

AFTER RECORDING RETURN TO:

GordonDerr LLP
2025 First Avenue, Suite 500
Seattle, WA 98121-3140
Attn: Susan A. Shyne, Esq.



201002090005
Skagit County Auditor

2/9/2010 Page 1 of 25 9:04AM

WASHINGTON STATE RECORDER'S Cover Sheet (RCW 65.04)

DOCUMENT TITLE(S) (or transactions contained therein): Declaration and Covenants, Conditions, Restrictions, Easements and Reservations for Creekside Meadows	
REFERENCE NUMBER(S) OF DOCUMENTS ASSIGNED OR RELEASED: n/a <input type="checkbox"/> Additional reference #s on page _____ of document(s)	
GRANTOR(S) (Last name first, then first name and initials) Windward Real Estate Services, Inc.	SKAGIT COUNTY WASHINGTON REAL ESTATE EXCISE TAX FEB 09 2010
<input type="checkbox"/> Additional names on page _____ of document	Amount Paid \$ Skagit Co. Treasurer By <i>MF</i> Deputy
GRANTEE(S) (Last name first, then first name and initials) The Creekside Meadows Homeowners Association	
<input type="checkbox"/> Additional names on page _____ of document	
LEGAL DESCRIPTION (abbreviated: i.e., lot, block, plat or section, township, range) Portion of the N.E. 1/4 of Section 23, Township 34 North, Range 4 East, Willamette Meridian, in Skagit County, Washington. <input type="checkbox"/> Additional legal is on page _____ of document	
ASSESSOR'S PROPERTY TAX PARCEL/ACCOUNT NUMBER P 27647 and _____	

Assessor Tax # not yet assigned

**DECLARATION AND COVENANTS, CONDITIONS, RESTRICTIONS,
EASEMENTS AND RESERVATIONS FOR
CREEKSIDE MEADOWS**

THIS DECLARATION AND COVENANTS, CONDITIONS, RESTRICTIONS, EASEMENTS AND RESERVATIONS FOR CREEKSIDE MEADOWS (this "**Declaration**") is made by WINDWARD REAL ESTATE SERVICES, INC., a Washington corporation ("**Declarant**") as of this 9th day of February, 2008. 2010.

RECITALS

Declarant is the owner of certain real property (the "**Property**") in Skagit County, Washington, legally described on Exhibit A hereto.

The Property is subdivided as shown in the Plat for Creekside Meadows recorded on 2-9-2010 under Skagit County Auditor File No. 201002090002.

Declarant wishes to subject the Property to this Declaration.

NOW, THEREFORE, Declarant declares that the Property subject to all restrictions and easements of the Plat, shall be held, transferred, sold, conveyed, leased, used and occupied subject to the covenants, conditions, restrictions, easements, assessments, and liens hereinafter set forth which are for the purpose of protecting the value and desirability of and which shall touch and concern and run with title to the Property and which shall be binding on all parties having any right, title, or interest in the Property or any portion thereof, and their respective heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE 1. DEFINITIONS

Section 1.1 Words Defined. In this Declaration and any amendments hereto, the following terms shall have the following meanings and all definitions shall be applicable to the singular and plural forms of such terms:

1.1.1 "**Association**" shall mean the Creekside Meadows Homeowners Association described in Article 4 of this Declaration, its successor and assigns.

1.1.2 "**Board**" shall mean the Board of Directors of the Association, and "**Directors**" shall mean members of the Board of Directors.



201002090005
Skagit County Auditor

1.1.3 "**Common Areas**" shall mean Lot 15, including all areas of the Property outside of Lots 1 through 14, including roadways, walkways, parking areas, parks, open space buffer and landscape areas shown on the Plat, together with any improvements and facilities thereon, which will be conveyed by Declarant to the Association and held for the common use and enjoyment of the members of the Association, but shall not include any streets or other areas now or hereafter dedicated for public use. Lot 15 is recreational open space which will be used by the owners for equestrian purposes.

1.1.4 "**Construction**" and "**Constructed**" shall mean any construction, reconstruction, erection or alteration of an Improvement, except wholly interior alterations to a then existing Structure.

1.1.5 "**Declarant**" shall mean Windward Real Estate Services, Inc., or such successor or assign as Declarant may designate by a writing recorded in the records of the Skagit County.

1.1.6 "**Declaration**" shall mean this Declaration of Covenants, Conditions, Restrictions, and Reservations for Creekside Meadows, as it may from time to time be amended.

1.1.7 "**First Mortgage**" and "**First Mortgagee**" shall mean, respectively, (a) a recorded mortgage on a Lot that has legal priority over all other Mortgages thereon, and (b) the holder of a First Mortgage.

1.1.8 "**Lot**" shall mean any legally platted plot of land shown upon any recorded subdivision map of the Property, with the exception of the Common Areas.

1.1.9 "**Mortgage**" shall mean a recorded mortgage or deed of trust that creates a lien against a Lot and shall also mean a real estate contract for the sale of a Lot.

1.1.10 "**Mortgagee**" shall mean the beneficial owner, or the designee of the beneficial owner, of an encumbrance on a Lot created by a mortgage or deed of trust and shall also mean the vendor, or the designee of a vendor, of a real estate contract for the sale of a Lot.

1.1.11 "**Owner**" shall mean the record owner, whether one or more Persons, of fee simple title to a Lot within the Property, including a contract purchaser entitled to beneficial possession.

1.1.12 "**Person**" shall mean an individual, corporation, partnership, association, trustee, or other legal entity.

1.1.13 "**Plat**" shall mean the recorded plat of Creekside Meadows and any amendments, corrections or addenda thereto subsequently recorded.



201002090005
Skagit County Auditor

1.1.14 "**Property**" shall mean the land described on Exhibit A and such additions thereto as may hereafter be subjected to the terms of the Declaration, and all improvements and structures now or hereafter placed on the land.

1.1.15 "**Structure**" shall mean any building, fence, wall, driveway, walkway, patio, garage, storage shed, carport, mailboxes, basketball hoop, play equipment, climbing apparatus, swimming pool, rockery, dog run or the like.

1.1.16 "**Transition Date**" shall be as defined in Section 4.9.

Section 1.2 Form of Words. The singular form of words shall include the plural and the plural shall include the singular. Masculine, feminine, and neuter pronouns shall be used interchangeably.

Section 1.3 Exhibits. The following are exhibits to this Declaration:

Exhibit A - Legal Description of the Property

ARTICLE 2. COMMON AREAS AND EASEMENTS

Section 2.1 Conveyance to Association. Declarant hereby grants and conveys Lot 15, comprising all of the Common Areas, to the Association.

Section 2.2 Power of Attorney. Effective on recording of this Declaration, and until the Transition Date, Declarant, on behalf of itself and its successor Lot Owners, effective on recording of this Declaration, hereby appoints the Board as its true and lawful attorney for Declarant and in its name, place and stead to do and perform any and all acts necessary or incidental to the performance and execution of the powers granted in this Declaration, including but not limited to maintenance of Lot 15 as depicted on the face of the Plat, to maintain, repair and replace the driveways and any other Private Access Areas and to take any other actions which the Board deems reasonably necessary to manage the Private Access Areas and provide access and utilities to all Lots which abut the Private Access Areas, and to record any amendment to this Declaration, as specifically provided herein, on behalf of all of the Lot Owners. Declarant hereby declares its appointment of the Board as attorney in fact to be irrevocable and to be a grant of authority coupled with an interest, which shall survive the death or incompetence of Declarant and each of Declarant's successor Lot Owners, and assignment or sale of each Lot, by Declarant or any successor Lot Owner. This power of attorney shall terminate automatically, without further action of Declarant or any other person, on the Transition Date.

Section 2.3 Use of Common Areas. Lot 15 is designated as recreational open space, Os-RA, and shall be used by the Owners in common for horse pasture, trails, and general equestrian purposes. The Association shall manage and maintain the Common Areas for the benefit of all Owners, and shall have the sole authority to construct any Structure on Lot 15,



201002090005
Skagit County Auditor

including a fence along the critical areas buffer, if not constructed by Declarant. Lot 15 may have minor Structures, but construction is prohibited in the critical areas and buffers. Each Owner shall have the right to access the Common Areas from its Lot, provided that each Lot shall have only one point of vehicular access to Lot 15. Each Owner shall have the right to use the Common Areas in common with all other Owners. The right to use the Common Areas shall be appurtenant to and pass with the ownership of each Lot and shall extend not only to each Owner, but also to his agents, tenants, members of his household, invitees, and licensees. The right to use the Common Areas shall be governed by the provisions of this Declaration, the Bylaws, and the rules and regulations adopted by the Association.

Section 2.4 Abandonment of Common Areas. The Common Areas may not be abandoned, partitioned, subdivided, encumbered, sold, or transferred by the Association, any Owner or any third party, provided that, with the approval of at least 67% of the Owners and compliance with any restrictions on the face of the Plat, the Common Areas may be transferred to or encumbered for the benefit of a public agency, authority, or utility. The granting of easements for utilities or for other purposes consistent with the intended use of the Common Areas by the Owners shall not be deemed a partition or division.

Section 2.5 Alteration of Common Areas. Nothing shall be altered or constructed in or removed from any Common Areas except upon the vote or prior written consent of the Board and the Owners. Due to the direct discharge drainage design proposed within the Plat, no clearing or grading outside of the existing pasture area is allowed within Lot 15. Clearing and grading associated with Lot 15 will only be allowed in regards to possible construction of accessory buildings and permitted recreational amenities.

Section 2.6 Private Access Areas and Utility Easements.

2.6.1 Private Access Areas and Utility Easements; Use and Maintenance. The cul-de-sac roadways depicted on the face of the Plat as Deschutes Court, Skiyou Court, and Methow Court, as well as the 40' wide shared access to Lots 1 and 2, are private roadways and utility easement areas ("Private Access Areas"). The Private Access Areas may be used for vehicular, pedestrian, and equestrian access, ingress, and egress, and for underground utility installations to the Lots which abut such Private Access Areas. No Lot Owner shall construct any Structure or park vehicles within a Private Access Area, or otherwise obstruct the use of a Private Access Area by any other Lot Owner. Any Lot Owner using a Private Access Area shall fully restore the area following any utility installation, and shall indemnify, defend and hold the other Lot Owners harmless from and against claims, damages, causes of action, costs and attorneys' fees arising from or in connection with that Lot Owner's use of the Private Access Area, except to the extent such claims, damages, causes of action, costs and attorneys' fees arise from the negligence of another Lot Owner. The Association will be responsible for the maintenance, repair, and replacement of the Private Access Areas. The Board may specially assess the Lot Owners for their proportionate share of maintenance expenses for the Private Access Areas serving their Lots.



201002090005

Skagit County Auditor

2.6.2 Owner-Initiated Maintenance and Repairs. After the Transition Date, any Owner believing it is necessary for work to be performed on or under a Private Access Area shall notify the other affected Owners, in writing, as to the nature and estimated cost of such work, and a time and place for a meeting to discuss the proposed work, which shall be not less than two weeks nor more than two months following the date of delivery of the notice. The Owners present at the meeting in person or by proxy shall vote on the proposed work. Each Lot shall be entitled to one vote. A quorum is present throughout any meeting if the Owners to which fifty percent (50%) of the votes are allocated are present in person or by proxy at the beginning of the meeting. The decision whether to proceed with the work shall be made by a vote of the majority of those constituting a quorum. If, after the meeting and the vote, bids are received which exceed the estimate by 15%, another meeting shall be called and a new vote of the Owners shall be taken, based upon the actual bid amounts. In the event of a deadlock or for resolution of any other dispute with respect to maintenance or operation of a Private Access Area, any Lot Owner may submit the dispute to the Board, whose decision shall be binding.

2.6.2 Assessments for Maintenance of Private Access Areas. Each Lot Owner shall promptly pay its share of the costs of maintaining, repairing and replacing the Private Access Area within thirty (30) days after receipt of an invoice setting forth the total amount paid and the Lot Owner's share. If a Lot Owner fails to pay its proportionate share when due, one or more of the other Lot Owners may pay the defaulting Lot Owner's share and the unpaid sums shall constitute a lien on the defaulting Owner's Lot, from the date the payment is made until paid in full. The lien for such unpaid sums shall be subordinate to tax liens on the Lot in favor of any assessing unit and/or special district, but to the extent permitted by applicable law shall have priority over all other liens against the Lot. The lien for delinquent payments may be foreclosed by suit by the Lot Owners making the delinquent payment, in the same manner as provided for other assessments under the terms of this Declaration. The Owners making payment for a delinquent Owner may charge interest at the rate of 12% per annum on the sum so paid, from the date of payment.

Section 2.7 Private Storm Drainage Easements.

2.7.1. Individual Benefited Lots. The private 10-foot storm drainage easements as depicted on the face of the Plat serve the Lots to which they are appurtenant, as more particularly identified below, for the benefit of the identified Lots and Lot Owners.

Lots 4 and 5 are subject to a 10-foot private storm drainage easement for the benefit of Lots 3, 4, 5, and 6. The Owners of Lots 3 through 6 shall be responsible for the maintenance of that portion of the drainage facilities of which they have benefit of use and shall equally share in the maintenance of that portion of the drainage facilities used in common.

Lots 8 and 9 are subject to a 10-foot private storm drainage easement for the benefit of Lots 7, 8, 9, and 10. The Owners of Lots 7 through 10 shall be responsible for the maintenance of that portion of the drainage facilities of which



201002090005

Skagit County Auditor

they have benefit of use and shall equally share in the maintenance of that portion of the drainage facilities used in common.

Lots 12 and 13 are subject to a 10-foot private storm drainage easement for the benefit of Lots 11, 12, 13, and 14. The Owners of Lots 11 through 14 shall be responsible for the maintenance of that portion of the drainage facilities of which they have benefit of use and shall equally share in the maintenance of that portion of the drainage facilities used in common.

2.7.2 General Provisions; Costs of Operation and Maintenance. In the event the Lot lines are adjusted after the recording of the Plat, the private storm drainage easements shall move with the adjusted Lot lines. No Lot Owner shall construct any Structure other than driveways and fences within these private storm drainage easement areas. The Owners of benefited Lots shall share equally in the operation, maintenance, repair and replacement costs for that portion of the storm drainage facilities located within the storm drainage easements which are beneficially used by them; provided, however, no Owner shall be responsible for the operation, maintenance, repair and replacement of that portion of the storm drainage facilities located within the storm drainage easements which do not benefit the Owner and which are located upstream from that Owner. The Board shall levy assessments against the benefited Lots for costs related to the private storm drainage easements, as provided in this Declaration. The Owners of the benefited Lots, their agents and employees, shall have the right to enter onto the easement areas to maintain, repair, clean or replace the storm drainage facilities.

Section 2.8 Landscape Buffer Easement. The 30' landscape buffer easement shown on the face of the Plat shall be a sight-obscuring buffer to be comprised of undisturbed natural vegetation or as shown on the approved landscape plan for the Plat. The sight-obscuring buffer shall remain in perpetuity.

Section 2.9 Easements for Utilities. The 10' utility easement shown adjacent to the street side of the Lots inside the Landscape Buffer Easement (the "Utility Easement") and the Private Access Areas are reserved for use by certain public and private utility providers for the purpose of providing utility services to the Lots, as specifically so noted on the face of the Plat.

Section 2.10 Conditions for Use of Easements. The easements granted in this Article 2 are subject to the agreement of grantees to compensate Declarant (or Declarant's successors and assigns) for any damage to the affected property caused by the exercise of grantee's easement rights; to use reasonable care in carrying out any construction or repair in the easement areas and to restore such areas, to the extent reasonably practicable, to the condition they were immediately prior to such work; and to indemnify and hold harmless Declarant (and Declarant's successors and assigns) from any and all claims for injuries and/or damages suffered by any person caused by grantee's exercise of the rights herein granted. All work performed within an easement shall be conducted in a workmanlike manner, free and clear of liens.

ARTICLE 3. CONSTRUCTION ON LOTS AND USE OF LOTS.



201002090005
Skagit County Auditor

Section 3.1 Uniformity of Use and Appearance. One of the purposes of this Declaration is to assure within the Property a uniformity of use and quality of workmanship, materials, design, maintenance and location of Structures with respect to topography and finish grade elevation. It is in the best interests of each Owner that such uniformity of use be maintained as hereinafter provided. Notwithstanding anything herein set forth, the Construction of any Structure shall comply with the more restrictive of either (i) the terms and conditions of this Declaration or (ii) the laws, codes, ordinances and regulations of any governmental entity having jurisdiction.

Section 3.2 Submission and Approval of Plans

3.2.1 Construction. No Structure shall be Constructed or caused to be Constructed on any Lot unless the Plans for the Structure have been approved in writing by the Board in its capacity as the Architectural Control Committee. The Board's approval of any Plans shall not constitute any warranty or representation whatsoever by the Board or any of its members that such Plans were examined or approved for engineering or structural integrity or sufficiency or compliance with applicable governmental laws, codes, ordinances and regulations, and each Owner hereby releases any and all claims or possible claims against the Board or any of them, and their heirs, successors and assigns, or of any nature whatsoever, based upon engineering or structural integrity or sufficiency or compliance with applicable governmental laws, codes, ordinances and regulations.

3.2.2 Submission. At least 45 days before commencing Construction of any Structure on any Lot, the Owner shall submit to the Board two complete sets of detailed building, construction, surface water run-off control and specifications and a site plan showing the location of all proposed Structures (the plans, specifications and site plans are individually and collectively referred to herein as the "Plans").

3.2.3 Approval. The Board may withhold its approval by reason of its reasonable dissatisfaction with the location of the Structure on the Lot, color scheme, finish, architecture, height, impact on view from another Lot or Lots, appropriateness of the proposed Structure or materials used therein. The Board's approval or disapproval of Plans shall be made within 45 days of submission of a complete set of plans, shall be in writing, and approval shall be evidenced by written endorsement on such Plans, one copy of which shall be delivered to the owner of the Lot upon which the Structure is to be Constructed. Except for violation of those restrictions specifically set forth in Sections 3.3 through 3.5, if the Board has not provided a Lot Owner with written notice of objections to any construction within six (6) months after its completion, Board approval shall not be required and the related Covenants shall be deemed to have been fully complied with. After delivering its notice of objections to a Lot Owner, the Board shall be entitled to take whatever action the Board deems reasonably appropriate to enforce the provisions of the Declaration, including, without limitation, commencing an action against the Lot Owner.

Section 3.3 Size and Height.



201002090005
Skagit County Auditor

3.3.1 Floor Area. The floor area of the main house Structure, exclusive of open porches and garages shall be not less than: (i) 1,800 square feet for a dwelling containing a single level; and (ii) 1,800 square feet for a dwelling containing two levels.

3.3.2 Lot Size. No Lot or portion of a Lot in this Plat shall be divided and sold or resold, or ownership changed or transferred whereby the ownership of any portion of this Plat shall be less than the area depicted on the face of the Plat.

3.3.3 Local Codes. All buildings or Structures shall be constructed in accordance with the City Skagit County and other applicable Codes. In the event of a conflict between any applicable Codes and this Declaration, the more restrictive provision shall govern.

Section 3.4 Appearance.

Unless otherwise approved by the Board, the following design/construction requirements shall apply.

3.4.1 Roofing. The roof shall be a composition roof with a 30-year life.

3.4.2 Siding. All siding materials shall be of masonry (including stucco, dryvit, cultured stone, brick, stone, or similar material), and/or wood or wood type siding material. All paints or natural finishes shall be those colors commonly known as earth tones.

3.4.3 Entry Walks, Porches and Decks. All front entry walks shall be exposed aggregate concrete, and all decks and wood porches shall be constructed of cedar or pressure-treated materials.

3.4.4 Driveways. All driveways shall be constructed of exposed aggregate concrete paving or asphalt paving.

Section 3.5 Use Restrictions. All Lots shall be used and occupied in compliance with the conditions and restrictions set forth on the Plat, and the following additional restrictions.

3.5.1 Residential Use. The Lots shall be used only for single family residential purposes, and only one single family residence (and such accessory structures as are approved pursuant to this Article 3) shall be constructed on each Lot. Temporary "model homes" and real estate sales offices established for the purpose of marketing the Plat shall be considered a residential use until houses have been built and sold on all Lots.

3.5.2 Maintenance of Buildings and Lots. Each Owner shall, at the Owner's sole expense, keep the interior and exterior of the Structure on the Owner's Lot, as well as the Lot, in a clean and sanitary condition, free of rodents and pests, and in good order, condition and repair and shall do all redecorating, painting, landscaping, and maintenance at any time necessary to maintain the appearance and condition of the Structure and the Lot.



201002090005

Skagit County Auditor

3.5.3 Completion of Construction. Any Structure erected or placed on any Lot shall be completed as to external appearance within eight months from the date Construction is started, however, with good cause shown, the Board may extend this term. All front landscaping must be completed within one month from the date of issuance of the certificate of occupancy, all side and rear landscaping must be completed within six (6) months of issuance of certificate of occupancy, however, with good cause shown, the Board may extend this term. All Lots shall be maintained in a neat and orderly condition during Construction.

3.5.4 Parking. No commercial-type trucks, campers, trailers, motor homes, boats or motorcycles shall be parked or permitted to remain on any Lot, unless the same is stored or placed in a garage, in a rear yard area screened from adjoining lots, or in a screened carport. No vehicles of any type shall be parked on any Private Access Area, but shall be parked only within the area of the Lot not including the Private Access Area.

3.5.5 Signs. No sign of any kind shall be displayed to the public view on or from any Lot without the prior written consent of the Board, except for "For Rent" or "For Sale" signs in a form not prohibited by any rules and regulations of the Board. This Section shall not apply to the Declarant.

3.5.6 Animals. The Lots are specifically intended for equestrian uses, with the Common Areas additionally serving as pasture and trail areas. Horses are specifically permitted on any Lot, but no commercial livestock operation shall be allowed. All animal enclosures and structures such as paddocks must be kept in a clean, neat and reasonably odor-free condition at all times. Notwithstanding anything set forth herein all Owners shall comply with all applicable governmental laws, codes, ordinances, and relations pertaining to animals.

3.5.7 Temporary Structures. No Structure of a temporary character, trailer, tent, shack, garage, barn, or other outbuilding shall be installed, placed or used on any Lot as a residence, either temporarily or permanently.

3.5.8 Clothes Lines. No washing, rugs, clothing, apparel or any other article shall be hung from the exterior of any Structure or on a Lot so as to be visible from the streets and roadways adjoining the Lots.

3.5.9 Radio and Television Aerials and Satellite Dishes. No television or radio aerial shall be erected or placed on any Lot. No rotary beams, separate towers or other similar devices shall be constructed on any Lot without the written approval of the Board. All aerial and satellite dish installations must receive prior written approval from the Board.

3.5.10 Trash Containers and Debris. All trash shall be placed in sanitary containers either buried or screened so as not to be visible from adjoining residences or streets or roadways. No Lot or any portion thereof shall be used as a dumping ground for trash or rubbish of any kind. Yard rakings, dirt and debris resulting from landscaping work or Construction shall



201002090005

Skagit County Auditor

not be dumped onto adjoining lots or streets or roadways. Compost piles may be kept upon the Lots provided they are kept in a clean, neat, odorless and sanitary condition.

3.5.11 Offensive Activity. Unless otherwise approved by the Board, no trade, craft, business, profession, commercial or manufacturing enterprise or business or commercial activity of any kind, including day schools, nurseries, or church schools (except in-home day care for not more than four children, provided that there shall be no external signage of such activity), shall be conducted or permitted on any Lot, nor shall goods, equipment, vehicles or materials used in connection therewith, be kept, parked, stored, dismantled or repaired outside of any Lot or any street within the Property. No noxious activity, including but not limited to the creation of excess levels of noise, shall be carried on in any Lot, nor shall anything be done therein which may be or become an annoyance or nuisance to other Owners or tenants.

3.5.12 Underground Utilities. No outdoor overhead wire or service drop for the distribution of electric energy or for telecommunications purposes nor any pole, tower or other structure supporting said outdoor overhead wires shall be erected, placed or maintained within the Property. All Owners shall use underground service wires to connect any Structure to electric or telephone utility facilities.

3.5.13 Water Supply/Sewage Disposal. Lots shall be served with domestic water supply from Skagit PUD. Each Lot may have an individual septic system and drainfield, which shall be wholly contained within the boundaries of the Lot, not including any portion of any Utility Easement, Private Access Area, or storm drainage easement. When public sewer service is available, any Lot Owner may hook up to such service at the Lot Owner's sole cost and expense.

3.5.14 Damage. Any damage to any streets, Plat improvements, entry structure, fences, landscaping, mailboxes, Structures of another Owner, Common Area Structures, lights or lighting standards by Lot Owners, their children, contractors, agents, visitors, friends, relatives or service personnel shall be repaired and restored to like new condition by such Owner within twelve (12) days from the occurrence of such damage.

3.5.15 Window Coverings. Curtains, drapes, blinds or valances shall be installed on all windows within ninety (90) days of occupancy. No newspapers, bed sheets or other makeshift window coverings shall be visible from the exterior of the Structure.

3.5.16 Wood Piles. No wood piles shall be located within the front yard setback or otherwise in a location visible from the street.

3.5.17 Fences. Lot Owners may construct fencing on the Lots, including Lot boundaries adjacent to Lot 15. Fencing materials shall be at the discretion of the Lot Owner, but shall be reasonably harmonious with the rural, equestrian nature of the Property. The fencing on any Lot may allow only one point of vehicular access to Lot 15.



201002090005

Skagit County Auditor

3.5.18 Drainage. All building downspouts, footing drains and drains from all impervious surfaces such as patios and driveways shall be connected to the permanent storm drain system.

Section 3.6 Access Restrictions. There shall be no direct vehicle access to or from Lot 15 except through each Lot Owner's separate single access route to Lot 15.

Section 3.7 Landscape Buffer Area. Each Owner whose Lot is subject to the 30' landscape buffer easement shown on the face of the Plat shall comply with all requirements of Skagit County with respect to such buffer area, and shall maintain the portion of the Landscape Buffer on such Owner's Lot, whether it is comprised of undisturbed natural vegetation or as shown on the approved landscape plan for the Plat. The sight-obscuring buffer shall remain in perpetuity.

ARTICLE 4. CREEKSIDE MEADOWS HOMEOWNERS ASSOCIATION.

Section 4.1 Form of Association. The Owners of Lots within the Property shall constitute the members of The Creekside Meadows Homeowners Association, a Washington nonprofit corporation to be formed by Declarant. The rights and duties of the members and of the Association shall continue to be governed by the provisions of this Declaration, and the Association's Articles of Incorporation and Bylaws.

Section 4.2 Board of Directors. The affairs of the Association shall be governed by a Board of Directors (the "Board").

4.2.1 Initial Board. The initial Board shall consist of two members selected by Declarant, which members shall serve until replaced by Declarant, or until the Transition Date, whichever is later.

4.2.2 Board After Transition Date. After the Transition Date, the Board shall consist of such numbers of members as provided for in the Articles of Incorporation and Bylaws of the Association. Subject to any specific requirements hereof, the Board shall have the authority to establish operating rules and procedures for the Association, and particularly with respect to the use of the Common Areas by the Owners. In the event of death or resignation of any member or members of the Board, the remaining member or members, if any, shall have full authority to appoint a successor member or members to serve the remainder of the member's term. Members of the Board shall not be entitled to any compensation for services performed as Directors pursuant to this Declaration, but may be reimbursed for out-of-pocket expenses incurred on behalf of the Association. Upon the Transition Date and without further action by any person or persons, (i) the term of the initial Directors or their successors shall end, and (ii) the initial Directors and their then successors shall be released from any and all liability whatsoever for claims arising out of or in connection with this Declaration, excepting only claims arising prior to the Transition Date.



201002090005

Skagit County Auditor

Section 4.3 Qualification for Membership in the Association. Each Owner of all or a portion of the fee interest in a Lot (including Declarant) shall be a member of the Association. Ownership of a Lot shall be the sole qualification for membership in the Association. Membership shall be appurtenant to and may not be separate from Ownership of any Lot, and shall not be assigned, transferred, pledged, hypothecated, conveyed or alienated in any way except upon the transfer of title to the Lot and then only to the transferee of title to the Lot. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Lot shall operate automatically to transfer the membership in the Association to the persons constituting the new Owner.

Section 4.4 Voting Rights. The Association shall have two (2) classes of voting membership:

Class A: Class A members shall be all Owners with the exception of the Declarant. Class A members shall be entitled to one (1) vote for each Lot owned; provided, that if a Lot has been sold on contract, the contract purchaser shall exercise the rights of an Owner. When more than one person holds an interest in any Lot, all such persons shall be members, but shall have a single vote among them.

Class B: Declarant shall be the Class B member. The Class B member shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership effective on the Transition Date.

Section 4.5 Voting. If a Lot is owned by more than one person and only one of them is present or represented at a meeting, the one who is present or represented will represent the Owner. The vote for a Lot must be cast as a single vote, and fractional votes shall not be allowed. If joint owners are unable to agree among themselves how their vote shall be cast, they shall lose their right to vote on the matter in question. An Owner may, by written notice to the Board, designate a voting representative for the Lot. The designated voting representative need not be an Owner. The designation may be revoked at any time by written notice to the Board from a Person having an ownership interest in a Lot, or by actual notice to the Board of the death or judicially declared incompetence of any Person with an ownership interest in the Lot, except in cases in which the Person designated is a Mortgagee of the Lot. This power of designation and revocation may be exercised by the guardian of an Owner, the attorney-in-fact for the Owner under a durable power of attorney, and the administrator or executor of an Owner's estate. If no designation has been made, or if a designation has been revoked and no new designation has been made, the voting representative of each Lot shall be the group composed of all of its Owners.

Section 4.6 Quorum. Unless otherwise expressly provided in this Declaration, a quorum is present throughout any meeting of the Association if the Owners to which thirty-four percent (34%) of the votes of the Association are allocated are present in person or by proxy at the beginning of the meeting.



201002090005
Skagit County Auditor

Section 4.7 Annual and Special Meetings. Within one year following recording of the final Plat, on a date selected by the Board, there shall be a meeting of the members of the Association and thereafter there shall be an annual meeting of the members of the Association in the first quarter of each fiscal year at such reasonable place and time as may be designated by written notice from the Board delivered to the Owners no less than 30 days before the meeting. Until the Transition Date, the initial Board appointed by the Declarant shall govern the Board and the Association. At the first meeting after the Transition Date, and at each annual meeting thereafter, the Owners shall elect by majority vote individuals to serve as Directors until a successor is elected at the next annual meeting. Each Lot shall be entitled to one vote for each Director and the voting for Directors shall be non-cumulative. The financial statement for the preceding fiscal year (if any) and the budget the Board has adopted for the pending fiscal year shall be presented at the annual meeting for ratification by the members, as more specifically provided in Section 7.1. Special meetings of the members of the Association may be called by the Board or by Owners constituting at least 4 votes at any time upon not less than 14 days prior written notice to all Owners, for the purpose of considering matters which require the approval of all or some of the Owners, or for any other reasonable purpose. Any First Mortgagee of a Lot may attend or designate a representative to attend the meetings of the Association.

Section 4.8 Books and Records. The Board shall cause to be kept complete, detailed, and accurate books and records of the receipts and expenditures (if any) of the Association, in a form that complies with generally accepted accounting principles. The books and records, authorizations for payment of expenditures, and all contracts, documents, papers, and other records of the Association shall be available for examination by the Lot Owners, Mortgagees, and the agents or attorneys of either of them, during normal business hours and at any other reasonable time or times.

Section 4.9 Transition Date. The "Transition Date" shall be the date control of the Board passes from the initial Board to the Association. Prior to the Transition Date, Declarant shall be entitled to exercise all rights and powers of the Board and the Association. At Declarant's option, the Transition Date will be the earlier of: (i) the date designated by Declarant in a written notice to the Owners, which date may be by Declarant's election any date after this Declaration has been recorded; or (ii) the 90th day after Declarant has transferred title to 12 Lots in the Property, not including Lot 15.

ARTICLE 5. NOTICES FOR ALL PURPOSES.

All notices given under the provisions of this Declaration or rules or regulations of the Association shall be in writing. Any notices desired, or required, to be given to the Association, an Owner, or a voting representative, shall be deemed to have been properly given or served as of the date hereinafter specified: (i) on the date of personal service upon the person to whom the notice is addressed or if such person is not available the date such notice is left at the address of the person to whom it is directed; (ii) forty-eight (48) hours after depositing said notice in the United States mail, postage prepaid, certified or registered mail, return receipt requested and addressed to the Association, Owner or voting representative to receive the same; or (iii) on the date the notice is delivered by a courier service (including Federal Express,



201002090005

Skagit County Auditor

Express Mail, Emery or similar operation) and addressed to the Association, Owner or voting representative to receive the same, provided it is sent prepaid, return receipt requested. Notwithstanding the foregoing, notices of the time, place, day and hour of meetings, and the purpose or purposes for which the meeting is called, if mailed, shall be deemed delivered when deposited in the U.S. mail, addressed to the member or person entitled to vote at the address in the records of the Association, with postage prepaid, as set forth in Article III, Section 5 of the Bylaws of the Association. The mailing address of any Owner may be changed by notice in writing to the Board. Notices to the Board may be given to any Director or mailed to the following address:

Board of Directors
Creskide Meadows Homeowners Association

Attention: _____

The Board's address may be changed from time to time by the execution and recording of an instrument in the real property Records of Skagit County, Washington which (i) refers to this Declaration and this Article V and (ii) sets forth the Board's new address.

ARTICLE 6. AUTHORITY OF THE BOARD

Section 6.1 Adoption of Rules and Regulations. The Board is empowered to adopt, amend, and revoke on behalf of the Association detailed administrative rules and regulations necessary or convenient from time to time to insure compliance with the general guidelines of this Declaration to promote the comfortable use and enjoyment of the Common Areas and the Property and to govern the operation and procedures of the Association. The rules and regulations may, without limitation, authorize voting by proxy or mail, or both, on Association matters. The rules and regulations of the Association shall be binding upon all Owners and occupants and all other Persons claiming any interest in the Property.

Section 6.2 Enforcement of Declaration, Etc. The Board shall have the power to enforce the provisions of this Declaration, and the rules and regulations of the Association for the benefit of the Association. The failure of any Owner to comply with the provisions of this Declaration, or the rules and regulations of the Association will give rise to a cause of action in the Association (acting through the Board) and any aggrieved Lot Owner for recovery of damages, or injunctive relief, or both. If a legal action is brought to interpret or enforce compliance with the provisions of this Declaration, or the rules or regulations of the Association, the substantially prevailing party shall be entitled to judgment against the other party for its reasonable expenses, court costs, and attorneys' fees in the amount awarded by the Court.

Section 6.3 Goods and Services. The Board shall acquire and pay for as common expenses of the Association all goods and services reasonably necessary or convenient for the efficient and orderly functioning of the Association and maintenance of all portions of the



201002090005
Skagit County Auditor

Common Areas. The goods and services shall include (by way of illustration and not limitation) irrigation systems for landscaping maintenance, utility services for the Common Areas; policies of insurance; and fencing, maintenance, repair, landscaping, and general upkeep of the Common Areas and any Structures thereon. The Board may hire such employees as it considers necessary.

Section 6.4 Protection of Common Areas. The Board may spend such funds and take such action as it may from time to time deem necessary to preserve the Common Areas as depicted on the face of the Plat, settle claims, or otherwise act in what it considers to be the best interests of the Association.

ARTICLE 7. BUDGET AND ASSESSMENT FOR COMMON EXPENSES.

Section 7.1 Fiscal Year; Preparation of Budget. The Board may adopt such fiscal year for the Association as it deems to be convenient. Unless another year is adopted, the fiscal year will be the calendar year. As soon as the Board in its discretion deems advisable after formation of the Association, and prior to the expiration of each fiscal year thereafter, the Board shall establish a budget for the Association, which shall include, without limitation, the costs of maintaining the Common Areas during the ensuing fiscal year, and shall mail a summary of the budget to all of the Owners. Within thirty days after adoption by the Board, the Board shall set a date for a meeting of the Owners to consider ratification of the budget not less than fourteen nor more than sixty days after mailing of the summary. Unless at that meeting the Owners of a majority of the votes in the Association are allocated or any larger percentage specified in the Articles or Bylaws reject the budget, in person or by proxy, the budget is ratified, whether or not a quorum is present. In the event the proposed budget is rejected or the required notice is not given, the periodic budget last ratified by the Owners shall be continued until such time as the Owners ratify a subsequent budget proposed by the Board. The Board shall then assess each Lot within the Property, except any Lot owned by Declarant, with its pro rata share, based upon the number of Lots assessed, of such estimated costs. The Board, at its election, may require the Lot Owners to pay the amount assessed in equal monthly or quarterly installments or in a lump sum annual installment. The Board shall notify each Lot Owner in writing at least ten days in advance of each assessment period of the amount of the assessment for said period, which notice shall be accompanied by a copy of the budget upon which the assessment is based. The assessments levied by the Board shall be used exclusively to promote the recreation, health, safety and welfare of the Lot Owners and for the improvement and maintenance of the Common Areas and provision of other goods and services described in Section 6.3, including without limitation the amount of all taxes and assessments levied against, and the cost of liability and other insurance on, the Common Areas; the cost of utilities and other services; and the cost of funding all reserves established by the Board, including, when appropriate, a general operating reserve and a reserve for replacements.

Section 7.2 Certificate of Unpaid Assessments. Any failure by the Board or the Association to make the budget and assessments hereunder before the expiration of any fiscal year for the ensuing fiscal year shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of the Owners from the obligation to pay



201002090005

Skagit County Auditor

assessments during that or any subsequent year, and the assessment amount and payment method established for the preceding fiscal year (if any) shall continue until a new assessment is established. Upon the request of any Owner or Mortgagee or prospective Owner or prospective Mortgagee of a Lot, the Board will furnish a statement of the amount, if any, of unpaid assessments charged to the Lot. The statement shall be conclusive upon the Board and the Association as to the amount of such indebtedness on the date of the statement in favor of all purchasers and Mortgagees of the Lot who rely on the statement in good faith. All assessments and other amounts received by the Association shall belong to the Association.

Section 7.3 Initial Contribution, Annual Assessments. Each Lot Owner, at the time of purchase of his/her lot, shall pay a start-up fee to the Association in the amount of \$500.00 (which shall be in addition to annual assessments and shall be used to reimburse Declarant for construction, landscaping, maintenance and operating expenditures of and for the Common Areas during Declarant's holding period). For purposes of this Section 7.3, "Lot Owner" shall include not include Declarant. The initial annual assessment (which is in addition to the start-up fee) shall be \$500.00 per year and shall be prorated and paid by the Owner for any partial year at the time of purchase of the Lot. Notwithstanding the provisions set forth above, the Declarant shall not be liable for any fees or assessments assessed or due with respect to any Lot that Declarant owns within the Plat.

Section 7.4 Special Assessments; Capital Improvements. In addition to the start-up fee and the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of the Structures upon the Common Areas or any other area owned or required to be maintained by the Association, provided that such assessment shall be approved by a majority of the Owners voting at a meeting duly called for such purpose; provided, however, that where the special assessment is a result of or arises from the imposition of governmental requirements, a court order or any other requirements outside the control of the Association or the Board, then approval of the members shall not be required prior to imposition of the special assessment.

ARTICLE 8. LIEN AND COLLECTION OF ASSESSMENTS.

Section 8.1 Assessments Are a Lien; Priority. All unpaid sums assessed by the Association for the share of the common expenses chargeable to any Lot and any sums specially assessed to any Lot under the authority of this Declaration shall constitute a lien on the Lot and all its appurtenances from the date the assessment becomes due and until fully paid. The lien for such unpaid assessments shall be subordinate to tax liens on the Lot in favor of any assessing unit and/or special district, and to all sums unpaid on all First Mortgages of record, but, to the extent permitted by applicable law, shall have priority over all other liens against the Lot. A First Mortgagee that obtains possession through a Mortgage foreclosure or deed of trust sale, or by taking a deed in lieu of foreclosure or sale, or a purchaser at a foreclosure sale, shall take the Lot free of any claims for the share of common expenses or assessments by the Association chargeable to the Lot which became due before such possession, but will be liable for the



201002090005

Skagit County Auditor

common expenses and assessments that accrue after the taking of possession. The Lot's past-due share of common expenses or assessments shall become new common expenses chargeable to all of the Lot owners, including the Mortgagee or foreclosure sale purchaser and their successors and assigns, in proportion to the number of Lots owned by each of them. Notwithstanding any of the foregoing, however, the Owner (including any real estate contract purchaser) shall continue to be personally liable for past due assessments as provided in Section 8.3. For purposes of this Section, "Mortgage" does not include a real estate contract and "Mortgagee" does not include the vendor or the assignee or designee of a vendor of a real estate contract.

Section 8.2 Lien May Be Foreclosed. The lien for delinquent assessments may be foreclosed by suit by the Board, acting on behalf of the Association, in like manner as the foreclosure of a mortgage of real property. The Board, acting on behalf of the Association, shall have the power to bid in the amount of the lien at the foreclosure sale, and to acquire and hold, lease, mortgage, and convey the Lot for the benefit of the Association.

Section 8.3 Assessments are Personal Obligations. In addition to constituting a lien on the Lot, all sums assessed by Association chargeable to any Lot together with interest, late charges, costs and attorneys' fees in the event of delinquency, shall be the joint and several personal obligations of the Owner and/or any contract purchaser of the Lot when the assessment is made and their grantees. Suit to recover personal judgment for any delinquent assessments shall be maintainable without foreclosing or waiving the liens securing them.

Section 8.4 Late Charges and Interest on Delinquent Assessments. The Board may from time to time establish late charges and a rate of interest to be charged on assessments delinquent for a period of more than 10 days after the date when due. In the absence of any different determination by the Board, late charges shall be equal to ten percent (10%) of the amount due, and any Assessment not paid when due shall bear interest at the rate of twelve percent (12%) per annum from the date due until the date the Assessment is paid. Any check returned NSF or not paid by the Owner's bank for any other reason shall be subject to a charge of Forty Dollars (\$40.00). Any change by the Board of applicable interest rates or late fees shall be applied to all Lot Owners on a consistent basis. If an installment on an assessment against a Lot is not paid when due, the Board may elect to declare the entire assessments against the Lot for the remainder of the fiscal year to be immediately due and payable.

Section 8.5 Remedies Cumulative. The remedies provided herein are cumulative and the Board may pursue them, and any other remedies which may be available under law although not expressed herein, either concurrently or in any order.

Section 8.6 No Avoidance of Assessments. No Owner may avoid or escape liability for assessments provided for herein by abandoning or leasing his or her Lot, or in any other manner.

ARTICLE 9. FAILURE OF BOARD TO INSIST ON STRICT PERFORMANCE NO WAIVER.



201002090005

Skagit County Auditor

The failure of the Board in any instance to insist upon the strict compliance with this Declaration or rules and regulations of the Association, or to exercise any right contained in such documents, or to serve any notice or to institute any action, shall not be construed as a waiver or a relinquishment for the future of any term, covenant, condition, or restriction. The receipt by the Board of payment of any assessment from an Owner, with knowledge of any breach by the Owner, shall not be a waiver of the breach. No waiver by the Board of any requirement shall be effective unless expressed in writing and signed on behalf of the Board.

ARTICLE 10. LIMITATION OF LIABILITY.

So long as a Director, or Association member, or Declarant, acting on behalf of the Board or the Association, has acted in good faith, without willful or intentional misconduct, upon the basis of such actual information as is then possessed by such Person, then no such Person shall be personally liable to any Owner, or to any other Person, including the Association, for any damage, loss, or prejudice suffered or claimed on account of any act, omission, error, or negligence of such Person; provided that this Article shall not apply to the extent the liability of such person for such act, omission, error, or negligence is covered by any insurance actually obtained by the Board.

ARTICLE 11. INDEMNIFICATION.

To the fullest extent allowed by applicable Washington law, the Association shall indemnify every officer and director against any and all expenses, including, without limitation, attorney's fees, imposed upon or reasonably incurred by any officer or director in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which such officer or director may be a party by reason of being or having been an officer or director, whether or not such person holds such position at the time such expenses or liabilities are incurred. The officers and directors shall not be liable for any mistake of judgment, negligent or otherwise except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or directors may also be members of the Association), and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director, or former officer or director, may be entitled. The Association shall maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such coverage is reasonably available.

ARTICLE 12. INSURANCE.



201002090005

Skagit County Auditor

Section 12.1 **Insurance on Common Areas.** The Board of Directors or the duly authorized agent of the Association shall have the authority to obtain or cause to be obtained all risk property/casualty insurance for the Common Areas and all insurable Structures which the Association is obligated to maintain, whether or not such Structures are located on the Common Areas. The insurance shall provide, at a minimum, fire and extended coverage, including vandalism and malicious mischief, and shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard. Alternatively, the Board of Directors may purchase "all-risk" coverage in like amounts.

Section 12.2 **Liability Insurance.**

12.2.1 Association. The Board of Directors shall have the authority to obtain a public liability insurance policy applicable to the Common Areas, covering the Association and its members for all damage or injury caused by the negligence of the Association or any of its members or agents, and, if reasonably available, directors' and officers' liability insurance.

12.2.2 Owners. Each Owner and Occupant of a Lot shall at all times carry comprehensive general liability insurance in the minimum amount of one million dollars (\$1,000,000) covering personal injury and property damage to third parties, including the Association and its Board, Members, and officers.

Section 12.3 Policy Provisions. All such insurance coverage obtained by the Board of Directors shall be written in the name of the Association, as agent for the respective benefited parties, as further identified in subparagraph 12.3.2, below. Such insurance shall be governed by the provisions hereinafter set forth:

12.3.1 All policies shall be written with a company authorized to do business in Washington.

12.3.2 the Board shall have exclusive authority to adjust losses under policies obtained by the Association; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

12.3.3 The insurance coverage obtained and maintained by the Board shall be primary and non-contributory.

12.3.4 The Association's Board of Directors shall be required to make every reasonable effort to secure insurance policies that will provide for the following:

12.3.4.1 A waiver of subrogation by the insurer as to any claims against the Association's Board of Directors, its manager, the Owners and their respective tenants, servants, agents, and guests;



201002090005
Skagit County Auditor

12.3.4.2 A waiver by the insurer of its rights to repair and reconstruct instead of paying cash;

12.3.4.3 That no policy may be canceled, subjected to nonrenewal, invalidated, or suspended on account of any defect or the conduct of any Owner or any director, officer, or employee of the Association or its duly authorized manager without prior demand in writing delivered to the Association to cure the defect or to cease the conduct and the allowance of a reasonable time thereafter within which a cure may be effected by the Association, its manager, any Owner or Mortgagee;

12.3.4.4 That any "other insurance" clause in any policy exclude individual Owners' policies from consideration; and

12.3.4.5 That no policy may be canceled, subjected to nonrenewal or substantially modified without at least thirty (30) days' prior written notice to the Association.

12.4 Other Insurance. In addition to the other insurance required by this Section, the Board shall obtain worker's compensation insurance, if and to the extent necessary to satisfy the requirements of applicable laws, and a fidelity bond or bonds on directors, officers, employees, and other persons handling or responsible for the Association's funds, if reasonably available. If obtained, the amount of fidelity coverage shall be determined by the directors' best business judgment, and, if available, shall at least equal three (3) months' Assessments plus reserves on hand. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and may not be canceled, subjected to nonrenewal or substantially modified without at least thirty (30) days' prior written notice to the Association.

Section 12.5 Premiums. The Board of Directors is hereby authorized to contract with or otherwise arrange to obtain the insurance coverage provided for hereunder through the Declarant and to reimburse Declarant for the cost thereof, and Declarant shall be authorized, but not obligated, to purchase such insurance coverage for the benefit of the Association and the Owners upon Declarant and the Association agreeing upon the terms and conditions applicable to reimbursement by the Association for costs incurred by Declarant in obtaining such coverage. Premiums for all Association insurance policies shall be expenses of the Association. The policies may contain a reasonable deductible.

ARTICLE 13. DAMAGE AND REPAIR OF DAMAGE TO PROPERTY.

In the event of any casualty, loss or other damage to the Common Areas for which the then current assessments by the Board are insufficient to repair or restore, or for which there are not insurance proceeds or insufficient insurance proceeds available to the Board for such restoration or repair, the Board may make a special assessment against each Lot within the Property for its pro rata share of the cost and expenses to repair and/or restore the Common Areas. The special assessment shall be payable, at the determination of the Board, in either monthly or quarterly installments or in a single lump sum amount. The Board shall notify each Lot Owner of any such special assessment not less than 20 days prior to the date such special



201002090005
Skagit County Auditor

assessment or the first installment thereon is due and payable, which notice shall be accompanied by a reasonably detailed statement of the Board's estimated costs and expenses of repairing and/or restoring the Common Areas.

ARTICLE 14. AMENDMENTS OF DECLARATION.

After the Transition Date, any Lot Owner may propose amendments to this Declaration to the Board. A majority of the members of the Board may cause a proposed amendment to be submitted to the members of the Association for their consideration. If an amendment is proposed by Owners of 20% or more of the Lots, then, irrespective of whether the Board concurs in the proposed amendment, it shall be submitted to the members of the Association for their consideration at their next regular or special meeting for which timely notice may be given. Notice of a meeting at which an amendment is to be considered shall include the text of the proposed amendment. Amendments may be adopted at a meeting of the Association or by written consent of the requisite number of Persons entitled to vote, after notice has been given to all Persons entitled to receive notice of a meeting of the Association. The unanimous consent of all Owners shall be required for adoption of an amendment changing the voting power or portion of assessments appurtenant to each Lot. All other amendments shall be adopted if approved by at least two thirds (2/3) of all Lot Owners. Once an amendment has been adopted by the Association, the amendment will become effective when a certificate of the amendment, executed by a member of the Board, has been recorded in the real property Records of Skagit County, Washington.

ARTICLE 15. ANNEXATION AND SUBDIVISION.

Residential property, including Common Areas, may be annexed or added to the Property by Declarant at any time prior to the Transition Date. Thereafter, residential property other than Common Areas may be annexed or added to the Property only with the consent of two thirds (2/3) of the Lot Owners. No Lot shall be subdivided or combined without the approval of all Lot Owners.

ARTICLE 16. DURATION.

The covenants, conditions, and restrictions of this Declaration shall run with and bind the Property and shall inure to the benefit of and be enforceable by the Owners, their respective legal representatives, heirs, successors, and assigns, for a period of 30 years from the date this Declaration is recorded, after which time the covenants, conditions and restrictions shall be automatically extended for successive periods of 10 years each unless an instrument signed by 67% of the then Owners has been recorded agreeing to terminate the covenants, conditions and restrictions.



ARTICLE 17. RESERVATION OF DECLARANT'S RIGHT TO AMEND.

Section 17.1 Amendment by Declarant. Declarant reserves the right to amend the Declaration as may be necessary or appropriate to comply with applicable laws, rules, or regulations, to enable purchasers of Lots to obtain financing, or if such amendment is necessary, in Declarant's sole opinion, for the efficient functioning of the Association, the Property, or the Plat.

Section 17.2 Authorization to Amend. If Declarant, in its sole discretion, determines that it is necessary so to amend the Declaration, then Declarant, on behalf of all Lot Owners in the Association, is hereby authorized to execute and to have recorded (or filed, in the case of the Articles) said required amendment or amendments. All Lot Owners hereby grant to Declarant a full and complete power of attorney to take any and all actions necessary to effectuate and record said amendment or amendments and agree that said amendment or amendments shall be binding upon their respective Lots and upon them and their heirs, personal representatives, successors and assigns to the same extent as if they had personally executed said amendment or amendments. All Lot Owners hereby acknowledge and agree that the power of attorney granted herein shall be deemed coupled with an interest and shall be irrevocable.

Section 17.3 Duration. Declarant's rights under this Article 17 shall exist until the last Lot owned by Declarant is sold to a retail purchaser.

ARTICLE 18. SEVERABILITY.

The provisions of this Declaration shall be independent and severable, and the unenforceability of any one provision shall not affect the enforceability of any other provision, if the remainder promotes the common plan.

ARTICLE 19. EFFECTIVE DATE.

This Declaration shall be effective upon recording.

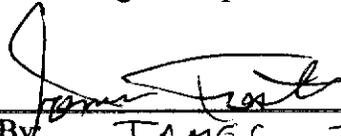
ARTICLE 20. ASSIGNMENT BY DECLARANT.

Declarant reserves the right to assign, transfer, sell, lease, or rent all or any portion of the Property and reserves the right to assign or delegate all or any of its rights, duties, and obligations created under this Declaration. Notwithstanding the foregoing, any successor to Declarant shall not, by virtue of such assignment, assume any liability for any physical improvements or work constructed or performed by the original or any intervening Declarant or for any improvements or work for which the original or intervening Declarant is obligated to construct or perform.



201002090005
Skagit County Auditor

WINDWARD REAL ESTATE SERVICES, INC.,
a Washington corporation


By: JAMES TESTI
(Printed Name)
Its: PRESIDENT
(Title)



201002090005
Skagit County Auditor

STATE OF WASHINGTON)

COUNTY OF Skagit) ss.

On this day personally appeared before me JAMES TESTI, to me known to be the PRESIDENT of Windward Real Estate Services, Inc., the company that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act of said entity, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument.

GIVEN under my hand and official seal this 21st day of October, 2006

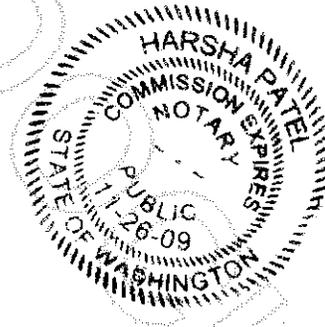
Harsha Patel

(Signature)

HARSHA PATEL

(Print Name)

Notary Public in and for the State of
Washington, residing at REDMOND
My commission expires Nov 26 09



201002090005
Skagit County Auditor