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Skagit County Auditor

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DECLARATION OF EASEMENTS,  
COVENANTS, CONDITIONS, AND RESTRICTIONS FOR  
PLAT OF CHALLENGER RIDGE ESTATES

Grantor: CHALLENGER RIDGE ESTATES L.L.C.  
a Washington limited liability company

Grantee: PLAT OF CHALLENGER RIDGE ESTATES

Abbr. Legal Des.: Sections 7 & 8, T 35 N, R 8 E

Tax Parcel No(s): P43492, P43509, P43510

SKAGIT COUNTY WASHINGTON  
Real Estate Excise Tax  
PAID

FEB 08 2010

Amount Paid \$ 0  
Skagit County Treasurer  
By: DC Deputy

NOTICE TO RECORDER'S OFFICE

AT THE TIME OF RECORDING OF THIS DECLARATION, INSERT IN THE RECITALS  
SECTION AND EXHIBIT "A", THE CROSS-REFERENCE RECORDING DATA OF THE  
SURVEY MAP AND PLANS RECORDED IN CONNECTION HEREWITH.

DECLARATION OF EASEMENTS, COVENANTS,  
CONDITIONS, AND RESTRICTIONS

FOR

THE PLAT OF CHALLENGER RIDGE ESTATES



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DECLARATION OF EASEMENTS, COVENANTS,  
CONDITIONS, AND RESTRICTIONS  
FOR THE PLAT  
CHALLENGER RIDGE ESTATES

This DECLARATION OF EASEMENTS, COVENANTS, CONDITIONS, AND RESTRICTIONS FOR THE PLAT OF CHALLENGER RIDGE ESTATES is made on this 23 day of March, 2010 by Challenger Ridge Estates L.L.C., a Washington limited liability company (the "Declarant").

RECITALS

A. Declarant owns certain real property in Skagit County, State of Washington, which Declarant proposes to develop as a planned development to be known as the Plat of Challenger Ridge Estates, such plat recorded in the office of the Skagit County Auditor under recording number 201003230071 [i.e., Plat of Challenger Ridge Estates (the "final plat" or "plat")], and is desirous of subjecting the aforementioned real property (lots) described in said plat to the easements, covenants, covenants, and restrictions hereinafter set forth, each and all of which is and are for the benefit of said property and for each owner thereof and shall inure to the benefit of and pass with and bind the successors in interest and any owner thereof.

B. These easements, covenants, conditions, and restrictions are intended to protect the value and desirability of the aforementioned real property, which is more particularly described in Exhibit "A" attached hereto and made a part hereof.

NOW THEREFORE, Declarant hereby declares that the real property described in the attached Exhibit A, together with any real property hereafter subject to this Declaration, shall be held, sold, and conveyed subject to the following easements, covenants, conditions, and restrictions, which shall run with such property and shall be binding upon all parties having or acquiring any right, title or interest in such property and shall inure to the benefit of each owner thereof.

ARTICLE 1  
DEFINITIONS

As used in this Declaration, the terms set forth below shall have the following meanings:

1 "Additional Property" means any land, whether or not owned by Declarant, which may be made subject to this Declaration as provided in Section 2.2 below or otherwise.



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2 "Affiliate" means any entity which controls, is under the common control with, or is controlled by Declarant.

3 "Articles" means the Articles of Incorporation of Challenger Ridge Estates Homeowners Association.

4 "Assessments" means all assessments and other charges, fines and fees imposed by the Association in accordance with this Declaration, including, without limitation, General Assessments and Special Assessments as described in Article 4 below.

5 "Association" shall mean and refer to CHALLENGER RIDGE ESTATES HOMEOWNERS ASSOCIATION, a Washington nonprofit corporation, its successors and assigns.

6 "Auditor" means the Auditor of Skagit County, Washington, or such successor agency charged with maintaining the real estate records for property within the County.

7 "Board" or "Board of Directors" shall mean and refer to the Board of Directors of the Association.

8 "Bylaws" means the bylaws of the Association as adopted and amended by the Board from time to time.

9 "Common Areas" shall only mean for reference purposes all real property owned, used, and/or maintained in common by the Lots. Also, included in the definition of "Common Areas" for purposes of maintenance obligations are the maintenance and payment for repair and/or operational expenses for the plat water well, well house, water tank, backup generator for the well, screening for the well system, water system inclusive of all underground plumbing and distribution lines, entry private lighting system, if any, entry monuments except for those specifically for each Lot, and maintaining all landscaping, common area irrigation systems and fencing in the public right of ways in the interior portions and frontage of the plat or within any private easement upon a lot tract or adjoining property, which may be granted on the face of the recorded final plat or in the future via a recorded easement or deed.

10 "Declarant" means Challenger Ridge Estates L.L.C., a Washington limited liability company, and its successors and assigns if such successors, and/or assigns should acquire all of the Declarant's interest in the remainder of the plat, or less than all of such property if a recorded instrument executed by Declarant assigns to the transferee all of the rights of Declarant under this Declaration with respect to such portion of the plat.

11 "Declaration" means this Declaration of Easements, Covenants, Conditions, and Restrictions, as the same may be amended or supplemented from time to time in accordance with the provisions hereof.



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12 "Development Period" shall mean and refer to that period of time beginning on the date of this Declaration and ending upon the earlier of: (i) written notice from the Declarant to the Association in which the Declarant elects to terminate the Development Period, or (ii) the date that none of the Lots are owned by Declarant.

13 "Governing Documents" means the Plat, Declaration, Articles, Bylaws, and any Policies and Procedures adopted by the Board or the Association.

14 "Governmental Authority" means the County of Skagit, State of Washington, United States of America, or other governmental entity or agency that has or acquires jurisdiction over the plat of any portion thereof, or sales of the plat, from time to time.

15 "Home Owners Association" means the Association.

16 "Lot" shall mean and refer to all parcels of land shown upon the recorded final map(s) of the plat, with the exception of: (i) Common Areas; and (ii) any land conveyed or dedicated to Skagit County.

17 "Mortgage" means a mortgage, deed of trust, or real estate installment sale contract.

18 "Mortgagee" means a mortgagee under a mortgage, a beneficiary under a deed of trust, or a seller under a real estate installment sale contract.

19 "Mortgagor" means a mortgagor under a mortgage, a grantor under a deed of trust, or a purchaser under a real estate installment sale contract.

20 "Owner" means the Person or Persons, including Declarant, owning any Lot in the Plat, but does not include a tenant or holder of a leasehold interest or a Mortgagee or other Person holding only a security interest in a Lot. If a Lot is sold under a recorded real estate installment sale contract, the purchaser (rather than the seller) will be considered the Owner unless the contract specifically provides to the contrary. If a Lot is subject to a written lease with a term in excess of one (1) year and the lease specifically so provides, then upon filing a copy of the lease with the Association, the lessee (rather than the fee owner) will be considered the Owner during the term of said lease for the purpose of exercising any rights related to such Lot under this Declaration. The rights, obligations, and other status of being an Owner commence upon acquisition of the Lot and terminate upon disposition of such ownership, but termination of ownership shall not discharge an Owner from its obligations incurred prior to termination.

21 "Person" means a human being, a corporation, partnership, limited liability company, trustee, or other legal entity.



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22 "Policies and Procedures" means those policies, procedures, rules, and regulations adopted by the Association pursuant to the authority granted thereto in this Declaration, as the same may be amended from time to time.

23 "Private Road" shall mean the following road within the plat: Pinor Noir Lane.

24 "Public Road" shall mean those roads identified on the final plat as State Route 20 and Challenger Road.

25 "Residence" shall mean and be limited to only the single-family dwelling occupying a given Lot.

26 "Residential Lot" shall mean any one of Lots 1-9, 11, and 12.

27 "Residential Lots" shall mean Lots 1-9, 11, and 12 collectively.

28 "Structure" shall mean any Residence, garage, or other building; wall, rockery, fence, deck, arbor, trellis or mailbox standard; driveway, walkway, patio or sport court; or the like.

## ARTICLE 2 PROPERTY RIGHTS

1 Owners' Right of Enjoyment. The Common Areas are hereby granted and conveyed to the Association. Every Owner shall have a right and easement of enjoyment, subject to the restrictions set forth herein, in the final plat or applicable laws, in and to the Common Areas by virtue of membership in the Association. Any interest of an Owner in and/or to the Common Areas shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

a. the right of the Association to charge reasonable assessments or fees for the use, maintenance, preservation, insurance, and other costs related to the Common Areas;

b. the right of the Declarant to make use of or occupation of, or utilize for purposes of ingress, egress, utilities, and other similar purposes, in the Common Areas for the duration of the Development Period;

c. the right of the Association to adopt reasonable rules for the use of the Common Areas, and to restrict an Owner's right to make use of the Common Areas for non-payment of assessments authorized herein; and

d. the right of the Declarant, during the Development Period, to grant or convey perpetual easements in, over or upon all or any part of the Common Areas.



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2 Delegation of Use. Any Owner may delegate, in accordance with the Bylaws of the Association, his or her right of enjoyment to the Common Areas and facilities to the members of his or her family, his or her tenants, or contract purchasers who reside on the Owner's Lot. The easement in favor of the Owners for the Common Areas shall be appurtenant to and shall not be separated from the ownership of each Lot and shall not be assigned or conveyed in any way except upon the transfer of title to such Lot and then only to the transferee of such title. The easement shall be deemed so transferred and conveyed whether or not it shall be so expressed in the deed or other instrument conveying title.

3 Further Subdivision. No further subdivision of any Lot without resubmitting for formal plat or short plat procedure is allowed. The sale or lease of less than a whole Lot in the plat is expressly prohibited except in compliance with Skagit County Code.

4 Maintenance of Common Areas. The Association shall maintain the Common Areas consistent with ordinances/codes of Skagit County. The use of the Common Areas shall be restricted to those uses specified in the final plat.

5 Interest in Challenger Ridge Estates LLC. The Association has been granted an Ten Percent (10%) Non-Voting Equity Interest in Challenger Ridge Winery LLC, a Washington limited liability company (the "Winery") which owns and operates the Challenger Ridge Estates Winery. The Association shall have no right to profits or losses of the Winery but, rather, shall have the right to that equity percentage of the net proceeds of any sale of the Winery and, as a result of such ownership interest, each Owner shall also be a club member of the Winery and be availed of the opportunities and privileges for club members of the Winery as they may exist from time to time.

### ARTICLE 3 MEMBERSHIP AND VOTING RIGHTS

1 Association Membership and Existence. Every Owner of a Lot which is subject to assessment and all Lots within the plat held for sale by Declarant shall be a member of the Association. Membership shall be appurtenant to and may not be separate from Ownership of any Lot which is subject to assessment. In the event the Association is at any time dissolved, then each Lot shall immediately succeed to an equal and undivided interest in the Common Areas, as well as the responsibility for its maintenance; provided that Owners of the Lots by majority vote may provide for a successor corporation or other entity to perform such maintenance obligations and allow for the collection of dues to pay the cost of the maintenance. In that event, all of the assets, rights, powers and obligations of the Association existing immediately prior to its dissolution, except the ownership interest in the Common Areas, shall thereupon automatically vest in the successor entity. To the greatest extent possible, any successor entity shall be governed by the Articles of the Association and Bylaws of the Association as if they had been made to



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constitute the governing documents of the successor entity.

2 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 and shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. However, the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

Class B: Class B members shall be the Declarant (or its nominee) and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership upon the expiration of the Development Period.

#### ARTICLE 4 ASSOCIATION REGULATIONS AND ASSESSMENTS

4.1 Creation of the Lien and Personal Obligation of Assessments.  
Each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agrees to pay to the Association:

- a. annually, semi-annually, quarterly, or monthly assessments or charges; and
- b. special assessments to be established and collected as hereinafter provided.

Assessments shall be adopted in accordance with the Bylaws of the Association and this Declaration. The assessments, together with interest, costs, and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon and shall attach to the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorneys' fees incurred in collecting the same, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due, irrespective of the ownership of the Lot at the date of collection.

4.2 Purpose of Assessment. The assessment levied by the Association shall be used to promote the recreation, health, safety, and welfare of the residents in the plat, including but not limited to the improvement, construction, repair, maintenance, insurance, obligations, and other expenses related to or



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arising from Common Areas or improvements thereon or businesses thereof (e.g., taxes, utility charges, gardening, landscaping, storm water retention facilities, associated conveyance systems, and operational expenses); any other responsibilities or obligations of the Association such as right of way landscaping, insurance, etc.; or other items or obligations deemed necessary and proper by the Association to keep the plat in a good, clean, attractive, and safe condition in compliance with all applicable codes, laws, rules, and regulations.

Assessments may also be levied to pay for any professional services or consultation incurred by the Association in carrying out its duties, including but not limited to management companies, certified public accountants, and legal counsel.

4.3 Maximum Assessment. Until January 1st of the year immediately following the conveyance of the first Lot to an Owner, the maximum assessment shall not exceed One Thousand Five Hundred Fifty Dollars (\$1,550) per year. The assessments shall be established, reviewed, and/or adjusted by the Board of Directors, subject to member ratification, as provided in the Bylaws of the Association.

4.4 Special Assessments. In addition to the assessments authorized above, the Association may, in accordance with the provisions of the Bylaws and any applicable laws, levy special assessments through the use of a special budget as authorized by the Bylaws. The special assessments may be used to cover unanticipated financial shortfalls, and/or for the purpose of defraying, in whole or in part, extraordinary expenses such as the cost of any construction, reconstruction, repair, or replacement of a capital improvement of the Common Areas, street lighting maintenance and liability expenses, fixtures or improvements of the Association, including repairs or renovation. To the extent such costs and expenses are caused by the misconduct of an Owner or Occupant, the Association may, after notice and an opportunity to be heard, specially assess that expense against that Owner's Lot.

4.5 Reserves for Repair or Replacement. As a common expense and as a part of the Association budget, the Association may establish and maintain a reserve fund for repair or replacement of improvements and community facilities thereon. The reserve fund shall be expended only for the purpose of repair, replacement, improvement, or operation of the Common Areas and any improvements, community facilities. The proportional interest of any Owner in any such reserve shall be considered an appurtenance of such Owner's Lot and shall not be separately withdrawn, assigned, or transferred, or otherwise separated from the Lot to which it appertains and shall be deemed to be transferred with such Lot in the event of a transfer or sale.

4.6 Common Areas Exempt. The Common Areas and any other property dedicated to and accepted by a government or public authority shall be exempt from assessments, mortgages, or other liens by the Association and any



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Owner.

4.7 Exception to Maximum Assessment Limitation. The limitations of maximum assessments shall not apply with respect to fines or other charges imposed against a member by the Board pursuant to this Declaration or the Bylaws.

4.8 Notice and Quorum for Establishing a Budget. Written notice of any meeting called for the purpose of establishing a budget from which the assessments are based shall be personally delivered or mailed to all members in a manner consistent with the provisions of the Bylaws.

4.9 Uniform Rate of Assessments. Except as otherwise authorized herein, all assessments must be fixed at a uniform rate for all Lots, provided.

4.10 Date of Commencement of Assessments; Due Dates. The assessments provided for herein shall not commence prior to the first (1<sup>st</sup>) day of the month following the conveyance of the first Lot from the Declarant. As to each particular Lot involved, the assessments shall begin on the first day of the calendar month following the date of any deed or contract of sale for the Lot, or on the first day of the calendar month following occupancy of the premises, whichever is earlier, unless a later date is set forth in section 4.9 above. The assessments may be budgeted on an annual basis (referred to herein as "annual assessment") subject to adjustments according to the number of months remaining in the calendar year. The due dates shall be established by the Board and shall be payable on a monthly, quarterly, semiannual, or annual basis as determined by the Association. An Owner may prepay one (1) or more installments on any assessment without a prepayment penalty.

4.11 Effect of Nonpayment of Assessments; Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of twelve percent (12%) per annum. Unpaid assessments, plus interest, costs, and attorneys' fees incurred by the Association in collecting assessments, filing and recording liens, enforcing the provisions of this Declaration or the Bylaws, or defending itself in any litigation shall constitute and create a lien on the property, provided however, before the arrearage is actually assessed against an Owner, the Owner shall be provided an opportunity to be heard by the Board of Directors or such representative as is appointed by the Board of Directors. Said notice shall be deemed given when sent to the home address of the Owner. The failure to provide an opportunity to be heard as provided herein does not eliminate the accumulation of extra fees and charges, provided such opportunity is afforded before the extra fees and charges are actually assessed against the Owner and collected. The Association may bring an action at law against the Owner personally obligated to pay the same for collection of the assessment(s) or other charges pursuant to this Declaration, and/or foreclose the lien against the Lot. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use or abandonment of his or her Lot.



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4.12 Subordination of the Lien to Mortgages. The lien of the assessment provided for herein shall be subordinate to the lien of any first mortgage (and to the lien of any second mortgage given to secure payment of the purchase price) now or hereafter placed on the Lot, only in the event that the lien for delinquent assessments has not been recorded with the Skagit County Auditor at the time of the recording of the mortgage lien. Sale or transfer of any Lot shall not affect the assessment lien. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

4.13 Real Property Taxes. In the event that there are real property taxes on the Common Areas, the Association shall pay the same as an expense of the Common Areas. If the tax becomes delinquent, the total amount of the delinquent taxes shall be divided equally among all the Owners, and said portion of each Owner's share of delinquent taxes shall be a lien on said Owner's Lot to the same extent as if the delinquent tax was on the Owner's Lot.

4.14 Maintenance Responsibility: Common Areas and Other. Maintenance, repair, replacement, improvements, taxes, insurance, and other obligations and expenses or assessments arising from or through this Declaration or the final plat shall also be the responsibility of the Association unless otherwise specified in this Declaration. In addition to the maintenance of the Common Areas, the Association shall maintain the landscaping and signage installed by the Declarant or Association, the entry monuments, private lighting systems, signage or improvements, stormfilters, and any storm water detention facilities outside of the public right-of-way (including without limitation any and all detention facilities and associated conveyance systems for the Plat whether within a tract, Common Areas, or Lot).

4.15 Rules and Regulations. The Declarant during the Development Period, and the Board of Directors thereafter, shall have the power to adopt and enforce rules and regulations governing the use of the Common Areas or activities within the plat, so long as such rules and regulations are consistent with law or this Declaration. The Association or the Declarant may prescribe penalties for the violation of such rules and regulations. Any such rules and regulations shall become effective thirty (30) days after promulgation or amendment and shall be mailed to all Owners within thirty (30) days after promulgation or amendment. A copy of the rules and regulations then in force shall be retained by the secretary of the Association and shall be available for inspection by any Owner during reasonable business hours. Such rules shall have the same force and effect as if set forth herein. In the event any Owner violates the restrictions contained in this Declaration or the rules and regulations adopted pursuant to the Declaration, then the Association acting through its Board shall notify such Owner in writing of any such specific violations and require the Owner to remedy or abate the same. If the Owner is unable, unwilling, or refuses to comply with the Association's specific directives for remedy or abatement within thirty (30) days following issuance of a notice (ten



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(10) days with respect to any violation or nuisance regarding a septic system or drainfield), then the Association, acting through its Board, after notice and reasonable opportunity to be heard, shall have the right to do any or all of the following in addition to any other remedies provided for under this Declaration:

- a. Impose fines against such person in the manner and amount that the Association deems appropriate in relation to the violation, which fines may continue on a daily basis until the violation is corrected or is abated;
- b. Exclude such Owner from participation in the Association until the violation has been corrected and for any additional reasonable period of time determined by the Association. In no event shall the Association deprive any Owner of access to and from the Owner's Lot;
- c. In the event of construction of an improvement in violation of this Declaration, remove, alter, repair, or change the item which is in violation of this Declaration in such a manner as to make it conform to this Declaration, in which case the Association may assess to such Owner the entire cost of the work done;
- d. Bring suit or action against such Owner on behalf of the Association to enforce this Declaration and to recover the amount of any damages to the Association, fines, or other charges imposed pursuant to this Declaration; and
- e. Use legal proceedings against such Owner to recover such amount, including interest, together with reasonable attorneys' fees, costs, and expenses incurred by the Association for the use of legal counsel to address and resolve the violation, whether or not litigation is instituted.

4.16 Indemnification of Board Members and Officers. Directors, officers, and committee members of the Association shall not be liable to the Association or its members for damages caused by an action taken on behalf of the Association in good faith. This provision may not limit liability for failure to exercise the degree of care and loyalty required under RCW 24.03. Directors, officers, and committee members of the Association shall be indemnified and held harmless from and against any damages, liabilities, judgments, penalties, fines, settlements, and reasonable expenses (including attorneys' fees) actually incurred as a result of all actions undertaken by said person in good faith, and: (a) in the case of conduct in his or her official capacity with the Association, he or she reasonably believed his or her conduct to be in the Association's best interests; or (b) in all other cases, he or she reasonably believed his or her conduct to be at least not opposed to the Association's best interests; and (c) in the case of any criminal proceedings, he or she had no reasonable cause to believe his or her conduct was unlawful. Said persons shall be indemnified and held harmless to the full extent permissible under Washington law.



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The foregoing right of indemnification shall not be exclusive of other rights to which such director, officer, or committee member may be entitled to as a matter of law. The Board of Directors may obtain insurance on behalf of any person who is or was a director, officer, employee, or agent against any liability arising out of his or her status as such, whether or not the Association would have power to indemnify him or her against such liability.

## ARTICLE 5 ACCEPTANCE OF COVENANTS

In consideration of the acceptance hereby, the purchasers and grantees of deeds or contracts to the Lots in the plat, their heirs, assigns, personal representatives, successors and assigns, and all persons or concerns claiming by, through or under such grantees, declare and agree with each and every person who shall be or who shall become an Owner of any of said Lots, that said Lots shall be and hereby are bound by the covenants set forth herein and shall be held and enjoyed subject to and with the benefit and advantage of the protective covenants, restrictions, limitations, conditions, and agreements set forth herein.

## ARTICLE 6 RESTRICTIONS, USE, MAINTENANCE, AND EASEMENTS

6.1. Occupancy and Use. Except for Lot 10 the use of which shall be limited to vineyards, wine production, tasting, storage, sales, agricultural, and associated uses allowed under Skagit County Code §14.16.320(2) et seq or as otherwise allowed by the issuance of a special use permit, and Lot 13 which shall be availed to only those uses allowed under Skagit County Code § 14.16.320(2) et seq or as otherwise allowed by the issuance of a special use permit, no Residential Lot, building thereon, or Structure thereon, or any part thereof shall be used or occupied for any purpose other than as a single family Residence unless specifically authorized by zoning laws and regulations, this Declaration, the Association, and the Declarant during the Development Period. Except as otherwise provided, the conduct or carrying on of any manufacturing, trade, business, commerce, industry, profession, or other occupation whatsoever, upon any Residential Lot or any part thereof, or in any building or Structure thereon erected, shall constitute a breach of this restriction. Notwithstanding the foregoing, and subject to this Declaration and all rules promulgated hereunder, the Owners are permitted to: (i) lease or rent their Lot and improvements to one family for residential use; or (ii) operate a home business approved by the Board, in which case this Declaration and all rules promulgated hereunder will also apply with full force and effect to the lessee/tenant.

6.2. Residential Site. No portion of a Residential Lot shall be owned, used, or occupied except as a single residential site. A residential site shall consist of:



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- a. one full Lot;
- b. one or more full Lots and portions of a contiguous Lot or Lots as approved by Skagit County and the Declarant; or
- c. contiguous parts of Lots which shall form one plot of land suitable for use as a site for a Residence as approved by the Declarant and Skagit County.

Notwithstanding the foregoing, no combination of Lots or any portions thereof shall diminish the obligations or rights of a Lot owner. For example purposes only, the combination of two (2) Lots into one large lot shall not change the fact that the Owner thereof is still required to pay its proportion share of expenses as if it owned (2) lots. Said Owner shall also be entitled to vote on behalf of two (2) lots. By way of further example, the combination of one Lot with a portion of another Lot will obligate the Owner to pay for its share of expenses for one (1) lot plus a pro-rata share for the portion of the Lot added to the full lot, except that the vote allocated to the partial lot shall belong to the Owner that holds the larger portion thereof by square footage. Any expenses incurred by the Declarant, Board, Association, or Owners in connection with any review or approvals required in connection with the foregoing shall be born entirely by the Owner seeking to combine Lots.

6.3. Construction of Improvements. For the purpose of further ensuring the development of the lands in the plat with uniform and high standards, Declarant reserves the right to control the buildings, Structures, and improvements, including the location and placement thereof on each Lot and the Common Areas. Furthermore, the installation of an NFPA 13D fire sprinkler system will be a permit condition for each new dwelling constructed upon a Residential Lot. The costs and installation of each system is the sole responsibility of the respective Lot owner. Each Lot is stubbed with access to water at a quantity and pressure capable of supplying an NFPA 13D fire sprinkler system. The Owner or Occupant of each Lot, by acceptance of title thereto or by taking possession thereof, covenants and agrees to the same and agrees that any improvements placed or constructed thereon shall conform to this Declaration and the Development Plan.

6.4. Architectural Control. The Owner or Occupant of each Lot by acceptance of title thereto or by taking possession thereof covenants and agrees that no Structure shall be placed upon said premises unless and until the plans, specifications, and plot (site) plans have been approved in writing by the Declarant or its nominee as provided herein, in which case only those plans receiving such approval may be placed, constructed, or maintained on a Lot.

The Declarant may nominate the Association or an Architectural Control Committee to perform the duties identified in this Section. The Architectural Control Committee shall have three (3) members who are Lot owners and each shall serve a three (3) year term. The Declarant may appoint the members of



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the Architectural Control Committee until such time as all Lots in the plat have been sold and all plans approved, at which time the Declarant shall transfer said appointment power to the Board of Directors of the Association. Notwithstanding the foregoing and until none of the Lots are owned by: (i) Declarant, (ii) any member of Declarant; or (iii) any relative of a member of Declarant, a majority of the Architectural Control Committee shall be comprised of any party referenced under 6.4(i)-(iii) above, none of which shall be required to be a Lot owner.

Application for approval of plans to the Declarant or Architectural Control Committee shall be accompanied by a fee not to exceed Two Hundred Fifty Dollars (\$250), as adjusted every five (5) years by changes in the Consumer Price Index for the City of Everett, WA. Refusal or approval of plans and specifications may be based on any ground, including purely aesthetic grounds, which in the sole and uncontrolled discretion of the Declarant or Architectural Control Committee shall deem sufficient. The plan review and guidelines allow for differing levels of quality and costs between any separate divisions of the plat. No alteration of the exterior appearance (including, without limitation, the color of any buildings or Structures) shall be made without like written approval.

As to all construction and alterations within or upon the property, the Declarant or the Architectural Control Committee shall have the right to refuse to approve any design, plan, or color for such improvements, construction, or alterations, which is not suitable or desirable in the opinion of the Declarant or the Architectural Control Committee for any reason, aesthetic or otherwise, and in so passing upon such design, the Declarant or the Architectural Control Committee shall have the right to take into consideration the suitability of the proposed building or other Structure, and the material of which it is to be built and the exterior color scheme to the site upon which it is proposed to erect the same, the harmony thereof with the surrounding Lots and improvements, and the effect or impairment that said Structures will have on the view of surrounding building sites, and any and all facts which, in the opinion of the Declarant or the Architectural Control Committee, shall affect the desirability or suitability of such proposed Structure, improvements, or alterations. The Declarant or Architectural Control Committee, in addition to the design guidelines dated March, 2009 and prepared for the plat by Designs Northwest Architects, which guidelines are hereby incorporated into this Declaration by reference in all respects, may adopt additional general or specific standards for all or any part of the design or construction of buildings within the various divisions in the plat. Any action or inaction by the Declarant or the Architectural Control Committee shall be solely discretionary and all parties, members and/or potential members shall hold and save Declarant, the Association and the Architectural Control Committee harmless to the maximum amount permitted by law, provided any such actions or inactions were in good faith. Nothing herein shall in any way limit the ability of the Declarant to alter or modify the size or type of housing between various divisions or portions of the plat and/or between the plat and any other property annexed into the plat.

In connection with said approval, complete plans and specifications of all



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proposed buildings or Structures and exterior alterations, together with detailed plans showing the proposed location of the same on the particular building site, shall be submitted to the Declarant at least thirty (30) days prior to the proposed construction starting date, and such construction or alteration shall not be started until written approval thereof is given by the Architectural Control Committee.

Should the Declarant or the Architectural Control Committee fail to approve or disapprove the plans and specifications submitted by an Owner of a residential site within the plat within thirty (30) days after written request therefor, then the applicant may request in writing a response within an additional fourteen (14) days. In the event there remains no response, the plans shall be deemed approved, provided, however, the plans must still comply with the Declaration in all other respects. No Structure shall be erected or be allowed to remain on any residential site which violates any of the covenants or restrictions contained in the Declaration.

Any actions or inactions of the Declarant, its agents or nominees, or the Architectural Control Committee shall be solely discretionary and all parties, members, potential members and Lot owners shall hold and save harmless, to the maximum extent permitted by law, the Declarant, its agents or nominees, and the Architectural Control Committee and its members, provided such actions or inactions are in good faith.

6.5. Minimum Size Requirements/Height Restrictions. Except for Lots 10 and 13 which shall be exempt from this Section 6.5, no building shall be allowed on any Residential Lot except one single-family dwelling house, all for the use and occupancy of one immediate family and attendant bona fide domestic servants only. Any auxiliary building must be so designed and constructed as to be compatible in appearance with the main building and must have Architectural Control Committee approval. Said dwelling house shall have a fully enclosed living area, excluding attached garage or carport, which has a floor area of not less than one thousand two hundred (1,200) square feet. No such dwelling house shall exceed two (2) stories (excluding the basement) or be more than thirty feet (30') in height or violate the Skagit County building code, without prior written approval of the Declarant. Any accessory or auxiliary building or structure on a Lot (i.e., barn, coop, stable, shed, playhouse, tree house, pergola, observatory, carport, and the like), with the exception of one (1) fully enclosed accessory garage, shall be subject to approval by the Architectural Control Committee and shall have not have ground coverage in excess of eight hundred (800) square feet. Furthermore, exposed compressors (i.e., air and other types used for recreational or maintenance purposes) as well as exposed vehicle lifts are prohibited on any Residential Lot. Height of buildings shall be measured from the highest point at which the natural contour of the ground comes in contact with such building or Structure. Furthermore, the situs of any dwelling house, accessory or auxiliary building is subject to the approval of the Architectural Control Committee. The above requirements do not supersede any governmental requirements that are more restrictive, and may be changed at any time by the Declarant by written document recorded with the Skagit County



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Auditor. Future divisions shall be governed by the same requirements unless the amendment to this Declaration annexing such future divisions into this Association applies different requirements for such future divisions.

6.6. Construction. All construction of properly authorized improvements on any Residential Lot which have been commenced, shall be diligently pursued to completion thereof in a manner and at a rate reasonably consistent with building standards prevailing in the immediate area relating to high quality construction of a similar type, and in no event shall the period of construction of any improvement exceed nine (9) months from the date of commencement of construction to completion as to external appearance, including finished painting. No Structure or vehicle, other than a completed permanent dwelling house as contemplated by these restrictions and limitations, shall be used on any Lot at any time as a Residence, either permanently or temporarily. No auxiliary building shall be deemed completed as long as the dwelling house is incomplete. The construction of residences shall also comply with the minimum floor elevations, if any, specified for each Lot on the final plat. All Residences and other Structures shall comply with all governmental setback standards and, if applicable, any further recorded setback restrictions impressed upon any Lot by the Declarant.

6.7. Landscaping. Each Residential Lot shall be landscaped in accordance with plans and specifications as now or hereafter adopted by the Declarant. All front and side yards and landscaping thereon must be completed within thirty (30) days from the date of completion of the building or Structure constructed thereon, and all rear yards and landscaping thereon must be completed within one hundred eighty (180) days from the date of completion of the building or Structure constructed thereon. In the event of undue hardship due to weather conditions, this provision may be extended for a reasonable length of time upon written approval by the Declarant, or the Architectural Control Committee. Landscaping within the right-of-ways shall be performed by the Association. All exterior lighting on a Residential Lot shall be subdued or shielded to prevent glare and light spillage and not be of the halogen, sodium, or other high output type of lighting.

All landscaped areas in public rights-of-way shall be maintained by the Declarant or the Association after the Development Period and may be reduced or eliminated if deemed necessary for or detrimental to the road purposes of Skagit County.

6.8. Window Coverings. All window coverings within any Residence shall be permanent in nature (e.g., other than sheets, blankets, or towels), provided however, during the first thirty (30) days from the date of occupancy temporary window coverings may be used in bedrooms and bathrooms.

6.9. Plantings and Fences. No hedge more than six feet (6') in height, nor any fence, wall, or other similar Structure more than six feet (6') in height, shall be constructed, erected, placed, planted, set out, maintained, or permitted



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on any residential site. All fencing and walls must be specifically approved by the Architectural Control Committee prior to their installation. The Architectural Control Committee is free to adopt a fencing policy detailing acceptable styles of fencing if it deems appropriate. No fences or obstructions shall be constructed around any water meter, utility meter, or blow off and fire hydrant which restrict access thereto by any utility service provider, municipality, or the Skagit County Fire Districts.

6.10. Antennas. No television antennas, including satellite communication dishes, or such similar devices (other than one (1) "mini dish" per Lot with a diameter of less than twenty-four inches (24") that is situated in an inconspicuous location), radio aerials, ham radio broadcast or receiving apparatus shall be erected, maintained or placed on any residential site without specific written approval by the Association. Rotary beams or other similar devices shall not be constructed on any residential site.

6.11. Changing Lot Contours and Drainage; Subdivisions. The surface grade or elevation of the various Lots and other residential sites in the plat shall not be substantially altered or changed in any manner which would affect the relationship of such Lot or other residential sites adjoining, or which would result in materially obstructing the view from any other Lot or residential site in the plat, or which would otherwise produce an effect out of harmony with the general development of the immediate area in which said Lot or other residential site is located. Whether or not such alteration or change in the elevation or grade of any Lot or any residential site would be prohibited shall be determined by the Declarant or the Association in its sole and uncontrolled discretion. Prior approval must be obtained from the Director of Public Works before any Structures, fill, or obstructions, including fences, are located within any drainage easement, delineated flood plain area, or drainage swale. No further subdivision of any Lot without resubmitting for formal plat or short plat procedure is allowed. The sale or lease of less than a whole Lot in the plat is expressly prohibited except in compliance with Chapter 14.18 of the Skagit County Code.

6.12. Maintenance by Owners. Unless otherwise specifically provided herein, the Owner of each Lot shall be responsible for the maintenance and upkeep of the improvements and landscaping located thereon. All such Owners shall likewise maintain their hedges, plants, shrubbery, trees, and lawns in a neat and trim condition at all times.

After notice to an Owner from the Association of such Owner's failure to maintain said lot, landscaping and/or improvements in accordance herewith, and after approval by a majority vote of the Board of Directors or other Association committee to which such oversight responsibility shall have been delegated, the Association shall have the right, through its agents and employees, to enter upon any Lot or improvement which has been found to violate the foregoing standards in order to repair, maintain and/or rectify the same to such standards, provided that the Board of Directors or its representative has given the Lot owner notice and an opportunity to be heard as provided for in Section 4.11. The cost of such



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work shall be a special assessment on such Owner and such Owner's Lot and improvements, and the provisions of this Declaration regarding the collection of assessments shall apply thereto.

6.13. Garbage Disposal. The Owners of the residential sites in the plat shall be responsible to assure that no garbage can or other receptacle will be visible from any place outside a Residence except on collection day.

6.14. Clotheslines. No Owner or Occupant of any Lot shall place or permit clotheslines thereon which are visible from any Lot or street in the plat.

6.15. Roofing and Siding Materials. All roofs shall be in accordance with specifications as to type, style, color, and other criteria as adopted by the Declarant or the Architectural Control Committee. Until such adoption, all roofing materials must either be tile, 20 year (or more) composition, or metal and of the color and style approved by the Architectural Control Committee. All siding material, for dwellings and accessory garages, shall be non-plywood type wood that is either beveled or grooved, vinyl, or masonry, but in no event of a metallic type material.

6.16. Utilities & Water Usage. All utilities, on and in public dedicated areas, private property, or on and in the Common Areas, including water, cable television and Internet, natural gas, storm sewer, septic, and power shall be installed underground or in a conduit attached to a building in compliance with all governmental regulations for the installation and maintenance of the same. Each Lot owner must exercise caution in filling hot tubs and other uses of water such that the daily aggregate consumption of water does not exceed five thousand (5,000) gallons of water per day. In connection with the foregoing, no hot tub or similar recreational pool of water, with a collective capacity in excess of five hundred (500) gallons, may be maintained on any Lot. Mandatory daily monitoring of water usage per Skagit In-Stream Rule (SCC 12.48.060), shall be the responsibility of the Association. It is understood that residential lots have a priority right for water usage in the aggregate over any commercial use. It shall be noted that the no Lot owner or member of the Association shall grow grapes in the 1 – 5 year time-of-travel of the drinking water well located on Lot 13. Additionally it shall be noted that disinfected hot tub water may be discharged via an engineered below ground infiltration system or by direct application onto the ground or irrigation on the property. Disposal of hot tub water shall not go into or interfere with the function of an on-site sewage disposal system. Best management practices dictate that the disinfection unit should be shut off for at least one week prior to discharge; the water will not flow into any stream and not flow off the Lot owner's property. The discharge water shall not create a nuisance, such as creation of odors, and create fly or mosquito breeding areas. Fire Sprinklers will be a permit condition for each new dwelling applied for by a Lot owner. Installation of the fire sprinkler system is the responsibility of the Lot owner. Declarant and/or Association shall provide water to each lot at a quantity and pressure capable of supplying an NFPA 13D fire sprinkler system. Any backup power generator and propane tank for a Residential Lot shall be



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situated on the side or behind the residence, shielded from line-of-sight from the street. Heat pumps are allowed on Residential Lots so long as they are placed away from neighboring bedrooms and incorporate commercially reasonable sound attenuation.

6.17. Nuisance. Nothing shall be done or maintained on any Residential Lot which may be or become an annoyance or nuisance to the neighborhood. The use or discharge of firearms, arrows and the like, firecrackers, or other fireworks in the plat is prohibited. Except in connection with the operation of any business on Lot 10 or 13, no all-terrain-vehicle (i.e., ATV), motorbike, motorcycle, motor scooter, "go-cart", or other similar vehicle shall be permitted to be operated within the plat unless the Board or the Association approves of such operation.

6.18. Trash and Accumulations. Except with respect to Lots 10 and 13 and only in connection with the agricultural use thereof in a commercially reasonable manner, no trash, refuse pile, vehicles, underbrush, compost pile, or other unsightly growth or objects shall be allowed to grow, accumulate, or remain on any Lot so as to be a detriment or unreasonable annoyance to the plat or become a fire hazard. In the event any such condition shall exist upon any Lot, Declarant or the Association may enter upon said Lot and remove the same at the expense of the Lot owner who, on demand shall reimburse Declarant or the Association for the cost thereof, and such entry and removal shall not be deemed a trespass.

6.19. Non-Permitted Parking, Prohibited Vehicles, and Prohibited Access to the Skagit River. Except with respect to Lots 10 and 13 which shall be exempt from this Section 6.19, no boats, boat trailers, house trailers, campers, motor homes, or any part thereof, shall be stored or permitted to remain on any residential site or Lot for more than forty-eight (48) hours unless the same is stored or placed in a fully screened space. Disabled and/or non-operational vehicles shall be subject to the same restrictions. All screening is to be approved by the Declarant or the Architectural Control Committee. Except to the extent specifically authorized in the Rules and Regulations, snowmobiles, golf carts, and other off-road vehicles may not be operated within the plat. Except as specifically allowed by the Association, the Rules and Regulations, and subject to any and all laws, rules, regulations and agreements applicable to the plat, entrance into or use of the Skagit River from within the boundaries of the plat is prohibited and no boats, rafts, canoes, or other watercraft may be launched into or withdrawn from the Skagit River from the plat.

6.20. Signs. No signs of any kind shall be placed on any Lot or residential site in the plat where the same is visible from any Lot or street in the plat, except in accordance with such rules and regulations as may from time to time be adopted by the Declarant or Association. In the absence of such rules and regulations, no signs whatsoever other than conventional house numbers indicating the address of the premises shall be placed on any Lot or residential site. One "For Sale" or "For Rent" sign which does not exceed the maximum



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size of two feet by three feet (2' X 3') may be placed on a Lot without the approval of the Declarant or Association. During the Development Period, Declarant may require all signage on Lots and homes to be uniform in the dimension and general character regardless of the builder or realtor or other person involved in marketing the Lot or home. Uniformity standards may be adopted by the Declarant or the Architectural Control Committee.

Notwithstanding anything in this Section 6.20 to the contrary, the outdoor display of political yard signs on any Lot or residential site in the plat before any primary or general election shall be permitted, subject to reasonable rules and regulations regarding the placement and manner thereof as may from time to time be adopted by the Declarant or Association.

**6.21. Automobile Storage Areas.** Each Residence shall have an enclosed garage providing sufficient storage for at least one (1) vehicle. No automobile garage shall be permanently enclosed or converted to other use without the substitution of another fully enclosed automobile garage. Automobiles shall not be parked on a street in lieu of being parked in a driveway or garage. Garage doors shall be kept closed at all times practicable so as to maintain the sightliness of the plat as a whole.

**6.22. Mailboxes and Monuments.** Each Lot will have its own mailbox the maintenance, repair, and replacement of which shall be the responsibility of the respective Lot owner. Each mailbox is subject to the design and placement approval of the Architectural Control Committee, and mailboxes may not be moved without the approval of the Architectural Control Committee, the U.S. Postal Service, and the County of Skagit. Each Owner of a Residential Lot must also erect, in connection with the completion of any dwelling thereon, a lighted monument at the street entrance to the Lot (subject to the lighting restrictions contained in Section 6.7 above) bearing the house number of the dwelling such that the monument is a rectangular column no larger than two feet (2') wide, two feet (2') deep, and four feet (4') tall, and be of a design and constructed with material approved in both respects by the Architectural Control Committee. An Owner may combine/incorporate its mailbox into the street-side monument subject to the approval of the Architectural Control Committee.

**6.23. Commercial, Inoperable, and Unsightly Automobiles.** Commercial or inoperable cars or other unsightly vehicles shall not be stored or parked on any Lot in view of the streets within the plat or the other homes of other Lot owners. This shall include but not be limited to automobiles which display any type of commercial signage on the automobile. Additionally, vehicles shall be adequately maintained to ensure that leaking fluids from the vehicles will not occur. If any leaking occurs on the driveway of the home, the leakage thereon shall be promptly cleaned and the driveway returned to its normal condition.

**6.24. Woodpiles and Open Fires.** Woodpiles or wood supplies shall not be stored on any front yard, or be visible from the streets within the plat after completion of the respective Residence. No incinerators or other open fires shall be kept or maintained within the plat; provided, however, that the foregoing



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restrictions shall not apply to outdoor cooking facilities such as propane grills or portable barbeque units.

6.25. Assessments for Lighting, Water, and Utilities. The budget of the Association shall provide necessary funds to pay the cost for obligations and responsibilities such as the lighting, water, and utilities in the Common Areas, and the reasonable maintenance of such facilities. The assessments herein provided for may be prorated, assessed, and collected in the same manner as set forth hereinabove with respect to any other assessment provided herein, and shall constitute a lien on the respective Lots and plats and an obligation of the Owner thereof, as herein provided.

6.26. Deviation During the Development Period. Declarant hereby reserves the right during the Development Period to enter into an agreement or easement with the grantee of any Lot or Lots (without the consent of the Owner of any other Lot) to deviate from the conditions, restrictions, limitations, or agreements contained in this Declaration. Any deviation shall be manifested in an agreement or easement in writing and shall not constitute a waiver of any such condition, restriction, limitation, or agreement as to the remaining Lots in the plat and the same shall remain fully enforceable as to all other Lots located in the plat.

6.27. Additional Restrictions. Declarant may from time to time during the Development Period impose or eliminate restrictions on all or any part of the plat, including but not limited to designation of specific height restrictions, reservation of view corridors, color restrictions, and fencing restrictions. Such restrictions shall be enforceable by the Declarant and/or the Association.

6.28. Easements and Restrictions on Final Plat. Easements and restrictions set forth in the recorded final plat map or notes are incorporated herein and hereby reserved on each Lot and/or the Common Areas. The maintenance, repair, and/or reconstruction of that portion of any drainage facility benefiting any Owner(s) shall be borne equally by such Owner(s) having the benefit of use. Provided, however, that no Owner shall be responsible for the maintenance, repair, and/or reconstruction of that portion of the commonly used storm sewer located upstream from the point of connection of that respective Owner. No Owner shall construct or locate any Structure or portion thereof within the utilities easement areas, and no Owner shall relocate, remove, or disturb any utility within the utilities easement, including any utility box, without the written approval of the Architectural Control Committee and the current holder(s) of the utilities easement. Any easement entered upon for the purposes stated above shall be restored as near as possible to its original condition by the individual or entity entering said easement. No lines or wires for the transmission of electric current, telephone, or cable TV shall be placed or be permitted to be placed upon any Lot unless the same shall be underground or in conduit attached to a Structure.

6.29. Sales and Construction Facilities. Notwithstanding any other



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provision in this Declaration to the contrary, it is expressly permissible during the Development Period for the Declarant, and its agents, employees or nominees, to maintain on any portion of the property owned by the Declarant or on the Common Areas such facilities as the Declarant may reasonably feel are required, convenient, or incidental to the construction and/or sales of Lots or improvements thereon. The Declarant may permit, in writing, an individual Owner to maintain temporary equipment and construction material on the Owner's Lot when the Declarant feels the same is reasonably required, convenient, or incidental to construction activities for improvement on said Lot.

6.30. Drainage Waters. Following original grading of the roads and ways of the plat, no drainage waters on any Lot or Lots shall be diverted or blocked from their natural course so as to discharge upon any public road rights-of-way. The Owner of any Lot or Lots, prior to making any alteration in the drainage system, must make application to and receive approval from the Director of Public Works for said application. Any enclosing of drainage waters in culverts or drains or rerouting thereof across any Lot as may be undertaken by or for the Owner of any Lot shall be done by and at the expense of such Owner.

6.31. Conveyances: Notice Required. The right of an Owner to sell, transfer, or otherwise convey a Lot shall not be subject to any right of approval, disapproval, first refusal, or similar restriction by the Association or the Board or anyone acting on their behalf. An Owner intending to sell a Lot shall deliver a written notice to the Board, at least three (3) weeks before closing, specifying the Lot being sold, the name and address of the purchaser, of the closing agent, and of the title insurance company insuring the purchaser's interest, and the estimated closing date. The Board shall have the right to notify the purchaser, the title insurance company, and the closing agent of the amount of unpaid assessments and charges outstanding against the Lot, whether or not such information is requested.

6.32 Wildlife Protection, Animals, and Pets. The capturing, trapping, injuring, hunting, or killing of wildlife within the plat is expressly prohibited, except when reasonably necessary to avoid an imminent threat of personal injury or death to any person or except when reasonably necessary to protect property from damage by rodents or other pests and then only to the extent permissible under applicable laws. The chasing, injuring and killing of wildlife within the plat by pets is also expressly forbidden. No livestock, animals, poultry, or fowl shall be kept on any Lot or other residential site (without the prior approval of the Architectural Control Committee, and only then, in approved facilities that are enclosed and screened) other than animals or birds of the type and species generally recognized as common household pets in the immediate area, such as dogs, cats, canaries, and parakeets which are kept on said property solely as household pets, provided that no such household pet which is or becomes an annoyance or nuisance to the neighborhood shall thereafter be kept on any Lot or residential site. No dog houses, dog runs, or dog kennels may be placed on any Lot or residential site unless they are screened from the view of neighboring properties and the streets and do not create an annoyance or nuisance. All dogs



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which become a nuisance by barking at inappropriate hours shall be kept in the dog owner's Residence or garage at night so as to eliminate disturbances related to barking dogs while other residents are trying to sleep. Notwithstanding the foregoing or anything to the contrary, no pet or animal of a type or breed known to be dangerous by the general public or as determined by the Association, shall be knowingly kept on the plat or any Lot.

## ARTICLE 7 GENERAL PROVISIONS

7.1. Covenants to Run with Land. This Declaration shall constitute a servitude upon all Lots in the plat including those conveyed by Declarant, its successors or assigns, to any grantee, and shall run with the land and be binding upon all such grantees and all persons claiming by, through or under them. The acceptance of any such conveyance by any such grantee shall constitute an agreement on the part of any such grantee, for himself or herself, his or her heirs, devisees, personal representatives, and assigns, to all such covenants, restrictions, limitations, conditions, and agreements.

This Declaration, as amended or supplemented, shall remain in full force and effect for a period of twenty (20) years from the date recorded, at which time it shall automatically extend for successive periods of ten (10) years each, unless by written agreement of the then Owners of a majority vote of the Lots in the plat it is agreed to terminate or change this Declaration in whole or in part. In the event this Declaration is extended to include adjoining lands through the annexation procedures herein, this Declaration may only be terminated or changed in conjunction with the adjoining lands, and in such case, the agreement of the then Owners of a majority of all Lots subject to this Declaration, as amended and extended, shall be recorded to affect such termination or change. Termination of this Declaration or modifications which materially affect the Common Areas or obligations of the Association shall first receive approval from any governmental agency potentially impacted by the termination or modifications. Any termination or change shall become effective upon the recording of such agreement, duly signed and acknowledged by the necessary parties, as above provided, in the offices of the Auditor of Skagit County, Washington.

7.2. Breach of Covenants. In the event of the violation or breach or attempted violation or breach of any of these covenants, restrictions, limitations, conditions, duly adopted rules and regulations or agreements by any person or concern claiming by, through or under the Owner, or by virtue of any judicial proceedings, Declarant, the Owner of any Lot or the Association, or any of them, jointly or severally, shall have the right to institute, defend or intervene in litigation or administrative proceedings to compel compliance with the terms hereof or to prevent such violation or breach. The Association may be involved in its own name on behalf of itself or two (2) or more Owners on matters affecting the Association, but not on behalf of Owners involved in disputes that are not the responsibility of the Association. In the event of such enforcement the prevailing



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party shall be entitled to, in addition to other relief, recovery of its attorney fees and costs.

In addition to the foregoing, Declarant, or its nominee, or the Association shall have the right whenever there is a violation of these restrictions, to enter upon the property where such violation exists and summarily abate or remove the same at the expense of the Owner, who, on demand and after notice and opportunity to be heard by the Board of Directors or its representative, shall reimburse the cost thereof including attorneys' fees and costs incurred. Such entry and abatement or removal shall not be deemed a trespass. Except in the event of an emergency, three (3) days prior written notice must be given to the non-complying party before summary abatement or removal may occur.

7.3. Failure to Enforce. The failure to enforce any right, reservation, covenant, restriction, limitation, condition, or agreement herein contained, however long thereafter, either as to the breach or violation involved or as to any similar breach or violation occurring prior or subsequent thereto, shall not bar or affect the enforcement of any such right, reservation, covenant, restriction, limitation, condition, or agreement as to any such breach or violation thereof, nor shall said failure in any way be construed as or constitute a waiver of said provision.

7.4. Right to Assign by Declarant. The Declarant may assign any and all of its rights, powers obligations, privileges, and interest under this instrument to any other person or concern, and in any such case any such successor or assignee may exercise and enjoy such rights, powers, privileges, and interest and shall be responsible for such obligations to the same extent as Declarant would have been had such assignment not been made.

7.5. Annexation. Additional real property may become subject to this Declaration in the following manners:

a. Additions by Declarant. Declarant, its successors and assigns, shall have the right, but shall not be obligated, to include additional real property of Declarant's selection as a part of the property subject to and restricted by this Declaration. This right may be exercised without obtaining the consent or approval of the Association or its members. The additions of other real property authorized by this subsection shall be made by incorporating the provisions of this Declaration by reference on the face of any such final plat map of such annexed real property, or the Declarant may record an addendum to this Declaration containing such additions and modifications as may be appropriate or necessary to reflect the different character, if any, of the additional properties.

b. Additions by Others. Upon approval in writing of the Declarant during the Development Period and thereafter by the Association, the Owner of such real property who desires to subject such other real property to the provisions of this Declaration and to subject it to the jurisdiction of the Declarant, may file for record a supplementary declaration of covenants,



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7.6. Amendment of this Declaration. Unless otherwise specifically addressed elsewhere, an amendment to any term or provision of this Declaration shall require the affirmative vote of seventy-five percent (75%) of the voting power of the Association. This Declaration may be amended during the Development Period by an affirmative vote of fifty-one percent (51%) of the voting power of the Association. Amendments to any provision of this Declaration which expressly alter the rights, duties, or obligations of Declarant shall contain the affirmative written consent of the Declarant. In the event that the Declarant has the necessary votes and desires to amend the Declaration during the Development Period, the Declarant may waive any requirements to hold and conduct a membership meeting if and to the extent permissible by law. Any amendment to this Declaration must be recorded with the Skagit County Auditor.

IN WITNESS WHEREOF, the undersigned Declarant has set its hand and seal this 20<sup>th</sup> day of January, 2010, 2009.

**CHALLENGER RIDGE ESTATES L.L.C.**  
a Washington limited liability company

Challenger Ridge Estates  
By: Daniel J. Constanti  
Its:

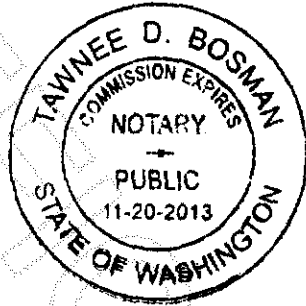
STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF SKAGIT )

[illegible]

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SUBSCRIBED and SWORN to before me this 20<sup>th</sup> day of JANUARY, ~~2009~~ <sup>2010</sup>

Tawnee D. Bosman



TAWNEE D BOSMAN

(printed name):

NOTARY PUBLIC in and for the State of  
Washington, residing at MAST WICK  
My Commission expires: 11/20/2013



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EXHIBIT "A"  
(Legal Description)

LEGAL DESCRIPTION

GOVERNMENT LOT 4, SECTION 8, TOWNSHIP 35 NORTH, RANGE 8 EAST OF THE WILLAMETTE MERIDIAN;

EXCEPT THAT PORTION CONVEYED TO THE SEATTLE AND NORTHERN RAILWAY COMPANY BY DEED RECORDED MARCH 24, 1919, IN VOLUME 41 OF DEEDS, PAGE 19;

AND EXCEPT THAT PORTION CONVEYED TO THE STATE OF WASHINGTON BY DEED RECORDED OCTOBER 28, 1949, UNDER AUDITOR'S FILE NO. 437453, RECORDS OF SKAGIT COUNTY, WASHINGTON;

AND ALSO EXCEPT THAT PORTION LYING WITHIN THE ASBUILT AND EXISTING RIGHT OF WAY FOR CHALLENGER ROAD;

AND ALSO EXCEPT THAT PORTION, IF ANY, CONVEYED TO SIMPSON PROPERTIES BY DEED RECORDED NOVEMBER 29, 1976, UNDER AUDITOR'S FILE NO. 848581, RECORDS OF SKAGIT COUNTY, WASHINGTON;

TOGETHER WITH THAT PORTION, IF ANY OF GOVERNMENT LOT 5, SECTION 8, TOWNSHIP 35 NORTH, RANGE 8 EAST OF THE WILLAMETTE MERIDIAN, CONVEYED IN INSTRUMENT RECORDED NOVEMBER 29, 1976, UNDER AUDITOR'S FILE NO. 848582, RECORDS OF SKAGIT COUNTY, WASHINGTON OR NORTHERLY OF THE BOUNDARY LINE AS AGREED UPON IN INSTRUMENT RECORDED UNDER AUDITOR'S FILE NO. 848581, RECORDS OF SKAGIT COUNTY, WASHINGTON, AND DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHWEST SECTION CORNER OF SAID SECTION 8; THENCE SOUTH 0°09' 38" EAST ALONG THE WEST SECTION LINE OF SAID SECTION 8, 1370.34 FEET; THENCE CONTINUE ALONG SAID WEST SECTION LINE SOUTH 0° 09' 38" EAST, 74.52 FEET TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE NORTH 87° 32' 32" EAST, 305.23 FEET; THENCE SOUTH 61° 41' 50" EAST, 198.28 FEET; THENCE SOUTH 46° 47' 58" EAST, 475.84 FEET TO AN IRON PIPE MONUMENT; THENCE CONTINUING SOUTH 46° 47' 58" EAST 94 FEET, MORE OR LESS, TO THE NORTH BANK OF THE SKAGIT RIVER, SAID POINT BEING THE TERMINAL POINT OF SAID LINE.

SITUATE IN SKAGIT COUNTY, WASHINGTON.

LOT 2, SKAGIT COUNTY SHORT PLAT NO. 96-058, AS APPROVED FEBRUARY 10, 1998, AND RECORDED FEBRUARY 15, 1998, IN VOLUME 13 OF SHORT PLATS, PAGES 101 AND 102, UNDER AUDITOR'S FILE NO. 9802250121, RECORDS OF SKAGIT COUNTY, WASHINGTON; BEING A PORTION OF GOVERNMENT LOT 11, IN SECTION 7, TOWNSHIP 35 NORTH, RANGE 8 EAST OF THE WILLAMETTE MERIDIAN.

SITUATE IN SKAGIT COUNTY, WASHINGTON.



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