



200110300103

Skagit County Auditor

10/30/2001 Page 1 of 9 3:17:28PM

After Recording Return To:
Pasquale J. Senatore
14300 Beaver Marsh Road
Mount Vernon, WA 98273

SALE

FIRST AMERICAN TITLE CO.

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

M 7684 4769-000-001-0000 THRU 4769-000-034-0000

This Declaration is made on the 30th of October, 2001 by the undersigned, Pasquale J. Senatore, and the undersigned lenders, hereinafter collectively referred to as "Declarant".

Whereas, the Declarant is the owner of certain real property located on portions of Eastwind Street and N. 30th Street in the City of Mount Vernon, Skagit County, Washington that is more particularly described as follows:

Lots 1 through 34, inclusive, "Plat of TJ TOWNHOUSES" as per plat recorded as Auditor's File No. 200011300053 records of Skagit County, Washington;

Whereas, the Declarant intends to convey said lots to separate third properties subject to certain protective covenants, conditions, restrictions and easements as set forth hereinafter;

Therefore, the Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following covenants, conditions, restrictions and easements that shall run with the real property and be binding upon all parties having or acquiring any right, title or interest in or to the above described lots or any portion thereof, their heirs, successors, and assigns, and shall inure to the benefit of each Owner thereof;



I. LAND USE

Lots 1 through 34, inclusive, shall be used for residential purposes except those portions thereof designated as streets or "Wetland Buffer and Drainage Easement" on the face of the plat. Lot 35 shall be used for commercial purposes pursuant to city regulation.

No mobile home, travel trailer, shed, garage, barn or other out building other than the main residence shall be used as a place of residence temporarily or permanently.

II. NUISANCES

Business. No business, commercial use or home occupation shall be carried upon any lot or residence other than Lot 35.

Noise. No music, power tools, lawn mover, generator or other machinery that could be considered a nuisance shall be used by any property owner other than during the hours of 8:00 AM to 9:00 PM each day.

Parking. Unless stored inside a garage, no inoperative vehicles, recreational vehicles, campers, trailers, boats, or trucks larger than one-ton, shall be parked on the streets OR on a lot except during hours when they are being actively loaded and unloaded.

Pets/Animals. No pets/animals may be raised, bred or kept on any lot for commercial purposes. Household pets may be kept pursuant to city ordinances provided they are kept either inside a residence or within their owner's fenced backyard and as long as they are not a noise nuisance.

Refuse/Garbage. No refuse or garbage, of any type, shall be stored outside the residences, garages or permitted out building unless kept in secure covered trash containers.

III. REMODELS, ADDITIONS, OUT BUILDINGS AND PAINT

Exterior Remodels or Additions. Any lot owner desiring to remodel or make an addition to the exterior of any residence that shares a common wall (s) with other lot owners must obtain the unanimous consent of the other lot owners, of residences attached to that building, for any elements of the remodel or addition that will change the exterior styling or paint color of a portion of the building. In the event that unanimous consent cannot be obtained any remodeling or additions must be in the existing style or paint color of the building prior to the remodel or additions building built. Patios, decks, swimming pools and other non-enclosed recreational facilities are excluded from this restriction.

Out Buildings. Prior to erecting or building any sheds or out buildings, a lot owner must build or paint it in a color similar to the residence on his lot and obtain the unanimous consent of the lot owners of residences attached to his building. In the event that unanimous consent cannot be obtained then no sheds or outbuilding may be erected or built.

Paint Color. Any lot owner desiring to change the color of the exterior of a portion of any building that shares a common wall (s) with other lot owners must obtain the unanimous consent of the other lot owners of residences attached to that building. If unanimous consent cannot be obtained then any painting must be in the colors existing prior to the repainting.



200110300103

Skagit County Auditor

10/30/2001 Page 2 of 9 3:17:28PM

IV. FENCING

Fencing must be chain link fencing no higher than five feet and erected in accordance with city ordinances. The Declarant will erect fencing on lots that border or are encumbered, on the face of the plat, by Wetland Buffer and Drainage Easements also referred to as Native Growth Protection Areas. Said fencing will be on the borders of said easements thus it will not always coincide with the lot boundaries. Fences may not be moved into said easement area nor may they be removed from the easement borders. Lots owners may insert brown or green slats in such fencing, if they desire, at their own cost.

V. PLAT RESTRICTIONS, PROVISIONS, SETBACKS AND EASEMENTS

All lot owners must adhere to all restrictions, provisions, setbacks and easements set forth upon or delineated on the face of the plat.

VI. PARTY WALLS

General Rules of Law. Each wall that is built as a part of the original construction of the residences upon the lots and located on the dividing line between the lots shall constitute a party wall and to the extent not inconsistent with the provisions of these covenants, the general rules of laws regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply.

Cost of Reasonable Repair and Maintenance. The cost of reasonable repairs and maintenance of a party wall shall be shared equally by the lot owners who make use of the wall.

Destruction Of The Party Walls. If a party wall is destroyed or damaged by fire or other casualty, any owner who has used the wall may restore it, and if the other lot owners thereafter make use of the wall, they shall contribute to the cost of the restoration thereof in proportion to such use without prejudice, subject however, to the right of any such lot owners to call for a larger contribution from the others under the rule of law regarding liability for negligence or willful acts or omissions.

Negligence Or Willful Acts. Notwithstanding any other provision of this article, a lot owner who by his negligence or willful act, causes the party wall to be exposed to the elements, shall bear the whole cost of furnishing the necessary protection and repairs against such elements.



200110300103

, Skagit County Auditor

Appurtenant Rights. The right of any lot owner to contribution from any other lot owner under this article shall be appurtenant to the land and shall pass to such lot owner's successors in title. 8

Arbitration For Disputes. In the event of any dispute arising regarding a party wall or the provisions of this escrow it shall be settled by arbitration. Each party, lot owner, shall choose one arbitrator and the arbitrators so chosen shall then choose a third arbitrator. The decision concerning any such dispute shall be by a majority vote of the three arbitrators and said decision shall be final and binding on the parties.

VIII. SHARED UTILITY EASEMENTS

It is understood by the lot owners of lots in this plat that each building shares utility lines and that the costs of any maintenance, repair or replacement of such utility lines shall be equally shared by the lot owners sharing the line (s) unless any damage occurred because of the negligence or one lot owner, in which case said lot owner shall bear all costs of maintenance, repair or replacement.

IX. AMENDMENTS TO COVENANTS

If a majority of lot owners of lots in said plat sign an amendment to these covenant and said amendment is recorded with the County Auditor, these covenants shall be amended. Lot owners are entitled to one vote for each lot they own. The proponent of the said amendment shall be responsible for mailing the proposed amendment to each property owner listed of record for the lots in said plat.

X. TERMS OF COVENANTS

These covenants shall run with the land and be binding upon all lot owners for a period of thirty years following the date of recording them with the County Auditor. After the initial thirty-year period, the covenants shall be automatically extended for successive ten-year periods, unless a majority of the lot owners shall vote to change, delete or rescind these covenants.

XI. PARTIAL VALIDITY

If any of the covenants herein or any portion thereof are declared to be unenforceable, the remaining covenants shall remain in full force and effect.

XII. LOT OWNER DEFINED

The owner or lot owner shall mean the fee title owner, unless the property is being sold on a real estate contract. In such cases, the owner or lot owner shall mean the contract purchaser.



200110300103

Skagit County Auditor

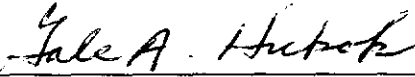
10/30/2001 Page 4 of 9 3:17:28PM

EXECUTED BY THE OWNER/DECLARANT


Pasquale J. Senatore

LENDERS:

SEAS, Inc.



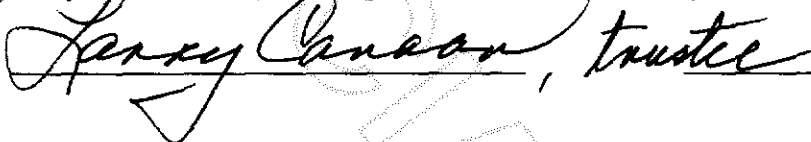
By its manager, Gale A. Hickok

SFG Income Fund IV, L.L.C., by

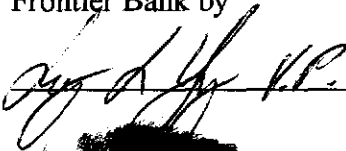


MEMBER

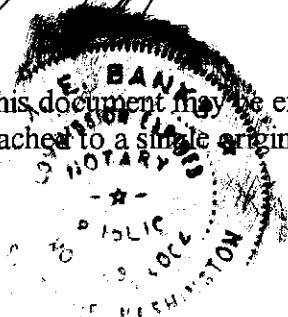
Larry Canaan, Profit Sharing and Retirement Trust, by



Frontier Bank by



(This document may be executed in counterparts with separate signature and notary pages attached to a single original for recording.)



200110300103
Skagit County Auditor

10/30/2001 Page 5 of 9 3:17:28PM

STATE OF WASHINGTON, }
County of King } ss.

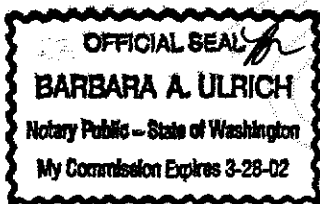
ACKNOWLEDGMENT - Individual

On this day personally appeared before me

Larry Carson

to be the individual(s) described in and who executed the within and foregoing instrument, and acknowledged that he
signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 16th day of October, 2001



Barbara A. Ulrich
Notary Public in and for the State of Washington,
residing at Woodinville
My appointment expires 03-28-02

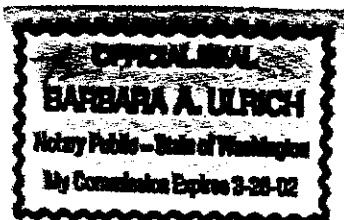
STATE OF WASHINGTON, }
County of King } ss.

ACKNOWLEDGMENT - Corporate

On this 15th day of October, 2001, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared MARK A. Spend

and _____ to me known to be the
President and Member Secretary, respectively, of SFG INCOME FUND IV LLC
the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he authorized to execute the said instrument and that the seal affixed (if any) is the corporate seal of said corporation.

Witness my hand and official seal hereto affixed the day and year first above written.



Barbara A. Ulrich
Notary Public in and for the State of Washington,
residing at WOODINVILLE
My appointment expires 03-28-02

This jurat is page _____ of _____ and is attached to _____



200110300103
Skagit County Auditor

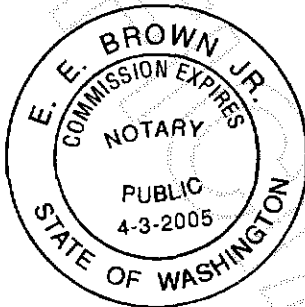
STATE OF WASHINGTON, }
County of SKAGIT } SS.

ACKNOWLEDGMENT - Individual

On this day personally appeared before me Pasquale J. Senatore

to me known
to be the individual(s) described in and who executed the within and foregoing instrument, and acknowledged that he
signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 30th day of October 2001



E. E. Brown Jr.
Notary Public in and for the State of Washington,
residing at Sedro Woolley, WA
My appointment expires 4-3-2005
EE BROWN JR

STATE OF WASHINGTON, }
County of _____ } SS.

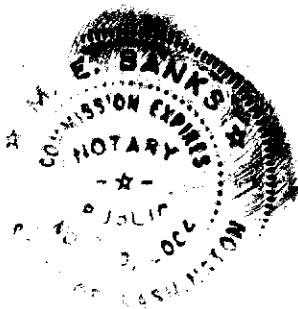
ACKNOWLEDGMENT - Corporate

On this 29th day of October, 2004, before me, the undersigned, a Notary Public in and for the State of
Washington, duly commissioned and sworn, personally appeared LARRY YOUNG

and _____ to me known to be the
VICE President and _____ Secretary, respectively, of Frontier Bank

the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary
act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he is
authorized to execute the said instrument and that the seal affixed (if any) is the corporate seal of said corporation.

Witness my hand and official seal hereto affixed the day and year first above written.



M. E. Banks
Notary Public in and for the State of Washington,
residing at _____
My appointment expires Nov. 29, 2004

This jurat is page _____ of _____ and is attached to _____

dated



200110300103

Skagit County Auditor

STATE OF WASHINGTON, }
County of SKAGIT } ss.

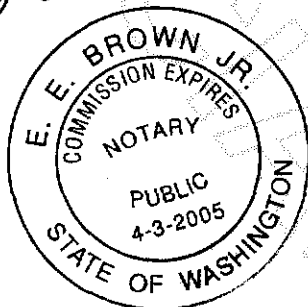
ACKNOWLEDGMENT - Representative Capacity

I certify that I know or have satisfactory evidence that Gale A. Hickok
is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she
was authorized to execute the instrument and acknowledged it as the Manager of
SEAS, INC. X

to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

GIVEN under my hand and official seal the day and year last above written.

Signed 10-30-01



E. E. Brown Jr.

Notary Public in and for the State of Washington,
residing at

Sedro Woolley, WA

My appointment expires

4-3-2005

EE BROWN JR

This jurat is page _____ of _____ and is attached to _____ dated _____



200110300103

, Skagit County Auditor

10/30/2001 Page 8 of 9 3:17:28PM

STATE OF WASHINGTON, }

ss.

ACKNOWLEDGMENT - Representative Capacity

County of _____

I certify that I know or have satisfactory evidence that _____
is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she
was authorized to execute the instrument and acknowledged it as the _____
_____ of _____

to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

GIVEN under my hand and official seal the day and year last above written.

Notary Public in and for the State of Washington,
residing at _____

My appointment expires _____

This jurat is page _____ of _____ and is attached to _____ dated _____



200110300103

, Skagit County Auditor