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Return to:

Law Office of Paul W. Taylor, Inc., P.S. 20388 Eric Strreet
Mount Vernon, WA 98274
(360) 416-6900

REFERENCE NUMBER: 200403180037

DOCUMENT TITLE: Condominium Declaration of Garden of Eden Townhouse Condominiums and Bylaws (Appendix "A")

GRANTOR: Graham I. Reid and Bertha E. Reid, as Trustees of the Reid Revocable Living Trust, dba Buttermilk Creek Homes

GRANTEE: Public and future owners

LEGAL DESCRIPTION: Lot 2 of Sedro Woolley Short Plat No. SW-04-00, approved November 20, 2000 and recorded November 20, 2000 under Auditor's File No. 200111200119, being a portion of the Northwest ¼ of the Northwest ¼ of Section 24, Township 35 North, Range 4 East, W.M.

TAX PARCEL NO. P117540/350424-0-068-0100

CONDOMINIUM DECLARATION

This Declaration is made and executed by Graham I. Reid and Bertha E. Reid, as Trustees of the Reid Revocable Living Trust, dba Buttermilk Creek Homes ("Declarant") pursuant to the provisions of the Washington Condominium Act, R.C.W. Chapter 64.34, hereinafter referred to as the "Act," and constitutes the entire Condominium Declaration affecting the described property.

1. Definitions and Descriptions

- A. The "Property" is located at 423/425 Rowland Road, in the Town of Sedro Woolley, Skagit County, Washington.
- B. Declarant, by recording this declaration, submits the property to the provisions of the Act
- C. The covenants, conditions and restrictions contained in this declaration and in the exhibits and appendices hereto shall be enforce- able legal and equitable covenants and shall run with the land.
- D. Recorded under **Skagit County Auditor's File No.20050610** is a three page survey and building location and utilities composed of Exhibits "A" and ""B" of Garden of Eden Townhouse Condominiums (hereinafter " **Survey and Plans**") which are incorporated herein by this reference as such plans and survey of the property are required by the Act.
- E. The administration of the property shall be governed by Bylaws which are embodied in a separate instrument, a true copy of which is appended to and recorded with this Declaration as **Appendix "A".**
- F. All terms used in this declaration and the Bylaws shall have the same definition as the terms defined in the act, unless the act allows for a variation of the terms and such variation is stated herein.
 - G. The property shall be known as Garden of Eden Townhouse Condominiums.

2. Legal Description

The land on which the buildings and improvements are located, is legally described as follows:

See Survey and Plans referred to in paragraph 1D above.

3. Description of the Building

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- A. The building, as shown on the **Survey and Plans referred to in paragraph 1D above**, located on the Property is described as follows:
 - 1. Duplex consisting of frame construction on concrete slab foundation and containing two separate residential units.
 - 2. Each unit containing 1404 sq ft., consists of three (3) bedrooms, 2 ½ baths, computer loft, kitchen, living room, gas fireplace, laundry area, and various storage areas. Attached two (2) car garage comprises of 502 sq ft.

4. Description of Units

- A. Each unit that is a part of common elements. The Survey and Plans referred to in paragraph 1D above contain a general description and floor plan of the units, showing the approximate square footage in the unit and the approximate percentage of undivided interest in the common elements appertaining to said unit. The common areas of the units are more particularly described in the Survey and Plans referred to in paragraph 1D above
- B. The boundary lines of each unit are the undecorated [and/or] unfinished interior surfaces of its perimeter or bearing walls, windows and doors; its lowermost floor and uppermost ceiling. Each unit shall include both the portions of the building in which it is located that are not common elements within such boundary lines and the space so encompassed, excepting common elements. Without limitation, a unit includes any finishing material applied or affixed to the interior surfaces of the interior walls, floors, and ceilings; non-supporting interior walls; and all utility pipes, lines, systems, fixtures, or appliances found within the boundary lines of the unit and servicing only that unit.

5. Description of Common Elements

The common elements shall mean and include the land on which the buildings are located and all portions of the property not contained within any unit, including, but not by way of limitation, the foundations, columns, girders, beams, supports, main walls, roofs, halls, corridors, stairs, stairways, fire escapes, and entrances and exits of the buildings; the grounds, gardens, and storage spaces. All limited common elements as hereinafter described; and all other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use, or which have been designated as common elements and all repairs and replacements of any of the foregoing.

6. Unit Ownership

A. The percentage of undivided interest in the common elements appertaining to each unit and its owner for all purposes, including voting, is fifty percent (50%).

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B. A unit owner shall have the exclusive ownership and use of his or her unit, subject to the provisions of this Declaration and the Bylaws, and shall have an equal right to share with the other co-owner in the common elements of the property.

7. Purpose of the Property

- A. The purpose of the property is to provide residential housing and parking for unit owners, their respective families, tenants and guests.
- B. The units and common elements shall be occupied and used as follows:
- 1. A residential unit owner shall not permit his or her unit to be occupied or used other than as a private residence for a single family.
- 2. No parking space shall be used for any other purpose except to park an operable motor vehicle, motorcycle or other wheeled conveyance.
 - A unit owner shall not obstruct the common elements.
- 4. Without the prior written consent of the all unit owners, a unit owner shall not permit anything to be done or kept in his or her unit or in the limited common elements appurtenant to his or her unit that would result in an increase in the cost of insurance on the property, or that would result in the cancellation of insurance with respect to all or any part of the property, or that would be in violation of any governmental law, ordinance or regulation.
- 5. A unit owner shall not permit any obnoxious or offensive activity or nuisance to be carried on in his unit or in the limited common elements appurtenant to his unit.
- 6. A unit owner shall not alter, construct in, or remove anything from the common elements, except with the prior written consent of the joint owner.
- 7. A unit owner shall not violate any of the rules and regulations for the use of units, common elements or limited common elements contained in the Bylaws or adopted by the owners in writing.

8. Association of Owners: Board of Directors

A. The term "Director", "Owner", "Unit Owner" or their plural may be used interchangeably in this document and related condominium documents. The Owners/Directors shall have all the powers, duties and responsibilities as are now or may hereafter be provided by the act, this Declaration and Bylaws, including but not limited to the following:

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- 1. To make and enforce all house rules and administrative rules and regulations covering the operation and maintenance of the property.
- 2. To engage the services of a manager or managing company, accountants, attorneys or, other employees or agents.
- 3. To operate, maintain and repair the common elements including landscaping and the exterior surfaces of the units; provided, however, that furnaces, air conditioning equipment, plumbing, fixtures, household appliances and other interior mechanical equipment, used in and for the units, and the interior surfaces of each unit shall be maintained and repaired by the respective owners thereof. All such maintenance shall be at the sole cost and expense of the particular owner.
 - 4. To agree on a budget for common expenses and fund an account to satisfy same.
- 5. To open bank accounts on behalf of the Association and to designate the signatures therefor.
- 6. To purchase, hold, sell, convey, mortgage or lease any one or more units in the name of the Association or its designee.
- 7. To obtain insurance for the owners with respect to the units and the common elements.
- 8. To repair or restore the property following damage or destruction or a permanent taking by the power of, or power in the nature of, eminent domain or by an action or deed in lieu of condemnation not resulting in the removal of the property from the provisions of the act.
- 9. To keep adequate books and records of the owners and all dealings relating to the management of the property.
- 10. To do all other acts necessary for the operation and maintenance of the property, including the maintenance and repair of any unit if the same is necessary to protect or preserve the appearance and value of the property.
- 11. The Owners may delegate to a manager or managing company all of the foregoing powers, duties and responsibilities referred to in Section 9C, above, except the final determination of common expenses, budgets and assessments based thereon; the promulgation of house rules and administrative rules and regulations; the opening of bank accounts; the power to purchase, hold, sell, convey, mortgage or lease any units in the name of the joint owner or the authority to bring, prosecute and settle litigation.

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- 12. The Bylaws of the Garden of Eden Townhouse Condominiums are attached as Appendix "A" and are incorporated herein by the reference. All amendments to the Bylaws shall be recorded with reference to this Declaration.
- 13. The Owners shall indemnify and hold harmless any person, his or her heirs and personal representatives, from and against all personal liability and all expenses, including attorneys' fees, incurred or imposed, or arising out of or in settlement of any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative.

9. Maintenance

- A. The maintenance, replacement and repair of the common elements shall be the responsibility of the Owners and the cost thereof shall be a common expense. Retain all incidental damages caused to a unit by the maintenance, replacement and repair of the common elements or utility services shall be repaired promptly as a common expense.
- B. The Owners shall have the responsibility to maintain and keep in a clean and sanitary condition, at the unit owner's expense, all portions of the owners' unit. The Owners shall keep clean and in a sanitary condition their storage areas', balconies and patios.

10. Septic Systems

The septic systems serving the Garden of Eden Townhouse Condominiums are located in the common element as indicated on the Survey and Plans referred to in paragraph 1D above. Each system is specific to its respective unit.

- A. Repair and Maintenance. Each owner shall be solely responsible for the maintenance and repair of the septic system that services his or her separate townhouse. Repair and maintenance means all aspects of the septic system operation including but is not limited to the alarm system, pumping unit, and any cleaning charges.
- B. Access. No owner shall unreasonably deny or obstruct or impede in any way, access with respect to repairs, maintenance or technical evaluation of the other's septic system.
- C. Property Damage. If, during repairs and maintenance of an owner's septic system, the owner effectuating the repair shall be solely responsible for restoring the common element to the condition it was before the repair. However, by unanimous agreement, the Owners may agree to pay for such restoration out of common funds.

11. Insurance

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- A. The Owners shall obtain and maintain at all times insurance of the type and kind as provided herein and including insurance for such other risks of a similar or dissimilar nature as are or shall hereafter customarily be covered with respect to other properties similar in construction, design and use to the property:
- 1. Each unit owner may obtain additional insurance covering his real property interest at his own expense and commensurate with common insurance practices.
- B. The Owners, for the benefit of themselves, shall maintain a policy or policies of casualty and multi-risk insurance on the property, with the provisions and endorsements as set forth in paragraph 11A above, if obtainable, and with extended coverage endorsements for the full insurable replacement value of the units, common elements, common personal property and fixtures. Policies shall provide for a separate loss payable endorsement in favor of the mortgagee or mortgagees, if any, of each unit.

12. Damage

- A. If any of the buildings are damaged by fire or other casualty and said damage is limited to a single unit, all insurance proceeds shall be paid to the owner or owners or mortgagee or mortgagees, of such unit, as their respective interests may appear. The unit owner or owners or mortgagee or mortgagees, shall use the same to promptly rebuild or repair such unit in accordance with the original plans and specifications therefor. If the insurance proceeds are insufficient to pay all the costs of repairing or rebuilding such unit in accordance with the original plans and specifications the unit owner shall be liable for any deficiency.
- B. If such damage extends to both units, or extends to any part of the common elements, such insurance proceeds shall be paid into an escrow account, to be held in trust for the benefit of the unit owners and their mortgagees as their respective interests may appear.
- C. If two-thirds (2/3) or more of the building is destroyed or damaged by fire or other casualty, and unless otherwise unanimously agreed by the unit owners, the insurance proceeds shall be delivered to the unit owners or their mortgagees, as their interests may appear, in proportion to the percentage interest of each unit owner in the common elements. The Owners shall record with the Auditor of Skagit County a notice setting forth such facts, and upon the recording of such notice (i) the property shall be deemed to be owned in common by the unit owners as tenants in common, each unit owner owning an undivided interest in the property equal to his or her percentage ownership in the common elements as set forth in the Exhibits hereto; (ii) any liens affecting any of the units shall be deemed to be transferred in accordance with the existing priorities to the undivided interest of the unit owner in the property and (iii) the property shall be subject to an action for partition as the suit of any unit owner, in which event the net proceeds of sale, together with the net proceeds of the insurance on the property, shall be considered as one fund and shall be divided among all unit owners in a percentage

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equal to the percentage of undivided interest owned by each unit owner in the property, after first paying out of the respective shares of each unit owner, to the extent sufficient for such purposes, all sums necessary to satisfy liens on the undivided interest in the property owned by such unit owner.

D. For purposes of this Section 12, the terms "disaster," "destruction," or "substantial damage" shall also mean and include a temporary or permanent taking, injury or destruction of all or part of the common elements or one or more units or portions thereof by the exercise of the power of, or power in the nature of, eminent domain or by an action or conveyance in lieu of condemnation. Reconstruction of the building or unit shall mean the restoring of the building or unit to substantially the same condition in which it existed prior to the damage or destruction, with each unit and the common elements having the same vertical and horizontal boundaries as before, unless the destruction or damage is by reason of eminent domain, in which event the provisions of Section 14 hereof shall apply.

13. Termination

- A. In the event that such fraction or percentage of building is destroyed or substantially damaged so as to bring into effect the provisions of paragraph 12C above, an the unit owners o not unanimously vote to act otherwise as provided therein, the property shall be removed from the provisions of the Act without further agreement..
- B. All of the unit owners may remove the property from the provisions of the act by an instrument duly recorded to that effect, provided that the holders of all liens affecting any of the units consent or agree by instruments duly recorded that their liens be transferred to the percentage of the undivided interest of the unit owners in the property.
- C. After removal of the property from the act, the unit owners shall own the property as tenants in common and the respective mortgages and lienors shall have mortgages and liens upon the respective undivided interests of the unit owners. Such undivided interests of the unit owners shall be the same as the percentage of undivided interest in the common elements appurtenant to the unit owners' units prior to removal from the act.
- D. This Section 13 cannot be amended without consent of all unit owners and all record owners of mortgages on units.

14. Eminent Domain

A. Whenever any proceeding is instituted that could result in the temporary or permanent taking, injury or destruction of all or part of the common elements or one or more units or portions thereof by the exercise of the power of, or power in the nature of, eminent domain or by an action or conveyance in lieu of condemnation, each unit owner

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shall be entitled to notice thereof, and the unit owners at their respective expenses may, participate in the proceedings incident thereto.

- B. With respect to common elements, any damages or awards shall be determined for such taking, injury or destruction as a whole and not for each unit owner's interest therein. After such determination, each unit owner shall be entitled to a share of the damages in the same proportion as his percentage of undivided interest of the common elements.
- C. In the event the property is removed from the provisions of the act pursuant to Sections 12 and 13 above, the proceeds of the damages or awards shall be distributed or used in accordance with, and the owners of the affected units shall have the rights provided in, Section 12C above.
- E. If one or more units are taken, in whole or in part, and the property is not removed from the provisions of the act, the taking shall have the following effect:
- 1. If the taking reduces the size of a unit and the remaining portion of the unit may be made tenantable, the unit shall be made tenantable. If the cost of such work exceeds the amount of the award, the additional funds required shall be assessed against the unit owner. The balance of the award, if any, shall be distributed to the mortgagee to the extent of the unpaid balance of its mortgage and the excess, if any, shall be distributed to the unit owner. If there is a balance of the award distributed to the unit owner or a mortgagee, the unit owner's percentage of undivided interest in the common elements shall be equitably reduced. This shall be done by recomputing the percentages of undivided interests of all unit owners in the common elements, taking into account the reduction in floor area occasioned by the taking.
- 2. If the taking destroys or so reduces the size of a unit that it cannot be made tenantable, the award shall be distributed to the mortgagee of the unit to the extent of the unpaid balance of its mortgage and the excess, if any, shall be distributed to the unit owner.
- F. Changes in units, in the common elements and in the ownership of the common elements that are affected by the taking referred to in this Section 14 shall be evidenced by an amendment to this declaration and plat, which need not be approved by the unit owners.

15. Mortgagee Protection

A. The term "mortgage" as used herein shall mean any recorded mortgage having priority over other mortgages and shall include a recorded deed of trust. The term "mortgagee" shall mean the owner and the holder of a mortgage and shall include a beneficiary under a deed of trust.

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- B. One owner shall give to the other written notification of any default by the mortgagor of the respective unit in the performance of such mortgagor's obligations under the declaration which is not cured within 60 days.
- C. A mortgagee of any unit who comes into possession of the unit pursuant to the remedies provided in the mortgage or foreclosure of the mortgage or by way of deed or assignment in lieu of foreclosure shall take the property free of any claims for unpaid assessments or charges against the mortgaged unit which accrued prior to the time such mortgagee comes into the possession of the unit except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessment or charges to all units, including the mortgaged unit.
- D. Any liens upon any unit created under the act or pursuant to this declaration or the bylaws shall be subject and subordinate to and shall not affect the rights of any mortgagee under a mortgage on such unit made in good faith and for value, provided, however, that any lien created hereunder after a foreclosure or sale shall have the same effect and be enforced in the same manner as provided in the act, and declaration [and/or] the bylaws.
- E. No amendment to this paragraph shall affect the rights of a mortgagee who has recorded a valid mortgage prior to the recordation of any such amendment.

16. Encroachments

- A. None of the rights and obligations of any unit owner created by this declaration, bylaws or by a deed conveying an unit shall be affected in any way by an encroachment (i) by any portion of the common elements upon any unit; (ii) by any unit upon any portion of the common elements or (iii) by any unit upon another unit due to settling or shifting of any building including the rebuilding of a building after fire or other casualty or an eminent domain taking or delivery of a deed in lieu of condemnation, unless there occurs an encroachment that results from the willful or negligent act or omission of the owner of the encroaching unit, or of the owners of the units to which the use of encroaching limited common elements are appurtenant.
- B. There are hereby created valid easements for the maintenance of any encroachments permitted by this Section 15 of this declaration so long as such encroachments exist.

17. Sale or Conveyance

Upon the sale or conveyance of an unit, all unpaid assessments against an unit owner shall first be paid out of the sales price as provided in R.C.W. 64.34.425; provided, however, that if such unpaid assessments are not paid or collected at the time of a sale or conveyance of an unit, the grantee of the unit shall be jointly and severally.



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liable with the selling unit owner for all unpaid assessments against the latter to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the selling unit owner the amounts paid by the grantee therefor. Any person who shall have entered into a written agreement to purchase an unit shall be entitled, upon written request therefor, to a statement from the owner setting forth the amount of the unpaid assessments against the selling unit owner and such grantee shall not be liable for, nor shall the unit conveyed be subject to a lien for any unpaid assessments in excess of the amount set forth in the statement.

18. Conveyance Requirements

A. Every deed, lease, mortgage or other instrument shall describe a unit by its identity number as set forth in Exhibits "A" and "B". Every such description shall be deemed good and sufficient for all purposes and shall be deemed to convey, transfer, encumber or otherwise affect the unit owner's corresponding percentage of undivided ownership in the common elements as set forth in such Exhibits even though the same is not exactly mentioned or described.

- B. Every deed, lease, mortgage or other similar instrument shall be deemed to:
- 1. Except and reserve with respect to an unit (i) any portion of the common elements lying within said unit; (ii) easements through said unit appurtenant to the common elements and all other units for support and repair of the common elements and all other units; and (iii) easements appurtenant to the common elements for encroachments upon the air space of said unit by those portions of the common elements located within said unit.
- 2. Include with respect to a unit nonexclusive easements for ingress and support of said unit through the common elements, for the repair of said unit through all other units and through the common elements and for the use of the balcony and patio space as indicated in the Exhibits.
- 3. Except and reserve with respect to the undivided percentage interest in the common elements nonexclusive easements appurtenant to all units for ingress, egress, support and repair.
- 4. Include with respect to the undivided percentage interest in the common elements nonexclusive easements through each unit for support and repair of the common elements and nonexclusive easements for encroachments upon the air space of all of the units by and for the portions of the common elements lying within the units.

19. Amendment

A. The Declaration may only be amended at a meeting of the Owners at which the amendment is approved by unanimous agreement.

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B. An amendment of the Declaration may not alter or destroy a unit or a limited common element without the consent of the Owners affected and the Owners' first lien mortgagees:

20. Assessments

A. The making and collection of assessments from Owners for their share of common expenses shall be pursuant to the Bylaws and subject to the following provisions:

- 1. Each Owner shall be liable for a proportionate share of the common expenses, such share being the same as the percentage of undivided interest in the common elements appurtenant to the unit owned by the each Owner as set forth in the attached Exhibits.
- Assessments and any installments shall be budgeted and a special account shall be set up for such assessments and installments.
- B. Capital improvements to the common elements will proceed based on unanimous agreement between the Owners.
- C. If the unit owner shall at any time lease his unit and shall default in the payment of assessments, the remaining Owner can seek redress via arbitration pursuant to the Skagit County Superior Court Mandatory Arbitration Rules.
- D. The electrical service to the property is furnished through separate meters read and billed by the PUD.

21. Voting

All actions by Owners under this Declaration or the Bylaws shall be by unanimous agreement of the Owners. No matter how many different individual have ownership in a unit, only one vote per unit is allowed. If there is more than one owner with respect to a particular unit, any or all of such unit owners may attend any meeting of ownership, but it shall be necessary for all such unit owners present, in person or by proxy, to act unanimously in order to express their vote pertaining to their unit.

22. Notices

Any notice permitted or required to be delivered as provided herein may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to be delivered three (3) days after a copy of the same has been deposited in the U.S. postal service, postage prepaid, return receipt requested. Notice to unit owners shall be

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addressed to each unit owner at the address given by such unit owner to the Secretary/Treasurer.

23. No Waiver

The failure of the Owners or their agents or designees to insist, in, one or more instances, upon the strict performance of any of the terms, covenants, conditions or restrictions of this declaration or the bylaws, to exercise any right or option herein contained or to serve any notice or to institute any action shall not be construed as a waiver or a relinquishment for the future of such term, covenant, condition or restriction; but such term, covenant, condition or restriction shall remain in full force and effect.

24. Enforcement

Each unit owner shall strictly comply with the provisions of the declaration, the bylaws, the house rules and administrative rules and regulations and decisions issued pursuant thereto. Failure to so comply shall be grounds for an action to recover sums due for damages or injunctive relief or both by an aggrieved unit owner.

25. Declarant and Declarant's Use

A. The term "Declarant" as used herein shall mean and include and any person or persons who might acquire title through foreclosure or deed.

B. Declarant and persons it may select from time to time shall have the right of ingress and egress over, upon and across the common elements and limited common elements and the right to store materials therein and to make such other use thereof as may be necessary and incident to the development and sale of all of the units as determined by the declarant in its sole discretion.

26. Severability

The provisions of this declaration shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion hereof shall not affect the validity or enforceability of any other provision hereof.

27. Law Controlling

This declaration, the plats, Appendix and the bylaws shall be construed and controlled by and under the Condominium Act (R.C.W. Chapter 64.34) and other laws of the State of Washington.

28. Effective Date

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This declaration shall take effect when recorded.

In Witness Whereof, the undersigned has executed this instrument this 10th day of June, 2005.

DECLARANT:

Reid Revocable Living Trust. dba Buttermilk Creek Homes

Graeme L Beid

Graeme I. Reid Trustee

By: Douthale

Bertha E. Reid Trustee

STATE OF WASHINGTON

COUNTY OF SKAGIT

I certify that I know or have satisfactory evidence that **GRAHAM I. REID** is the person who personally appeared before me, and said person acknowledged that he is a Trustee of the Reid Revocable Living Trust, that he signed this instrument and acknowledged it to be his free and voluntary act for uses and purposes mentioned in the instrument.

Dated this 10th day of June 2005.

NOTARY PUBLIC Paul W. Taylor

My commission expires: 11/15/06

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STATE OF WASHINGTON)
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COUNTY OF SKAGIT	j

Licertify that I know or have satisfactory evidence that **BERTHA E. REID** is the person who personally appeared before me, and said person acknowledged that she is a Trustee of the Reid Revocable Living Trust, that she signed this instrument and acknowledged it to be her free and voluntary act for uses and purposes mentioned in the instrument.

Dated this 10th day of June 2005.

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NOTARY PUBLIC

Paul W. Taylor

My commission expires: 11/15/06

APPENDIX "A" TO CONDOMINIUM DECLARATION

BYLAWS OF GARDEN OF EDEN TOWNHOUSE CONDOMINIUM COMPRISING TWO UNITS ONLY

UNIT OWNERS ASSOCIATION

Article I.

PLAN OF UNIT OWNERSHIP

- Section 1. Unit Ownership. The project located at 423/425 Rowland Road, Sedro Woolley, Skagit County, State of Washington, known as "Garden of Eden Townhouse Condominiums" created in accordance with the provisions of the Washington Condominium Act (R.C.W. Chapter 64.34)
- Section 2. Bylaws' Applicability. The provisions of these Bylaws are applicable to the project. (The terms "project" and "property" may be used interchangeably and as used herein shall include the land.)
- Section 3. Personal Application. All present or future unit owners, tenants, future tenants, or their employees, or any other person that might use the facilities of the project in any manner, are subject to the regulations set forth in these Bylaws.

The mere acquisition or rental of any of the single family residential units (hereinafter referred to as "units") of the project or the mere act of occupancy of any of said units will signify that these Bylaws and the provisions of the Regulatory Agreement are accepted, ratified, and will be complied with.

Article II. ADMINISTRATION

- Section 1. Association Responsibilities. The owners of the units which constitute the Association of Owners (hereinafter referred to as "Association") who will have the responsibility of administering the condominium rules and procedures, and shall set up an administration format acceptable to them. The two owners agree to meet at least annually to resolve any disputes or conflicts, review common expenses and set up funds for future expenses and discuss any other business pertinent to common interests.
- Section 2. Place of Meetings. Meetings of the Association shall be held at a place convenient to and agreed upon by the two owners.
- Section 3. Special Meetings. If necessary to resolve differences or problems, will be instituted by verbal request of one owner to the other. Any agreement reached will be unanimous and binding.
- Section 4. Order of Business. The order of business at all meetings of the owners shall be in whatever form is acceptable to the owners.

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Article III. BOARD OF DIRECTORS

- Section 1. Number and Qualification. The affairs of the Association shall be governed by a Board of Directors composed of two (2) persons both of whom must be owners of units in the project. The term "Director", "Owner", "Unit Owner" or their plural may be used interchangeably in this document and related condominium documents.
- **Section 2. Powers and Duties**. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or by these Bylaws directed to be exercised and done by the owners.
- Section 3. Other Duties. In addition to duties imposed by these Bylaws or by resolutions of the Association, the Board of Directors shall be responsible for the following:
 - (a) Care, upkeep and surveillance of the project and the common areas and facilities and the restricted common areas and facilities.
 - (b) Collection of monthly assessments from the owners.
 - (c) Designation and dismissal of the personnel necessary for the maintenance and operation of the project, the common areas and facilities and the restricted common areas and facilities.
- Section 4. Management Agent. The Board of Directors may employ for the Association a management agent at a compensation established by the Board to perform such duties and services as the Board shall authorize including, but not limited to, the duties listed in Section 3 of this Article.
- Section 5. Organization Meeting. See Article II.
- Section 6. Regular Meetings. See Article II.
- Section 7. Special Meetings. See Article II.
- Section 8. Board of Director's Quorum. At all meetings of the Board of Directors, attendance of both Directors is necessary to constitute a quorum for the transaction of business, and the acts of the Directors shall be the acts of the Board of Directors.

Article IV

- Section 1. Designation. The principal officers of the Association shall be a President, and a Secretary/Treasurer, both of whom shall be owners and elected by and from the Board of Directors.
- Section 2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board and shall hold office at the pleasure of the Board.
- Section 3. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of president of an Association, including but not limited to the power to appoint committees from among the owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

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Section 4. Secretary/Treasurer. The Secretary/Treasurer shall (1) keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association; (2) have charge of such books and papers as the Board of Directors may direct; (3) shall have responsibility for Association funds and securities; (4) shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association; (5) shall be responsible for the deposit of all moneys and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Directors; and (6) in general, perform all the duties incident to the office of Secretary/Treasurer.

Article V OBLIGATIONS OF THE OWNERS

Section 1. Assessments. The owners will set up an operating reserve consisting of a checking account with two (2) signature access. This is to cover common maintenance requirements and special needs.

Section 2. Maintenance and Repair.

- (a) Every owner must perform promptly all maintenance and repair work within his own unit, which if omitted would affect the project in its entirety or in a part belonging to other owners, being expressly responsible for the damages and liabilities that his failure to do so may engender.
- (b) All the repairs of internal installations of the unit such as water, light, gas, power, sewage, telephones, air conditioners, sanitary installations, doors, windows, lamps and all other accessories belonging to the unit area shall beat the owner's expense.
- (c) An owner shall reimburse the Association for any expenditure incurred in repairing or replacing any common area and facility damaged through owner's fault.
- (d) The maintenance, replacement and repair of exterior of the units and the common areas shall be the responsibility of the owners and the cost thereof shall be a common expense. The owners shall also maintain, replace and repair all balconies and patios, except for normal cleaning or as otherwise noted, and all conduits, ducts, plumbing and wiring and other facilities for furnishing gas, light, power, water and sewer service contained in the portions of the units that service part or parts of the property other than the unit in which they are contained. All incidental damages caused to a unit by the maintenance, replacement or repair of the common areas or utility services shall be promptly repaired as a common expense.

Section 3. Use of Family Units-Internal Changes.

- (a) All units shall be utilized for residential purposes only.
- (b) An owner shall not make structural modifications or alterations in his unit or installations located therein without previously notifying the other owner.

Section 4. Right of Entry.

(a) An owner shall permit other owners, or their representatives, when so required to enter his unit for the purpose of performing installations, alterations or repairs to the mechanical or electrical services, provided that requests for entry are made in advance and that such entry is at a time convenient to the owner. In case of an emergency, such right of entry shall be immediate.

Section 5. Rules and Regulations

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- (a) No part of the property shall be used for other than housing. Each Unit shall only be used as a private, single family residence.
- (b) There shall be no obstruction of the common areas nor shall anything be stored in the common areas without the prior consent of the owners except as hereinafter expressly provided, Each Unit Owner shall be obligated to maintain and keep in good order and repair his own Unit in accordance with the provisions of the By Laws.
- (c) Nothing shall be done or kept in any Unit or in the common areas which will increase the rate of insurance of any of the buildings, or contents thereof, applicable for residential use, without the prior written consent of the owners. No Unit Owner shall permit anything to be done, or kept in his Unit, or in the common areas which will result in the cancellation of insurance on any of the Buildings, or contents thereof, or which would be in violation of any law. No waste shall be committed in the common areas.
- (d) Owners shall not cause or permit anything to be hung or displayed on the outside of windows or placed on the outside walls or doors of a building and no sign, awning, canopy, shutter or radio or television antenna shall be affixed to or placed upon the exterior walls or doors, roof or any part thereof or exposed on or at any window, without the prior consent of the owners.
- (e) No animals or reptiles of any kind shall be raised, bred, or kept in any Unit or in the common areas, except that dogs, cats or other household pets, not to exceed two per Unit, may be kept in Units. subject to the rules and regulations adopted by the owners, provided that they are not kept, bred or maintained for any commercial purposes; and provided further that any pet causing or creating a nuisance or unreasonable disturbance or noise shall be permanently removed from the property subject to these restrictions upon three (3) days written notice from the owners. In no event shall any dog be permitted in any portion of the common areas unless carried or on a leash, or in any grass or garden plot under any circumstances.
- (f) No activity shall be allowed upon the property, not any use or practice which is the source of annovance to residents or which interferes with the peaceful possession and proper use of the property by its residents. All parts of the property shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage allowed to accumulate nor any fire hazard allowed to exist. No unit owner shall permit any use of his unit or make any use of the general or limited common areas that will constitute a nuisance or annoyance to the residents of other units. No noxious, offensive, or illegal activity shall be carried on in any Unit, or in the common areas, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other Unit Owners or occupants or in violation of any local, state, or federal law or ordinance. No Unit Owner shall make or permit any disturbing noises in the buildings by the Owner or Owner's family, servants, employees, agents, visitors and licensees, nor do or permit anything by such persons that will interfere with the rights, comforts or convenience of other Unit Owners. No Unit Owner shall play upon, or suffer to be played upon, any musical instrument or operate or suffer to be operated a music or video system, television set or radio in the premises between the hours of eleven (11) P.M. and the following eight (8) A.M. if the same shall disturb or annoy other occupants of the buildings.
- (g) Nothing shall be done in any Unit or in, on or to the common areas which will impair the structural integrity of any Building or which would structurally change any of the Buildings.
- (h) No clothes, sheets, blankets, laundry or any kind of other articles shall be hung out of a Unit or exposed on any part of the common areas. The common areas shall be kept free and clear of rubbish, debris and other unsightly materials.
- (i) Except in recreational or storage areas designated as such by the owners there shall be no playing, lounging, or parking of baby carriages or playpens, bicycles, wagons, toys, vehicles, benches or

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chairs, on any part of the common areas except that terraces and patios may be used for their intended purposes. Storage by Owners in areas designated by the Board shall be at the Owner's risk.

(j) No industry, business, trade, occupation or profession of any kind, commercial, religious, educational or otherwise, designed for profit, altruism, or otherwise, shall be conducted, maintained or permitted on any part of the property, nor shall any "For Sale," "For Rent" or "For Lease" signs or other window displays or advertising be maintained or permitted on any part of the property or in any Unit therein nor shall any Unit be used or rented for transient, hotel or motel purposes. The right is reserved by the owners, or its agent, to place "For Sale," For Rent" or "For Lease" signs on any unsold or unoccupied units, and the right is hereby given to any mortgagee, who may become the owner of any Unit, to place such signs on any Unit owned by such mortgagee, but in no event will any such sign be larger than one (1) foot by two (2) feet.

Nothing shall be altered or constructed in or removed from the common areas, except upon the written consent of the owners.

- (k) Each Unit Owner shall keep his Unit in a good state of preservation and cleanliness and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors, windows, terraces, balconies or patios thereof, any dirt or other substance.
- (I) All radio, television or other electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements or recommendations of the governmental authorities having jurisdiction, and the Unit Owner alone shall be liable for any damage or injury caused by any radio, television or other electrical equipment in such Unit.
- (m) The Owner and any contractor or workman authorized by the owner, may enter any room or Unit in the buildings at any reasonable hour of the day for the purpose of inspecting such Unit for the presence of any vermin, insects or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects or other pests.
- (n) No garbage cans shall be placed in the halls or on the staircase landings, nor shall anything be hung from the windows, terraces, balconies, or paties or placed upon the windowsills. Nor shall any rugs or mops be shaken or hung from or on any of the windows, doors, balconies, paties or terraces.
- (o) No washing of non Unit Owner owned automobiles shall be allowed on any part of the property, nor shall the parking area be used for any purpose other than to park Unit Owner automobiles.
- (p) No terrace, balcony or patio shall be decorated, enclosed or covered by any awning or otherwise without the consent in writing of the owners.
- (q) Unit Owners shall not cause or permit any unusual or objectionable odors to be produced upon or to emanate from their Units.
- (r) No Unit Owner or occupant or any of his agents, servants, employees, licensees or visitors shall at any time, bring into or keep in his Unit any flammable, combustible or explosive fluid, material, chemical or substance.
- (s) The owners, or their designated agent, may retain a pass key to the premises. No Unit Owner shall alter any lock or install a new lock or a knocker on any door of the premises without the written consent of the owner.
- (t) If any key or keys are entrusted by a Unit Owner or occupant or by any member of his family or by his agent, servant, employee, licensee or visitor, whether for such Unit or an automobile, trunk or other



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item of personal property, the acceptance of the key shall be at the sole risk of such Unit Owner or occupant.

(u) Amendments and additions to these rules and regulations concerning the use of the units and the common areas may be promulgated by the owners from time to time and shall be followed by all Unit Owners once given written notice.

Article VI AMENDMENTS TO PLAN OF UNIT OWNERSHIP

Section 1. Bylaws. These Bylaws may be amended by the Association in a duly constituted meeting for such purpose and no amendment shall take effect unless unanimously approved by owners representing 100% ownership of all units in the property.

Article VII COMPLIANCE

These Bylaws are set forth to comply with the requirements of the Washington Condominium Act (R.C.W. Chapter 64.34).

In case any of these Bylaws conflict with the provisions of said statute, it is hereby agreed and accepted that the provisions of the statute will apply.

Dated this 10TH day of June 2005.

Owner/Director: Reid Revocable Living Trust dba Buttermilk Creek Homes

Graeme I. Reid

Trustee

Bertha E. Reid

Trustee

200506100032 Skagit County Auditor

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