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Michael A. Winslow
Attorney at Law
1204 Cleveland Ave.
Mount Vernon, Washington 98273

DOCUMENT: Declaration of Covenants, Conditions, and Restrictions, Together with Maintenance Agreement, Plat of Hillcrest Landing LU06-088

GRANTORS: Northwest Properties Arlington No. 3, LLC, a Washington limited liability company.

GRANTEES: Plat of Hillcrest Landing, LU06-088

LEGAL DESCRIPTION (abbreviated):

A portion of the North 1/2 of the Southeast 1/4 of the Northeast 1/4 of Section 29, Township 34 North, Range 4 E. W.M., Skagit County, Washington, plat of Hillcrest Landing under LU06-088. AFN 201304150001.

Full legal description set forth in attached Exhibit A.

ASSESSOR'S PROPERTY TAX

PARCEL OR ACCOUNT NO. P28269; P28516; P28533

Declaration of Covenants, Conditions and Restrictions, Together with Maintenance Agreement, Plat of Hillcrest Landing LU06-088

This Declaration is made on the 19th day of MARCH, 2013, by Northwest Properties Arlington No. 3, LLC, *Declarant*.

Background

A. Declarant is the owners of approximately 7.57 acres of real property ("the Development") in Mount Vernon, Skagit County, Washington, which development is more particularly described

in Exhibits "A" and "B" to this Declaration.

B. Declarant desires to establish a 31-lot subdivision in accordance with provisions of the Plat of Hillcrest Landing, LU06-088. The Declarant desires to impose upon the development a general plan of development for the mutual benefit of all future owners which will preserve and enhance the property values and amenities and will further provide for the health, safety, and welfare of the future residents.

Declaration

NOW, THEREFORE, Declarant hereby declares that all of the property described in Exhibit "A" shall be held, sold, conveyed and occupied subject to the following easements, restrictions, covenants, and conditions, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the property. The property further shall be subject to the obligations of maintenance as set forth herein in order to preserve the open space areas and maintenance of the storm detention pond in the development. The easements, covenants, restrictions and maintenance obligations shall run with the land and each individual lot and shall be binding on all parties having or acquiring any right, title, or interest in the development or any part thereof, and shall enure to the benefit of each owner thereof.

Furthermore, any conveyance, transfer, sale, assignment, lease or sublease of a lot shall and is hereby deemed to incorporate by reference all provisions of this Declaration. The provisions of this Declaration shall be enforceable by Declarant, any Lot Owner, and any First Mortgagee of a lot.

ARTICLE I DEFINITIONS

Section 1. "Declarant" shall mean the owner of record, Northwest Properties Arlington No. 3, LLC, and its successors and assigns; provided, however, that no successor or assignee of Declarant shall have any right or obligations of Declarant under this Declaration unless such rights and obligations are specifically set forth in the instrument of succession or assignment.

Section 2. "Declaration" means the covenants, conditions, restrictions and maintenance obligations and all other provisions set forth in this entire document, and as the document may from time to time be amended.

Section 3. "Lot" shall mean any numbered plot of land shown upon any recorded subdivision map of the property.

Section 4. "Lot Owner" shall refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is part of the property, including contract purchasers, and excluding contract sellers and further excluding those having an interest merely as security for the performance of an obligation.

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Section 5. "Mortgage" shall include a Deed of Trust, Real Estate Contract, or other security interest attaching to real estate.

Section 6. "Notice" shall mean written notice delivered personally or mailed to the last known address of the intended recipient.

Section 7. "Development" shall mean or refer to that certain real property described on Exhibit "A" and the map attached as Exhibit "B".

Section 8. "Association" shall mean the Hillcrest Landing Homeowners Association.

Section 9. "Board" shall mean the Board of Directors of the Association and "Directors" shall mean Members of the Board of Directors.

Section 10. "Transition Date" shall be as defined in Article IX, Section 2.

ARTICLE II OWNER'S ASSOCIATION AND ASSESSMENTS

Section 1. Formation of Nonprofit Corporation. Declarant shall cause to be formed a nonprofit corporation under the laws of the State of Washington, in which Grantees, by acceptance of this instrument agree to become, and shall be a member, and in which membership shall be limited to the Lot Owners in the Hillcrest Landing Homeowners Association. The Articles of Incorporation of such nonprofit corporation shall specify the purposes and duties of such corporation, and the enforcement of all the restrictions, covenants, and conditions contained in this Declaration. The formation documents shall provide for the orderly funding of all such actions of corporation, when formed, the dues or assessments for such purposes, the reasonable amounts of which may be fixed by Declarant or the bylaws or by lawful acts of its Board of Directors.

Section 2. Easement. The rights and obligations established by this Declaration shall constitute an affirmative easement which shall be appurtenant to each lot and shall benefit all other lots within the subdivision.

Section 3. Covenant for Maintenance Assessments.

A. Creation of Lien and Personal Obligation of Assessments. The Lot Owners covenant and agree to pay to the Association annual assessments or charges and special assessments which may be fixed, established, and collected from time to time as hereinafter provided. This covenant shall apply to all Lot Owners, whether or not the same be stated in the conveyance of the Lot, but not the Declarant. The annual and special assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest thereon and costs of collection thereof as herein provided, shall also be the

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personal obligation of the person who is the owner of such property at the time when the assessment falls due.

B. Purposes of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the enforcement of these covenants and performance of the maintenance obligation set forth herein. The assessments further may be used to fund payment of legal fees, experts' fees and costs associated with maintenance and insurance of the Association and its officers and directors.

C. Establishment and Implementation of Assessments. Upon formation of the Association, the Board of Directors shall determine the annual assessment. Notice of the assessment shall be given to each property owner by regular mail and the assessment will be due within thirty (30) days of mailing. On the anniversary of the first assessment and on the same date of each then succeeding year, the Board of Directors shall issue the annual assessment after consideration of current maintenance costs of operation and future needs of the Association. In the event that additional funds are required over and above the annual assessment authorized hereunder, the Association may levy one or more special assessments applicable to that year only for the purpose of defraying in whole or in part the cost of any unexpected expense of the corporation

D. Actions for Special Assessment. Any action for a special assessment shall have the assent of the sixty percent (60%) of the votes of members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members at least thirty (30) days in advance and shall set forth the purpose of the meeting..

E. Records of Assessments and Payments. The Board of Directors of the nonprofit corporation shall, through an authorized officer, cause to be prepared a roster of the properties and assessment applicable thereto, which shall be kept in the office of the association and shall be open to inspection by any Lot Owner. The Association shall upon demand at any time furnish to any owner liable for said assessment a certificate in writing signed by an officer of the Corporation setting forth whether said assessment has been paid. Said certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 4. Effect of Non-Payment of Assessments: the Personal Obligations of the Owner; the Lien; Remedies of Association. If the assessments are not paid on the date when due (being the dates specified in Section 3C hereof), then such assessment shall become delinquent and shall, together with such interest thereon and cost of collection thereof as hereinafter provided, thereupon become a continuing lien on the property, which shall bind such property in the hands of the then owner, his or her heirs, devisees, personal representatives and assigns. If judgment be entered for the amount of the lien, the judgment may be enforced against the Lot Owner personally, but this shall not render the obligation to be solely personal to the Lot Owner, therefore the lien shall remain with the Lot until satisfied.

If the assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear interest from the date of delinquency at the rate of twelve percent (12%) per annum, and

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the association may bring an action at law against the owner personally obligated to pay the same or to foreclose the lien against the property, and there shall be added to the amount of such assessment the costs of preparing and filing the complaint in such action and, in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorney's fee to be fixed by the court, together with the costs of action and costs of searching title.

Section 5. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon the properties subject to assessment; provided, however, that such subordination shall apply only to assessments which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relive such property from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment.

It is understood and agreed that the Articles of Incorporation and Bylaws of such corporation shall provide each Lot Owner in the Plat of Hillcrest Landing, LU06-088, with one vote for each Lot Owner at all elections and on all other matters that may come before a meeting of the members. Declarant shall be entitled to and obligated to accept membership in such corporation and shall have the benefit and bear the burdens of such membership with respect to the unsold lots in the Plat of Hillcrest Landing, LU06-088.

ARTICLE III EXTERIOR MAINTENANCE

Each Lot Owner shall, at Lot Owner's sole expense, keep the interior and exterior of the structures on the Lot Owner's lot, as well as the lot, in clean and sanitary condition, free from rodents and pests and in good order, condition, and repair. The Lot Owner shall be responsible to perform all redecorating, painting, landscaping, and maintenance at any time necessary to maintain the appearance and condition of the structure and lot. The landscaping shall be maintained to the curb on the edge of the street.

ARTICLE IV PROTECTIVE COVENANTS

Section 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 interest of each Owner that such uniformity of use be maintained and hereinafter provided. No building (except for Accessory Structures) shall be erected, altered, placed, or permitted to remain on any Lot other than one single-family dwelling, except for lots specifically identified as "Duplex Lots" on the face of the plat. Accessory Structures include carports and storage buildings are permitted as allowed by the requirements of this Article IV. Notwithstanding anything herein set forth, the Construction of any Structure shall comply with the more restrictive of either

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(i) the terms and conditions of this Declaration or (ii) the laws, codes, ordinances, and regulations of any governmental entity having jurisdiction.

Section 2. Development and Use.

A. **Land Use and Building Type.** No building shall be erected, altered, placed or committed to remain upon any lot other than one single-family dwelling, and one accessory structure such as a shop or garden shed, except Duplex Lots, which may have a double-family dwelling connected by a common wall. The dwellings and buildings upon each lot are intended for and restricted to residential use, except for permitted Home Occupations, which are not otherwise inconsistent with these covenants.

B. **Parking.** Streets within the Plat of Hillcrest Landing shall not be used for overnight parking of any vehicles and shall not be used for the storing of any boats, trailers, campers, trucks, commercial vehicles or other vehicles of any nature. No trucks, campers, trailers, boats, motorcycles or other vehicles of any type, or any part thereof, shall be parked or permitted to remain on any Lot for more than three days unless the same is stored or placed in a garage or in a fenced area or sideyard area. A visitor to the Lot Owner who owns a recreational vehicle of any type may park it on the Lot Owner's driveway, provided it does not remain there for more than 14 consecutive days, and no more than 30 days total within a 12-month period. Except as permitted by rules or regulations of the Homeowners Association, personal property (other than operable motor vehicles) may not be stored in a parking space or driveway, or such parking space or driveway to be used for a purpose other than parking motor vehicles to the extent that this would prevent parking therein of a motor vehicle regularly used by any person occupying a Lot for more than 7 days in a calendar month.

C. **Garages.** Garages are to be maintained for the parking of vehicles, only, and shall not be converted to living spaces.

D. **Minimum Building Setbacks and Maximum Heights.** All buildings or structures shall be constructed in accordance with the laws of City of Mount Vernon and applicable building codes. All structures shall comply with all applicable governmental laws, codes, ordinances, and regulations pertaining to setbacks. Should any Lot Owner desire to obtain a variance in regard to either setback or height of a structure, then they shall, in addition to compliance with applicable variance regulations and laws, obtain the consent of the immediately adjoining Lot Owner, as a condition of varying maximum heights or minimum setbacks.

E. **Construction Standards and Manufactured Housing.** No mobile homes or completed factory built homes (so called modular or manufactured homes) shall be permitted within the development. All construction on the lots within the development shall be in accordance with state and local building codes applicable at the time of construction.

F. **Garbage and Refuse.** No garbage, refuse, rubbish, cuttings, or debris of any kind shall be deposited on or left upon any lot unless placed in an attractive container suitably located and

screened from view of any other Lot Owner. All equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition. No building material of any kind shall be placed or stored on any property within the development until the Lot Owner is ready to commence construction, and then such materials shall be placed within the boundary lines of the lot upon which its use is intended. Garbage cans may only be placed in public view on the day of garbage pick-up.

G. Business and Commercial Use of Property Prohibited. No trade, craft, business, or manufacturing enterprise, or business or commercial activity of any kind shall be conducted or carried on upon any residential lot, or within the building located on a residential lot. Notwithstanding the foregoing, certain bonafide "home enterprises" may be conducted in the residence if there is no traffic impact or resulting nuisance and permitted by City ordinance. Automobile and equipment repair and similar businesses, which require the repair and disassembly of machinery in open view to other Lot Owners, shall not be a permitted home enterprise.

H. Temporary Structures. No trailers, tent, shack, garage, barn or other outbuildings or any structure of a temporary character erected or placed on the Property shall at any time be used as a residence, even temporarily. No building or structure shall be moved on to the Property from any land outside the development unless the same is used by the contractor as a temporary office or storage space.

I. Completion of Construction. Any dwelling or structure erected or placed on any lot shall be completed as to external appearance, including finish painting or staining, and shall be connected to sewers within eight (8) months from the date of commencement of construction. All yards and landscaping must be completed within three (3) months from the date of completion of the structure and within not less than eleven (11) months from commencement of construction of the structure (whichever event occurs first). All lots shall be maintained in a neat and orderly condition during construction.

J. Division of Lots. No lots shall be subdivided for the purpose of sale or lease.

K. Nuisances. No noxious or undesirable thing, or noxious or undesirable use shall be permitted or maintained upon any lot or upon any other portion of the Property. Likewise, all Lot Owners shall be considerate of the other Lot Owners and shall limit noise from radios, televisions, stereos, recreational vehicles, lawnmowers, etc. Violation shall be deemed a nuisance.

L. Signs. No sign of any kind shall be displayed to the public view on or from any lot except for a "for rent" or a "for sale" sign, except for permitted Home Occupations or political campaign signs. *For Sale* or *For Rent* signs shall be no more than 5 sq. ft. in total size. Professional signs for home occupations shall be no larger than 1 sq. ft.. This section shall not apply to the Declarant or to any builder during the construction period of any residential structure.

M. Animals. Animals, including horses, livestock, poultry, reptiles, or pigs shall not be kept outside of any structure on any lot. Household pets shall not exceed three (3) in numbers. Provided that unweaned puppies or kittens may be kept until weaned. All animal enclosures must

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be kept in a clean, neat, and odor free condition at all times. Dogs which repeatedly bark are not permitted ("repeated barking" being defined as sustained barking for more than ten minutes). Regardless of anything set forth elsewhere in this Declaration, all owners shall comply with governmental laws, codes, ordinances, and regulations pertaining to animals.

N. Clotheslines. No washing, rugs, clothing apparel, or any articles shall be hung from the exterior of any structure or on a lot so as to be visible from the street and roadways adjoining the lots.

O. Radio and Television Aerials. No television or radio aerials, satellite dish, or other electronic receiving device shall be placed or erected on the exterior of any structure on any lot, except that two small receiving devices less than eighteen (18) inches in maximum diameter, which are installed below the roof line and in an inconspicuous location, shall be permitted.

P. Fences. All fences shall be constructed in a good and workmanlike manner and shall be constructed of suitable fencing material of wood or wood look composite material. Such fencing structures shall comply with fencing guidelines as established by applicable governmental codes and regulations. Fences may not be more than six (6) feet tall, as measured from the finished surface grade upon which the fence is placed. Fences shall be maintained by Lot Owners, unless the responsibility is specifically allocated to the Association by this Declaration.

Q. Damage to Common Areas. Any damage to the private road, plat improvements, or common areas caused by any Lot Owner, their children, contractors, agents, visitors, invitees, or service personnel shall be repaired by the Lot Owner at the Lot Owner's expense within twelve (12) days from the occurrence of such damage. The failure to comply with this requirement may result in an assessment and lien against the individual Lot Owner as determined by the Homeowner's Association.

ARTICLE V GENERAL PROVISIONS

Section 1. Binding Effect. All present and future owners or occupants of lots shall be subject to and shall comply with the provisions of this Declaration, and with any amendments. The acceptance of a deed or conveyance or the entry into occupancy of any lot shall constitute an agreement that the provisions of this Declaration and amendments are accepted and ratified by such owner or occupant, and all such provisions shall be deemed and taken to be covenants running with the land and shall bind any person who has at any time any interest or estate in such lot as though such provisions were recited and stipulated at length in each and every deed and conveyance or lease thereof.

Section 2. Enforcement. Any Lot Owner or the nonprofit Homeowners Association may institute proceedings at law or inequity to enforce all restrictions, conditions, covenants and reservations, now or here after imposed by the provisions of this Declaration. Should any of the



foregoing parties employ counsel to enforce any of the terms of this Declaration, or to enforce any lien imposed hereunder, all costs incurred in such enforcement, whether negotiated, stipulated, arbitrated, or determined by a court, including reasonable attorney's fees and costs, including those on appeal, shall be paid by non-prevailing party.

Section 3. Failure to Enforce. No delay or omission on the part of the Declarant, the owners of the lots, or the Association, in exercising any rights, powers or remedy herein provided, in the event of any breach of the covenants, conditions, reservations, or restrictions herein contained, shall be construed as a waiver thereof or acquiescence therein. No right of action shall accrue nor shall any action be brought or maintained by anyone whatsoever against the Declarant for or on account of the Declarant's failure to bring any action on account of any breach of these covenants, conditions, reservations or restrictions, or for imposing restrictions herein which may be unenforceable by the Declarant.

Section 4. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way effect any other provisions. The remaining provisions shall continue in full force and effect.

Section 5. Interpretation. This Declaration shall be liberally construed in favor of the party seeking to enforce its provisions to effectuate the purpose of protecting and enhancing the value, marketability, and desirability of the lots by providing a common plan for the development of the Property.

Section 6. Counterparts. This Declaration or amendments hereto may be executed in counterparts and all so executed shall constitute one agreement binding in all the parties notwithstanding that some of the parties are not signatories to the original of the same counterpart.

Section 7. 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 ensure compliance with this Declaration and to promote the comfortable use, value and enjoyment of the property. The rules and regulations of the Association shall be binding upon all Owners and occupants, and all other persons claiming an interest in the property or any portion of it, except a government entity.

Section 8. Certain Rights of Declarant. For such time as Declarant shall own lots for development purposes (as opposed to residential purposes), there shall be no amendments to the Declaration or the Articles of Incorporation of the Association unless agreed to by Declarant, which:

- A. Discriminate or tend to discriminate against the Declarant's right as an owner/developer;
- B. Change Article 1 ("Definitions") in a manner which alters Declarant's right or status;
- C. Alter the character and rights of membership or the rights of Declarant as provided

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for in this Declaration;

D. Alter previously recorded or written agreements with public or quasi-public agencies regarding easements and rights-of-ways;

E. Alter the basis for assessments;

F. Alter the provisions of the use restrictions as set forth in Article IV; or

G. Alter the Declarant's rights in any way as they appear under this Article.

Section 9. Builder Exemption. Notwithstanding any other provisions herein, general contractors or developers who are in the business of constructing homes within the Plat (non-occupants) are exempt from any charges or assessments by the Association, regardless of whether such charges are monthly, quarterly, or annual, unless the same be a specific assessment related to damage caused by the contractor or developer.

ARTICLE VI TERM

These covenants are to run with the land and shall be binding on all parties and all persons claiming under them for a period of ten (10) years from the date these covenants are recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years unless an instrument signed by all of the then Lot Owners has been recorded, agreeing to change said covenants in whole or in part, and provided that alternate provision for maintenance of the Open Space Tract, Landscape Tracts and the Storm Detention Pond is approved or waived by the City of Mount Vernon. However, nothing in this Article shall be deemed to affect or limit in any way the duration of those easements which are granted as perpetual easements by this Declaration.

ARTICLE VII MAINTENANCE

Section 1. The Association shall be responsible for the maintenance of all Landscape Tracts and street trees installed adjacent to sidewalks. This includes the Landscape Tracts identified as Tract 997A, 997B, and 997C. The map attached hereto as *Exhibit B* delineates the areas for which the Association is responsible and includes Tracts 998 and 999.

Section 2. Damage. Assessments for Unusual Damage or Abuse of Use. In the event that any of the Lot Owners personally or through an agent or invitee causes any unusual or excessive damage to the landscape areas, then the Board of Directors shall have the right and authority to impose a special assessment against the offending Lot Owner for an amount equal to the cost of repair or restoration of the damaged area.

Section 3. Fences. The Association shall maintain the street facing portion of fences in the

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Landscape Area Tracts 997A, 997B, and 997C, including repair or replacement of structural portions of the fences. Fences located at the rear of lots on the north and south perimeter of the Plat shall be maintained by individual Lot Owners.

Section 4. The Association shall also have the right and obligation to maintain all fencing within the Common Areas if such fencing was required by the City of Mount Vernon to be installed for the purpose of delineating the Common Area or protecting the Common Area from entry.

ARTICLE VIII MAINTENANCE OF PROTECTED CRITICAL AREA EASEMENT

The Association shall have the right and obligation to maintain the protected critical area within the Plat, as such maintenance obligation is defined and allocated to the Grantor and the Lot Owners on the face of the Plat. The cost of such maintenance obligation shall be chargeable to the Lot Owners as part of their assessment, whether regular, annual or special assessment, pursuant to the provisions of this Declaration.

ARTICLE IX RESERVATION OF RIGHTS AND ADMINISTRATION OF PROPERTY BY DECLARANT

Section 1. Reservation of Rights. The Declarant hereby reserves unto itself, its successors and assigns, certain rights in the Plat and Common Areas, which rights are reserved and expressly declared to be covenants running with the land, binding on all Lot Owners. The rights reserved are as follows:

A. The right to execute and record additional easements, covenants or similar documents with regard to the Plat, consistent with the final Plat as approved by the City of Mount Vernon;

B. Until such time as all of the Lots in the Development have been sold, Declarant reserves the right to modify or amend this Declaration by recording such Modification or Amendment with the Skagit County Auditor and providing copies of said document to all other Lot Owners at the time of said Amendment or Modification; each Lot Owner irrevocably appoints the Declarant or the Declarant's successor and assigns, as his/her true and lawful attorney-in-fact, in his name, place and stead, to execute and acknowledge and record any and all instruments necessary or beneficial for the carrying out of any of the rights reserved in this Article. **It is expressly understood and intended that the foregoing powers of attorney granted in this Article are coupled with an interest, are irrevocable, and shall survive conveyance of any Lot or portions of the Development, whether or not mentioned in any conveyance document.**

Section 2. Transition Date. The *Transition Date* shall be the date control of the Plat passes from the Declarant to the Association. The Transition Date will be the earlier of:

- i. the date designated by the Declarant in a written notice to the Lot Owners,

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which date may be at Declarant's election any date after this Declaration has been recorded; or

- ii. the 180th day after Declarant has transferred title to purchasers of 90% of the Lots in the Plat; or
- iii. five years after Declarant first conveys a Lot to a person other than an assignee of Declarant's rights hereunder, for purposes of the foregoing clauses ii. and iii. However transfer of title to a Lot by Declarant to any person or entity purchasing the Lot for constructing a structure and selling it to a person intending to reside in the completed structure shall be ignored, and title to any Lot owned by such person or entity shall not be deemed transferred to a purchaser who intends to reside on the Lot in a completed structure.

Section 3. Declarant's Power until Transition Date. Until the transition date, Declarant shall have the full power of attorney to exercise all of the rights, duties and functions of the Board of Directors and officers of the Association, and to operate the Association as a single Director of such non-profit corporation. Declarant may, at such times as it deems appropriate, select and, from time to time, replace an interim Board of Directors who need not be Lot Owners and who shall have all the powers, duties and function of the Board. Declarant shall have the power to contract with an experienced, professional managing agent and to delegate to the managing agent such powers and duties as are desirable or appropriate. Any contract made by Declarant, its managing agent or the Board, prior to the transition date, including management contracts that would otherwise extend beyond the Transition Date, shall be terminable by the Board after the transition date upon thirty (30) days' notice.

Section 4. Transfer of Administration. On the Transition Date, the authority and responsibility to administer and manage the Association, subject to this Declaration and the Articles and Bylaws, shall pass to the Association. A Board of not fewer than three (3) Directors elected from among the Owners shall govern the Association. Declarant, or the Board, will call a meeting of the Association to be held within Thirty (30) days of the transition date for the purpose of electing the first Board of Directors.

ARTICLE X ESTABLISHMENT OF EASEMENTS

Section 1. Landscape Easements. An easement for the right of access to maintain all landscape areas, including those along sidewalks and streets, is hereby granted to the Association.

Section 2. Private Driveway Easements. An easement for ingress, egress and utilities being 20 feet in width, the center line of which is the shared lot line commencing at the public street, is hereby established for the benefit of Lots 14 and 15. Said easement shall be for the right of common access to the two parcels sharing the common driveway. The adjoining Lot Owners sharing the common driveway shall share equally in the cost of maintenance and repair of the driveway and easement area. In the event that the said Lot Owners are unable to implement a common and agreeable plan for maintenance of such private driveways, then the Association shall have the right, but not the obligation, to determine appropriate maintenance and implement the same, which cost shall be allocated equally to the joint easement users as a special assessment. No vehicles shall be parked within the easement areas defined by this Section.

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ARTICLE XI
DETENTION POND MAINTENANCE.

Within the Plat, there is provision for a storm water Detention Pond as shown on the face of the Plat. The storm water pond is designed and constructed to accommodate storm water runoff from the various Lots and roadways within the development. The City of Mount Vernon is responsible for maintenance the storm water pond and fence within the City owned Detention Pond Tract (999), while the Association shall be responsible for the perimeter landscaping with said tract, all as shown on the face of the Plat.

ARTICLE XII
AMENDMENT

Declarant may amend this Declaration in accordance with the retained powers under Article IX. After the Transition Date, this Declaration and its covenants, conditions, and restrictions may be amended during any term by an instrument signed by not less than Sixty percent (60%) of the Lot Owners. Any amendment must be recorded.

ARTICLE XIII
OWNERSHIP OF COMMON AREA

In accordance with the Plat, Landscape Tract 997 and Open Space Tract 998 are owned by the Homeowners Association. Detention Pond Tract 999 is owned by the City of Mount Vernon, notwithstanding the limited maintenance obligation of the Association in respect perimeter landscaping on said Tract, as stated on the face of the Plat.

ARTICLE XIV
NOTICES

Section 1. Form and Delivery of Notice. All notices given under the provisions of this Declaration shall be in writing and may be delivered either personally or by mail, or if approved by the Lot Owner, by electronic delivery. If delivery is made by mail, a notice shall be deemed to have been delivered on the third day of regular mail delivery after a copy has been deposited in the U.S. Mail, first class/postage prepaid, addressed to the person entitled to such notice in writing at the most recent address known to the Board. Mailing addresses may be changed by notice in writing to the Board from the Lot Owner. Any Lot Owner may consent to electronic delivery of notice, such as by e-mail, by providing a written consent which shall be dated and signed by the Lot Owner, delivered to the Board. It shall be the responsibility of any Lot Owner authorizing electronic delivery to advise the Board of any change in the delivery instruction, including change of e-mail address. Notices to the Board shall be given to the Declarant until the Transition Date. Delivery to the Board shall be deemed accomplished when delivered to the President or Secretary of the Association.

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Section 2. Notices to Mortgagees. Any Mortgagee of a Lot may file with the Secretary of the Board a written request that it be given copies of notices. Until the Mortgagee withdraws the request and satisfies the mortgage of record, the Board shall send to the requesting Mortgagee a copy of: i. all notices of meetings of the Association; ii. all other notices sent to the owner of the Lot covered by the Mortgagee's mortgage; and iii. any financial statements. The provisions of this section shall prevail over any inconsistent provisions in this Declaration, the Articles or the Bylaws.

IN WITNESS WHEREOF, the undersigned has caused this Declaration to be executed this 19th day of MARCH, 2013.

Declarant: Northwest Properties Arlington No. 3, LLC

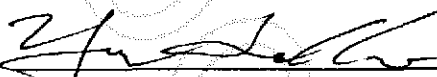

Whidbey Island Bank, Manager
Robbie Robertson, Authorized Officer

State of Washington)
)ss
County of SKAGIT)

I certify that I know or have satisfactory evidence that Robbie Robertson is the person who appeared before me; that he acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged as an authorized officer of Whidbey Island Bank, to be the free and voluntary act of him for the uses and purposes contained in the instrument.

Dated: MARCH 19, 2013.




Notary Public
My appointment expires: 4/24/2015

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Exhibit "A"

Parcel "A":

That portion of the North $\frac{1}{2}$ of the Southeast $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of Section 29, Township 34 North, Range 4 East., W.M., described as follows:

Beginning at a point of the East line of 18th Street, formerly Burch Road, 130 feet South of the North line of said subdivision; thence East along the South line of tracts conveyed to Robert K. Mays and Frieda Mays, his wife, by deeds recorded under Auditor's File Nos. 536745 and 533038, 125 feet to the Southeast corner of said tracts and the true point of beginning of this description; thence East 400 feet; thence South 130 feet, more or less, to the North line of that certain tract conveyed to Wesley E. Hinton, et ux, by deed recorded under Auditor's File No. 548759; thence West along the North line of said Hinton tract to a point South of the true point of beginning; thence North to the true point of beginning.

EXCEPT that portion thereof lying West of the following described line:

Begin at the Northwest corner of the above described premises; thence South 89°36'24" East, along the North line thereof, a distance of 104.50 feet to the True Point of Beginning of this line description; thence South 00°25'22" West to the South line of the above described premises, the terminus of this line description.

TOGETHER WITH a non-exclusive easement for ingress, egress and utilities over, across and under the East 20 feet of the property adjoining and abutting the Weste line of the above described property,

EXCEPT the North 54.84 feet of said East 20 feet.

ALSO TOGETHER WITH a non-exclusive easement for ingress, egress and utilities over, across and under the East 20 feet of the property **EXCEPTED** from Parcel C as described below.

Parcel "B" is omitted from this subdivision.



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Parcel "C":

That portion of the Southeast $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of Section 29, Township 34 North, Range 4 East., W.M., described as follows:

Beginning at a point on the East line of Burch Road, 830 feet North of the North line of the County road running along the South line of said subdivision; thence North along the East line of the Burch Road, 200 feet; thence East parallel with the South line of said subdivision, 691.43 feet; thence South 200 feet to the Northeast corner of a tract conveyed to George W. Gearhart by Deed dated October 1, 1953, filed October 2, 1953, under Auditor's File No. 493557; thence West along the North line of said Gearhart tract to the point of beginning.

EXCEPT that portion thereof described as follows:

Beginning on a point on the East line of Burch Road, 830 feet North of the North line of the County road running along the South line of said subdivision; thence North along the East line of the Burch Road, 200 feet; thence East parallel with the South line of said subdivision, 125.03 feet to the point of beginning; thence South $89^{\circ}13'47''$ East, along the North line of said premises, a distance of 104.50 feet; thence South $00^{\circ}25'22''$ West, a distance of 7.17 feet to a point on a curve concave to the North with a radius of 580.00 feet bearing North $11^{\circ}41'38''$ East; thence Westerly along said curve through a delta of $00^{\circ}21'22''$ an arc distance of 3.60 feet to a point on a curve concave to the South with a radius of 240.00 feet bearing South $12^{\circ}03'00''$ West; thence Westerly along said curve through a delta of $24^{\circ}17'12''$ an arc distance of 101.73 feet to a point bearing South $00^{\circ}25'22''$ West from the Point of Beginning; thence North $00^{\circ}25'22''$ East, a distance of 8.00 feet to the Point of Beginning.

Parcel "D":

That portion of the North $\frac{1}{2}$ of the Southeast $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of Section 29, Township 34 North, Range 4 East., W.M., described as follows:

Beginning at a point of the East line of Burch Road, 630 feet North of the North line of the County road, running along the South line of said Southeast $\frac{1}{4}$ of the Northeast $\frac{1}{4}$, said point also being the Northwest corner of a tract conveyed to Mount Vernon School District No. 320, by Deed recorded under Auditor's File No. 481709; thence North along the East line of the Burch Road 200 feet; thence East parallel to the South line of said North $\frac{1}{2}$ of the Southeast $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ 691.43 feet; thence South 200 feet to the Northeast corner of Tract conveyed to Mount Vernon School District No. 320; thence Westerly along the North line of said School Tract 691.43 feet to the point of beginning.

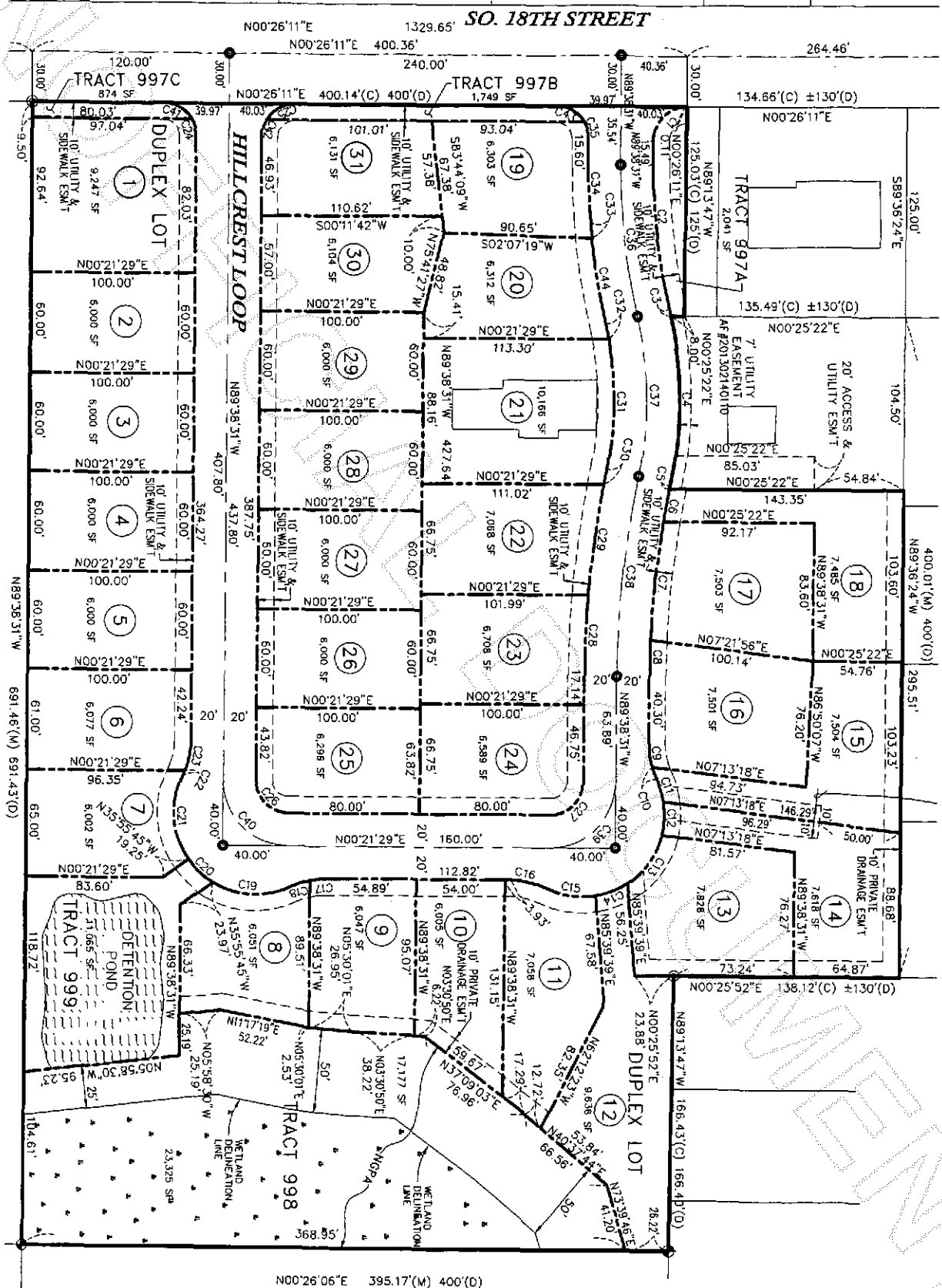
(Legal Description and Exception information from First American Title Company Subdivision Guarantee order No. 104980, dated January 17, 2013)



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Exhibit "B"



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