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Skagit County Auditor  
7/27/2016 Page

1 of 70 10:55AM

\$142.00

DECLARATION  
OF  
COVENANTS, CONDITIONS, RESTRICTIONS AND  
RESERVATIONS  
FOR  
WOODSIDE PUD

TITLE OF DOCUMENT:

DECLARATION OF COVENANTS, CONDITIONS,  
RESTRICTIONS AND RESERVATIONS FOR WOODSIDE PUD

GRANTOR:

CH CREEK, LLC

GRANTEE:

THE GENERAL PUBLIC

ABBREVI. LEGAL DESCRIPTION:

LOTS & TRACTS IN WOODSIDE PUD, DIVISIONS 1 & 2, AF#  
201607270025, and PTN. SEC 22, TNSP 34 N, R4E, W.M.

FULL LEGALS APPEAR:

PP. 1, 2 and 55-57

TAX PARCEL NOS.:

P-108235, P-27571, P-27502, and P-27506

Draft Date: 7-06-16

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## TABLE OF CONTENTS

|   |    |
|---|----|
| ARTICLE I – SUBMISSION OF PROPERTY; PURPOSE.....  | 1  |
| 1.1. <u>Submission of Property</u> .....  | 1  |
| 1.2. <u>Identification of Platting Documents, PUD Plan &amp; Property Burdened by Covenants</u> ..... | 1  |
| 1.2.1. <u>Final PUD Plan for Woodside PUD</u> .....   | 1  |
| 1.2.2. <u>Platting Documents</u> .....  | 1  |
| 1.2.3. <u>Legal Description of Land Included in Platting Documents Burdened by Covenants</u> .....    | 1  |
| 1.2.4. <u>Legal Description of Adjacent Parcel Burdened by Covenants</u> .....                        | 2  |
| 1.2.5. <u>Identification of the Community</u> .....   | 2  |
| 1.3. <u>Purpose</u> .....   | 2  |
| 1.3.1. <u>General Purpose - Legally Binding Covenants</u> .....                                       | 2  |
| 1.3.2. <u>Specific Purpose - Governance of Community</u> .....  | 2  |
| ARTICLE II – DEFINITIONS.....   | 2  |
| ARTICLE III – DESCRIPTION OF DEVELOPMENT SCHEME AND DEVELOPMENT RIGHTS.....                           | 6  |
| 3.1. <u>Development Plan</u> .....  | 6  |
| 3.1.1. <u>Final PUD Plan</u> .....  | 7  |
| 3.1.2. <u>Relevant Previous Permitting History</u> .....  | 7  |
| 3.1.3. <u>Consistency with Development Plan Required</u> .....  | 7  |
| 3.2. <u>Community Attributes</u> .....  | 7  |
| 3.2.1. <u>Zoning, Housing Types and Age Restrictions</u> .....  | 7  |
| 3.2.2. <u>Common Amenities</u> .....  | 7  |
| 3.2.3. <u>Roads and Stormwater Drainage Facilities</u> .....  | 8  |
| 3.2.4. <u>Utilities and Related Services Serving Community</u> .....                                  | 8  |
| 3.2.5. <u>Community Association Maintains Common Amenities</u> .....                                  | 8  |
| 3.3. <u>Development Rights</u> .....  | 8  |
| 3.3.1. <u>Description</u> .....   | 8  |
| 3.3.2. <u>Procedure for Exercise</u> .....  | 9  |
| 3.3.3. <u>Time Limits on Development Rights</u> .....   | 10 |
| 3.3.4. <u>Sequence of Exercise of Rights</u> .....  | 10 |
| 3.3.5. <u>Declarant's Rights to Land and Liability for Expenses</u> .....                             | 10 |
| 3.3.6. <u>Limitation on Development Rights</u> .....  | 10 |
| 3.3.7. <u>Legal Status of Development Rights</u> .....  | 10 |
| ARTICLE IV – LOTS, DWELLINGS & OTHER STRUCTURES.....  | 11 |
| 4.1. <u>Number and Location</u> .....   | 11 |
| 4.1.1. <u>Initial Lots</u> .....  | 11 |
| 4.1.2. <u>Lots and Tracts Created by Phased Development</u> .....                                     | 11 |
| 4.2. <u>Initial Construction of Dwellings and Other Improvements Within Lots</u> .....                | 11 |
| 4.3. <u>Subdivision and Combination</u> .....   | 11 |
| 4.4. <u>Architectural and Design Review</u> .....   | 11 |
| 4.5. <u>Construction on Lots</u> .....  | 12 |
| 4.5.1. <u>No Deviation from Plans - Noncompliance Deemed a Nuisance</u> .....                         | 12 |
| 4.5.2. <u>Governmental Permits</u> .....  | 13 |
| 4.5.3. <u>Timing of Construction</u> .....  | 13 |
| 4.5.4. <u>Landscaping Installation</u> .....  | 13 |
| 4.5.5. <u>No Permanent Construction Within Easements</u> .....  | 13 |
| 4.6. <u>Upkeep of Lots</u> .....  | 13 |
| 4.6.1. <u>Owners' General Responsibility</u> .....  | 13 |
| 4.6.2. <u>Upkeep by Association</u> .....   | 14 |

|   |  |    |
|---|--|----|
| 4.6.3.  | <u>Association's Responsibility..</u>  | 14 |
| 4.7.  | <u>Alterations of Dwellings and Lots.</u>  | 14 |
| 4.8.  | <u>Damaged Improvements.</u>   | 15 |
| 4.9.  | <u>Upkeep of Drainage Easement Areas By Lot Owners..</u>                           | 15 |
| <u>ARTICLE V – COMMON AREAS AND LIMITED COMMON AREAS.</u> |  | 15 |
| 5.1.  | <u>Common Areas and Common Facilities.</u>   | 15 |
| 5.2.  | <u>Limited Common Areas..</u>  | 16 |
| 5.3.  | <u>Partition, Conveyance, or Encumbrance.</u>                                      | 16 |
| 5.4.  | <u>Allocated Interests - Common Areas Declared an Appurtenance.</u>                | 17 |
| 5.5.  | <u>Upkeep By Association..</u>   | 17 |
| 5.6.  | <u>Right of Access.</u>  | 17 |
| 5.7.  | <u>Use of Common Areas.</u>  | 17 |
| 5.8.  | <u>No Interference with Common Areas.</u>  | 17 |
| 5.9.  | <u>Rights of the City of Mount Vernon.</u>   | 18 |
| 5.9.1.  | <u>General Rights and Benefits.</u>  | 18 |
| 5.9.2.  | <u>Specific Rights.</u>  | 18 |
| 5.9.3.  | <u>Rights to Approve Certain Amendments to Covenants..</u>                         | 18 |
| <u>ARTICLE VI – SPECIAL USE AND UPKEEP PROVISIONS.</u>    |  | 18 |
| 6.1.  | <u>Description of Principal Common Amenities.</u>                                  | 18 |
| 6.2.  | <u>Responsibility for Operations and Upkeep.</u>                                   | 19 |
| 6.2.1.  | <u>Upkeep of Private Alleys..</u>  | 19 |
| 6.2.2.  | <u>Upkeep of Native Growth Protection Areas.</u>                                   | 19 |
| 6.2.3.  | <u>Upkeep of Private Portions of Drainage Facilities.</u>                          | 20 |
| 6.2.4.  | <u>Temporary Upkeep of Stormwater Detention Pond.</u>                              | 20 |
| 6.2.5.  | <u>Upkeep of Other Common Facilities.</u>  | 20 |
| 6.2.6.  | <u>Prohibition Against Dumping.</u>  | 20 |
| 6.3.  | <u>Use by Lot Owners.</u>  | 21 |
| 6.4.  | <u>Reserves to Maintain, Repair &amp; Replace Common Facilities and Amenities.</u> | 21 |
| <u>ARTICLE VII – COMMUNITY ASSOCIATION.</u>               |  | 21 |
| 7.1.  | <u>Name and Form of Association.</u>   | 21 |
| 7.2.  | <u>Powers &amp; Duties of Association.</u>   | 21 |
| 7.2.1.  | <u>Duties &amp; Responsibility of Association..</u>                                | 21 |
| 7.2.2.  | <u>Statutory Powers Exercised by Board of Directors.</u>                           | 21 |
| 7.2.3.  | <u>Power to Serve as Master Association.</u>                                       | 22 |
| 7.3.  | <u>Lapse of Corporate Status - Personal Lot-Owner Liability Created.</u>           | 22 |
| 7.3.1.  | <u>Association Must Remain Incorporated..</u>                                      | 22 |
| 7.3.2.  | <u>Incorporation Protects Owners - Owners Personally Liable Upon Abandonment..</u> | 22 |
| 7.4.  | <u>Membership Rights and Privileges.</u>   | 22 |
| 7.5.  | <u>Voting.</u>   | 22 |
| 7.5.1.  | <u>Voting Rights.</u>  | 22 |
| 7.5.2.  | <u>Allocated Interests for Voting.</u>   | 22 |
| 7.6.  | <u>Bylaws of Association.</u>  | 23 |
| 7.7.  | <u>Perpetual Existence - Rights of City of Mount Vernon.</u>                       | 23 |
| <u>ARTICLE VIII –</u>                                     |  |    |
| <u>MANAGEMENT OF THE COMMUNITY.</u>                       |  | 23 |
| 8.1.  | <u>Management by Declarant.</u>  | 23 |
| 8.2.  | <u>Professional Management.</u>  | 23 |
| 8.3.  | <u>Authority of the Board.</u>   | 23 |

|              |  |    |
|--------------|--|----|
| 8.3.1.       | <u>General Authority</u> .....   | 23 |
| 8.3.2.       | <u>Incurring and Payment of Common Expenses</u> .....                                    | 24 |
| 8.3.3.       | <u>Acquisition of Property</u> .....   | 24 |
| 8.3.4.       | <u>No Business Authority</u> .....   | 25 |
| 8.4.         | <u>Right of Entry</u> .....  | 25 |
| 8.5.         | <u>Board as Attorney in Fact</u> .....   | 25 |
| ARTICLE IX – | <u>PERMITTED USES; ARCHITECTURAL CONTROL</u> .....                                       | 25 |
| 9.1.         | <u>Permitted Uses - Age Restricted Community</u> .....                                   | 25 |
| 9.1.1.       | <u>Residential Use</u> .....   | 25 |
| 9.1.2.       | <u>Housing for Older Persons Requirements</u> .....                                      | 26 |
| 9.1.3.       | <u>Lease Restrictions</u> .....  | 27 |
| 9.1.4.       | <u>Vehicle Parking and Operation</u> .....   | 27 |
| 9.1.5.       | <u>Signs</u> .....   | 29 |
| 9.1.6.       | <u>Animals</u> .....   | 29 |
| 9.1.7.       | <u>Noise</u> .....   | 29 |
| 9.1.8.       | <u>Offensive or Illegal Activity</u> .....   | 29 |
| 9.1.9.       | <u>Hazardous Substances</u> .....  | 30 |
| 9.1.10.      | <u>Television and Radio Antennas, Dishes</u> .....                                       | 30 |
| 9.1.11.      | <u>Security Systems</u> .....  | 30 |
| 9.1.12.      | <u>Fencing</u> .....   | 30 |
| 9.1.13.      | <u>Accessory or Temporary Structures</u> .....   | 30 |
| 9.1.14.      | <u>Permitted Uses in Front, Side and Rear Yard Areas</u> .....                           | 31 |
| 9.1.15.      | <u>Assignment or Subletting</u> .....  | 31 |
| 9.1.16.      | <u>Effect on Insurance</u> .....   | 31 |
| 9.2.         | <u>Architectural Control</u> .....   | 31 |
| 9.2.1.       | <u>General Authority of Declarant and Board of Directors</u> .....                       | 31 |
| 9.2.2.       | <u>Authority to Perform or Delegate Functions of ARC</u> .....                           | 32 |
| 9.2.4.       | <u>Status of Design Guidelines</u> .....   | 32 |
| 9.2.5.       | <u>Authority to Grant Variances</u> .....  | 32 |
| 9.2.6.       | <u>No Liability for Architectural Review</u> .....                                       | 32 |
| ARTICLE X –  | <u>COMMON EXPENSES AND ASSESSMENTS</u> .....   | 32 |
| 10.1.        | <u>Budget for Common Expenses</u> .....  | 32 |
| 10.2.        | <u>Meeting of Association to Ratify Budget</u> .....                                     | 33 |
| 10.2.1.      | <u>General Provisions</u> .....  | 33 |
| 10.2.2.      | <u>Special Notice Requirements Related to Reserve Study &amp; Reserve Accounts</u> ..... | 33 |
| 10.3.        | <u>Reserves for Major Repairs, Replacements, &amp; Insurance Deductibles</u> .....       | 33 |
| 10.3.1.      | <u>Establishment of Reserves</u> .....   | 33 |
| 10.3.2.      | <u>Reserve Study May be Required under State Law</u> .....                               | 34 |
| 10.3.3.      | <u>Limitations on Withdrawals From Reserve Account</u> .....                             | 34 |
| 10.4.        | <u>Assessments for Common Expenses - Transfer Fees</u> .....                             | 34 |
| 10.4.1.      | <u>Liability of Lots</u> .....   | 34 |
| 10.4.2.      | <u>Assessment of Undeveloped Lots</u> .....  | 35 |
| 10.4.3.      | <u>Timing of Payments - Authority for Installment Payments</u> .....                     | 35 |
| 10.4.4.      | <u>Initial Assessment Deposits</u> .....   | 35 |
| 10.4.5.      | <u>Transfer Fees on Resales</u> .....  | 35 |
| 10.5.        | <u>Assessments to Pay Judgment Against Association</u> .....                             | 35 |
| 10.6.        | <u>Allocated Interests</u> .....   | 35 |
| 10.7.        | <u>Special Assessments</u> .....   | 36 |
| 10.8.        | <u>Specially Allocated Assessments</u> .....   | 36 |
| 10.9.        | <u>Accounts; Commingling Prohibited</u> .....  | 37 |

|                |   |    |
|----------------|---|----|
| 10.10.         | <u>Surplus Funds</u> .....  | 37 |
| 10.11.         | <u>Liability of Lot Owners for Association Obligations</u> .....                  | 37 |
| 10.12.         | <u>Owners Personally Liable for Common Expenses</u> .....                         | 37 |
| 10.13.         | <u>Liability Following Conveyance of Lot</u> .....                                | 37 |
| 10.14.         | <u>Statement of Unpaid Assessments</u> .....                                      | 38 |
| 10.15.         | <u>Lien for Assessments</u> .....   | 38 |
| 10.16.         | <u>Perfection of Lien - Lien is Automatic</u> .....                               | 38 |
| 10.17.         | <u>Priority of Lien</u> .....   | 38 |
| 10.18.         | <u>Enforcement of Lien</u> .....  | 39 |
| 10.19.         | <u>Limitation of Lien Enforcement</u> .....                                       | 39 |
| 10.20.         | <u>Rent Subject to Lien for Assessments- Other Remedies for Nonpayment</u> .....  | 39 |
| 10.20.1.       | <u>Rent Payable to Association Upon Default of Owner</u> .....                    | 39 |
| 10.20.2.       | <u>Association Entitled to Appointment of Receiver</u> .....                      | 40 |
| 10.21.         | <u>Remedies Cumulative</u> .....  | 40 |
| ARTICLE XI –   | <u>INSURANCE, DESTRUCTION, RESTORATION AND DISTRIBUTION</u> .....                 | 40 |
| 11.1.          | <u>Authority, Name of Insured</u> .....   | 40 |
| 11.2.          | <u>Insurance Policies and Coverage</u> .....                                      | 40 |
| 11.2.1         | <u>Basic Coverage</u> .....   | 40 |
| 11.2.2         | <u>Directors' and Officers' Insurance</u> .....                                   | 41 |
| 11.2.3         | <u>Fidelity Insurance</u> .....   | 41 |
| 11.2.1.        | <u>General Insuring Scheme - Limited Coverage for Owners And Tenants</u> .....    | 42 |
| 11.2.2.        | <u>Owners And Tenants Responsible for Acquiring their Own Insurance</u> .....     | 42 |
| 11.3.          | <u>Deductible</u> .....   | 42 |
| 11.4.          | <u>Unavailability, Cancellation or Nonrenewal</u> .....                           | 42 |
| 11.5.          | <u>Owners' Individual Policies Required</u> .....                                 | 42 |
| 11.5.1.        | <u>Property &amp; Liability Insurance</u> .....                                   | 42 |
| 11.5.2.        | <u>No Obligation to Monitor</u> .....   | 43 |
| ARTICLE XII –  | <u>CONDEMNATION</u> .....   | 43 |
| 12.1.          | <u>Condemnation of Common Areas</u> .....   | 43 |
| 12.2.          | <u>Association Necessary Party to Proceeding</u> .....                            | 43 |
| 12.3.          | <u>Notice to Mortgagees</u> .....   | 43 |
| 12.4.          | <u>Payment of Award</u> .....   | 43 |
| ARTICLE XIII – | <u>COMPLIANCE WITH LAW AND COVENANTS</u> .....                                    | 44 |
| 13.1.          | <u>Compliance by Owners and Occupants</u> .....                                   | 44 |
| 13.2.          | <u>Enforcement by Association</u> .....   | 44 |
| 13.3.          | <u>Legal Proceedings</u> .....  | 44 |
| 13.4.          | <u>Costs and Attorney's Fees</u> .....  | 44 |
| 13.5.          | <u>No Waiver of Rights</u> .....  | 45 |
| 13.6.          | <u>Remedies Cumulative</u> .....  | 45 |
| 13.7.          | <u>Occupants Subject to Rights and Responsibilities of Owners</u> .....           | 45 |
| ARTICLE XIV –  | <u>LIMITATION OF LIABILITY</u> .....  | 45 |
| 14.1.          | <u>No Liability for Utility Failure, Etc. - Association Not a Guarantor</u> ..... | 45 |
| 14.2.          | <u>Liability of Officers and Directors, Indemnification</u> .....                 | 46 |
| 14.3.          | <u>No Bailment</u> .....  | 46 |
| ARTICLE XV –   | <u>MORTGAGEE PROTECTION</u> .....   | 46 |
| 15.1.          | <u>Percentage of Eligible Mortgagees</u> .....                                    | 46 |
| 15.2.          | <u>Notice of Actions</u> .....  | 47 |

|               |   |    |
|---------------|---|----|
| 15.3.         | <u>Inspection of Books..</u>  | 47 |
| 15.4.         | <u>Financial Statements..</u>   | 47 |
| 15.5.         | <u>Enforcement..</u>  | 48 |
| 15.6.         | <u>Attendance at Meetings..</u>   | 48 |
| 15.7.         | <u>Limitations on Mortgagees' Rights..</u>                              | 48 |
| 15.8.         | <u>Implied Approval by Mortgagee..</u>                                  | 48 |
| ARTICLE XVI   | <u>– EASEMENTS AND SPECIAL DECLARANT RIGHTS..</u>                       | 48 |
| 16.1.         | <u>Easements for Lots and Lot Owners..</u>                              | 48 |
| 16.2.         | <u>General Easement for Association Functions..</u>                     | 48 |
| 16.3.         | <u>Easement for Utilities and Emergency Access..</u>                    | 49 |
| 16.3.1.       | <u>Easement for Utilities..</u>   | 49 |
| 16.3.2.       | <u>Easement for Emergency Access..</u>                                  | 49 |
| 16.4.         | <u>Easements for Declarant..</u>  | 49 |
| 16.4.1.       | <u>General Reservation..</u>  | 49 |
| 16.4.2.       | <u>Specific Rights..</u>  | 49 |
| 16.4.3.       | <u>Liability for Costs..</u>  | 50 |
| 16.5.         | <u>Easements Shown on Platting Documents..</u>                          | 50 |
| 16.5.1.       | <u>General Reservation..</u>  | 50 |
| 16.5.2.       | <u>Specific Reservations [Nonexclusive]..</u>                           | 50 |
| 16.6.         | <u>Special Declarant Rights..</u>                                       | 50 |
| 16.6.1.       | <u>General Reservation..</u>  | 50 |
| 16.6.2.       | <u>Declarant Control Period..</u>                                       | 51 |
| 16.6.3.       | <u>Legal Status of Special Declarant Rights..</u>                       | 51 |
| 16.6.4.       | <u>Special Declarant Rights Deemed Transferred - Limitations..</u>      | 51 |
| ARTICLE XVII  | <u>– AMENDMENT OF DECLARATION OF COVENANTS..</u>                        | 52 |
| 17.1.         | <u>Procedure for Amendment of Declaration of Covenants..</u>            | 52 |
| 17.2.         | <u>Recordation Required..</u>   | 52 |
| 17.3.         | <u>Special Restrictions..</u>   | 52 |
| 17.4.         | <u>Amendments by Declarant..</u>  | 52 |
| 17.5.         | <u>Certain Amendments Require Approval of City of Mount Vernon..</u>    | 52 |
| ARTICLE XVIII | <u>– MISCELLANEOUS..</u>  | 53 |
| 18.1.         | <u>Notices for All Purposes, Delivery..</u>                             | 53 |
| 18.2.         | <u>Severability..</u>   | 53 |
| 18.3.         | <u>No Right of First Refusal..</u>                                      | 53 |
| 18.4.         | <u>Effective Date..</u>   | 53 |
| EXHIBIT “A”   | <u>– LEGAL DESCRIPTION OF LAND IN SUBDIVISION AND ADJACENT PARCEL..</u> | 55 |
| EXHIBIT “B”   | <u>– PHASING MAP..</u>  | 58 |
| EXHIBIT “C”   | <u>– ESTIMATED INITIAL BUDGET FOR DIVISIONS 1 &amp; 2*..</u>            | 59 |
| EXHIBIT “D”   | <u>– MAINTENANCE AND OTHER REQUIREMENTS FOR COMMON TRACTS..</u>         | 60 |
| EXHIBIT “E”   | <u>– SKETCH SHOWING COMMON AREAS..</u>                                  | 61 |

## ARTICLE I

### SUBMISSION OF PROPERTY; PURPOSE

#### 1.1. Submission of Property.

CH CREEK, LLC, a Washington Limited Liability Company, hereinafter referred to as the "Declarant," being the owner in fee simple of certain land located in Mount Vernon, Skagit County, Washington, has submitted said land, together with all associated improvements, easements, rights and appurtenances, collectively referred to hereinafter as "the Property", to the provisions of the Planned Unit Development Ordinance of the City of Mount Vernon ("the Ordinance", i.e., Chapter 17.69 of the Mount Vernon Municipal Code "MVMC"), and has created from and within such Property a Planned Unit Development known as "Woodside PUD" [originally approved by the City as "Cedar Heights, Phase II, PUD," and which shall hereinafter be referred to as the "Community."

#### 1.2. Identification of Platting Documents, PUD Plan & Property Burdened by Covenants.

##### 1.2.1. Final PUD Plan for Woodside PUD.

Pursuant to the Ordinance, the City of Mount Vernon has approved a Final PUD Plan for Woodside PUD that is more completely described in Section 3.1.1 below. This PUD Plan was recorded with the Auditor of Skagit County, Washington at Auditor's File No. 201607270024, Records of Skagit County, Washington.

##### 1.2.2. Platting Documents.

Concurrently herewith, the Declarant has recorded a Plat Map showing the location and dimensions of various Lots and/or tracts and Common Areas within Divisions 1 and 2 of the PUD, together with other necessary information; this Plat Map, along with any and all amendments thereto, are hereinafter referred to as the "Platting Documents." The Plat Map for Divisions 1 and 2 of the PUD, referenced in Section 1.2.3 below, was approved by the City of Mount Vernon and recorded at Auditor's File No. 201607270025, Records of Skagit County, Washington.

##### 1.2.3. Legal Description of Land Included in Platting Documents Burdened by Covenants.

Lots 1 through 6, inclusive, Lots 27 through 36, inclusive, Lots 78 through 124, inclusive, Lot 134, Tracts A, B, C, D, E, F, G, H, I, J, K, L, Common Tracts 996 and 997, and Native Growth Protection Area Tracts 998 and 999, Plat of Woodside PUD, Divisions 1 and 2, as per the Map thereof recorded at Auditor's File No. 201607270025, Records of Skagit County, Washington.

1.2.4. Legal Description of Adjacent Parcel Burdened by Covenants.

See Parcel "D" as legally described on the attached Exhibit "A", on page 56 thereof. Such property shall be known herein as the "Adjacent Parcel."

1.2.5. Identification of the Community.

The Adjacent Parcel and all the Lots and the common Tracts identified in the Platting Documents shall be known collectively as the "Community." The Community is further defined in Section 2.10 hereof, and may be expanded by the Declarant through an exercise of Development Rights, as described more fully in Section 3.3.1 hereof.

1.3. Purpose.

1.3.1. General Purpose - Legally Binding Covenants.

This Declaration of Covenants, together with the Platting Documents referred to herein, state covenants, conditions, restrictions and reservations intended by the Declarant to effect a common plan for the development of the Property mutually beneficial to all of the described Lots. The covenants, conditions, restrictions, reservations and plan, are binding upon and run with the land with respect to the entire Property and upon each such Lot as a parcel of realty, and upon its Owners or Occupants, and their heirs, personal representatives, successors and assigns, through all successive transfers of all or part of the Property or any security interest therein, without requirement of further specific reference or inclusion in deeds, contracts or security instruments, and regardless of any subsequent forfeiture, foreclosures, or sales of Lots under security instruments, or of any forfeiture, foreclosures, or sales instituted for nonpayment of government tax, levy or assessment of any kind.

1.3.2. Specific Purpose - Governance of Community.

The specific purpose of this Declaration of Covenants is two-fold: (1) to establish a flexible plan for the future development of the Community and of its Subordinate Communities hereinafter described; and (2) to develop and maintain an effective governance structure for the Community to facilitate its perpetual existence so that goods and services essential to the Upkeep of common property and to the well-being of the Occupants of the Community may be assured. The Community shall be governed in perpetuity by the Community Association described at Section 7.1 of this Declaration of Covenants.

ARTICLE II

DEFINITIONS

2.1. "Architectural Review Coordinator" ('ARC') means the individual or Committee

designated by the Declarant or the Board of Directors pursuant to Section 9.2 hereof, to coordinate compliance with the Design Guidelines of the Community.

2.2. "Allocated interest" means the undivided interest in the Common Areas, the Common Expense liability, and votes in the Association allocated to each Lot by the provisions of Sections 5.4, 7.5.2 and 10.6 of this Declaration of Covenants.

2.3. "Assessment" means all sums chargeable by the Association against a Lot including, without limitation: (a) Regular, Special and Limited Assessments for Common Expenses, charges, and fines imposed by the Association; (b) interest and late charges on any delinquent account; and (c) costs of collection, including reasonable attorneys' fees, incurred by the Association in connection with the collection of a delinquent Owner's account.

2.4. "Association" means the nonprofit corporation identified in Article VII hereof, that has been or will be incorporated at the direction of the Declarant to manage the Common Areas of this Community and perform other valuable functions.

2.5. "Board of Directors" means the body with primary authority to manage the affairs of the Association.

2.6. "City" means the City of Mount Vernon.

2.7. "Common Areas" means all portions of the Community other than the Lots. Such areas are typically denoted as "Tracts" on the Platting Documents, include areas of land, along with specific facilities and improvements. To the extent that some Common Areas may be depicted within the boundaries of any Lot within this Community, such Common Areas consist of easements burdening such Lot for the benefit of the Association or other Owners and Occupants of the Property within this Community.

2.8. "Common Expenses" means expenditures made by or financial liabilities of the Association, together with any allocations to reserves.

2.9. "Common Expense liability" means the liability for Common Expenses allocated to each Lot pursuant to Section 10.6 of this Declaration of Covenants.

2.10. "Community" means all the Property depicted within the Platting Documents, along with all the improvements constructed therein, and all other institutions and things serving the Owners of Lots therein governed by the Association.

2.11. "Conveyance" means any transfer of the ownership of a Lot, including a transfer by deed or by real estate contract, but shall not include a transfer solely for security.

2.12. "Declarant" means the entity, person or group of persons acting in concert (a) who executes this Declaration of Covenants, or (b) who reserves or succeeds to any Special Declarant

Right under the Declaration of Covenants [a "Successor Declarant"]. An "Affiliate" of the Declarant means any Person who controls, is controlled by, or is under common control with the Declarant, in the sense described in RCW 64.34.010(1).

2.13. "Declarant control" means the right of the Declarant or persons designated by the Declarant to appoint and remove officers and members of the Board of Directors or to veto or approve a proposed action of the Board or Association pursuant to Sections 8.1 and 16.6 of this Declaration of Covenants.

2.14. "Declaration of Covenants" means this document, which facilitates the governance and management of this Community; the term also includes any lawful amendments to this document.

2.15. "Design Guidelines" means the standards developed by the Board of Directors or a Committee pursuant to Article IX hereof, and any standards established by the Declarant.

2.16. "Development Plan" means the formal plan of development approved by the City of Mount Vernon for the development of the Community, described in greater detail in Section 3.1 hereof, recorded with the Auditor of Skagit County, Washington as described in Section 1.2.1 hereof. The term also includes any amendments thereto approved by the City of Mount Vernon.

2.17. "Development Right" means any right or combination of rights reserved by the Declarant in the Declaration of Covenants: (a) To add real property or improvements to the Community; (b) to create Lots, Common Areas, or Limited Common Areas within real property included in or which may be added to the Community; (c) to subdivide or combine Lots or convert Lots into Common Areas; or (d) to withdraw real property from the Community. Development Rights affecting this Community are described in Section 3.3 hereof. Development Rights are personal to the Declarant and may be exercised, or not exercised, in Declarant's sole and absolute discretion.

2.18. "Dwelling" or "Dwelling Unit" means an improved portion of the Property designed for separate ownership and intended to serve as a personal residence.

2.19. "Eligible Insurer" means the insurer or guarantor of a mortgage on a Lot that has filed with the secretary of the Association a written request that it be given copies of notices of any action by the Association that requires the consent of mortgagees. The term "Eligible Insurer" includes such entities as the Veterans Administration, the Federal Housing Administration and the like.

2.20. "Eligible Mortgagee" means the holder of a mortgage on a Lot that has filed with the secretary of the Association a written request that it be given copies of notices of any action by the Association that requires the consent of mortgagees. The term "Eligible Mortgagee" also includes the "servicer" of a mortgage which has been acquired or securitized by secondary mortgage market entities such as the Federal National Mortgage Association ("FNMA" or "Fannie Mae") or the Federal Home Loan Mortgage Corporation ("FHLMC" or "Freddie Mac") or the like.

2.21. "Foreclosure" means a forfeiture or judicial or nonjudicial foreclosure of a mortgage or a deed in lieu thereof.

2.22. "Future Phase Amendment" means an amendment to this Declaration of Covenants which will be executed and recorded by the Declarant concurrently with the creation of each new Phase of Development of the Planned Unit Development. The Future Phase Amendment will describe (a) the land included within each such Phase by reference to a recorded Platting Document, (b) the number and location of Lots and/or Tracts within the Phase, (c) a description of any Common Areas or Common Facilities serving the entire Community or any Limited Common Areas or Facilities serving the new Phase, (d) a sketch of the Phase that clearly shows the location of all Common Areas serving the new Phase, and (e) any other matters that are necessary or appropriate for the proper use and governance of such Phase.

2.23. "Governing Documents" means this Declaration of Covenants, the Platting Documents, the Design Guidelines, the Articles of Incorporation and Bylaws of the Association, the recorded Final PUD Plan, along with any Rules and Regulations adopted by the Board of Directors, and any lawfully adopted amendments to any of the above.

2.24. "Governing Law" means the Washington Homeowners Association Act (Chapter 64.38 RCW, the "Act") or any successor statute, and any amendments thereto.

2.25. "Limited Common Area" means a portion of the Common Areas which is designed to serve one or more but fewer than all the Lots in the Community.

2.26. "Lot" means a physical portion of the Community designated for separate ownership, the boundaries of which are depicted on the Platting Documents as a separate lot of record.

2.27. "Lot Owner" means the Declarant or any other person who owns a Lot, but does not include a person who has an interest in a Lot solely as security for an obligation. "Lot Owner" means the vendee, not the vendor, of a Lot under a real estate contract.

2.28. "Mortgage" means a mortgage, deed of trust or real estate contract.

2.29. "Neighborhood" means a group of Lots that share such attributes and amenities as may be described in a Future Phase Amendment.

2.30. "Occupant" means a person lawfully occupying any Lot; the term includes without limitation Lot Owners, family members, tenants and sub-tenants of Lot Owners.

2.31. "Ordinance" or "the Ordinance" means the law, statute, ordinance authorizing the creation of this Community in the jurisdiction in which the Property is situated, described with greater particularity in Section 1.2 hereof, along with any administrative regulations implementing same. The term includes any changes, revisions, substitutions and/or deletions in such law or regulations which may exist from time to time.

2.32. "Person" means a natural person, corporation, partnership, limited partnership, trust, governmental subdivision or agency, or other legal entity.

2.33. "Property" or "the Property" means the real property depicted on the Platting Documents and legally described thereon.

2.34. "Purchaser" means any person, other than the Declarant or a dealer, who by means of a disposition acquires a legal or equitable interest in a Lot other than as security for an obligation.

2.35. "Record", used as a noun, means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

2.36. "Residential purposes" means use for dwelling and human habitation, whether on an ownership, rental or lease basis and for reasonable social, recreational or other uses normally incident to such purposes.

2.37. "Special Declarant Rights" means rights reserved for the benefit of the Declarant: (a) to complete improvements indicated on the Platting Documents filed with the Declaration of Covenants; (b) to exercise any Development Right described in Section 3.3 hereof; (c) to maintain sales offices, management offices, signs advertising the Community, and models; (d) to use easements through the Common Areas for the purpose of making improvements within the Community or within real property which may be added to the Community under Development Rights reserved hereinafter; or (e) to appoint or remove any Officer of the Association or any member of the Board of Directors or of any Committee, or to veto or approve a proposed action of the Board or of the Association during any period of Declarant Control reserved in this Declaration of Covenants. Special Declarant Rights are described in Section 16.6 hereof.

2.38. "Specially Allocated Assessment" means an assessment made by the Association against one or more but fewer than all of the Lots pursuant to Section 10.8 of this Declaration of Covenants.

2.39. "Upkeep" means any care, inspection, maintenance, operation, repair, repainting, remodeling, restoration, improvement, renovation, alteration, replacement and reconstruction that is required to maintain property in a decent, safe and sanitary condition, in keeping with the high standards of the Community.

### ARTICLE III

#### DESCRIPTION OF DEVELOPMENT SCHEME AND DEVELOPMENT RIGHTS

##### 3.1. Development Plan.

### 3.1.1. Final PUD Plan.

A formal Development Plan for the development of the Community, in the form of a Final PUD Plan for Woodside PUD, was adopted by the City of Mount Vernon pursuant to Section 17.69.200, MVMC and approved by the City Council of the City of Mount Vernon on the 13<sup>th</sup> day of July, 2016; the Final PUD Plan was then recorded with the Auditor for Skagit County, Washington as described in Section 1.2.1 hereof.

### 3.1.2. Relevant Previous Permitting History.

The Community was originally called “Cedar Heights, Phase 2, PUD,” preliminary plat approval for which was granted in November of 2009 in City Council Resolution No. 797, which served as an umbrella for all permitting decisions affecting the Community up to the adoption of the Final PUD Plan. In 2015, the City adopted City Council Resolution No. 889, which approved a Development Agreement between the City and the Declarant dated June 24, 2015 that modified provisions relating to the construction of roundabouts on arterial roads within the Community. Subsequently in 2015, the City adopted City Council Resolution No. 901, which approved a Development Agreement between the City and the Declarant dated December 28, 2015 that certain Development Agreement entered into on December 28, 2015 by the Declarant and the City of Mount Vernon that granted approval of a requested extension of the preliminary plat validity timeline appearing in Resolution No. 797.

### 3.1.3. Consistency with Development Plan Required.

All further use and development of the Property in this Community shall be consistent with the Ordinance, the Development Plan, as the same may be modified by the City, and with any other City land use and platting requirements that may be applicable to land subject to Development Rights.

## 3.2. Community Attributes.

### 3.2.1. Zoning, Housing Types and Age Restrictions.

The Community is zoned R-1, 4.0, with a PUD overlay permitting greater density. Most of the Lots in the Community will contain detached “single family” Dwellings, separated by normal building setbacks. Dwellings will be constructed by or under the direction of the Declarant or its Successors and/or Affiliates. The current Phases of development are designed for occupancy by persons of retirement age, as provided in Section 9.1.2 hereof. One or more Neighborhoods created in one or more future Phases may contain Lots that are not age-restricted; such Lots will be governed by a separate Sub-Association.

### 3.2.2. Common Amenities.

The Community’s Common Amenities currently include an entrance sign and

landscaping, Native Growth Protection areas and several Open Space Tracts. Additional Native Growth Protection areas, with easements for same, along with walking trails, landscaped entrance areas and a Community Building may be developed in future Phases. Native Growth Protection Areas are protected from development or disturbance by protective easements in favor of the City.

### 3.2.3. Roads and Stormwater Drainage Facilities.

Most roads in the Community will be public, as will the associated stormwater detention pond located on the adjacent property to the west of the Community, as depicted on the Platting Documents. By agreement, the detention pond will be maintained by the Declarant or the Association until completion of the final Phase of development of the Community. The Association shall include in its Budget funds to support necessary maintenance activities.

### 3.2.4. Utilities and Related Services Serving Community.

The City of Mount Vernon provides police and fire protection, along with sewage disposal, stormwater drainage facilities, and garbage collection. Domestic water service is provided by Skagit County P.U.D. No. 1. Electric power is provided by Puget Sound Energy. Cascade Natural Gas supplies natural gas service. Telephone and communications cable service will be available.

### 3.2.5. Community Association Maintains Common Amenities.

An incorporated property owners' association described in Article VII hereof [the "Association"] has been or will be formed to maintain, repair, replace, manage and insure the Common Amenities, hereof. All Lot Owners, including the Owner of the Adjacent Parcel, will be members of the Association; all Owners will have the right to elect the members of the Association's Board of Directors; and all Owners will be obligated to pay Common Expense Assessments to the Association so that the Association may properly perform its obligations to the Community described more fully hereinafter.

## 3.3. Development Rights.

### 3.3.1. Description.

The Declarant has reserved Development Rights to expand the scope of development within the Community through a process of phased development, as described below.

(a) Division 3, in general, could consist of seven (7) additional lots, along with improvements to Tract E and Sinclair Alley. Division 3 sits upon approximately two (2) acres.

(b) Division 4, in general, could consist of could consist of ten (10) additional lots, along with improvements to roadways and the creation of additional Open Space tracts. Division 4 sits upon approximately one and a half (1.5) acres.

(c) Division 5, in general, could consist of twenty-eight (28) additional lots along with improvements to Shelby Loop and creation of additional Open Space tracts. Division 5 sits upon approximately four (4) acres.

(d) Division 6, in general, could consist of thirty-four (34) lots and the improvement of additional Open space tracts and Alpine View Drive to Shantel Street. Division 5 sits upon approximately seven (7) acres. A non-age restricted Neighborhood may be created in this Phase.

(e) Division 7, in general, could consist of six (6) lots and the improvement of Open Space tracts and Alpine View Drive to Eaglemont. Division 7 sits upon approximately two (2) acres. A non-age restricted Neighborhood may be created in this Phase.

(f) Division 8, in general, could consist of twenty-four (24) lots and the improvement of Open Space tracts and Burlingame Lane and Chief Street. Division 8 sits upon approximately two (2) acres. Lots in this Phase may contain attached single family homes. A non-age restricted Neighborhood may be created in this Phase.

(g) Division 9, in general, could consist of 19 lots and the improvement of Open Space tracts and Burlingame Lane and Chief Street. Division 9 sits upon approximately two (2) acres. Lots in this Phase may contain attached single family homes. A non-age restricted Neighborhood may be created in this Phase.

(h) Subject to any required prior approval from the City of Mount Vernon as needed to modify provisions of the Development Plan, including Resolution 797 described in Section 3.1.2 hereof, any of the above-described Phases may be combined, subdivided, or developed in a sequence different from that described above. Declarant shall confirm the addition of any new land to the Planned Community in such new Phases by recording a Future Phase Amendment with respect thereto, concurrently with the recordation of the approved Plat for such land.

(i) At any time within the period specified in Section 3.3.3 hereof, the Declarant may also create additional Common Areas or Facilities, or relocate existing common facilities within the Community. Such Common Areas or Facilities may include additional Native Growth Protection Areas, a community building with various amenities, and/or recreational areas and/or facilities. The legal description for all property that may be ultimately included in the Community appears in the attached Exhibit "A".

### 3.3.2. Procedure for Exercise.

To exercise any Development Right reserved under Section 3.3.1 of this Declaration of Covenants, following approval by the City of Mount Vernon of any required amendment to the Final PUD Plan for the Community referenced in Section 3.1 hereof, the Declarant shall prepare, execute, and record any new plat map or any amendment to the existing Platting Documents that may be required under the Ordinance or the Development Plan, as amended. The Declarant will also

execute and record a Future Phase Amendment, generally described in Section 2.22 hereof, to make the provisions of this Declaration of Covenants binding on the new Phase.

**3.3.3. Time Limits on Development Rights.**

Subject to requirements in the City's Development Plan, the Declarant may exercise the Development Rights described in Section 3.3.1 of this Declaration of Covenants within twenty (20) years from the date of the conveyance by the Declarant of the first Lot in the Community to a person other than the Declarant.

**3.3.4. Sequence of Exercise of Rights.**

The Development Rights described in Section 3.3.1 of this Declaration of Covenants shall be exercised generally in the sequence in which phased development is described in Section 3.3.1, but construction of improvements within the Lots in any completed Phase may occur at any time and in any sequence.

**3.3.5. Declarant's Rights to Land and Liability for Expenses.**

In addition to the liability that the Declarant as a Lot Owner has under this Declaration of Covenants, the Declarant alone is liable for all expenses in connection with real property subject to Development Rights. No other Lot Owner and no other portion of the Community is subject to a claim for payment of those expenses, but no Lot Owner other than the Declarant has any rights to use such areas for any purpose whatsoever. Any income or proceeds from real property subject to Development Rights inures to the Declarant.

**3.3.6. Limitation on Development Rights.**

Each Development Right reserved by the Declarant in this Declaration of Covenants is limited to actions permitted pursuant to the terms of the Ordinance and the final Development Plan approved pursuant thereto, as the same may exist at the time of exercise of any such right.

**3.3.7. Legal Status of Development Rights.**

Each Development Right reserved by Declarant in this Declaration of Covenants is and shall remain an equitable servitude burdening all lands subject thereto and running with such lands. Each Development Right shall exist for the benefit of the Declarant and/or any Affiliate of the Declarant and/or any Successor Declarant. Declarant has and shall retain, with respect to each Development Right, a power coupled with Declarant's interest in said lands. The Development Rights reserved in this Declaration of Covenants include the right, but not the obligation, to create future interests or future estates in real property, and to own, convey, mortgage, lease and/or otherwise use and deal with such real property and such future interests or future estates free and clear of any interest of other Lot Owners or the Association, except as may be otherwise specifically provided herein.

## ARTICLE IV

### LOTS, DWELLINGS & OTHER STRUCTURES

#### 4.1. Number and Location.

##### 4.1.1. Initial Lots.

The Community contains 64 Platted Lots, various Tracts, and the Adjacent Parcel legally described in Sections 1.2.3 and 1.2.4 hereof; additional Lots will be developed and sold in phases described in Section 3.3.1 hereof. The location and dimensions of existing Lots other than the Adjacent Parcel described in Section 1.2.4 of these Covenants are shown on the Platting Documents. The Adjacent Parcel lies directly north of Lot 1 in the Community, and contains the Community's monument sign and landscaping off of East Division Street and the Declarant's Model Home.

##### 4.1.2. Lots and Tracts Created by Phased Development.

The Declarant reserves the right to create a total of 187 platted Lots in multiple Phases, pursuant to Development Rights reserved in Section 3.3.1 of this Declaration of Covenants. Reference should be made to that Section for additional information.

#### 4.2. Initial Construction of Dwellings and Other Improvements Within Lots.

Dwellings and related improvements, including fencing and accessory structures, will be constructed within the Lots by or under the direction of the Declarant, according to a common design scheme established by the Declarant. No manufactured homes are permitted. Any addition, alteration or improvement upon any Lot shall be consistent with the Declarant's original scheme, and shall be constructed in accordance with the building code and other ordinances of the City of Mount Vernon.

#### 4.3. Subdivision and Combination.

No Lot shall be subdivided by its Owner. Lots may be combined by their Owners, using lawful procedures for such purposes then in effect in the City of Mount Vernon. In the event that two or more Lots are combined, the resulting Lot shall have allocated to it all the liabilities for Common Expense Assessments and votes in the Association formerly allocated to the Lots affected by the combination.

#### 4.4. Architectural and Design Review.

##### 4.4.1. Design Guidelines.

Design for improvements constructed within the Lots within the Subordinate

Communities of this Community shall be consistent with the theme of the Community established in Design Guidelines initially prepared by the Declarant and recorded with the Final PUD Plan adopted by the City and recorded as indicated in Sections 1.2.1 and 3.1.1 hereof. Regulated design features in the Design Guidelines include general architectural design, site development, siding materials, painting scheme, roofing materials, the color and pitch of roofing, along with fencing and accessory structures. No mobile homes, manufactured housing units or modular homes are permitted. All construction must be approved in writing in advance by the Architectural Review Coordinator ("ARC"), as provided in Sections 4.4.2 and 9.2 below. Following termination of the Declarant Control Period, the Board of Directors shall have the authority to adopt more specific Design Guidelines and procedures to implement the basic theme contained herein, pursuant to Section 9.2 hereof.

#### 4.4.2. Design Review.

To preserve a harmonious architectural and aesthetic appearance of improvements constructed within the Community, no new construction or improvements of any nature whatsoever shall be constructed or placed on any Lot by any person other than the Declarant or its Affiliate(s) until detailed plans depicting all such improvements have been reviewed and approved by the ARC. Two copies of such plans, specifications and related data must be submitted to the ARC, along with a Design Review fee of up to \$300.00. Upon approval, one set of plans shall be retained among the permanent records of the Association and one copy shall be returned to the Owner, appropriately marked. The builder and/or Lot Owner are encouraged to submit plans to the ARC at the earliest possible date. Lots still owned by the Declarant or its Affiliates following the termination of the Declarant Control Period shall require no such review by the ARC and shall remain subject to the exclusive design review and control by the Declarant.

#### 4.4.3. Time for Approval - No Construction Prior to Approval.

The ARC shall approve or disapprove plans, specifications and details within the time described in Section 9.2 hereof. No construction activity by other Person other than the Declarant or its Affiliate(s) may commence prior to such approval.

#### 4.5. Construction on Lots.

##### 4.5.1. No Deviation from Plans - Noncompliance Deemed a Nuisance.

Any person obtaining approval of the ARC shall not deviate materially from the approved plans and specifications without the prior written consent of the ARC. Such person shall notify the ARC when the alterations or improvements are complete. Approval of any particular plans and specifications or design does not waive the right of the ARC to disapprove such plans and specifications, or any elements or features thereof, if such plans and specifications are subsequently submitted for use in any other instance or by any other person. Any addition, alteration or improvement upon any Lot existing in violation of the Governing Documents shall constitute a nuisance and shall be removed or altered to conform to the Governing Documents by the Lot's

Owner within thirty days after delivery of notice of the violation to the Owner by the ARC.

#### 4.5.2. Governmental Permits.

Approval by the Declarant or the ARC shall not relieve an Owner from the obligation to obtain any required governmental permits. The Owner shall deliver all approvals and permits required by law to the ARC prior to the commencement of any construction requiring such approval or permit. If any application to any governmental authority for a permit to make any such structural addition, alteration or improvement to any Lot or improvement located on any Lot requires execution by the Association, and provided consent has been given by the ARC, then the application shall be executed on behalf of the Association by an Officer, without incurring any liability on the part of the Association to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having a claim for personal injury or property damage arising therefrom.

#### 4.5.3. Timing of Construction.

Any person obtaining approval of the ARC for construction of improvements on a Lot shall commence construction or alteration in accordance with plans and specifications approved within six (6) months after the date of approval and shall substantially complete any construction or alteration within five (5) months after start of excavation/construction, or within such other period as specified in the approval. Construction shall not be deemed to be completed until the improvement is finished, the Lot has been cleaned of construction debris and the Lot has been landscaped. Notwithstanding the foregoing, the ARC's approval may provide for a different period during which to commence or complete construction. If any such person does not commence work within six months after approval, or such other time period determined by the ARC, then approval shall lapse.

#### 4.5.4. Landscaping Installation.

The home builder will be responsible for landscaping each of the residential lots as part of the building permit review process, as required by the City's Design Standards. Landscaping shall be maintained in conformance with standards established by the Board of Directors.

#### 4.5.5. No Permanent Construction Within Easements.

No permanent building, deck, fencing or other structure shall be constructed within the easements on the Lots depicted on the Platting Documents.

### 4.6. Upkeep of Lots.

#### 4.6.1. Owners' General Responsibility.

Each Lot Owner shall, at his or her sole expense, have the right and the duty to keep

the Dwelling and other improvements erected within the Lot, including the roof gutters, downspouts, and footing drains serving the Dwelling, and any equipment, appliances, and fixtures contained therein in good order, condition and repair and shall do all interior and exterior redecorating and painting at any time necessary to maintain the good appearance and condition of such property. This Section shall not be construed as permitting any interference with or damage to the structural integrity of either the Common Areas or of any other Lot(s), nor shall it be construed to limit the powers or obligations of the Association hereunder. See also Section 8.4 hereof.

4.6.2. Upkeep by Association.

If Upkeep to portions of any Dwelling or other portions of a Lot for which the Owner is responsible, is reasonably necessary, in the opinion of the Board, to protect the Common Areas or to preserve the appearance and value of the Community, and the Owner of said Lot has failed or refused to perform said maintenance or repair as required by Section 4.6.1 of this Declaration of Covenants, within a reasonable time after written notice of the necessity of said maintenance or repair has been delivered by the Board to the Owner, the Association may, but is not obligated, to perform such Upkeep. The costs of such Upkeep shall constitute a Specially Allocated Assessment against such Lot, pursuant to Section 10.8 of this Declaration of Covenants.

4.6.3. Association's Responsibility.

Subject to the provisions of Section 10.8.1 hereof, the Association shall have primary responsibility to provide :

- (a) Upkeep to all landscaping and fencing within the Lots;
- (b) Upkeep to the irrigation system serving the landscaping on each Lot [utilities serving the irrigation system will be the individual lot owner's responsibility];
- (c) Upkeep to any other portions of all the Dwellings or Lots in the Community that the Association, by resolution adopted by its members at a duly constituted meeting, may hereafter elect to maintain, or as to which an individual Lot Owner may request from the Association.

4.7. Alterations of Dwellings and Lots.

Subject to the provisions of this Declaration of Covenants and other provisions of law, a Lot Owner:

4.7.1. May make any improvements or alterations to the interior portions of a Dwelling constructed within an Owner's Lot that do not affect the structural integrity or mechanical or electrical systems of any other Lot or the Common Areas, or lessen the support of any portion of the Community;

4.7.2. May not change the appearance of the Common Areas or the exterior appearance of any building constructed within the Lot, nor construct or erect any additional improvements within the Lot without permission of the ARC; and

4.7.3. Any reconstruction of the exterior portions of any building constructed within a Lot, and the construction of additional improvements within the Lot which receives the permission of the ARC, shall be performed in a manner consistent with the provisions of Sections 4.6 and 4.8 hereof.

4.8. Damaged Improvements.

If a Dwelling or other major improvement located upon a Lot is damaged or destroyed, the Owner thereof shall restore the site either (i) by repairing or reconstructing such building or improvement or (ii) by clearing away the debris and restoring the site to an acceptable condition compatible with the remainder of the Property. Unless the Board of Directors permits a longer time period, such work must be commenced within four months after the casualty and be substantially completed within twelve months after the casualty. The four-month period may be extended for a reasonable period thereafter in the event that repairs or reconstruction have not commenced because of factors beyond the control of the Owner, provided that the Owner has exercised and does thereafter continue to exercise due diligence in an effort to commence required work.

4.9. Upkeep of Drainage Easement Areas By Lot Owners.

As required by the City of Mount Vernon, Upkeep to portions of any Lots burdened with private drainage easements and shall be the responsibility of the Association.

ARTICLE V

COMMON AREAS AND LIMITED COMMON AREAS

5.1. Common Areas and Common Facilities.

The Common Areas and Common Facilities of the Community, which may also be referred to as "General Common Areas" for Divisions 1 and 2 of the PUD which are generally depicted on Exhibit "E" attached hereto, consist of the following:

5.1.1. The Community's identification signage facilities and associated entry landscaping located off of East Division Street at its East entrance.

5.1.2. Open Space Tracts A, B, C, D, E, F, G, H, I, J and L, that are designed to perform various functions.

5.1.3. Tract 996, that is designed to serve as a landscaped area for the East side of

the Detention Pond.

5.1.4. Native Growth Protection Area Tracts 998 and 999, and any trails or other facilities that may be constructed therein.

5.1.5. The split rail fence and landscaping that abut the residential Lots abutting Tracts F, G and L, and the screening fence on the opposite side of the split rail fence along those Tracts, all comprising forested buffers for landscape screening.

5.1.6. Street trees within the Community.

5.1.7. Any and all other Tracts or areas depicted on the Platting Documents that have not been dedicated to public use, including areas of Lots burdened by easements depicted on the Platting Documents for drainage, support or other purposes.

5.1.8. The Declarant has reserved Development Rights to create additional Common Areas and facilities in a future Phase, including a Community Building and related facilities within Tract E, trails that may be constructed within Native Growth Protection Areas, along with any benches, tables, furniture or recreational equipment that may be constructed therein.

## 5.2. Limited Common Areas

The Limited Common Areas of the Community consist of private lanes and alleys, for which maintenance standards are established in Section 6.2.1 hereof. Costs of Upkeep related thereto constitute Specially Allocated Assessments to the Lots served thereby, under the provisions of Section 10.8 hereof. Presently, the following Tracts are Limited Common Areas:

5.2.1. Tract 997, in which a private lane known as Woodside Lane is to be constructed. Tract 997 serves the following Lots in the Community: Lots 31 through 36, inclusive.

## 5.3. Partition, Conveyance, or Encumbrance

5.3.1. Except as permitted by this Declaration of Covenants or the Ordinance, the Common Areas shall remain undivided and shall not be abandoned by act or omission, and no Lot Owner or other person may bring any action for partition or subdivision of the Common Areas.

5.3.2. Any purported conveyance, encumbrance, or other voluntary transfer of Common Areas, unless made pursuant to this Section, is void. A conveyance or encumbrance of Common Areas pursuant to this Section shall not deprive any Lot of its rights of access and support, nor shall it affect the priority or validity of preexisting encumbrances.

5.4. Allocated Interests - Common Areas Declared an Appurtenance.

The Declarant declares that each Lot in the Community has allocated to it an equal undivided interest in the Common Areas of the Community, which interest shall be conclusively presumed to be a perpetual appurtenance to such Lot, and which is known as the Lot's Allocated Interest in the Common Areas. This Allocated Interest shall be deemed included with each Lot in any conveyance of such Lot, irrespective of whether so stated in the conveyance deed. No Allocated Interest in the Common Areas may be severed from, mortgaged or conveyed separately from the Lot. Any purported severance, mortgaging or conveyance shall be void. Each Lot Owner shall thus be a tenant in common with all other Lot Owners with respect to the Common Areas. A conveyance of such areas by the Declarant shall be unnecessary to establish these Allocated Interests, but if such a conveyance is made by the Declarant to the Association, it shall be deemed to be in furtherance of such rights, rather than in derogation thereof.

5.5. Upkeep By Association.

The Association is responsible for all necessary maintenance, repair, and replacement of the Common Areas, including the Limited Common Areas. Provisions relating to Upkeep of the most important Common Areas, known as "Principal Common Amenities," appear in Article VI hereof. The Association shall have the authority to perform any required maintenance that an Owner fails to perform, and the costs so incurred by the Association shall constitute Specially Allocated Assessments against the affected Lot under Section 10.8 hereof.

5.6. Right of Access.

Each Lot Owner shall afford to the Association and to its employees, agents, and licensed contractors, access through the Owner's Lot as may be reasonably necessary for the purposes of maintenance, repair and replacement of Common Areas. If damage is inflicted on the Common Areas, or on any Lot through which access is taken, the Lot Owner responsible for the damage, or the Association, as appropriate, shall be liable for the repair thereof, as provided in Section 8.4 hereof.

5.7. Use of Common Areas.

The Common Areas shall be used only for the furnishing of such services and facilities for which the same are reasonably suited and which are incident to the use and occupancy of the Lots. The improvements located on the Common Areas shall be used only for their intended purposes. Except as otherwise expressly provided in the Governing Documents, no Owner shall make any private, exclusive or proprietary use of any of the Common Areas.

5.8. No Interference with Common Areas.

No Lot Owner shall obstruct any of the Common Areas nor shall any Lot Owner place or cause or permit anything to be placed on or in any of the Common Areas without the approval of the

Board. Nothing shall be altered or constructed in or removed from the Common Areas except with the prior written consent of the Board of Directors.

5.9. Rights of the City of Mount Vernon.

5.9.1. General Rights and Benefits.

These Covenants contain provisions which require the owners of Lots within the Community and the Association to provide ongoing compliance with the conditions of approval of the Plat. The obligations of the Lot Owners and of the Association to the City are for the benefit of the City, and shall not operate to create an obligation of the City or by the City to the Owners or to any third party. The rights of the City contained in this Section 5.9 are cumulative, and in addition to all other rights and privileges held by the City, and are not in lieu thereof. The obligations of the Owners to the City shall not be amended or altered without the express written consent of the City.

5.9.2. Specific Rights.

The City shall have the right, for the benefit of the City and of the public health, safety and welfare, to enter upon and perform or provide Upkeep to any or all of the Common Areas of the Community in the event that the Association or the Owners, or any of them, should fail to perform or provide such Upkeep in a competent and/or timely manner. In the event that the City shall incur any costs or expend any funds, directly or indirectly [including without limitation the cost of the City's own equipment and employees in performing or providing any such Upkeep], the Association shall be liable to the City for all costs and expenses so expended or incurred.

5.9.3. Rights to Approve Certain Amendments to Covenants.

No Amendment to this Declaration of Covenants, the effect of which would alter or modify the provisions of Articles V and VI hereof, may be adopted in the absence of advance written approval of the City of Mount Vernon.

ARTICLE VI

SPECIAL USE AND UPKEEP PROVISIONS

6.1. Description of Principal Common Amenities.

The Native Growth Protection Areas and the paths and trails in the Community provide Lot Owners of the Community with various benefits. No construction, clearing, grading, filling, landscaping, mowing, burning or chemical maintenance of plants shall occur within this area, other than in a manner consistent with the City's Critical Areas Ordinance; the Board of Directors is charged with responsibility to maintain these areas in a condition suitable for their multiple purposes.

## 6.2. Responsibility for Operations and Upkeep.

The Association shall be responsible for the operation and Upkeep of the Principal Common Amenities.

### 6.2.1. Upkeep of Private Alleys.

The Association shall provide for the Upkeep, striping, signage and lighting, along with leaf litter and snow removal services, for all private lanes or alleys in the Community. Without limitation, the Association shall perform all necessary Structural Repair, Reactive Maintenance, Routine Maintenance and Shoulder Maintenance, as hereinafter defined:

(a) Structural Repair is defined as repairs or improvements necessitated by normal wear and tear and daily operation over the improved road surfaces, or those modifications required to provide adequate and efficient access to public thoroughfares. The private lanes or alleys shall be maintained consistent with published City standards for such private access roads and/or for signing and traffic control devices.

(b) Reactive Maintenance is defined as Upkeep necessitated by unanticipated failures of road surfaces, loss of signs, trees fallen across the road, and the like. It also includes response and repair necessitated by true emergency conditions such as flooding, windstorms, snowstorms, earthquakes and/or volcanoes.

(c) Routine Maintenance is defined as normal day-to-day activities that keep such private lanes or alleys operational.

(d) Shoulder Maintenance is defined as periodic Upkeep of any unimproved portions of private roads, which shall include properly and reasonably caring for useful vegetation located in such unimproved areas, and by cutting and/or removing and disposing of any brush, trees, and other debris that are not useful and/or which may interfere with normal use of the private roadways.

### 6.2.2. Upkeep of Native Growth Protection Areas.

The Native Growth Protection Area Tracts depicted on the Platting Documents, further described in Section 16.5.2 hereof, exist for the protection of trees and other vegetation to preserve and enhance the aesthetic and environmental values of the Community. The Association shall maintain and protect the NGPA Tracts and shall leave undisturbed all trees and other vegetation within such Areas. No structures or improvements are permitted to be constructed in these areas other than as identified on the face of the approved Platting Documents. Dumping of debris, yard waste or organic matter in such areas is prohibited. Diseased or dying trees or other vegetation that present a hazard may be removed, or an enhancement plan for the NGPA Tracts required or approved by the City may be undertaken, but only following the advance written approval of the City of Mount Vernon on a case by case basis. The Association shall be responsible to ensure that all

terms of the NGPA plan are met. All costs associated with the evaluation, removal and/or replanting of any vegetation shall be borne by the Association, and not by the City. The City of Mount Vernon shall have the right, but not the obligation, to enforce requirements, terms and conditions of the NGPA Tracts, by any method available under law, and is granted easement rights in Section 16.5.2(e) to facilitate such rights.

6.2.3. Upkeep of Private Portions of Drainage Facilities.

All necessary Upkeep to any private components of the Stormwater System within the Community shall be conducted by the Association in accordance with the provisions of the Storm Water Maintenance Program that has been prepared by Declarant's engineers, and otherwise in accordance with the DOE Stormwater Management Manual for Western Washington ["DOE Stormwater Manual"], as the same may be updated from time to time. The Association shall consistently engage the services of qualified personnel to perform Upkeep to the Stormwater System, and shall maintain provisions in its Budget to ensure that adequate funding shall always exist for such purposes.

6.2.4. Temporary Upkeep of Stormwater Detention Pond.

The Stormwater Detention Pond located on the adjacent parcel directly west of the Community consists of a Detention/Wet Pond area, an outlet structure and piping, and an emergency overflow path. By agreement, this Detention Pond and its related facilities will be maintained by the Declarant or the Association until completion of the final Phase of development of the Community, at which time the City will assume full responsibility for the maintenance of all such facilities; until that time, the Association shall include in its Budget sufficient funds to support necessary maintenance activities associated therewith. These facilities shall be inspected once per year for defects outlined in Volume V of the DOE Stormwater Manual, Chapter 4.6, Table 4.6 No. 1 - Detention Ponds and No. 2 Wet Ponds. Maintenance shall be performed to correct defects as outlined in Table 4.5.

6.2.5. Upkeep of Other Common Facilities.

The Association will provide necessary Upkeep for street trees, landscaping and fencing abutting Tracts F, G and L, Forested Buffer Areas on any Lot, and any recreation facilities and/or other improvements constructed within the Common Areas. The Forested Buffer Areas in Tracts F, G and L are subject to maintenance responsibilities set forth on the attached Exhibit "D".

6.2.6. Prohibition Against Dumping.

The dumping of solvents, oil, concrete or concrete residue, or water that is heavily laden with sediments, is expressly prohibited anywhere in the Community.

6.3. Use by Lot Owners.

Owners and occupants of the Community may use the Native Growth Protection Area Tracts and Wetland Areas for wildlife viewing, picnicking and other low-impact recreational uses which will not disturb wildlife or interfere with the proper functioning of the storm-water system.

6.4. Reserves to Maintain, Repair & Replace Common Facilities and Amenities.

Pursuant to Sections 8.3.2 and 10.1 hereof, a portion of the annual budget for the Association shall be devoted to reserves for maintenance, repairs and replacement of the Principal Common Amenities, and all Owners shall be assessed by the Association for their share of such costs and expenses in proportion to the Allocated Interest for common expense liability, as described in Sections 10.4 and 10.6 hereof.

ARTICLE VII

COMMUNITY ASSOCIATION

7.1. Name and Form of Association

The name of the Association shall be "Woodside PUD Community Association" The Association has been or will be incorporated by the Declarant as a non-profit corporation under the laws of the State of Washington. The rights and duties of the members and of said corporation shall be governed by its Articles of Incorporation, the provisions of the Ordinance and of the Governing Documents. The Association shall remain organized as a profit or nonprofit corporation. In case of any conflict between Chapter 24.06 RCW, the Nonprofit Miscellaneous and Mutual Corporations Act, and the Governing Law, the Governing Law shall control.

7.2. Powers & Duties of Association.

7.2.1. Duties & Responsibility of Association.

The business of the Association shall be to maintain, repair, replace and manage the Common Areas of the project, to provide necessary insurance coverage, and to enforce provisions of the Governing Documents to preserve the long-term value of the Property for the benefit of the Lot Owners.

7.2.2. Statutory Powers Exercised by Board of Directors.

The Association, through its Board of Directors, shall have all powers available to condominium associations under the Governing Law. Such powers are set forth with particularity in the Bylaws of the Association.

7.2.3. Power to Serve as Master Association.

In the event that a future Neighborhood in the Community is created with separate Covenants that permit occupancy on a non-age-restricted basis, with a Sub-Association governing such areas, Woodside PUD Community Association may serve as a "Master Association" for the Lots in such Neighborhood, providing services to such Lots on an equitable cost-sharing basis to be more fully described in the Phasing Amendment recorded concurrently with the Plat of the lands comprising such Neighborhood.

7.3. Lapse of Corporate Status - Personal Lot-Owner Liability Created.

7.3.1. Association Must Remain Incorporated.

The Association shall have perpetual existence. The Lot Owners shall not permit its corporate charter to be dissolved or abandoned, nor may the Association's obligations under this Declaration of Covenants with respect to the Common Areas be altered or abandoned.

7.3.2. Incorporation Protects Owners - Owners Personally Liable Upon Abandonment.

Should the corporate charter for the Association be dissolved for any reason in violation of the foregoing, the Lot Owners shall become jointly and severally liable for all obligations imposed upon the Association under these Covenants. The corporate status of the Association exists to protect Lot Owners from personal liability, to the fullest extent provided by law.

7.4. Membership Rights and Privileges.

The Owner of each Lot shall be a member of the Association, and such membership shall be an inseparable appurtenance to the Owner's Lot. Membership rights and privileges are specified in the Bylaws of the Association

7.5. Voting.

7.5.1. Voting Rights.

The manner of voting shall be as prescribed in the Articles of Incorporation and Bylaws.

7.5.2. Allocated Interests for Voting.

The Declarant has allocated to each Lot in the Community an equal vote in the Association which is known as the Lot's Allocated Interest for voting, or "vote".

7.6. Bylaws of Association.

Bylaws for the administration of the Association and for other purposes not inconsistent with the Homeowners Association Act and this Declaration of Covenants have been or will be prepared by the Declarant for adoption by the Board of Directors of the Association.

7.7. Perpetual Existence - Rights of City of Mount Vernon.

The Association shall have perpetual existence; it may not be dissolved or abandoned, nor may the Association's obligations under this Declaration of Covenants with respect to the Common Areas be altered or abandoned absent the advance written approval of the City of Mount Vernon, following a public hearing before the City Council. Should the corporate charter for the Association be dissolved for any reason in violation of the foregoing, the Lot Owners shall become jointly and severally liable for all obligations imposed upon the Association under these Covenants.

ARTICLE VIII

MANAGEMENT OF THE COMMUNITY

8.1. Management by Declarant.

The Declarant has reserved the rights to (a) appoint and remove the Officers and members of the Board of Directors of the Association, and (b) veto or approve a proposed action of the Board or the Association, for a period of time known as the "Declarant Control Period". Limitations on the Declarant Control Period are specified in Section 16.6 hereof.

8.2. Professional Management.

The Association shall be managed by a professional property manager with substantial Association management experience. Provisions for professional management of the Association appear in Section 8.2 of its Bylaws.

8.3. Authority of the Board.

8.3.1. General Authority.

The Board, for the benefit of the Community and the Owners, shall enforce the provisions of the Governing Documents and shall have all powers and authority granted to the Board or the Association under the Homeowners Association Act and this Declaration of Covenants which are not expressly subject to the approval of the Owners.

### 8.3.2. Incurring and Payment of Common Expenses.

The Board shall acquire and shall pay for, as Common Expenses, all goods and services deemed necessary or desirable for the proper functioning of the Association. Without limitation, such Common Expenses may include:

(a) Common water and sewer, common electrical and, if deemed necessary or desirable by the Board of Directors, common garbage and/or trash collection, common gas, and any other necessary utility service as required for the Common Areas.

(b) Policies of insurance or bonds required by Article XI.

(c) The services of persons or firms as required to properly manage the affairs of the Community to the extent deemed advisable by the Board as well as such other personnel as the Board shall determine are necessary or proper for the operation of the Common Areas, whether such personnel are employed directly by the Board or are furnished by a Manager.

(d) The services of attorneys, along with bookkeepers and accountants qualified to maintain Association records in the manner required by Section 8.4 of the Bylaws, and to perform the independent audit required under Section 8.5 of the Bylaws.

(e) Painting, maintenance, repair and replacement of the Common Areas, landscaping and gardening work for the Common Areas, and such furnishings and equipment for the Common Areas as the Board shall determine are necessary and proper.

(f) Any other materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments which the Board is required to by law to pay or procure or which in its opinion shall be necessary or proper for the operation of the Community, the maintenance, repair or replacement of the Common Areas, or for the enforcement of this Declaration of Covenants.

(g) If maintenance or repair to portions of any such Dwellings or other portions of the Lots for which the Owner is responsible is reasonably necessary, in the opinion of the Board, to protect the Common Areas or to preserve the appearance and value of the Community, and the Owner of said Lot has failed or refused to perform such Upkeep as required by Section 4.4.1 of the Declaration of Covenants within a reasonable time after written notice of such failure has been delivered by the Board to the Owner, the Association may cause such Upkeep to be performed. The cost of such maintenance or repair shall constitute a Specially Allocated Assessment against the Lot of such Owner, pursuant to Section 10.8 of the Declaration of Covenants.

### 8.3.3. Acquisition of Property.

The Board may acquire and hold in the name of the Association, for the benefit of the Owners, tangible and intangible personal property and real property and interests therein, and may

dispose of the same by sale or otherwise. Such property shall thereafter be held, sold, leased, rented, mortgaged or otherwise dealt with for the benefit of the Association as the Board may direct.

8.3.4. No Business Authority.

Nothing herein contained shall be construed to give the Board authority to conduct an active business for profit on behalf of all of the Owners or any of them.

8.4. Right of Entry.

The Board and its agents or employees may enter any Lot or Limited Common Area when necessary in connection with any maintenance, landscaping or construction for which the Board is responsible, or in the event of emergencies. Except in the case of an emergency, reasonable advance notice shall be given to the Lot Owner and, if applicable, to any lawful tenant or subtenant in any Dwelling on the Lot. Such entry shall be made with as little inconvenience to the occupant(s) as practicable, and any damage caused thereby shall be repaired by the Association out of the Common Expense fund if the entry was due to an emergency (unless the emergency was caused by the Owner or lawful occupant of the Lot entered, in which case the cost shall be specially assessed to the Lot entered) or for the purpose of maintenance, or repairs, to Common or Limited Common Areas where the repairs were undertaken by or under the direction or authority of the Board. If the repairs or maintenance were necessitated by or for the Lot entered or its Owners or lawful occupants, or requested by its Owners, the costs thereof shall be specially assessed to such Lot.

8.5. Board as Attorney in Fact.

Each Owner, by the act of becoming an Owner of a Lot, shall be deemed to have irrevocably appointed the Board of Directors as his or her attorney-in-fact, with full power of substitution, to take such actions as are reasonably necessary to perform the duties of the Association and Board hereunder, including, but not limited to, the duties to maintain, repair and improve the Property, to grant licenses and easements, and to secure and distribute condemnation awards and/or insurance proceeds affecting the Common Areas.

ARTICLE IX

PERMITTED USES; ARCHITECTURAL CONTROL

9.1. Permitted Uses - Age Restricted Community.

9.1.1. Residential Use.

The Lots in the Community shall be used for permanent residential purposes only, whether on an ownership, rental or lease basis and for common social, recreational or other reasonable uses normally incident to such purposes, for persons of retirement age. Portions of a

Dwelling for a professional office or other low impact commercial use, provided that such use is consistent with all applicable laws, ordinances and regulations of any governmental authority, and so long as such use does not generate any appreciable levels of client or customer traffic, noise or other disturbance to other lawful occupants of the Community, and that such use is compatible with the age-restricted nature of the Community.

9.1.2. Housing for Older Persons Requirements.

This Community has been generally designed as housing for older persons and is subject to a Covenant in favor of Mount Vernon School District No. 320 regarding school impact fees. The Community shall be operated generally for occupancy by persons fifty-five (55) years of age or older, in accordance with the provisions of Title 42 U.S.C. §3607(b)(2)(B), and with regulations later promulgated by the Secretary of HUD thereunder. The Association shall maintain a list of all Occupants and their respective birth dates to assure compliance with this Section, and shall take the steps identified in Subpart (iii) hereof to continually verify the ages of residents. Owners and Occupants shall be subject to the following requirements:

(i) Except as provided below herein, the Lots in this Community are intended for the use and occupancy by older persons. At least 80 percent of the Lots in the housing shall be occupied by at least one person who is at least fifty-five (55) years of age or older. No person under the age of 21 years of age is permitted to be an Occupant of a Lot. Visitors under the age of 21 years (hereinafter, "young visitors") shall be allowed to visit Owners or Occupants of Lots, but only for periods of time not to exceed thirty (30) nights out of any six (6) month period as to each visitor. The Board may adopt additional rules regarding such visitations, and may require that any visitor found to be unreasonably disturbing other Owners be required to leave the premises, and may exercise its authority for specific visitors even though other visitors are permitted to remain.

(ii) No Lot shall be sold, rented or leased to any person or persons unless the standards established in this paragraph are complied with. Without limiting the authority of the Board described in the Bylaws, the Association shall have the specific legal right to seek injunctive relief from the Superior Court of the State of Washington for Skagit County with respect to any Owner or Occupant found to be not in compliance with this Section 9.1.2. Noncomplying Occupants may be evicted. The prevailing party in such an action shall be entitled to reasonable attorneys' fees and costs of suit. See Section 13.3 hereof.

(iii) The Association shall maintain permanent records substantiating its continuing compliance with the policies and age limitations described herein, and shall regularly update such records, through surveys or other means. Such updates must take place at least once every two years. A survey may include information regarding whether any Lots are occupied by persons who are (a) employees of the Association who perform substantial management or maintenance functions for the Community, (b) persons who are necessary to provide a reasonable accommodation to disabled residents; or (c) family members residing in Lots with their older relatives. Any of the following documents are considered reliable documentation of the age of the Occupants of the Community: Driver's license; Birth certificate; Passport; Immigration card; Military identification; Any other

state, local, national, or international official documents containing a birth date of comparable reliability; A certification in a lease, application, affidavit, or other document signed by any member of the household age 21 or older asserting that at least one person in the Lot is 55 years of age or older, or forms or applications previously submitted by or on behalf of such Occupant.

(iv) A summary of occupancy surveys undertaken under Subpart (iii) above shall be available for inspection upon reasonable notice and request by any person.

(v) The Association shall post in the Common Areas of the Community notices describing the Community as housing for persons 55 years of age or older. Phrases such as "adult living," "adult community," or similar statements are not consistent with an intent that this Community intends to operate as housing for persons 55 years of age or older.

(vi) Annually, on or before the 1st day of January, the Association shall submit to the Mount Vernon School District, a certification that the residents of the Community meet the criteria set forth in subpart (i) above. Such certificate shall be substantially in the form attached to Article 2 above by certification substantially in the form attached as Exhibit B to that certain "Restrictive Covenant (Regarding Eligible Adult Residents)" recorded by Declarant in the Land Records of Skagit County at Auditor's File No. 201604190058 in favor of Mount Vernon School District No. 320.

(vii) A Future Phase Amendment may create a Neighborhood of the Community in which Lots are not age-restricted. Such Neighborhood shall be governed by a separate sub-association.

#### 9.1.3. Lease Restrictions.

To ensure that legally-required percentages of occupancy by older persons, as established in Section 9.1.2 (i) hereof, are continually met in this Community, tenants will be required to provide birth certificates, drivers' licenses, marriage certificates, or other forms of evidence of their age to permit the Association to meet its obligations under Section 9.1.2 (iii) hereof. All leases shall be in writing. A lease, as defined herein, shall include month-to-month rentals, but subleasing or transient occupancy for periods of less than 30 days are prohibited. Any lease agreement shall be required and deemed to provide that the terms of the lease shall be subject in all respects to the provisions of the Governing Documents, and that any failure by the Lessee to comply with such provisions shall be a default under the lease, entitling the Association to enforce such provisions as a real party in interest. Any tenant shall be deemed to have assumed all the responsibilities of an Owner under Article IX of this Declaration of Covenants.

#### 9.1.4. Vehicle Parking and Operation.

##### 9.1.4.1. General Restrictions.

Parking of up to two vehicles in driveways shall be permitted. Driveway

parking spaces are restricted to use for parking of operable, properly registered automobiles, light trucks and family vans; other items and equipment may be parked or kept therein only if expressly permitted by Rules and Regulations and only in such areas, if any, as may be designated for such purpose by the Board of Directors. Garage parking spaces are restricted to use for parking of automobiles, motorcycles, light trucks, family vans and other similar vehicles, and for storage of such other items that pose no unreasonable health, safety or fire risks to persons or property. The Board of Directors may promulgate further Rules and Regulations governing vehicle parking. Vehicle repairs other than ordinary light maintenance are not permitted on the Property. The Board may require removal of any inoperative or unregistered vehicle, and any other equipment or item improperly stored in parking areas. If the same is not removed, the Board may cause removal at the risk and expense of the owner thereof, under such reasonable procedures as may be provided by Rules and Regulations adopted by the Association. Any designated visitors parking areas shall be left open for use by visitors, guests, invitees and licensees of Lot Owners and their tenants. Any designated handicapped parking areas are restricted to use by vehicles validly displaying State handicapped vehicle placards. Parking on narrower public roads in the Community will be restricted to one side of such roads, as designated by signage.

9.1.4.2. Parking and Driving on Private Roads & Easement Areas.

Parking is prohibited on any private lane or alley in the Community, except in designated parking areas, if any. The Board may regulate the speed and other operations of vehicles on such road surfaces and the other Common Areas.

9.1.4.3. RV Parking.

Except has hereinafter provided, junk vehicles (as defined in RCW 46.55.010), Recreational Vehicles (including without limitation camper-trailers, mobile homes, motor homes, "fifth-wheels" off-road vehicles, boats, airplanes or etc.), large commercial-style vehicles (including without limitation trucks, tractors, large vans or other types of vehicles or equipment which either require a commercial vehicle operator's license or which exceed 6,000 lbs in gross vehicle weight) or any other type of vehicle or equipment which exceeds 24 feet in length may not be stored, kept or maintained anywhere within the Community. Nevertheless, a Recreational Vehicle may be maintained within a Lot, if it is fully enclosed within a garage or an approved accessory structure, or if the Board determines that it has been otherwise substantially screened from view by approved fencing, dense vegetation or such other lawful means as may have been previously approved by the Board. The Board may require removal of any vehicle or equipment not authorized by this Section; if it is not so removed, the Board may cause its removal at the risk and expense of the owner thereof, under such reasonable procedures as may be consistent with the provisions of RCW 46.55. Failure of an Owner or other occupant to remove such a vehicle or equipment from a Lot or the Common Areas may result in any or all remedies available to the Association under the Governing Documents. The Board may adopt additional rules and regulations regarding parking and storage of Recreational Vehicles.

9.1.4.4. Access Restrictions on Some Lots Abutting E. Division Street.

No driveways for vehicular access to East Division Street shall be allowed from Lots 101 through 109, inclusive.

9.1.5. Signs.

No sign of any kind shall be displayed to the public view on or from any Lot or the Common Areas without the prior consent of the Board; provided that this section shall not apply to Declarant or Declarant's agents, nor shall it be deemed to prohibit the Owner of a Lot from displaying a normal realtor's sign for a period of time during which the Lot is for sale or rent. No signs advertising home businesses are permitted. The Board may by resolution establish further policies regarding signs, to reflect the sentiments of the Community while giving due regard to traditional democratic rights of free speech, religion and expression of Owners and Occupants of Lots in the Community. The Board's judgment in such matters shall be conclusive, except as to matters controlled by applicable Federal or State law.

9.1.6. Animals.

The maintenance, keeping, boarding and/or raising of animals, livestock, poultry, or reptiles of any kind, regardless of number, shall be and is prohibited within any Lot or upon the Common Areas, except that the keeping of small birds, aquarium fish, well-behaved dogs and/or cats and other well-behaved animals which do not normally leave the Lot is permitted, subject to Rules and Regulations adopted by the Board of Directors. The owner of any animal maintained on the Property shall exercise appropriate control over the animal, and shall clean up after such animal and shall not permit deposits of fecal matter, urinary residue or foodstuffs from or for such animal to remain anywhere on the Common Areas. Any Lot Owner who keeps or maintains any animal upon any portion of the Property shall be deemed to have indemnified and agreed to hold the Association, each Lot Owner and the Declarant free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such animal within the Community. All animals shall be registered and inoculated as required by law. The Board may at any time require the removal of any animal which it finds is or has become an unreasonable source of annoyance, and may exercise this authority for specific animals even though other animals are permitted to remain.

9.1.7. Noise.

No person shall cause any unreasonably loud noise anywhere on the Property, nor shall any person permit or engage in any activity, practice or behavior for the purpose of causing annoyance, discomfort or disturbance to any person lawfully present on any portion of the Property.

9.1.8. Offensive or Illegal Activity.

No noxious, offensive, noisy, smelly, or illegal activity shall be carried on in any Lot or the Common Areas, nor shall anything be done therein which is or may become a nuisance or an

unreasonable source of annoyance to other Owners or other lawful occupants of the Community.

9.1.9. Hazardous Substances.

A person shall maintain or store on or in the Property only such property and materials which may be legally possessed by such person. No person shall improperly store within or release from a Lot or into the Common Areas any petroleum distillates, liquid or aromatic hydrocarbons, medical wastes or infectious biological agents, acids, caustics, carcinogens, mutagens, heavy metals, or any other inflammable, toxic, explosive, radioactive, or other type of substance which may be hazardous to either the Property or to the public health or safety, or the health or safety of any lawful occupants of the Community, any and all such substances being known herein as Hazardous Substances.

9.1.10. Television and Radio Antennas, Dishes.

Satellite TV antennas/dishes 1 meter or less (approximately 36") in diameter are governed by F.C.C. regulations. Larger satellite dishes and other types of reception or transmission antennas may be installed within a Lot only if reasonably screened from view from other Lots and the Common Areas. Ham radio and "citizens band" antennas may be used for transmission purposes only so long as they do not cause interference with electronic equipment of neighboring property owners. No reception or transmission devices may be located within the Common Areas unless expressly permitted by the Board of Directors.

9.1.11. Security Systems.

In the event that either the Declarant or the Association shall install a central security system within the Community, no Owner shall install or maintain any alternative security system which shall interfere with the proper operation of the central system, nor shall any Lot's individual security system be connected in any way with any such central system without the advance written approval of the Board of Directors.

9.1.12. Fencing.

Fencing is subject to Design Guidelines. No fencing shall interfere with easement rights granted or reserved herein.

9.1.13. Accessory or Temporary Structures.

No structure of a temporary character, nor any trailer, tent, shack, barn, pen, kennel, run, stable, outdoor clothes line, shed or other accessory buildings shall be erected, used or maintained on any Lot absent the written consent of the Board of Directors, which may promulgate rules and regulations governing such matters. Temporary structures may be erected in connection with construction activities associated with the original construction of Dwellings within the Community, for such periods of time as may be reasonable for such purposes.

9.1.14. Permitted Uses in Front, Side and Rear Yard Areas.

The front yard of each Lot, and any side yard facing a roadway, shall be used for landscaping and for the placement of walkway and driveway areas providing pedestrian and vehicular access to the Dwelling and garage areas, and for no other purposes unless specifically permitted under Rules and Regulations adopted by the Board. Rear yards and side yards not facing a roadway may be used for the maintenance of landscaping and private garden areas, and placement of patios, outdoor furniture and the like, and the use thereof for recreational purposes normally associated with private yard areas in single-family residential areas. See Sections 4.5.4 and 4.6.3 for landscape maintenance responsibilities.

9.1.15. Assignment or Subletting.

An Owner or tenant may not exempt himself or herself from any liability under the Governing Documents by assigning or subleasing the occupancy rights to his or her Lot.

9.1.16. Effect on Insurance.

Nothing shall be done or maintained in any Lot or in the Common Areas which will increase the rate of insurance on the Common Areas or Lots without the prior written consent of the Board. No Owner shall permit anything to be done or maintained in his or her Lot or in the Common Areas which will result in the cancellation of insurance on any Lot or any part of the Common Areas.

9.2. Architectural Control.

9.2.1. General Authority of Declarant and Board of Directors.

To assure the health, safety and enjoyment of persons lawfully using any portion of this Community, and to promote visual harmony within the Community, the Architectural Review Coordinator ("ARC") shall have the power to enforce architectural control over the improvements constructed within the Community. Initially, as provided in Section 4.4 hereof and Section 9.2.2 below, the Declarant shall constitute or designate the ARC to perform such architectural control, and may regulate the external design, signage, appearance, construction, use and Upkeep of the Property in accordance with Design Guidelines adopted for this purpose. The initial Design Guidelines approved by the City of Mount Vernon are attached to the Final PUD Plan described in Sections 1.2.1 and 3.1.1 hereof. Following the termination of the Declarant Control Period, or at such earlier time as the Declarant may permit, the Board of Directors may promulgate or modify Design Guidelines for the Community, following any necessary approval from the City of Mount Vernon, and may perform architectural control to the extent permitted in this Declaration of Covenants, but Lots still owned by the Declarant shall be subject only to the provisions of Section 4.4.2 hereof. The Board of Directors shall have the power to impose reasonable application fees to evaluate any additions or changes to a Dwelling proposed by an Owner; such fees shall constitute a Specially Allocated Assessment against the affected Owner.

9.2.2. Authority to Perform or Delegate Functions of ARC.

The Declarant or its designee shall initially serve as the ARC for the Association. Following the termination of the Declarant Control Period, the Board of Directors may directly perform the activities of the ARC, or the Board may designate an individual to be the ARC, or it may establish an Architectural Review Committee (also to be known as the "ARC"), to coordinate compliance with the Design Guidelines of the Community.

9.2.3. Time for Approval - No Construction Prior to Approval.

The ARC shall approve or disapprove plans, specifications and details within fourteen (14) days of receipt thereof. Upon a failure to respond within such period, then the plans shall be deemed approved. No construction activity may commence prior to such approval.

9.2.4. Status of Design Guidelines.

Design Guidelines approved by the Declarant or by the Board of Directors shall be enforceable as if set forth herein in full.

9.2.5. Authority to Grant Variances.

The ARC shall have the authority, either by act or omission, to waive enforcement of or grant variances from any written Design Guidelines without a specific finding that enforcement of such guidelines would impose an unfair burden on such Owner, but describing the variance and the reasons therefor in a written instrument which shall be part of the records of the Association. Upon such written approval of any specific variance or exception from the requirements of the Design Guidelines, all development conforming to such variance or exception shall be deemed lawful.

9.2.6. No Liability for Architectural Review.

Neither the Declarant nor the Association nor any permitted designee shall be liable to any party for any good faith action or failure to act under the provisions of this Declaration of Covenants.

ARTICLE X

COMMON EXPENSES AND ASSESSMENTS

10.1. Budget for Common Expenses.

Not less than sixty (60) days prior to the Annual meeting of the Association, or at such other time as may be deemed necessary or desirable by the Association's accountant, the Board shall

prepare an Annual Budget which shall estimate the Common Expenses, described generally in Sections 2.8 and 8.3.2 of this Declaration of Covenants, to be paid during such year. The Budget shall make provision for creating, funding and maintaining reserves required by Section 10.3 hereof, and shall take into account any expected income and any surplus available from the prior year's operating fund. An estimated initial Budget for Phases 1 and 2 is attached hereto as "C".

10.2. Meeting of Association to Ratify Budget.

10.2.1. General Provisions.

Within thirty days after adoption of any proposed regular or special budget for the Association, the Board of Directors shall provide a summary of the budget to all the Lot Owners and shall set a date for a meeting of the Lot Owners to consider ratification of the budget not less than fourteen nor more than sixty days after mailing of the summary. Unless at that meeting the Owners of Lots to which a majority of the votes in the Association are allocated reject the budget, the budget is ratified, whether or not a quorum is present. In the event the proposed budget is rejected or the required notice is not given, the periodic budget last ratified by the Lot Owners shall be continued until such time as the Lot Owners ratify a subsequent budget proposed by the Board of Directors. Pursuant to RCW 64.38.025(3), this procedure shall be deemed to govern both general assessments and special assessments; this Section of these Covenants may not be amended without the advice of counsel, since its terms are controlled by law.

10.2.2. Special Notice Requirements Related to Reserve Study & Reserve Accounts.

As part of the summary of the budget provided to all Lot Owners pursuant to Section 10.2.1, the Board of Directors shall disclose to the Owners, pursuant to amendments to the Homeowners Association Act adopted in 2011, information concerning the Association's Reserve Account. Such information, as currently required by the Governing Law appears in the Bylaws. In the event that the Governing Law is amended to modify such notice requirements, the requirements of the Governing Law shall supercede the provisions of this Section of these Covenants.

10.3. Reserves for Major Repairs, Replacements, & Insurance Deductibles.

10.3.1. Establishment of Reserves.

The Board of Directors shall establish and maintain reasonable reserves for major repairs and replacements. Reserves shall also be established for the deductible under insurance policies obtained by the Association, exclusive of earthquake and/or related coverages. The Annual Budget of the Association shall always contain provisions for such reserves. The Association shall allocate and deposit monthly to such reserves one-twelfth of the total amount budgeted for such reserves in the current fiscal year. The Board may also establish and maintain reserve funds for operations, capital improvements and for such other purposes as may appear advisable. All reserves shall be identified and segregated on the books of the Association. The portions of the Lots' Assessments paid into such reserves shall be conclusively deemed to be non-refundable contributions.

to the capital of the Association by the Lot Owners. Such reserves may be expended only for the purposes for which they were established [i.e., repair and replacement reserves may not be used to construct capital additions or capital improvements], unless another use for same may be ratified in the manner described in Section 10.2 hereof, or if the process described in Section 10.3.3 hereof is utilized.

#### 10.3.2. Reserve Study May be Required under State Law.

Initially, it is anticipated that the Association need not conduct a Reserve Study. In the event that "significant assets" are created in future Phases of development, for which the Association has Upkeep responsibilities, the Association shall prepare and update a Reserve Study, in accordance with the relevant 2011 amendments to the Homeowners Association Act now codified at RCW 64.38.065. The initial Reserve Study must be based upon a visual site inspection conducted by a Reserve Study Professional. Unless doing so would impose an unreasonable hardship, the Association shall update the Reserve Study annually. At least every three years, an updated Reserve Study must be prepared, based upon a visual site inspection conducted by a Reserve Study Professional. In preparing a Reserve Study, the Association shall estimate the anticipated major maintenance, repair, and replacement costs, whose infrequent and significant nature make them impractical to be included in an annual budget.

#### 10.3.3. Limitations on Withdrawals From Reserve Account.

The Association may withdraw funds from its reserve account to pay for unforeseen or unbudgeted costs that are unrelated to maintenance, repair, or replacement of the reserve components. The Board of Directors shall record any such withdrawal in the minute books of the Association, cause notice of any such withdrawal to be provided to the mailing address of each Owner or to any other mailing address designated in a Record by the Owner, and adopt a repayment schedule not to exceed twenty-four months unless it determines that repayment within twenty-four months would impose an unreasonable burden on the Lot Owners. Payment for major maintenance, repair, or replacement of the reserve components out of cycle with the reserve study projections or not included in the reserve study may be made from the reserve account without meeting the notification or repayment requirements under this Section.

#### 10.4. Assessments for Common Expenses - Transfer Fees.

##### 10.4.1. Liability of Lots.

Except as provided in Sections 10.4.2 and 10.8 below, the total amount of the estimated funds required to pay the Common Expenses of the Association set forth in the Annual Budget adopted by the Board of Directors for the fiscal year shall be assessed against the Lots in proportion to their respective Allocated Interests for Common Expense liability described in Section 10.6 hereof.

#### 10.4.2. Assessment of Undeveloped Lots.

Until the Dwelling on a Lot is substantially completed and sold to a purchaser other than the Declarant, such Lot shall be subject to assessment for only 20% of the assessment liability allocated to a Lot containing completed improvements. Such assessment liability may be deferred until the closing of the sale of the Lot to a purchaser following the completion of such improvements.

#### 10.4.3. Timing of Payments - Authority for Installment Payments.

Unless otherwise determined by the Board of Directors, the annual Assessment against each Lot for its proportionate share of the Common Expenses shall be payable on or before February 1<sup>st</sup> of each year, the Board of Directors nevertheless shall have the authority to require that assessments be paid in 12 equal, monthly installments; if the Board so elects, each such installment shall be payable in advance on the first day of the month.

#### 10.4.4. Initial Assessment Deposits.

An initial assessment deposit known as the "New Owners Fee," equal to two (2) months' worth of the annual assessment against each Lot, shall be payable to the Association by the purchaser of the Lot at the time of the Closing of the initial sale of the Lot from the Declarant; this initial New Owners Fee may be used by the Association to defray expenses in its operating budget or to fund the Association's reserves, at the discretion of the Board of Directors.

#### 10.4.5. Transfer Fees on Resales.

A New Owners Fee equal to two (2) months' worth of the annual assessment against the Lot shall continue to be due and owing to the Association upon the transfer of title of a Lot upon its resale to a subsequent purchaser. The resale New Owners Fee shall be collected at the Closing of a Lot's resale in addition to any outstanding assessment obligations affecting the Lot, to fund the Association's reserves so as to enhance the Association's ability to maintain, repair, replace, manage and improve the Common Areas of the project, for the common benefit of all the Lot Owners.

#### 10.5. Assessments to Pay Judgment Against Association.

Assessments to pay a judgment against the Association may be made only against the Lots in the Community at the time the judgment was entered, in proportion to their Allocated Interests for Common Expense Liability at the time the judgment was entered.

#### 10.6. Allocated Interests.

The Declarant has allocated to each Lot in the Community an equal obligation to pay the general Common Expenses of the Association, which obligation is known as the Lot's Allocated Interest for Common Expense Liability. Notwithstanding the foregoing, Lots may subject to

differential assessments for Common Expenses under Sections 10.4.2 and 10.8 hereof.

**10.7. Special Assessments.**

The Board of Directors may levy a Special Assessment for the purpose of defraying the cost of any unexpected repair or other nonrecurring contingency, or to meet any other deficiencies in operations or reserves occurring from time to time. The Board of Directors shall give notice to the Lot Owners of any such Special Assessment by a statement in writing giving the amount and reasons therefor, along with a date for a Special Meeting of the Association to be held not less than 14 days following such notice, for approval of the Special Assessment. Subject to the provisions of Section 10.2 hereof, such Special Assessments shall become due and payable, unless otherwise specified in the notice, with the next monthly Assessment payment which is due more than thirty days after the delivery or mailing of such notice. All Lot Owners shall be obligated to pay the adjusted monthly amount or, if the Special Assessment is not payable in installments, the full amount of such Special Assessment, in proportion to their Allocated Interests for Common Expense Liability.

**10.8. Specially Allocated Assessments.**

10.8.1. Upkeep by Association to Lot or Dwelling. All costs and expenses associated with Upkeep performed by the Association to or within a Lot shall constitute a Specially Allocated Assessment against such Lot.

10.8.2. Upkeep to Limited Common Areas. All costs and expenses associated with Upkeep performed by the Association to a private road or other Limited Common Areas shall constitute Specially Allocated Assessments against each Lot served by such Limited Common Area.

10.8.3. Damage Caused by Negligence or Misconduct, Etc. To the extent that any Common Expense is caused by the negligence or misconduct of any Lot Owner, the Association may, subject to the provisions of Section 7.10 of the Bylaws, levy a Specially Allocated Assessment for that expense against the Owner's Lot. In addition and without limitation, the liability of a Lot Owner to pay a New Owners Fee associated with the Lot, or any other costs, fees, charges, insurance deductibles or fines imposed or incurred by the Association associated with the Lot, along with any costs and/or attorney's fees recoverable under the Governing Documents, and interest on any delinquent account shall be deemed a Specially Allocated Assessment which, unless otherwise directed by the Board, shall be due and payable within thirty (30) days following its imposition.

10.8.4. Expenses that Vary Among the Lots. Any portions of the Common Expenses which vary among the Lots based upon divergent usage of special services or facilities, or other factors which justify differential assessment rates, shall be assessed differentially among the Lots. Any other Common Expense or portion thereof which benefits fewer than all of the Lots shall be assessed exclusively against the Lots so benefitted.

10.9. Accounts; Commingling Prohibited.

Amounts collected by the Board of Directors as Assessments against the Lots for operating expenses or Reserves shall be kept in accounts in the name of the Association and shall not be commingled with funds of any other Association, nor with the funds of any Managing Agent or any other person responsible for the custody of such funds. Any reserve funds shall be kept in one or more insured, segregated accounts and any transaction affecting such funds, including the issuance of checks, shall require the signature of at least two persons who are Officers or Directors of the Association.

10.10. Surplus Funds.

Any surplus funds of the Association remaining after payment of or provision for Common Expenses and any prepayment of reserves shall, in the discretion of the Board of Directors, either be paid to the Lot Owners in proportion to their Allocated Interest for Common Expense Liability or credited to them to reduce their future Common Expense Assessment liability.

10.11. Liability of Lot Owners for Association Obligations.

The liability of any Lot Owner arising out of any contract made by the Board of Directors, or tort of the Association not fully covered by insurance, or arising out of the indemnification of the Board of Directors, shall be limited to that proportion of the total liability thereunder as the Allocated Interest of his or her Lot bears to the aggregate Allocated Interests of all Lots.

10.12. Owners Personally Liable for Common Expenses.

Each Assessment shall be the joint and several obligation of the Owner or Owners of the Lot to which the same are assessed as of the time the Assessment is due. Suit to recover a personal judgment for any delinquent Assessment shall be maintainable in any court of competent jurisdiction without foreclosing or waiving the lien securing such sums. No Lot Owner may exempt himself or herself from liability with respect to the Common Expenses by waiver of the enjoyment of the right to use any of the Common Areas or by leasing, rental or abandonment of his or her Lot or otherwise. The failure or delay of the Board of Directors to adopt the Annual Budget for any year shall not constitute a waiver or release in any manner of a Lot Owner's obligation to pay his or her allocable share of the Common Expenses as herein provided, and in the absence of an Annual Budget or adjusted Annual Budget, each Lot Owner shall continue to pay (with or without notice) a monthly Assessment at the rate established for the preceding fiscal year until an Assessment is made under a current Annual Budget or adjusted Annual Budget and notice thereof has been sent to the Lot Owner.

10.13. Liability Following Conveyance of Lot.

A selling Lot Owner shall not be liable for the payment of any part of the Common Expenses assessed against his or her Lot subsequent to a sale, transfer or other conveyance by him of such Lot.

The purchaser of a Lot shall be jointly and severally liable with the selling Lot Owner for all unpaid Assessments against the Lot up to the time of the conveyance without prejudice to the purchaser's right to recover from the selling Lot Owner the amounts paid by the purchaser therefore. Except as provided in Section 10.17 hereof, the holder of a mortgage or other purchaser of a Lot who obtains the right of possession of the Lot through foreclosure shall not be liable for Assessments that became due prior to such right of possession. Such unpaid Assessments shall be deemed to be Common Expenses collectible from all the Lot Owners, including such mortgagee or other purchaser of the Lot. Foreclosure of a mortgage does not relieve the prior Owner of personal liability for Assessments accruing against the Lot prior to the date of such sale as provided above.

10.14. Statement of Unpaid Assessments.

The Association, upon written request, shall furnish to a Lot Owner or a mortgagee a statement signed by an officer or authorized agent of the Association setting forth the amount of unpaid Assessments against that Lot. The statement shall be furnished within fifteen days after receipt of the request and is binding on the Association, the Board of Directors, and every Lot Owner, unless and to the extent known by the recipient to be false.

10.15. Lien for Assessments.

The Association shall have a lien on each Lot for any unpaid Assessments levied against a Lot from the time the Assessment is due.

10.16. Perfection of Lien - Lien is Automatic.

Recording of this Declaration of Covenants constitutes record notice and perfection of the lien for Assessments. While no further recording of any claim of lien for Assessments shall be required to perfect the Association's lien, the Association may record a notice of claim of lien for Assessments under this Section in the real property records of Skagit County.

10.17. Priority of Lien.

10.17.1. A lien under this Section shall be prior to all other liens and encumbrances on a Lot except: (a) Liens and encumbrances recorded before the recording of the Declaration of Covenants; (b) a mortgage on the Lot recorded before the date on which the Assessment sought to be enforced became delinquent; and (c) liens for real property taxes and other governmental assessments or charges against the Lot.

10.17.2. The Association's lien shall also be prior to the mortgages described in subpart (b) of Section 10.7.1 hereof, to the extent of the "priority amount," that is, an amount equal to (1) the Common Expense Assessments against the Lot, excluding any amounts for capital improvements, based on the periodic Budget adopted by the Association pursuant to Section 10.2 hereof, which would have become due in the absence of acceleration during the six months immediately preceding the institution of proceedings to foreclose either the Association's lien or a

lien described in Subsection 10.7.1(b) hereof; and unless the Governing Law otherwise provides, (2) the Association's actual costs and reasonable attorney's fees incurred in foreclosing its lien up to the time when any person pays to the Association the full priority amount described above, including the Association's attorneys' fees and costs. The term "institution of proceedings," as used herein, shall mean either: (i) the date of recording of a notice of trustee's sale by a deed of trust beneficiary; (ii) the date of commencement, pursuant to applicable court rules, of an action for judicial foreclosure either by the Association or by the holder of a recorded mortgage; or (iii) the date of recording of a notice of intention to forfeit in a real estate contract forfeiture proceeding by the vendor under a real estate contract. The term "capital improvements," as used herein, does not include making, in the ordinary course of management, repairs to common areas or facilities or replacements thereof with substantially similar items, subject to: (a) availability of materials and products, (b) prevailing law or (c) sound engineering and construction standards then prevailing.

#### 10.18. Enforcement of Lien

The lien arising under this Section shall be enforced judicially by the Association or its authorized representative in the manner set forth in Chapter 61.12 RCW. The Association or its authorized representative shall have the power, subject to the provisions of Section 8.3.4 hereof, to purchase the Lot at the foreclosure sale and to acquire, hold, lease, mortgage, or convey the same. Upon an express waiver in the complaint of any right to a deficiency judgment in a judicial foreclosure action, the period of redemption shall be eight months. The Association may elect to take a deed in lieu of foreclosure in any such proceeding.

#### 10.19. Limitation of Lien Enforcement

A lien for unpaid Assessments and the personal liability for payment thereof is extinguished unless proceedings to enforce the lien are instituted within six years after the amount of the Assessments sought to be recovered becomes due.

#### 10.20. Rent Subject to Lien for Assessments- Other Remedies for Nonpayment.

##### 10.20.1. Rent Payable to Association Upon Default of Owner.

If a Lot is rented or leased by its Owner, and if the Owner becomes delinquent in the payment of assessments for more than 90 days, the Association may collect the delinquent amount from the tenant, who shall pay over to the Association so much of the rent for such Lot as is required to pay such delinquency, plus interest, attorneys' fees and other costs of collection. In order to avail itself of the remedy contained in this Subsection, the Association shall first send a notice jointly to the Owner and the Tenant by First Class U.S. Mail, advising both parties [a] of the Owner's delinquency in assessments [b] of the tenant's obligations under this Subsection of the Declaration, and [c] notifying both parties that if such delinquency is not cured within ten (10) days of mailing, the tenant must commence paying rent to the Association until the delinquency has been cured. The tenant shall not have the right to question payment to the Association, and such payment shall discharge both the tenant's duty to pay rent to the Lot Owner and the Lot Owner's obligation to pay

assessments, *pro tanto*. The Association shall not resort to this remedy where a receiver has been appointed and is collecting such rents, as provided immediately below in Section 10.10.2.

10.20.2. Association Entitled to Appointment of Receiver.

From the time of commencement of an action by the Association to foreclose a lien for nonpayment of delinquent Assessments against a Lot that is not occupied by the Owner thereof, the Association shall be entitled to the appointment of a receiver to collect from the lessee thereof the rent for the Lot as and when due. If the rent is not paid, the receiver may obtain possession of the Lot, refurbish it for rental up to a reasonable standard for rental Lots in this type of project, rent the Lot or permit its rental to others, and apply the rents first to the cost of the receivership and attorneys' fees thereof, then to the cost of refurbishing the Lot, then to applicable charges, then to costs, fees, and charges of the foreclosure action, and then to the payment of the delinquent Assessments. The exercise by the Association of the foregoing rights shall not affect the priority of preexisting liens on the Lot.

10.21. Remedies Cumulative.

The remedies provided are cumulative and the Board may pursue them concurrently, along with any other remedies which may be available under the law although not expressed herein.

ARTICLE XI

INSURANCE, DESTRUCTION, RESTORATION AND DISTRIBUTION

11.1. Authority, Name of Insured.

The Board of Directors should obtain and maintain casualty and liability insurance under such terms and for such amounts as shall be deemed necessary by the Board of Directors, but unless not reasonably available. The name of the insured under each required policy shall be stated as follows: "Woodside PUD Community Association."

11.2. Insurance Policies and Coverage.

11.2.1 Basic Coverage.

Any insurable common improvements in this Community subject to the primary jurisdiction of the Association shall be insured against casualty or physical damage in an amount equal to the maximum insurable replacement value thereof (i.e., 100% of replacement costs based upon the value of replacing all such insurable improvements in the Community exclusive of land, excavations and foundations, utilizing contemporary building materials and technology. Level(s) of coverage shall be determined annually by the Board of Directors with assistance of the agent of the insurance company affording such coverage. Such coverage shall afford protection against:

(a) loss or damage by fire, vandalism, malicious mischief, windstorm, and other hazards covered by the standard "broad form" and/or "special" extended coverage endorsements or their equivalent, and such other perils customarily covered by insurance for similar projects. The policy shall also cover other Common property including fixtures, building service equipment and common personal property and supplies owned by the Association or included in the Common Areas.

(b) liability for death, personal injury and property damage arising from the use, ownership or maintenance of any of the Common Areas. The insurance should also cover any commercial spaces that are owned by the Association, even if they are leased to others. Coverage should be afforded under a commercial general liability policy for the entire Community, including all areas under the supervision of the Association. Limits of liability shall in no event be less than \$1,000,000 with respect to any single occurrence; and

(c) medical payments coverage, in such amounts as are customarily provided in such policies.

#### 11.2.2 Directors' and Officers' Insurance.

If reasonably available, the Board shall acquire Directors' and Officers' errors and omissions insurance to satisfy the Association's indemnification responsibilities under the Bylaws of the Association.

#### 11.2.3 Fidelity Insurance.

The Association should also obtain blanket fidelity insurance for any person who either handles (or is responsible for) funds that he or she holds or administers, whether or not that individual receives compensation for services; such a policy should name the Association as the insured and include a provision that calls for at least ten days' written notice to the Association before the policy can be canceled or substantially modified for any reason. The policy should cover the maximum funds that will be in the custody of the Association or its Manager at any time while the policy is in force. A Manager that handles funds for the Association shall be covered by its own fidelity insurance policy, which must provide the same coverage required of the Association.

#### 11.2.4 Additional Insurance.

The Board shall also acquire such additional insurance coverage as it may deem advisable and appropriate, including Workmen's Compensation insurance, where necessary to meet the requirements of law. Further, and notwithstanding any other provisions herein, the Association shall continuously maintain in effect such casualty, flood and liability insurance and fidelity insurance meeting the insurance and fidelity bond requirements, if any, for similar projects established by Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, FHA, VA or other governmental or quasi-governmental agencies involved in the secondary mortgage market or loan guaranty programs, so long as any such agency is an Eligible Mortgagee, Eligible

Insurer or Owner of a Lot within the Community, if such additional coverage is reasonably available.

#### 11.2.1. General Insuring Scheme - Limited Coverage for Owners And Tenants.

The Association is not a "guarantor" of the health, safety or property of the Unit Owners, tenants or other Occupants of the project. See Section 14.1 hereof for further details. The Association's Policy does not and cannot provide coverage for real or personal property belonging to any Lot Owner, tenant or other Occupant of a Lot, nor does the Association's Policy provide coverage for liability for harm arising within a Lot.

#### 11.2.2. Owners And Tenants Responsible for Acquiring their Own Insurance.

Because of the limitations in coverage afforded under the Association's Policy, Lot Owners and tenants must acquire their own insurance coverage in order to be fully protected. In acquiring such insurance, Owners and tenants should pay particular attention to the general provisions of Sections 11.5 hereof.

#### 11.3. Deductible.

Except as otherwise provided herein, the deductible under any policy of insurance purchased by the Board of Directors shall not exceed the lesser of \$10,000 or 1% of the face amount of the policy. Except as provided herein, the amount of the deductible shall be paid by the Association as a Common Expense. Funds to cover the amount of the deductible shall be included in the Association's reserve accounts. The deductible should be established at a level that is sufficiently high to eliminate minor "nuisance" claims which could cause cancellation of the Association's insurance policy.

#### 11.4. Unavailability, Cancellation or Nonrenewal.

If the insurance described in Section 11.2 hereof is not reasonably available, or is modified, canceled or not renewed, the Association promptly shall cause notice of that fact to be hand-delivered or sent prepaid by first class United States mail to all Lot Owners, and to each Eligible Mortgagee, at their respective last known addresses.

#### 11.5. Owners' Individual Policies Required.

##### 11.5.1. Property & Liability Insurance.

Each Owner shall obtain, at such Owner's expense, a policy or policies of insurance providing coverage against personal liability and against casualty or physical damage to the Dwelling and other insurable improvements on the Lot in an amount equal to the maximum insurable replacement value thereof (i.e., 100% of replacement costs based upon the value of replacing all such improvements exclusive of land, excavations and foundations, utilizing contemporary building materials and technology. Such coverage shall afford protection against:

(a) loss or damage by fire, vandalism, malicious mischief, windstorm, and other hazards covered by the standard "broad form" and/or "special" extended coverage endorsements or their equivalent, and such other perils customarily covered by insurance for Dwellings in similar projects.

(b) liability for death, personal injury and property damage arising from the use, ownership or maintenance of any part of the Lot.

11.5.2. No Obligation to Monitor.

The Board of Directors is not obligated to monitor the existence or nonexistence of any insurance required under this Section 11.5; such responsibility, and the risks to the Owner of a failure to have proper insurance, are to be borne solely by the Lot Owner. A failure by the Owner to maintain insurance, which failure results in any economic loss or other harm or damage to the Association shall constitute misconduct on the Owner's part.

ARTICLE XII

CONDEMNATION

12.1. Condemnation of Common Areas.

If parts of the Common Areas are acquired by condemnation, the portion of the award attributable to the Common Areas taken shall be paid to the Owners based on their respective Allocated Interests in the Common Areas unless the Association, at a meeting called for such purpose, decides otherwise.

12.2. Association Necessary Party to Proceeding.

The Association, through its Board of Directors, shall be a necessary party to any condemnation proceedings and, to the extent feasible, shall act as a fiduciary on behalf of and in the best interests of any and all Lot Owners affected by such proceedings. Should the Association not act on the Owners' behalf in a condemnation proceeding, the affected Owners may individually or jointly act on their own behalf.

12.3. Notice to Mortgagees.

The Board of Directors shall promptly give written notice to all Eligible Mortgagees of the pendency of any condemnation proceedings affecting any portion of the Community.

12.4. Payment of Award.

When a Lot Owner becomes entitled to receipt of a condemnation award, or of any portion

of such an award, or of any payment in lieu of such an award, then any such payment shall be made payable jointly to such Lot Owner and to the holders of any Mortgages encumbering such Owner's Lot, as their interests may appear.

### ARTICLE XIII

#### COMPLIANCE WITH LAW AND COVENANTS

##### 13.1. Compliance by Owners and Occupants.

Each Owner and occupant of a Lot shall comply strictly with the provisions of the Governing Documents. All remedies provided the Association in this Article may be enforced against any tenant or other Occupant of a Lot.

##### 13.2. Enforcement by Association.

The Board of Directors shall have full authority to enforce compliance with the covenants, conditions and restrictions contained in the Governing Documents.

##### 13.3. Legal Proceedings.

Failure to comply with any of the terms of the Governing Documents shall be grounds for legal relief, including without limitation, actions to recover any sums due for money damages, injunctive relief, foreclosure of the lien for payment of Assessments, or any combination thereof and any other relief afforded by a court of competent jurisdiction, all of which relief may be sought by the Association or, if appropriate, by any aggrieved Owner, and shall not constitute an election of remedies.

##### 13.4. Costs and Attorney's Fees.

The Association shall be entitled to recover any costs and reasonable attorneys' fees incurred in connection with the collection of delinquent Assessments, whether or not such collection activities result in suit being commenced or prosecuted to judgment. In addition, the Association shall be entitled to recover costs and reasonable attorneys' fees if it prevails on appeal and in the enforcement of a judgment. In any other proceeding arising out of an alleged default by an Owner, the prevailing party shall be entitled to recover the costs of the proceeding, and such reasonable attorney's fees as may be determined by the court. In the event that the prevailing party is the Association, the costs and attorney's fees so awarded shall constitute a Specially Allocated Assessment against the Owner's Lot. An aggrieved Owner shall also be entitled to an award of costs and attorney's fees in a proceeding initiated by such Owner.

13.5. No Waiver of Rights.

The failure of the Association, the Board of Directors or of an Owner to enforce any right, provision, covenant or condition which may be granted by the Governing Documents or the Governing Law, shall not constitute a waiver of the right of the Association, the Board or the Owner to enforce such right, provision, covenant or condition in the future.

13.6. Remedies Cumulative.

A suit to recover a money judgment for unpaid Assessments may be maintained without foreclosing or waiving the lien securing the same, and a foreclosure may be maintained notwithstanding the pendency of any suit to recover a money judgment. All rights, remedies and privileges granted to the Association, the Board of Directors or any Owner pursuant to any term, provision, covenant or condition of the Governing Documents or the Governing Law shall be deemed to cumulative and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising such other privileges as may be granted to such party by the Governing Documents or the Governing Law or at law or in equity.

13.7. Occupants Subject to Rights and Responsibilities of Owners.

Any tenant or other Occupant of a Lot shall be deemed to be bound by all portions of the Governing Documents that are binding upon the Owner. All rights, remedies and procedures available to the Association when dealing with Owners under the Governing Documents shall be available to the Association when dealing with any tenant of an Owner. In addition, the Association shall have the right (but not the obligation) to terminate the lease of a tenant who, in a hearing held pursuant to the Bylaws, has been found to have violated the Governing Documents; the Association shall be deemed a "real party in interest" in any legal proceeding brought to enforce this right. The Association shall not resort to this remedy unless the Owner of the Lot occupied by such tenant has failed and refused to take steps designed to cure the tenant's violation(s) within sixty (60) days following notice from the Association to the Owner of the necessity for such curative action.

ARTICLE XIV

LIMITATION OF LIABILITY

14.1. No Liability for Utility Failure, Etc. - Association Not a Guarantor.

The Association is not a guarantor of the health or safety of any Occupant of the Community, or of the integrity and usefulness of any portions of the Property within the Community. Except to the extent covered by insurance obtained by the Board pursuant to Article XI, neither the Association nor the Board shall be liable for any failure of any equipment or services obtained by the Board, or for injury or damage to person or property caused by the elements, or for inconvenience or

discomfort resulting from any action taken to comply with any law, ordinance or orders of a governmental authority. No diminution or abatement of liability for Common Expense Assessments shall be claimed or allowed for any such injury or damage, or for such inconvenience or discomfort.

14.2. Liability of Officers and Directors, Indemnification.

The Directors and Officers shall exercise ordinary and reasonable care in discharging their responsibilities and shall not be liable to the Association or to the Lot Owners for mistakes of judgment or for negligence not amounting to gross negligence, willful misconduct or bad faith. The Lot Owners shall indemnify and hold harmless each of the Directors and Officers from and against all contractual liability to others arising out of contracts made by the Board of Directors or Officers on behalf of the Association or the Lot Owners unless such contract was made in bad faith or contrary to the provisions of the Governing Documents. The Directors and Officers shall not be personally liable for contracts made by them on behalf of the Association. The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by reason of the fact that (s)he is or was a Director or Officer of the Association, against amounts paid in settlement incurred by him in connection with such action, suit or proceeding if (s)he acted in good faith and in a manner (s)he reasonably believed to be in, or not opposed to, the best interests of the Community or the Association, to the fullest extent authorized by RCW 23B.08.510, 520, 530, and 570, and any amendments thereto, whether or not the Association is incorporated under RCW 23B.

14.3. No Bailment.

Neither the Board of Directors, the Association, any Owner nor the Declarant shall be considered a bailee of any personal property stored or placed on the Common Areas (including property located in vehicles parked on the Common Areas), whether or not exclusive possession of the particular area is given to an Owner for parking or otherwise, nor shall they be responsible for the security of such personal property or for any loss or damage thereto, whether or not due to negligence, except to the extent covered by insurance in excess of any applicable deductible.

ARTICLE XV

MORTGAGEE PROTECTION

This Article establishes certain standards and covenants which are for the benefit of the holders, insurers and guarantors of certain mortgages. This Article is supplemental to, and not in substitution for, any other provisions of the Governing Documents, but in the case of conflict, this Article shall control.

15.1. Percentage of Eligible Mortgagees.

Wherever in this Declaration of Covenants the approval or consent of a specified percentage

of Mortgagees is required, it shall mean the approval or consent in writing of Eligible Mortgagees holding first lien mortgages on Lots, and the percentage shall be based upon the votes attributable to Lots with respect to which Eligible Mortgagees have an interest.

15.2. Notice of Actions.

The Association shall give prompt written notice to each Eligible Mortgagee and Eligible Insurer of, and each Lot Owner hereby consents to, and authorizes the giving of notice of:

(a) Any condemnation loss or any casualty loss which affects a material portion of the Community or any Lot in which there is a first mortgage held, insured, or guaranteed by such Eligible Mortgagee or Eligible Insurer, as applicable;

(b) Any delinquency in the payment of Common Expense Assessments owed by a Lot Owner whose Lot is subject to a first mortgage held, insured, or guaranteed, by such Eligible Mortgagee or Eligible Insurer, as applicable, which remains uncured for a period of sixty (60) days;

(c) Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association.

15.3. Inspection of Books.

The Association shall maintain current copies of the Declaration of Covenants, Bylaws, Articles of Incorporation, Rules and Regulations, books and records and financial statements. The Association shall permit any Eligible Mortgagee, Eligible Insurer or other first mortgagee of a Lot, or the authorized agent of any of the foregoing, to inspect the books and records of the Association during normal business hours.

15.4. Financial Statements.

The Association shall provide any Mortgagee or Eligible Insurer who submits a written request, a copy of its annual financial statement within one hundred twenty (120) days following the end of each fiscal year of the Association. Such financial statement shall be audited by an independent certified public accountant if:

(a) The Association's budget for annual assessments is fifty thousand dollars or more, in which case the cost of the audit shall be a Common Expense; or

(b) The Association's budget for annual assessments is less than fifty thousand dollars and any Eligible Mortgagee or Eligible Insurer requests it, in which case the Eligible Mortgagee or Eligible Insurer shall bear the cost of the audit.

15.5. Enforcement.

The provisions of this Article are for the benefit of Eligible Mortgagees and Eligible Insurers and their successors, and may be enforced by any of them by any available means, at law, or in equity.

15.6. Attendance at Meetings.

Any representative of an Eligible Mortgagee or Eligible Insurer may attend and address any meeting which a Lot Owner may attend.

15.7. Limitations on Mortgagees' Rights.

No requirement for approval contained in this Article may operate to (1) deny or delegate control over the general administrative affairs of the Association by the Lot Owners or the Board of Directors, or (2) prevent the Association or the Board of Directors from commencing, intervening in, or settling any litigation or proceeding, or receiving and distributing any insurance proceeds except as provided in this Declaration of Covenants.

15.8. Implied Approval by Mortgagee.

The failure of an Eligible Mortgagee or Insurer to respond within sixty (60) days to any written request of the Association delivered by certified or registered mail, "return receipt requested" for approval of an amendment to the Governing Documents, or wherever Eligible Mortgagee or Insurer approval for an action of the Association is required, shall constitute an implied approval of the action or amendment.

ARTICLE XVI

EASEMENTS AND SPECIAL DECLARANT RIGHTS

16.1. Easements for Lots and Lot Owners.

Each Lot has an easement in and through each other Lot and the Common Areas for utilities and for lateral and/or subjacent support, and each Lot Owner has a perpetual right of ingress to and egress from his or her Lot over any sidewalks or roadways included in the Common Areas.

16.2. General Easement for Association Functions.

There is hereby reserved to the Association, or its duly authorized agents and representatives, such easements as are necessary to perform the duties and obligations of the Association as are set forth in the Declaration of Covenants, the Bylaws, or the Rules and Regulations. See Section 8.4 hereof.

16.3. Easement for Utilities and Emergency Access.

16.3.1. Easement for Utilities.

A non-exclusive perpetual blanket easement is hereby granted over and through the Property for ingress, egress, installation and Upkeep of any utility lines, pipes, wires, ducts, conduits and/or other facilities and equipment for providing to any portion of the Property utilities of any type, whether public or private; such easement is hereby granted to any person installing or providing Upkeep for such utilities, including without limitation the City. Any pipes, conduits, lines, wires, transformers or any other apparatus necessary for the provision or metering of any utility may be installed, maintained or relocated where permitted by the Declarant or where approved by resolution of the Board of Directors.

16.3.2. Easement for Emergency Access.

A non-exclusive perpetual easement is hereby granted on, over, under and across the Common Areas to all police, fire, ambulance and other rescue personnel for the lawful performance of their functions during emergencies.

16.4. Easements for Declarant.

The Declarant reserves an easement through the Property as may be reasonably necessary for the purpose of discharging the Declarant's obligations or for exercising Special Declarant Rights. Without limiting the generality of the foregoing, such easements include the following:

16.4.1. General Reservation.

Declarant reserves non-exclusive easements for ingress, egress and utilities over and across all Common Areas.

16.4.2. Specific Rights.

The easements reserved under this Section shall entitle the Declarant, for the development of the Community, to tie into water, sewer, storm sewer, irrigation, electrical, gas, telephone or other utility conduits or lines of all varieties, and to travel over and connect with roadways, driveways, walkways, open areas or utility systems developed and employed in any completed portions of the Community. The Declarant also reserves the right to grant easements to public or private utility companies and to convey to such companies utility lines, pipes, wires, ducts, channels, conduits and/or other facilities in furtherance of such grants. The Declarant further reserves the rights to create or relocate utility lines, pipes, wires, ducts, channels, conduits and/or other facilities at any location within the Property.

16.4.3. Liability for Costs.

Declarant shall bear the costs of construction and tie-ins to such utilities and roads and shall not connect with such utilities in a manner that impairs or significantly reduces the quality of the utility service to any completed portions of the Community; provided, that if said tie-ins cause an increase in the cost of delivering affected utility services to any completed portion of the Community, that cost shall be borne by the Declarant.

16.5. Easements Shown on Platting Documents.

16.5.1. General Reservation.

Any easement shown on the Platting Documents which benefits one or more Lots in the Community or which benefits any real property not included within the Community, confer various rights and benefits upon the owner(s) of such real property, and may also impose obligations upon the Association.

16.5.2. Specific Reservations [Nonexclusive].

The Native Growth Protection Areas [NGPA] Tracts exist for the purpose of preserving critical areas, buffering and protecting plants and animal habitat, and preventing harm to property and environment including, but not limited to, controlling surface water runoff and erosion and maintaining slope stability. The City of Mount Vernon is granted a perpetual easement on, over, along and across the NGPA Tracts for ingress and egress thereto and therefrom for the purposes of monitoring and enforcing proper operation and maintenance of the NGPA Tracts. See Section 6.2.2 hereof for specific maintenance requirements associated with the NGPA Tracts.

16.6. Special Declarant Rights.

16.6.1. General Reservation.

The Declarant has reserved the following Special Declarant Rights for the purpose of furthering and completing the development of the Community. To exercise any Development Right reserved in Section 3.3.1 hereof; to complete any improvements indicated on the Platting Documents filed with the Declaration of Covenants; to maintain sales offices, management offices, signs advertising the Community, and models on the Property, all in such location or locations as the Declarant may unilaterally determine; to use easements through the Common Areas for the purpose of making improvements within the Community; and to control the Association during the Declarant Control Period described in Section 16.6.2 below. Special Declarant Rights other than those specified in Sections 3.3.1 or 16.6.2 hereof shall persist until the last Lot in the Community is conveyed by the Declarant to a party other than an Affiliate of the Declarant, or until a date which is fifteen (15) years following the recordation of this Declaration of Covenants, whichever first occurs.

#### 16.6.2. Declarant Control Period.

The Declarant has reserved the rights to designate a majority of the members of the Board of Directors of the Association, and to appoint or remove any officer of the Association or any member of its Board of Directors or of any Committee, or to veto or disapprove a proposed action of the Association, its Board of Directors or any Committee, for a period of time known as the "Declarant Control Period." The Declarant shall be deemed to hold a proxy from all Lot Owners during the Declarant Control Period for all such purposes. The Declarant Control Period shall not exceed ten (10) years following the recordation of this Declaration of Covenants, subject to the following limitations:

(a) Not later than sixty days after conveyance of twenty-five percent of the Lots which may be created to Owners other than the Declarant, at least one member of the Board of Directors must be elected by Owners other than the Declarant.

(b) Not later than sixty days after conveyance of fifty percent of the Lots which may be created to Owners other than the Declarant, another member of the Board of Directors must be elected by Owners other than the Declarant.

(c) The Declarant Control Period shall terminate sixty days after conveyance of seventy-five percent of the Lots which may be created in the Community to Owners other than the Declarant.

#### 16.6.3. Legal Status of Special Declarant Rights.

Each Special Declarant Right reserved by Declarant in this Declaration of Covenants has been, is and shall remain an equitable servitude burdening all lands subject thereto and running with such lands. Each Special Declarant Right shall exist for the benefit of the Declarant and/or any assignee of Declarant and/or any successor declarant. Declarant has and shall retain, with respect to each Special Declarant Right, a power coupled with Declarant's interest in said lands. The Special Declarant Rights reserved in this Declaration of Covenants include the right, but not the obligation, to create future interests or future estates in real property, and to own, convey, mortgage, lease and/or otherwise use and deal with such real property and such future interests or future estates free and clear of any interest of other Lot Owners or the Association, except as may be otherwise specifically provided herein.

#### 16.6.4. Special Declarant Rights Deemed Transferred - Limitations.

Declarant shall have been deemed to have transferred, in any conveyance by Declarant to an Affiliate of Declarant or to a Successor Declarant, all Special Declarant Rights reserved by Declarant herein relating to the property so conveyed by Declarant, except to the extent expressly provided in the deed of conveyance.

## ARTICLE XVII

### AMENDMENT OF DECLARATION OF COVENANTS

#### 17.1. Procedure for Amendment of Declaration of Covenants.

Amendments to the Declaration of Covenants shall be made by an instrument in writing entitled "Amendment to Declaration of Covenants" which sets forth the entire amendment. Except as otherwise specifically provided for in this Declaration of Covenants, any proposed amendment must be approved by a majority of the Board prior to its adoption by the Owners. Except in cases of amendments that may be adopted by the Declarant unilaterally pursuant to Section 17.4 hereof, amendments may be adopted only at a meeting of the Owners if at least sixty-seven percent (67%) of the votes in the Association are cast for such amendment, or without any meeting if all Owners have been duly notified and Owners holding at least sixty-seven percent (67%) of the votes in the Association consent in writing to such amendment. In all cases, the amendment when adopted shall bear the acknowledged signature of the President of the Association.

#### 17.2. Recordation Required.

Every amendment to the Declaration of Covenants must be recorded with the County Auditor and is effective only upon recording. An amendment shall be indexed in the name of the Community and shall contain a cross-reference by recording number to the Declaration of Covenants and each previously recorded amendment thereto.

#### 17.3. Special Restrictions.

No amendment may restrict, eliminate, or otherwise modify any Special Declarant Right provided in the Declaration of Covenants without the consent of the Declarant and any mortgagee of record with a security interest in the Special Declarant Right or in any real property subject thereto, excluding mortgagees of Lots owned by persons other than the Declarant.

#### 17.4. Amendments by Declarant.

Subject to the provisions of Section 17.5 hereof, the Declarant may unilaterally adopt and file amendments to the Declaration of Covenants and to the Platting Documents for so long as the Declarant is the Owner of any Lot in the Community or until the expiration of the time limit for the exercise of any Special Declarant Rights reserved by the Declarant.

#### 17.5. Certain Amendments Require Approval of City of Mount Vernon.

As provided in Section 5.9.3 hereof, no Amendment to this Declaration of Covenants, the effect of which would alter or modify the provisions of Articles V and VI hereof, may be adopted in the absence of advance written approval of the City of Mount Vernon.

ARTICLE XVIII

MISCELLANEOUS

18.1. Notices for All Purposes, Delivery.

18.1.1. Any notice permitted or required to be delivered under the provisions of the Declaration of Covenants or the Bylaws may be delivered either personally or by mail, addressed to the person entitled to such notice at the most recent address given by such person to the Board in a Record, or to the most recent address known to the Board. Notice to the Owner of any Lot shall be sufficient if mailed to his or her Lot if no other mailing address has been given to the Board. With the advance written consent of any Owner, required notice may be provided electronically. Mailing addresses may be changed from time to time by notice provided by the Owner in a Record to the Board. Notice to be given to the Association may be given to the President or Secretary of the Association, or to its Registered Agent. Notice also may be provided to any person in any manner permitted by statute.

18.1.2. New Lot Owners must supply their names and addresses, telephone numbers and, if so desired in order to receive notices from the Association, e-mail addresses, to the Secretary of the Association promptly after conveyance.

18.2. Severability.

The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability of any other provision hereof, if the remainder complies with the Governing Law and furthers the common plan of this Subdivision.

18.3. No Right of First Refusal.

There is no right of first refusal in the Association limiting or restricting the right of any Lot Owner to sell, transfer or convey his or her Lot.

18.4. Effective Date.

This Declaration of Covenants shall take effect upon recording.

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DATED this 27 day of July, 2016

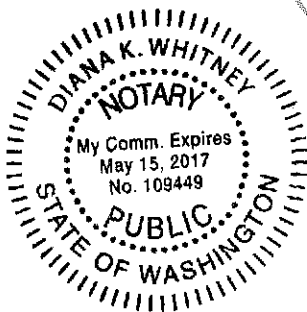
DECLARANT: CH CREEK, LLC

By: Kendra Decker  
KENDRA DECKER, its Manager

STATE OF WASHINGTON     )  
  ) ss.  
COUNT OF SKAGIT         )

I hereby certify that I know or have satisfactory evidence that Kendra Decker is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledged it as the Manager of the Declarant CH CREEK, LLC, a Washington Corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: July 27<sup>th</sup>, 2016.



Diana K. Whitney  
NOTARY PUBLIC for the State of  
Washington. My Commission  
expires 15 MAY 2017

**EXHIBIT "A"**

**LEGAL DESCRIPTION OF LAND IN SUBDIVISION AND ADJACENT PARCEL**

See attached two sheets

EXHIBIT A  
LEGAL DESCRIPTION

PARCEL "A"

LOT 2, SHORT PLAT NO. PL01-0579, APPROVED JANUARY 31, 2002, AND RECORDED FEBRUARY 1, 2002, UNDER AUDITOR'S FILE NO. 200202010016; AND BEING A PORTION OF THE WEST 1/2 OF THE SOUTHEAST 1/4 OF SECTION 22, TOWNSHIP 34 NORTH, RANGE 4 EAST, W.M.

PARCEL "B"

THE WEST 1/2 OF THE NORTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 22, TOWNSHIP 34 NORTH, RANGE 4 EAST, W.M.,

EXCEPT COUNTY ROADS,

AND EXCEPT THE EAST 295 FEET THEREOF.

PARCEL "C"

THAT PORTION OF THE WEST 1/2 OF THE WEST 1/2 OF THE SOUTHEAST 1/4 OF SECTION 22, TOWNSHIP 34 NORTH, RANGE 4 EAST, W.M., DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID SUBDIVISION;  
THENCE WEST ALONG THE NORTH LINE OF SAID SUBDIVISION, 130 FEET;  
THENCE SOUTH PARALLEL TO THE EAST LINE OF SAID SUBDIVISION, 1,290 FEET;  
THENCE EAST PARALLEL TO THE NORTH LINE OF SAID SUBDIVISION, 130 FEET;  
THENCE NORTH ALONG THE EAST LINE OF SAID SUBDIVISION, 1,290 FEET TO THE POINT OF BEGINNING,

EXCEPT COUNTY ROAD ALONG THE NORTH LINE THEREOF,

AND ALSO EXCEPT THE FOLLOWING:

THAT PORTION OF THE WEST 1/2 OF THE WEST 1/2 OF THE SOUTHEAST 1/4 OF SECTION 22, TOWNSHIP 34 NORTH, RANGE 4 EAST, W.M., DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF THE SOUTHEAST 1/4 (EAST 1/4 CORNER) OF SAID SECTION 22, TOWNSHIP 34 NORTH, RANGE 4 EAST, W.M.;  
THENCE NORTH 89°13'31" WEST ALONG THE NORTH LINE OF SAID SOUTHEAST 1/4 FOR A DISTANCE OF 2,022.72 FEET, MORE OR LESS, TO THE NORTHEAST CORNER OF SAID WEST 1/2 OF THE WEST 1/2 OF THE SOUTHEAST 1/4;  
THENCE SOUTH 0°32'00" WEST ALONG THE EAST LINE OF SAID WEST 1/2 OF THE WEST 1/2 OF THE SOUTHEAST 1/4 FOR A DISTANCE OF 30.00 FEET, MORE OR LESS, TO THE NORTH RIGHT OF

UNCORRECTED DRAFT DOCUMENT

WAY MARGIN OF DIVISION STREET AND BEING THE TRUE POINT OF BEGINNING;  
THENCE CONTINUE SOUTH 0°D32'00" WEST ALONG THE EAST LINE FOR A DISTANCE OF 122.50 FEET;  
THENCE NORTH 89°D27'56" WEST FOR A DISTANCE OF 93.46 FEET;  
THENCE NORTH 10°D48'57" EAST FOR A DISTANCE OF 95.46 FEET TO A POINT OF CURVATURE;  
THENCE ALONG THE ARC OF SAID CURVE TO THE RIGHT, CONCAVE TO THE SOUTHEAST, HAVING A RADIUS OF 35.00 FEET, THROUGH A CENTRAL ANGLE OF 79°D57'32", AN ARC DISTANCE OF 48.84 FEET, MORE OR LESS, TO A POINT OF TANGENCY ON SAID SOUTH RIGHT OF WAY MARGIN OF DIVISION STREET AT A POINT BEARING NORTH 89°D13'31" WEST FROM THE TRUE POINT OF BEGINNING;  
THENCE SOUTH 89°D13'31" EAST ALONG SAID SOUTH RIGHT OF WAY MARGIN FOR A DISTANCE OF 41.84 FEET, MORE OR LESS, TO THE TRUE POINT OF BEGINNING.

PARCEL "D"

THAT PORTION OF THE WEST 1/2 OF THE WEST 1/2 OF THE SOUTHEAST 1/4, SECTION 22, TOWNSHIP 34 NORTH, RANGE 4 EAST, W.M., DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID SUBDIVISION;  
THENCE WEST ALONG THE NORTH LINE OF SAID SUBDIVISION 130 FEET TO THE TRUE POINT OF BEGINNING;  
THENCE CONTINUING WEST ALONG THE NORTH LINE OF SAID SUBDIVISION 165 FEET;  
THENCE SOUTH PARALLEL TO THE EAST LINE OF SAID SUBDIVISION 1,320 FEET;  
THENCE EAST PARALLEL TO THE NORTH LINE OF SAID SUBDIVISION 165 FEET;  
THENCE NORTH PARALLEL TO THE EAST LINE OF SAID SUBDIVISION 1,320 FEET TO THE TRUE POINT OF BEGINNING;

EXCEPT COUNTY ROAD.

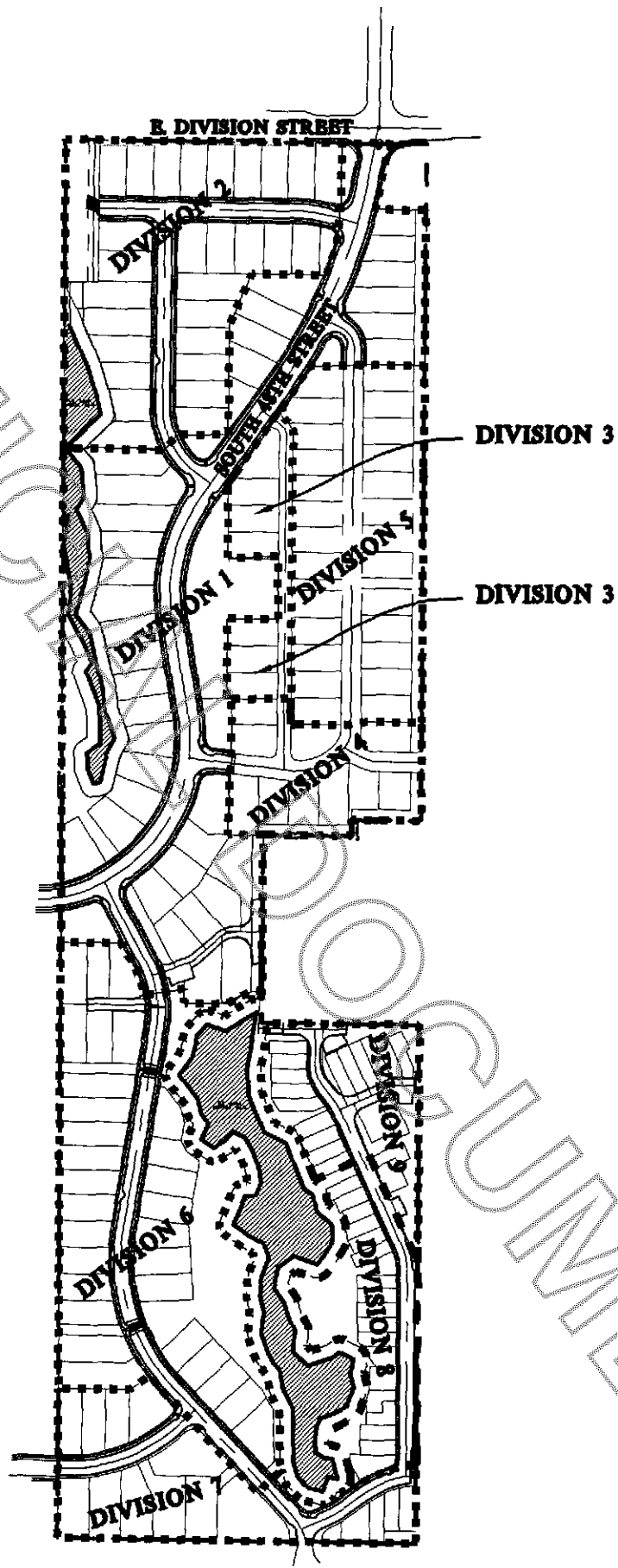
ALL OF THE ABOVE BEING SUBJECT TO AND TOGETHER WITH EASEMENTS, RESERVATIONS, RESTRICTIONS, COVENANTS, LIENS, LEASES, COURT CAUSES AND OTHER INSTRUMENTS OF RECORD.

ALL OF THE ABOVE SITUATE IN THE CITY OF MOUNT VERNON, COUNTY OF SKAGIT, STATE OF WASHINGTON.

**EXHIBIT "B"**

**PHASING MAP**

UNOFFICIAL DOCUMENT



**EXHIBIT B**  
DATE: 05.11.16

**EXHIBIT "C"**

**ESTIMATED INITIAL BUDGET FOR DIVISIONS 1 & 2\***

\* The initial Budget is subject to future amendment by the Association under the provisions of RCW 64.38.025(3) & (4). See Sections 10.1, 10.2 and 10.3 of this Declaration of Covenants.

# Woodside Community Association

## Estimated Annual Budget-2016

### Revenue:

|   |        |
|---|--------|
| Homeowner Assessments (\$160 x 12mos x 36 houses) | 69,120 |
| Homeowner Initial Fees (\$320 x 36 houses)        | 11,520 |
| Developer Assessments (\$32 x 12mos x 28 houses)  | 10,752 |

### Total Revenue

|          |          |
|----------|----------|
| \$91,392 | \$91,392 |
|----------|----------|

### Common Area Expenses

|  |        |
|--|--------|
| Accounting/Tax & Legal                     | 500    |
| Backflow Inspection                        | 1,000  |
| Bank Fees & Supplies & Licenses            | 100    |
| Insurance                                  | 1,500  |
| Maintenance - Common Area Grounds          | 12,000 |
| Maintenance - NGPA/Mitigation Area         | 12,000 |
| Maintenance - Detention Pond               | 7,500  |
| Maintenance - Yards                        | 21,600 |
| Management Fees (\$30 per month per unit ) | 12,960 |
| Miscellaneous Contingency                  | 412    |
| Office Expense (mailings, copies, etc)     | 500    |
| Repairs                                    | 0      |
| Utilities-Electricity-Streetlights         | 300    |

### Total Common Area Expenses

|        |
|--------|
| 70,372 |
|--------|

### Common Area Reserves

|   |        |
|---|--------|
| Trails, Observation Deck, Benches, Kiosks | 3,500  |
| Private Street                            | 5,000  |
| Clubhouse                                 | 2,520  |
| Perimeter & Yard Fences                   | 10,000 |

### Total Common Area Reserves

|        |
|--------|
| 21,020 |
|--------|

### Total Common Area Expenses & Reserves

|        |        |
|--------|--------|
| 91,392 | 91,392 |
|--------|--------|

### Net Excess or Deficit

|     |     |
|-----|-----|
| \$0 | \$0 |
|-----|-----|

## **EXHIBIT "D"**

### **MAINTENANCE AND OTHER REQUIREMENTS FOR COMMON TRACTS**

1. TRACTS F, G AND L WERE CREATED AS FORESTED BUFFERS FOR LANDSCAPE SCREENING. THE LANDSCAPING ALONG WITH THE SPLIT RAIL FENCE THAT ABUTS THE RESIDENTIAL LOTS AND THE SCREENING FENCE ON THE OPPOSITE SIDE OF THESE TRACTS FROM THE SPLIT RAIL FENCE SHALL REMAIN IN PERPETUITY. TREES AND SHRUBS WITHIN THESE TRACTS CAN BE TRIMMED AND MAINTAINED, BUT CAN ONLY BE REMOVED WITH PERMISSION OF THE CITY OF MOUNT VERNON. THE CITY WILL AUTHORIZE THE REMOVAL OF TREES AND SHRUBS WITHIN THESE TRACTS ONLY IF A PROFESSIONAL ARBORIST (OR OTHER SIMILARLY QUALIFIED PROFESSIONAL) DEMONSTRATES TO THE CITY THAT THE TREES/SHRUBS POSES A DANGER AND/OR ARE DEAD OR DYING. IF THE CITY AUTHORIZES THE REMOVAL OF TREES OR SHRUBS WITHIN THESE TRACTS, NEW TREES/SHRUBS SHALL BE REPLANTED WITHIN A TIMEFRAME AND DENSITY ESTABLISHED BY THE CITY. REPLANTED DECIDUOUS TREES SHALL BE A MINIMUM OF 2-INCH CALIPER. EVERGREEN TREES SHALL BE A MINIMUM OF 7 FEET IN HEIGHT AND SHALL BE FULL AND BUSHY, AND SHRUBS SHALL BE A MINIMUM OF 2-GALLON. THE OWNERS OF THE LOTS THAT ABUT THESE TRACTS AND THE HOA SHALL NOT DISTURB THE TREES/SHRUBS WITHIN THESE TRACTS UNLESS IT IS FOR MAINTENANCE, SUCH AS MINOR WEED REMOVAL. THE CITY OF MOUNT VERNON IS HEREBY GRANTED THE RIGHT TO ENTER SAID TRACTS AT ITS OWN DISCRETION TO MONITOR THE CONDITION OF THE BUFFER AREA; HOWEVER, THE CITY IS NOT RESPONSIBLE FOR MAINTENANCE OF THESE TRACTS.

2. THE LOTS CREATED WITH THIS PLAT ARE PART OF A PLANNED UNIT DEVELOPMENT (PUD). THE HOMES, OPEN SPACES, LANDSCAPING, AND NATIVE GROWTH PROTECTION AREAS (NGPA) WERE CREATED THROUGH THE PUD PROCESS THAT REQUIRES INNOVATIVE RESIDENTIAL DEVELOPMENT. THROUGH THE PUD PROCESS THE CITY WAS ABLE TO DEVIATE FROM STANDARD RESIDENTIAL PLAT REQUIREMENTS AND ALLOW A DEVELOPMENT THAT HAS ADDITIONAL SMALLER LOTS, REDUCED SETBACKS, BUFFER TRACT ETC. IN EXCHANGE FOR THE PLAT AMENITIES SUCH AS THE SHELTERS, TRAILS, LANDSCAPING AND OPEN SPACES. ALL FUTURE PERMITS FOR USES WITHIN THIS PUD ARE REQUIRED TO COMPLY WITH THE PUD REQUIREMENTS, THE CITY'S DESIGN STANDARDS, RESOLUTION 744 AND OTHER APPLICABLE CHAPTERS OF THE MOUNT VERNON MUNICIPAL CODE.

**EXHIBIT "E"**

**SKETCH SHOWING COMMON AREAS - DIVISIONS 1 & 2**

UNOFFICIAL DOCUMENT

TRACT 996

SIGN & LANDSCAPE  
EASEMENT

TRACT 'A'

TRACT 'K'

TRACT 'P'

TRACT 'B'

TRACT 'P'

TRACT 'C'

TRACT 999

TRACT 'D'

TRACT 'B'

TRACT 'H'

TRACT 'G'

TRACT 'T'

TRACT 997

TRACT 'L'

**EXHIBIT E**

DATE: 06.28.16