required by this article.

13.2. Termination and Amendment to Documents.

13.2.1. The approval of Eligible Mortgage Holders holding Mortgages on Units which have at least eighty percent (80%) of the voting rights of Units subject to Eligible Mortgage Holder Mortgages shall be required to terminate the legal status of the project as a condominium for reasons other than substantial destruction or condemnation of the property.

13.2.2. Except when a greater percent is required by the Declaration, Bylaws or the Washington Condominium Act, the consent of the Owners of Units holding at least sixty-seven percent (67%) of the voting rights and the approval of Eligible Mortgage Holders holding Mortgages on Units which have at least sixty-seven percent (67%) of the voting rights of the Units subject to Eligible Mortgage Holder Mortgages shall be required for any amendments of a material nature to the Declaration or Bylaws. Any amendment to the Declaration or Bylaws which changes any of the following shall constitute a material change:

- (a) Voting rights;
- (b) Assessments, assessment liens or subordination of such liens;
- (c) Reserves for maintenance, repair and replacement of the common elements;
- (d) Responsibility for maintenance and repairs;
- (e) Reallocation of interests in the general or limited common elements, or rights to their use, except as otherwise provided in Article 6.3;
- (f) The boundaries of any Unit;



- (g) Conversion of Units into common elements or of common elements into Units;
- (h) Expansion or contraction of the Condominium or the addition, annexation or withdrawal of property to or from the Condominium, except as provided in Article 15;
- (i) Insurance or fidelity bonds;
- (j) The leasing of Units;
- (k) Imposition of any restriction on the right of a Unit Owner to sell or transfer his or her Unit;
- (l) A decision by the Association to establish self-management when professional management had been required previously by this Declaration, the Bylaws or an Eligible Mortgage Holder;
- (m) Restoration or repair of the Condominium (after a hazard damage or partial condemnation) in a manner other than specified in this Declaration or the Bylaws;
- (n) Any provisions that expressly benefit Mortgage holders, insurers or guarantors.

13.2.3. An addition or amendment to the Declaration or Bylaws shall not be considered material for purposes of Article 13.2.2 if it is for the purpose of correcting technical errors, or for clarification only. Any Eligible Mortgage Holder who receives a written request to approve additions or amendments and who does not deliver or post to the requesting party a negative response within 30 days shall, after it receives proper notice of the proposal and provided the notice was delivered by certified or registered mail, return receipt requested, be deemed to have approved such request.

13.3. Additional Approvals. In addition to any other approvals required by the Washington Condominium Act, this Declaration or the Bylaws, the prior written approval of eighty percent (80%) of the holders of first Mortgages on Units in the Condominium (based upon one vote for each first Mortgage owned) and of the Unit Owners (other than Declarant) must be obtained for the following:

13.3.1. Abandonment or termination of the Condominium regime.



- 13.3.2. Except as provided in Article 15.4, any change in the pro rata interest or obligations of any individual Unit for (a) purpose of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or (b) determining the pro rata share of ownership of each Unit in the common elements.
- 13.3.3. The partition or subdivision of any Unit.
- 13.3.4. Abandonment, partition, subdivision, encumbrance, sale or transfer of the common elements. The granting of easements for public utilities or for other public purposes consistent with the intended use of the common elements by the Association pursuant to Article 12.3 shall not be deemed a transfer within the meaning of this clause.
- 13.3.5. Use of hazard insurance proceeds for losses to any condominium property, whether to Units or to common elements, for other than the repair, replacement or reconstruction of such improvements, except as provided by statute in cases of substantial loss to the Units and/or common elements of the condominium project.
- 13.4. Notice to First Mortgagees of Defaults. Any Eligible Mortgage Holder, upon request, will be entitled to written notification from the Association of any default in the performance by the Owner of the Mortgaged Unit of any obligation under this Declaration, the rules and regulations or the Bylaws which is not cured within 60 days.

ARTICLE 14

ASSOCIATION OF UNIT OWNERS

- 14.1. Organization. Upon the recording of this Declaration an association of Unit Owners shall be organized to serve as a means through which the Unit Owners may take action with regard to the administration, management and operation of the Condominium. The name of this Association shall be "Maddox Highlands Condominium I Association", and the Association shall be a Washington nonprofit corporation.
- 14.2. Membership; Board of Directors. Each Unit Owner shall be a member of the Association. The affairs of the Association shall be governed by a Board of Directors as provided in the Bylaws.
- 14.3. Powers and Duties. The Association shall have such powers and duties as may be granted to it by the Washington Condominium Act, including each of the powers set forth in RCW 64.34.304, together with such additional powers and duties afforded it by this



Declaration or the Bylaws.

- 14.4. Adoption of Bylaws. Declarant Control of Association. Upon the execution and the recording of this Declaration, Declarant shall adopt Bylaws for the Association. At the same time, Declarant will appoint an interim Board of Directors of the Association, which directors shall serve until their successors have been elected as provided in Article 3.4 of the Bylaws. In addition, Declarant shall have the right to consent to any amendment to the Declaration or the Bylaws as provided in Article 16.2 below and Article 9.2 of the Bylaws.
- 14.5. Transfer to Master association. The Board of Directors of the Association shall have the power and authority to transfer or delegate to a non-profit master association that exercises similar powers on behalf of one or more condominiums located within the Maddox Creek PUD all of the power and authority provided herein for the Association and the powers described in RCW 64.34.304.

ARTICLE 15

DEVELOPMENT OF BUILDINGS

- 15.1. Right to Phase. This Condominium may be developed and established in more than one (1) phase. This Declaration provides a description of: the land within Phase 1; the General Common and Limited Common Elements; and Units and Buildings within Phase 1. The Survey Map and Plans, filed simultaneously herewith, depict (certified as-built with respect to Phase 1), the following: the survey of the surface of Phase 1, the location of land of Phase 1, the plans of Phase 1 showing as to each Unit in Phase 1, the vertical and horizontal boundaries, the location of all such Units, and the number and dimensions of all such Units in Phase 1. The provisions regarding Phase 1, shall be effective immediately to establish Phase 1, (including the Phase 1, land and all units, buildings and other improvements constructed thereon) as a Condominium under the Act. The provisions regarding subsequent Phases and Buildings thereon shall not be effective to establish subsequent buildings (including the land and all Units, Buildings and other improvements constructed thereon) as a Condominium under the Act until Declarant records an amendment to the Declaration.
- 15.2. Declaration. Survey Map and Plans Amendments.
- 15.2.1. For each subsequent Phase following Phase 1, the Declarant shall execute and record an amendment to this Declaration stating that said subsequent Phase (including the subsequent Phase land, and all units, buildings and other improvements thereon) is established as a Condominium under the Act. From and



after the recording of said amendment, all of the land within Phase 1, and subsequent Phases and Buildings situate thereon, for which such an amendment has been recorded, together with all units, buildings and other improvements constructed thereon, shall constitute a single Condominium pursuant to the Act and the provisions of this Declaration. In conjunction with said amendment to the Declaration, an updated or revised survey map and plans shall be filed if the previous survey map and plan filed affecting or describing said subsequent Building lack required detail, certification or other matters required under the Act. The Declarant is the Unit Owner of any Unit thereby created. The amendment to the declaration shall assign an Unit Number to each new Unit created, and reallocate the Allocated Interests among all Units. The amendment must describe any Common Elements and any Limited Common Elements thereby created and, in the case of Limited Common Elements, designate the Unit to which each is allocated to the extent required by RCW 64.34.216 or 64.34.228. Development Rights may be reserved within any real property added to the Condominium if the amendment adding that real property includes all matters required by RCW 64.34.216 or 64.34.220, as the case may be, and the Survey Map and Plans include all matters required by RCW 64.34.232. This provision does not extend the time limit on the exercise of Development Rights imposed by this Declaration.

15.2.2. Notwithstanding any other provision in this Declaration, the Declarant or subsequent acting Condominium Association Officers shall maintain the right to merge with other Condominium Associations for the mutual benefit of the parties.

15.3. Common Elements. All Common Elements for each Building will be utilized by Unit Owners of the next succeeding Building as it is established, and the additional Owners will, after the effective date of the subsequent Building, also share in the expenses of such Common Elements. Owners in a prior Building will utilize the Common Elements for the subsequent Buildings and also share in the expense thereof.

15.4. Completion. Declarant shall complete subsequent Buildings, if any, in accordance with the plans and specifications prepared from time to time by or for Declarant and as approved from time to time by governmental authorities having jurisdiction thereof and by the lender or lenders financing the construction of subsequent Buildings. Improvements within subsequent Buildings will be consistent with improvements in prior Buildings in terms of quality of construction. Completion of subsequent Buildings will be pursued by Declarant as expeditiously as reasonably possible, subject to delays for reasons (including, but not limited to, financing availability, labor disputes, material shortages, and acts of God) reasonably beyond the control of Declarant. All improvements for subsequent Buildings shall be substantially completed before such Building is incorporated into the Condominium by amendment as provided in subsection



15.2 above.

15.5. Allocated Interests. It is specifically covenanted that the Allocated Interests for Phase 1, are calculated with respect to the Units within Phase 1. At such time as additional Buildings are made effective by the filing of the above-described Declaration Amendment by Declarant, the Allocated Interests thereafter effective for all Units in Phase 1, and those added in each subsequent Building shall be reallocated as provided in Exhibits B-1 and B-2 attached hereto.

15.6. Assessments Based on Allocated Interests for Buildings. All Assessments for the various Buildings shall utilize and be based on the Allocated Interests stated for that Building until the succeeding Building is activated and commenced. The Declarant or Board may upon the activation of any Building, based on the reallocation of the Allocation Interests, recompute the budget and the Assessments, and impose the revised Assessments.

15.7. Easements for Building Development.

15.7.1. In addition to the general easements reserved by statute and by reference in other Articles of this Declaration, there is reserved a non-exclusive easement in favor of Declarant (and Declarant's heirs, successors, assigns and purchasers) over and across the Phase 1 land (and across the land hereafter described in Exhibit A, as hereafter amended, for any subsequently completed Building) for ingress and egress and over and across easements, roadways, and utility lines specified or established in and for completed Buildings, and the right to connect thereto is reserved. Such reservations are for the purpose either of completing subsequent Buildings, or of carrying out sales activities necessary or convenient for the sale of Units, including, without limitation, the right to use the Units owned by Declarant as model Units and the right to use a Unit as a sales office, for the purpose of discharging any other obligation of Declarant or exercising any other special Declarant right, whether arising under the Washington Condominium Act or reserved in this Declaration or the Bylaws, or otherwise developing portions of the land for other purposes if not completed as a Condominium Building.

15.7.2 The easements reserved under this Article shall entitle the Declarant (and Declarant's heirs, successors, and assigns), for development of each successive Building of the Condominium, or for development and utilization of the lands to have been included in any Building, if such lands are utilized for other purposes under the powers reserved to Declarant, to tie into water, sewer, storm sewer, electrical, gas, telephone or other utility lines of all varieties; to connect with roadways or utility systems developed and emplaced in the completed Buildings of the Condominium; and utilize any additional facilities, if any, developed in completed Buildings of the Condominium.



15.7.3. Declarant shall bear the cost of tie-ins to said utilities and roads and will not connect with said utilities in a manner that impairs or significantly reduces the quality of the utility service to the land described in Exhibit A as Phase 1 and for the land in a subsequently completed phase.

15.7.4. Any land which is not developed as a subsequent Building of the Condominium but which utilizes and benefits from the utility, roadway easements, benefits or facilities, if any, reserved to Declarant hereunder, shall, pursuant to an irrevocable covenant running with the land, be obligated to pay a pro rata share (based on relative number of constructed units, or, if vacant land, relative number of square feet of land so benefitted) of the costs of subsequent repairs, maintenance and operation of said utilities, roadways, benefits and facilities, if any. In the event that said facilities and/or property conferring a benefit are destroyed and not repaired, or that said facilities and/or property conferring a benefit are taken by condemnation, or that the Condominium is terminated under the Act, then the owner of any land which is not then developed as a subsequent Building of the Condominium shall, pursuant to an irrevocable covenant running with the land, be entitled to receive a pro rata share (based on relative number of Units or if the subsequent Building is not constructed, either in full or part, said Building shall be allocated five (5) Units per Building and the pro rata share of said Building shall receive an allocation of any monies payable as a result of such events based on that percentage.

15.7.5. Declarant (and Declarant's heirs, successors and assigns) shall have a non-exclusive easement to construct and maintain (at any time and at Declarant's sole cost and expense and in the exercise of Declarant's sole discretion and at such locations within Phase 1, and within any subsequently completed Buildings of the Condominium as Declarant may determine) such signs as Declarant may deem necessary for the identification of the name, location and direction, and for the sale or renting, of Buildings and Units, regardless of whether such Buildings and Units are located on land which is within a subsequent Building of the Condominium or on land which the Declarant under powers reserved hereunder has elected not to develop as a Building of the Condominium.

15.8 Liens Arising in Connection with Buildings. At the time the amendment incorporating a subsequent Building into the Condominium is made, no lien arising in connection with the Declarant's ownership of, and construction of improvements upon, the subsequent Building land will adversely affect the rights of existing Unit Owners or the priority of first Mortgages on Units in the existing Condominium Property. All taxes, assessments, mechanics liens, and other charges affecting a subsequent Building land will be paid or otherwise satisfactorily provided for by the Declarant.



15.9. Withdrawal of Subsequent Buildings. If, despite the good faith efforts of Declarant, and for reasons (including, but not limited to, financing availability, labor disputes, material shortages and acts of God) beyond the reasonable control of Declarant, all or any of the subsequent Buildings are not completed and the amendment(s) provided for in this Article is not recorded, then Declarant at any time may elect not to incorporate all or some of such subsequent Buildings into the subject Condominium project and elect not to record the amendments provided for in this Article. To effectuate the foregoing, Declarant, upon its sole signature and without further consent of any of the other Owners being required, may file such amendment to this Declaration and to the Survey Map and Plans as is necessary to withdraw the land within uncompleted Buildings (and improvements constructed thereon) from the provisions of this Declaration and to relinquish Declarant's rights under this Article. In the event Declarant should exercise its rights under this Article to withdraw the land within uncompleted Buildings (and improvements thereon), from the provisions of this Declaration, then the Buildings in fact completed shall thereafter continue to constitute a complete, fully operational Condominium; land within uncompleted Buildings (and improvements thereon) may be used for any other lawful purpose in Declarant's discretion; and the easements provided for in this Article shall continue for the benefit of land within uncompleted Buildings and Declarant (and its heirs, successors and assigns) for the development and utilization of land within uncompleted Buildings.

15.10. Limitation of Declarant's Rights.

15.10.1. **It is understood that the total project (if all Buildings are completed) shall include Condominium Units not exceeding thirteen (13) in number.**

15.10.2. Notwithstanding any other provision of this Declaration, Declarant's right to add Buildings by amendments under this Article shall expire seven (7) years after initial Declaration recording.

ARTICLE 16

AMENDMENT

16.1. How Proposed. Amendments to the Declaration shall be proposed by either a majority of the Board of Directors or by Unit Owners holding thirty percent (30%) or more of the voting rights. The proposed amendment must be reduced to writing and shall be included in the notice of any meeting at which action is to be taken thereon or attached to any request for consent to the amendment.

16.2. Approval Required. Except as may otherwise be provided in this Declaration or by the Washington Condominium Act, this Declaration may be amended if such amendment is approved by Unit Owners holding sixty-seven percent (67%) of the voting rights of the Condominium and by Mortgagees to the extent required by Article 13. Declarant's prior written consent shall also be required until annexation of the last Building of the Condominium and so long as Declarant owns twenty-five percent (25%) or more of the Units in the last Building of the Condominium, but no such consent shall be required after seven years from the date of conveyance of the first Unit to a person other than Declarant. Except as provided in Article 15, no amendment may change the size, location, allocation of undivided interest in the common elements, method of determining liability for common expenses, right to common profits, or voting rights of any Unit unless such amendment has been approved by the Owners and Mortgagees of the affected Unit. Any amendment which would limit or diminish any special Declarant rights established in the Declaration, including the right of Declarant to annex additional Buildings under Article 15, shall require the written consent of Declarant.

16.3. Recordation. The amendment shall be effective upon recordation in the Records of Skagit County, Washington, certified to by the chairperson and secretary of the Association as being adopted in accordance with this Declaration and the provisions of the Washington Condominium Act.

ARTICLE 17

SEVERABILITY

Each provision of this Declaration and the Bylaws shall be deemed independent and severable, and the validity or partial invalidity of any provision shall not affect the validity or enforceability of the remaining part of that or any other provision of this Declaration or the Bylaws.

ARTICLE 18

CERTIFICATE OF COMPLETION

18.1. Dedication. The undersigned owner of the real property described in Phase I herein, hereby dedicate the Survey Map and Plans for a condominium solely to meet the requirements of the Washington Condominium Act, RCW 64.34, *et seq.*, and not for any public purpose.



EXHIBIT A

Legal Description of Real Property

Phase I Lots B-10 and B-11 Maddox Creek P.U.D., Phase 3, as recorded August 14, 2000, under Skagit County Auditor's File No. 200008140137, records of Skagit County, Washington.

Assessor's Parcel #: Lot B-10: 4756-002-010-0000
Lot B-11: 4756-002-011-0000

Future Phase II - Lot B-9 Maddox Creek P.U.D., Phase 3, as recorded August 14, 2000, under Skagit County Auditor's File No. 200008140137, records of Skagit County, Washington.

Assessor's Parcel #: Lot B-9: 4756-002-009-0000

EXHIBIT A



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EXHIBIT B-1

PHASE 1 - BUILDING 1 1422 Digby Place, Mount Vernon, Washington

	<u>UNIT 1</u>	<u>UNIT 2</u>	<u>UNIT 3</u>	<u>UNIT 4</u>	<u>UNIT 5</u>
Levels	Lower	Upper	Upper	Upper	Lower
# of Bedrooms	2	2	2	2	2
# of Baths	2	2	2	2	2
# of Built-In Fireplaces	1	1	1	1	1
Type of Heat and Heat Service	gas	gas	gas	gas	gas
# of Parking Spaces C=Covered E=Enclosed U=Uncovered	2 E	2 E	1 E	2 E	2 E
Unit Area	1344.2	1560.6	1111.7	1559.3	1350.6
<u>Common Elements Area:</u>					
Garage	416.4	382.1	198.0	380.2	418.4
Storage	13.5	10.4	11.4	14.2	12.8
Patio	73.0	70.0	87.0	67.5	71.7
Undivided Interest in Common Elements	1/10	1/10	1/10	1/10	1/10
Minium Undivided Interest in Common Elements Upon Completion of all Phases/Buildings	1/13	1/13	1/13	1/13	1/13

EXHIBIT B-1



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EXHIBIT B-2

PHASE 1 - BUILDING 2 1508 Lindsay Loop, Mount Vernon, Washington

	<u>UNIT 1</u>	<u>UNIT 2</u>	<u>UNIT 3</u>	<u>UNIT 4</u>	<u>UNIT 5</u>
Levels	Lower	Upper	Upper	Upper	Lower
# of Bedrooms	2	2	2	2	2
# of Baths	2	2	2	2	2
# of Built-In Fireplaces	1	1	1	1	1
Type of Heat and Heat Service	gas	gas	gas	gas	gas
# of Parking Spaces C=Covered E=Enclosed U=Uncovered	2 E	2 E	1 E	2 E	2 E
Unit Area	1360.2	1574.9	1112.6	1466.0	1353.4
<u>Common Elements Area:</u>					
Garage	422	376.1	198	390	414.8
Storage	14	13	11.2	12.8	12.5
Patio	70	65.8	82.5	66.5	71.7
Undivided Interest in Common Elements	1/10	1/10	1/10	1/10	1/10
Minium Undivided Interest in Common Elements Upon Completion of all Phases/Buildings	1/13	1/13	1/13	1/13	1/13

EXHIBIT B-2



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, Skagit County Auditor

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