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POOR ORIGINAL

RALLYE LANE ASSOCIATION

WHEREAS, the parties to this agreement own property over which Rallye Lane runs or which property enjoys its egress, ingress and/or access for utilities via Rallye Lane; and

WHEREAS, the parties wish to formalize an agreement for the purposes of potential improvement, repair and/or maintenance of said Rallye Lane in perpetuity and to allocate the costs of maintenance among themselves;

THEREFORE BE IT AGREED among the parties as follows:

1. Parties. The parties to this agreement are as follows:

- A. Robert D. Guffie & Angela M. Guffie P 115990
22735 Rallye Lane, Sedro Woolley, Wa. 98284
the owners of property legally described in exhibit "A" hereto. Lot 4 SP96-0028
- B. Jason L. Johnson & Stephanie L. Johnson
22734 Rallye Lane, Sedro Woolley, Wa. 98284
the owners of property legally described in exhibit "B" hereto.
- C. David J. Reed
22808 Rallye Lane, Sedro Woolley, Wa. 98284
the owners of property legally described in exhibit "C" hereto.

2. Consideration. The consideration for this agreement is mutual promises and duties contained herein.

3. Definition of Party. The collective owners of each parcel of property described in Exhibits "A" through "C" and listed above shall each be considered "one part" for the purposed of this agreement. The future division of the parcels described in Exhibits "A" through "C" or the

ownership of said parcels by multiple individuals and/or entities shall not affect the definition of a party herein. The purpose of this provision is to provide that the collective owners however they may be comprised in the future of each parcel however divided in the future in Exhibits "A" through "C" as they now exist or are owned shall be a single party for purposes of financial obligations and voting rights.

4. Financial Obligations. Each party hereto hereby agrees to pay a twenty dollar (\$20.00) per month assessment for forty-eight (48) months commencing in June 2004. Each assessment shall be due by the 5th day of each month commencing June 5, 2004 and for the next consecutive forty-seven (47) months thereafter. As described in Section 5 herein, the parties may agree to special assessments over and above the initial forty-eight \$20.00 assessments. Each party shall be liable for 1/3 of any such assessment.

5. Special Assessments. From time to time, the parties may vote to impose a special assessment for purposes of improvement, repair and maintenance to Alpine Lane which are reasonably necessary to assure safe ingress and egress, comply with federal, state or local laws or to carry out the purposes of this agreement. Such special assessments shall only be made when a consensus is reached among the parties. If the consensus is not possible, then such assessment shall be made upon an affirmative vote of more than fifty percent



(50%) of those parties voting on the proposition.

6. Assessment and Lien. In the event any party fails to pay an assessment as called for in this agreement or as imposed by virtue of the foregoing sections, such failure to pay shall be considered a default and the other parties shall have all remedies available pursuant to the Law of Contract of the State of Washington. Further, upon nonpayment of an assessment, either regular or special when due, such amount then due shall become a lien upon the property of the party which is subject to this agreement. Any assessment which is sixty (60) days in arrears shall entitle the remaining parties to foreclose said lien pursuant to the laws of the State of Washington.

7. Finances and Record Keeping. Robert Guffie and Jason Johnson shall act as co-treasurers for the parties. All assessments shall be made payable to Jason Johnson and Robert Guffie. The co-treasurer shall open a checking account into which all funds received from the parties pursuant to this agreement shall be deposited promptly and from which no funds shall be paid unless for the lawful purposes of the association and pursuant to the agreement of the parties as set forth herein. The co-treasurers shall at all reasonable times and hours make available for inspection and/or copying all checking account statements, cancelled checks, invoices and other pertinent financial records relating to this agreement. New treasurers shall be selected



by consensus or majority vote of those voting on the question.

8. Expenditure of Funds. No funds shall be expended by the co-treasurers except upon direction of the parties as set forth herein. Funds, either derived by virtue of Section 4 and 5 herein, shall be expended for the purposes of this agreement upon a consensus decision of the parties. If a consensus cannot be reached concerning the expenditure of funds, then the co-treasurers shall dispense funds only at the direction of the parties when the affirmative vote on the proposition exceeds fifty percent (50%) of those voting.

The parties shall only decide to expend funds at a meeting called by any of their members upon thirty (30) days prior written notice mailed or delivered to each of the parties. Delivery of the notice shall be made at the street address on Rallye Lane of the party's parcel as they are listed in Exhibits "A" through "C" hereto or as the address of a party changes after submitting the new address in writing to all other parties. The notice shall set forth the time, place and date of any meeting and the issues to be presented and/or decided.

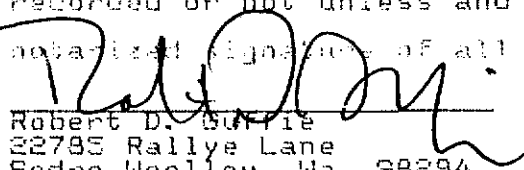
9. Parcels and Property Encumbered. These covenants shall encumber and run with the land for the parcels of real property legally described in Exhibits "A" through "C" and shall permanently attach thereto so that any subsequent owners, assignees, purchasers, lessors or other successors in

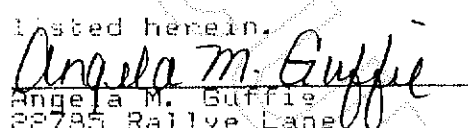


interest shall be bound fully by these covenants. The duties and restrictions imposed upon the real property encumbered hereby shall be discharged and removed only upon the recording of an instrument signed by fifty percent (50%) or more of the remaining parties whose signatures shall be fully notarized on a document complying with the legal requirements for a deed in the State of Washington.

10. Miscellaneous Provisions. This instrument shall be construed pursuant to the laws of the State of Washington. Should a dispute arise among the parties or should any party bring action to enforce or carry out the provision of these covenants, venue shall be in Skagit County Superior Court and the parties hereby agree that such action, despite its nature or the amount in controversy shall be referred to mandatory arbitration pursuant to the laws of the State of Washington, the Washington State Superior Court Rules and the local rules for Mandatory Arbitration of Skagit County. The prevailing party(ies) in any such action shall receive their reasonable attorneys' fees and costs.

THIS AGREEMENT SHALL HAVE no force and affect whether recorded or not unless and until it contains the duly notarized signatures of all parties listed herein.

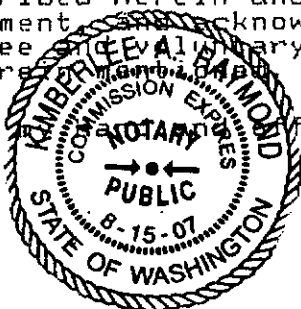

Robert D. Guffie
32785 Rallye Lane
Sedro Woolley, Wa. 98284

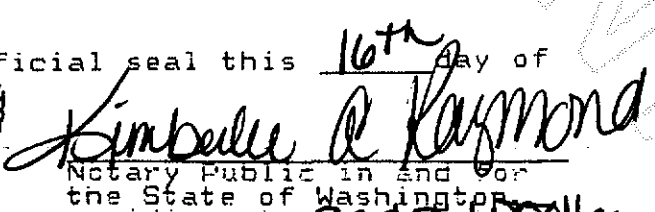

Angela M. Guffie
32785 Rallye Lane
Sedro Woolley, Wa. 98284

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

On this day personally appeared before me Robert D. Guffie and Angela M. Guffie, husband and wife, to me known to be the individuals described herein and who executed the within and foregoing instrument and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein expressed.

GIVEN under my hand and official seal this 16th day of March, 2004.




Notary Public in and for
the State of Washington
residing at Sedro Woolley



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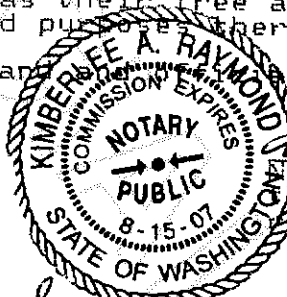
Jason L. Johnson
22784 Rallye Lane
Sedro Woolley, Wa. 98284

Stephanie L. Johnson
22784 Rallye Lane
Sedro Woolley, Wa. 98284

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

On this day personally appeared before me Jason L. Johnson and Stephanie L. Johnson, husband and wife, to me known to be the individuals described herein and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 15th day of March, 2004.

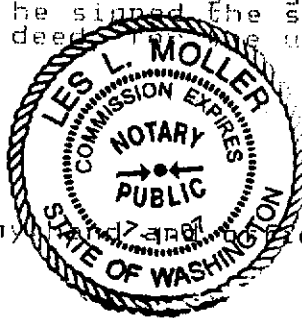


Kimberlee A. Raymond
Notary Public in and for
the State of Washington,
residing at Sedro Woolley

David J. Reed
David J. Reed
22808 Rallye Lane
Sedro Woolley, Wa. 98284

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

On this day personally appeared before me David J. Reed, to me known to be the individual described herein 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 23rd day of April, 2004.

Les L. Moller
Notary Public in and for the
State of Washington, residing
in Bellingham



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Parcel # P115990

XrefID : 350414-4-029-0300

Quarter: 04

Section: 14

Township: 35

Range: 04

Site Address: 22785 Rallye Lane
Sedro Woolley, Wa. 98284

Legal Description: Lot 4 of Short Plat 96-0028
AF#199911050074 Located in SE 1/4

Exhibit "A"



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Parcel # P115989

XrefID : 350414-4-029-0200

Quarter: 04

Section: 14

Township: 35

Range: 04

Site Address: 22784 Rallye Lane
Sedro Woolley, Wa. 98284

Legal Description: Lot 3 of Short Plat 96-0028
AF#199911050074 Located in SE 1/4

Exhibit "B"



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Parcel # P115988

XrefID : 350414-4-029-0100

Quarter: 04

Section: 14

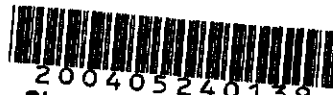
Township: 35

Range: 04

Site Address: 22808 Railve Lane
Sedro Woolley, Wa. 98284

Legal Description: Lot 2 of Short Plat 96-0028
AF#199911050074 Located in SE 1/4

Exhibit "C"



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