

After recording return to:
Amelia Adair
The Quadrant Corporation
14725 -SE 36th Street, Suite 200
Bellevue, Washington 98006



200607250100
Skagit County Auditor

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LAND TITLE OF SKAGIT COUNTY

121710-5

DOCUMENT TITLE:	Assignment of Declarant's Rights
REFERENCE NUMBER(S):	200508170114
GRANTOR(S):	Skagit Highlands, LLC, a Washington limited liability company
GRANTEE(S):	The Quadrant Corporation, a Washington corporation
LEGAL DESCRIPTION:	Lots 1-10, amended Boundary Line Adjustment Survey, Auditor's File No. 200506080122, Ptn. Sections 15, 22 and 23, Township 34 North, Range 4 East, W.M.
ASSESSOR'S PROPERTY TAX PARCEL/ACCOUNT NO.	

ASSIGNMENT OF DECLARANT'S RIGHTS

1. Assignment to Quadrant. Pursuant to Section 10.7 of the Declaration of Covenants, Conditions, and Restrictions for Skagit Highlands Residential Property, recorded at Skagit County Auditor's No. 200508170114 (the "Declaration"), The Quadrant Corporation, a Washington corporation, ("Quadrant") is hereby designated as the Declarant in substitution for Skagit Highlands, LLC ("Skagit"), and shall exercise all of the Declarant's rights and duties, as described in the Declaration, for all of the Skagit Highlands residential development, as legally described in Exhibit A to the Declaration, whether currently considered Properties under the Declaration or subject to future addition to the Properties, subject only to those Declarant rights expressly reserved to Skagit pursuant to this instrument ("Skagit Reserved Declarant's Rights"). Skagit hereby assigns to Quadrant all of the Declarant's Rights (including without limitation all of the Declarant's rights and duties related to the Skagit Highlands Homeowners Association and any sub-association in the Community, and all committees of the Association), except that it retains for itself the Skagit Reserved Declarant's Rights.

2. Skagit Development Properties. Skagit reserves from the foregoing assignment the Skagit Reserved Declarant's Rights, described in Section 4 below, as they relate to the those portions of the Skagit Highlands community currently owned by Skagit and legally described on Exhibit A, attached hereto. Pursuant to a separate agreement between Skagit and Quadrant,

ASSIGNMENT OF DECLARANT'S RIGHTS - 1

Quadrant is obligated to convey certain other portions of the Skagit Highlands community, generally referred to as Pod E, the Multi-Family Parcel, and Lot 3, to Skagit upon recording of a final plat or plats for such properties. Concurrently with such conveyance, Quadrant shall assign to Skagit the Skagit Reserved Declarant's Rights as they relate to such properties by appropriate, recordable instrument. The property described on Exhibit A and the property to be conveyed by Quadrant to Skagit in the future as described in this Section 2, from and after the date of such conveyance, are collectively referred to herein as the "Skagit Development Properties."

3. Skagit Reserved Declarant's Rights. Skagit hereby reserves to itself all rights granted by the Declaration: (a) to subject the Skagit Development Properties to the terms of the Declaration, (b) to utilize any easements or rights to use and access property granted to Declarant by the Declaration, on a non-exclusive basis with Quadrant, who may also exercise the right to use such easements and rights of access, (c) to exercise architectural control over Lots and Units within the Skagit Development Properties, (d) to create Neighborhoods within the Skagit Development Properties in accordance with Section 6.4 of the Declaration, or with Quadrant's consent, to subject all or any part of the Skagit Development Properties to any Neighborhoods currently existing or subsequently created by Quadrant, and (e) to benefit from all other rights and protections of the Declarant provided in the Declaration, concurrently with Quadrant, provided that such exercise does not materially impair Quadrant's exercise of the Declarant's rights. Skagit may assign the right to exercise architectural control over Lots and Units within the Skagit Development Properties to the person purchasing such Lots or Units from Skagit if the purchaser is a builder; otherwise, Skagit may only assign such rights of architectural control to Quadrant. The Skagit Reserved Declarant's Rights described in this paragraph shall terminate, and the reserved rights shall be automatically and completely assigned to Quadrant, upon Skagit's transfer of ownership of all of Skagit's interest in the Skagit Development Properties; except that the right to exercise architectural control, if assigned to a builder other than Skagit, shall continue to be held by the builder assigned such control until sale of the completed residence by the Builder, and then such architectural control shall be automatically assigned to Quadrant; and provided further, that notwithstanding such complete assignment of Declarant's Rights, Skagit shall continue to be afforded the protections and benefits provided to Declarant under the Declaration for activities which occurred the time during which the Declarant owned property subject to the terms of the Declaration.

4. Attorney's Fees, Litigation Expenses and Costs. If either Skagit or Quadrant shall commence a lawsuit (state, bankruptcy or federal court), arbitration or other proceeding concerning this Assignment, the substantially prevailing party shall be entitled to recover from the other party its reasonable attorney's fees, litigation expenses, and all costs actually incurred.



5. Severability. If any provision of this Assignment is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Assignment shall remain in full force and effect.

GRANTOR:
Skagit Highlands, LLC
a Washington limited liability company

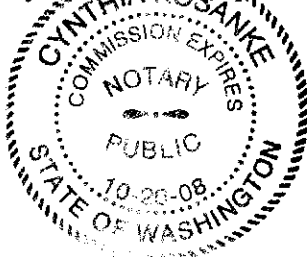
GRANTEE:
The Quadrant Corporation, a
Washington corporation

By [Signature]
James Tosti, Managing Member

By _____
Its _____

STATE OF WASHINGTON)
COUNTY OF KING) ss.

I certify that I know or have satisfactory evidence that James Tosti is the person who appeared before me, and said person acknowledged that he was authorized to execute the instrument and acknowledged it as the Managing Member of Skagit Highlands, LLC, a Washington limited liability company, to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.



DATED: July 11 2006
[Signature]
Cynthia Kuske (Printed Name)
Notary Public
My Appointment Expires: 10/26/08

STATE OF WASHINGTON)
COUNTY OF KING) ss.

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that he was authorized to execute the instrument and acknowledged it as the _____ of The Quadrant Corporation to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

DATED: _____ 2006

(Printed Name)
Notary Public
My Appointment Expires: _____

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Skagit County Auditor

After recording return to:
Amelia Adair
The Quadrant Corporation
14725 -SE 36th Street, Suite 200
Bellevue, Washington 98006

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2. Skagit Development Properties. Skagit reserves from the foregoing assignment the Skagit Reserved Declarant's Rights, described in Section 4 below, as they relate to the those portions of the Skagit Highlands community currently owned by Skagit and legally described on Exhibit A, attached hereto. Pursuant to a separate agreement between Skagit and Quadrant,

ASSIGNMENT OF DECLARANT'S RIGHTS - 1



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Skagit County Auditor

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4. Attorney's Fees, Litigation Expenses and Costs. If either Skagit or Quadrant shall commence a lawsuit (state, bankruptcy or federal court), arbitration or other proceeding concerning this Assignment, the substantially prevailing party shall be entitled to recover from the other party its reasonable attorney's fees, litigation expenses, and all costs actually incurred.



5. Severability. If any provision of this Assignment is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Assignment shall remain in full force and effect.

GRANTOR:
Skagit Highlands, LLC
a Washington limited liability company

GRANTEE:
The Quadrant Corporation, a
Washington corporation

By _____
James Tosti, Managing Member

By _____
Its Vice President

STATE OF WASHINGTON)
)
COUNTY OF _____) ss.

I certify that I know or have satisfactory evidence that James Tosti is the person who appeared before me, and said person acknowledged that he was authorized to execute the instrument and acknowledged it as the Managing Member of Skagit Highlands, LLC, a Washington limited liability company, to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

DATED: _____ 2006

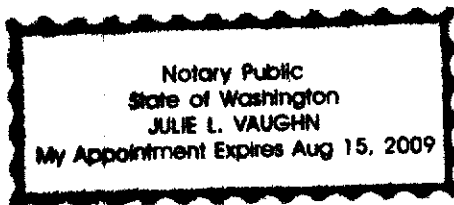
(Printed Name)
Notary Public
My Appointment Expires: _____

STATE OF WASHINGTON)
)
COUNTY OF KING) ss.

I certify that I know or have satisfactory evidence that Michael Lorenz is the person who appeared before me, and said person acknowledged that he was authorized to execute the instrument and acknowledged it as the Vice President of The Quadrant Corporation to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

DATED: July 24 2006

Julie L. Vaughn
(Printed Name)
Notary Public
My Appointment Expires: 8-15-09



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Skagit County Auditor

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