

Skagit County Auditor

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1 of 41 11:04AM

WHEN RECORDED RETURN TO:

SCOT S. SWANSON BELCHER SWANSON LAW FIRM, PLLC 900 DUPONT STREET BELLINGHAM, WA 98225-3105

Document Title:

Declaration of Covenants, Conditions, Reservations and Restrictions for

Bow Lake Estates

Declarants:

1) No Wake Lakes, Inc., a Washington corporation

2) Ina L. Spady

3) Estate of Richard J. Spady

4) Douglas A. Spady and Julie L. Spady, husband and wife

Legal Description:

Lots 2 through 4 Wade and Leslie Dan Short Plat Recorded

AF# 95011/7019 and Lots 1 through 5 Plat of Bow Hill Lake Recorded at

AF# 9802090152

Assessor's Tax Parcel ID#:

P11307 P1/30/4, P113075, P113077, P113076, P107216, P107215,

P50360, and P113078

# DECLARATION OF COVENANTS, CONDITIONS, RESERVATIONS AND RESTRICTIONS OF BOW LAKE ESTATES

### A. RECITALS

1. The undersigned Declarants are the Owners in fee simple of the following described real property located in the County of Skagit, State of Washington:

### See attached Exhibit "A"

(hereinafter referred to as the "Property").

2. Declarants No Wake Lakes, Inc., Douglas A. Spady and Julie L. Spady own a portion of the Property legally described as follows:

### See attached Exhibit "B"

(hereinafter referred to as the "Spady Property").

3. Declarants Ina L. Spady and the Estate of Richard J. Spady own a portion of the Property legally described as follows:

### See attached Exhibit "C"

(hereinafter referred to as the "Parents Property").

- **4.** The Property includes over 70 acres of land in an area of unique beauty, including a private water ski lake, beautiful forests and home sites.
- The Property is an area that has large lots for single family residences. A distinctive feature of the Property is that it includes a professional water ski lake (the "Ski Lake" or the "Lake") and related amenities. It is intended that the Lots will be used for primary residences, second homes, or vacation homes.
- 6. The Spady Property and the Parents Property were divided into 8 individual lots through two separate recorded plats.
- 7. The Ski Lake was developed by the previous owners of the Property. A portion of the Ski Lake was developed over the neighboring property owned by Dennis and Patricia Hamilton. An easement for access and use of the Lake, which included a memorandum of understanding, was recorded at Skagit County Auditor's File No. 9404200069. Subsequent to this, a lawsuit was filed at Skagit County Superior Court Cause No. 98-2-000320-3. A Stipulated Judgment and Order were filed in the above referenced case, which resulted in two easement agreements establishing the parties' rights over the Lake as well as a lease agreement. In addition, there are other easements for access and otherwise between the Property and the neighboring Hamilton property. The Lake and access easements and amendments thereto were recorded at Skagit County Auditor's File No. 9404200069, 9404200070, 9411070070, 9411070071, 9411070072, 9411070073, 9904220154 and 9904220155 ("Namilton Easements"). Reference should be made to the above documents for more details.
- **8.** Each Owner shall receive fee simple title to his Lot and shall be a mandatory member of the Bow Lake Estates Owners' Association ("Association"), which shall hold title to the Common Areas, and control and maintenance of easements, and such other interests as are provided herein.
- 9. The Owners and Association will license the use of the Ski Lake, Ski Amenities and related recreational Improvements to Declarants Spady on a part-time basis for water ski business. This license is created by and subject to this Declaration and terminable as provided herein.
- **10.** Declarants desire to provide the means to enforce the rights, reservations, easements, liens and charges provided in this Declaration, to provide for necessary maintenance and enhancement of the Property and to provide for the formation of the Association in the form of a nonprofit corporation which includes as its members those persons who own any Lot within the Property.
- 11. The restrictions on design and development are not intended to prevent or impair innovative or creative design. The restrictions are intended to require uniform quality with flexible design done in a tasteful manner and harmonious with the community.

### B. <u>DECLARATION</u>

The Declarants hereby certify and declare that the following covenants, conditions, reservations and restrictions shall inure and be binding upon the respective Owners of each Lot within the Property, and the Declarants further declare that all of the Property described herein is held and shall be held, conveyed, encumbered, leased, rented, used, occupied and improved subject to the following covenants, conditions, reservations and restrictions for the purpose of enhancing and protecting the value, desirability and attractiveness of the Property and every part thereof. All of the following covenants, conditions, reservations and restrictions shall run with the land and shall be binding upon all parties having or acquiring any right, title or interest in the Property or any part thereof.

### LAND CLASSIFICATION AND DEFINITIONS

The following words and classifications of land shall have the following meanings under this Declaration:

- 1.1 Lot: Any lot or parcel of real property within the boundaries of the Property designated for the location and construction of a single-family residence. The Property includes the Spady Property and the Parents Property, which currently is a total of eight (8) Lots which were created by two separate plats. The first plat (Wade and Leslie Dann Short Plat) was recorded at Skagit County Auditor's File No. 9501170109; a copy of this plat is attached as Exhibit "E." The second plat (Plat of Bow Hill Lake) was recorded at Skagit County Auditor's File No. 9802090152; a copy of this plat is attached as Exhibit "F." These two plats are collectively referred to herein as the "Plats." The number of Lot's may change in the event of a subdivision of combination of Lots as authorized herein.
- 1.2 Rules: means and refers to rules and regulations regulating the use and enjoyment of the Property, including Common Areas, Lake, Marina Area and Lake Amenities, which may be adopted by the Board of Directors from time to time.
- **1.3 Person:** Any individual, firm, corporation, partnership, association, unincorporated association or other legal entity.
- 1.4 Owner: Any Person holding either fee title or a vendee's interest under a real estate contract in a Lot, as shown by the records of the Auditor of Skagit County, Washington.
- 1.5 <u>Declarants</u>: Collectively, No Wake Lake, Inc., a Washington corporation (owned by Douglas A. and Julie L. Spady); Douglas A. Spady and Julie L. Spady, husband and wife; Ina L. Spady, and the Estate of Richard J. Spady, together with any successor in interest or assigns thereto. No Wake Lake, Inc. and Douglas A. and Julie L. Spady are Declarants who have specific rights under this Declaration and are referred to herein as "Spady Declarants".
- **1.6** Improvements: Improvements shall mean and include, without limitation, any residence, buildings, out-buildings, structures, driveways, parking areas, fencing, retaining walls, swimming pools, screening, walls, ornamentation, signs, stairs, decks, hedges, wind breaks, plantings, planted trees, shrubs, poles, lighting, hot tubs and any other structure or landscaping.

### 1.7 Resident:

- 1.7.1 Each person lawfully residing on or in any Lot and
- **1.7.2** Members of the immediate family of each such person actually living in the same household with such person.
  - 1.8 Board: The Board of Directors or other governing body designated for the Association.
- 1.9 <u>Association</u>: The community association of all Owners, as more fully described in Section 6 hereof, which is being created concurrent with the execution hereof in the form of a Washington nonprofit corporation.
  - 1.10 <u>Committee</u>: The Design Review Committee created under Section 5 of this Declaration.
- 1.11 Guest: shall mean and refer to a visitor, guest, invitee, or any other person whose presence within the Common Areas is approved by or is at the request of a particular Designated Member. Provided, any person on title of a Lot or part of the ownership of a Lot, regardless of whether they are a Designated Member, shall automatically be deemed a Guest and have use of the Common Areas.

- Common Areas: Common Areas are those areas of land within the Property which are dedicated to or owned by the Association, or any other property which is dedicated, conveyed, leased, used, or licensed to the Association, any property over which the Association holds an easement, or any property anywhere located for which the Association has assumed responsibility of its maintenance, either under the terms of this Declaration or by separate agreement, and which are intended to be devoted to the common use and/or enjoyment of the Lot Owners and their Guests, together with any and all personal property and fixtures located thereon. Common Areas include, but are not limited to, the Lake, Lake Amenities, Marina Area, Private Roads, trails, docks, drives, driveways, boat ramps, open spaces, structures, buildings, lighting, landscaped areas, entry features, access easements, utility easements, and stormwater management systems, if any. Common Areas shall also include any personal property acquired by the Association if said property is designated as Common Areas in the bill of sale or instrument transferring same or subsequently declared by the Association or the Declarants to be Common Areas, including other water ski equipment, hot tubs, trailers, mowers, sliders, and wakeboard cables.
- 1.13 <u>Lake or Ski Lake</u>: Lake or Ski Lake refers to the Bow Hill Lake and includes the two islands located within the Lake or Ski Lake. The Lake or Ski Lake is shown on the sketch attached as Exhibit "G." As described above the Lake or Ski Lake is part of the Common Areas of the Property and is controlled by the Association. The Ski Lake is established by an easement in Section 2.6 below. Portions of the Lake or Ski Lake are located on the Hamilton's Property and are benefited by and subject to the Hamilton Easements. The water ski turn islands in the middle of the lake are part of the lake and subject to control by the Association.
- 1.14 <u>Lake Amenities</u>: Lake Amenities refers to the buildings, deck, gas tank and dock all located within the Marina Area. Lake Amenities also include the water ski jump, water ski course, sliders, wakeboard cable, and lights.
- 1.15 <u>Marina Area</u>: Means and refers to the portion of Lot 5 that is west of the Lake. A rough sketch showing the location of the Marina Area and Lake Amenities located therein is attached hereto as Exhibit "H." Located within the Marina Area are a building, parking lot, boat launch, gas tank, gas dock, starting dock and other moorage and dock areas. Other Improvements and amenities may be constructed or modified in the Marina Area in the future.
- 1.16 <u>Water Ski Season</u>: Is the time period each year between and including March 1 and November 30.
- 1.17 <u>Designated Member</u>: Means and refers to the natural person and his/her family, designated by the Owner to possess the rights and responsibilities of being the Association member for that Lot. Any other Owners shall be considered Guests for purposes of using all Common Areas. The natural person identified as the Designated Member can vary from year to year as determined by the Owner. A single natural person who is part of the ownership group of multiple Lots may have the rights and responsibilities of multiple Designated Members. The purpose for the Designated Member designation is if a Lot is owned by multiple persons or a trust or entity. Only one natural person will be the Designated Member as representative of multiple Owners or a trust or entity.
- **1.18** Project Documents: means and refers to this Declaration, the Bylaws, Rules, and Articles of Incorporation.
- 1.19 <u>Declaration</u>: shall mean and refer to this Declaration of Covenants, Conditions, Reservations & Restrictions for Bow Lake Estates to be recorded in the land records of Skagit County, Washington.
- 1.20 Private Roads: shall mean the private roads through the Plats (Bow Lake Lane Tract A Corporate Road, Tract B Corporate Road and Tract C Corporate Road) that are conveyed to and controlled by the Association pursuant to Article 2 below. A sketch showing the location of the Private Roads is attached hereto as Exhibit "I." Currently, the Tract C corporate road is only constructed to the Marina Area

(beyond that point there is a rough driveway). When the Tract C corporate road is extended, it shall automatically become part of the Private Roads.

- 1.22 <u>Limited Common Areas</u>: means a portion of the Common Areas allocated by Section 2.13 of the Declaration for the exclusive use of one of the Lots. The only Limited Common Areas that may be established by this Declaration are certain moorage spaces.
- 1.23 Assessment: means all sums chargeable by the Association against the Lot including, without limitation: (a) regular and special Assessments for common expenses, fees and any other charges imposed by the Association; (b) interest in late charges on any delinquent accounts; and (c) costs of collection, including reasonable attorney's fees, incurred by the Association in connection with the collection of a delinquent Lot Owner's account.

### 2. RESERVATIONS CONVEYANCE AND EASEMENTS

- **Reservation of Easements.** Easements for drainage, sewers, water pipes and utilities, facilities and services (including, but not limited to, water supply, sewage, electricity, gas, telephone and television) are hereby reserved over, under, upon, in and through all roadways, and over, under, upon, in and through those certain portions of Lots as shown on the final plat maps of the Plats (including the Private Roads) in which there are and/or shall be installed, laid, constructed, repaired, renewed, operated, maintained and inspected underground pipes, sewers, conduits, cables, wires and any and all necessary facilities and equipment for the purpose of serving the Property and Lots, together with the right to enter upon said easement areas, Lots, parcels and Private Roads for or pertaining to the aforesaid. This reservation of easements is for the benefit of the Declarants and their successors in interest, the Association and all Owners, as well as for the benefit of the Skagit County, Puget Sound Energy, Cascade Natural Gas Company, Verizon, Comcast Cablevision, and any other purveyors of such services as herein before described, as well as any of their successors in interest. This easement is in addition to the utility easement reserved in the Plats.
- **2.2** Conveyance of Common Areas. The Common Areas, as identified herein, are hereby conveyed by the Declarants to the Association. The Association, upon conveyance of Common Areas to it, shall be responsible for the maintenance and upkeep of the Common Areas, consistent with the terms of this Declaration. This conveyance means that the Association has exclusive control over the use and maintenance of the Common Areas.
- 2.3 <u>Trail Easement.</u> The Declarants hereby grant, reserve and convey to all Lots a non-exclusive perpetual easement for pedestrian, equestrian and non-motorized vehicle access over and across the existing trails located in the area of the Property approximately shown on the attached as Exhibit D. The easement granted herein is "as built" as the trail system currently exists and has not yet been precisely located. The exhibit diagram is a rough sketch and is demonstrative only. It does not show the exact location of trails. If such easement is precisely located, then this easement may be supplemented and amended by a record survey prepared by a licensed surveyor and filed in the Skagit County Auditor's Office precisely describing the easement, "as built." In that event, the effect of the easement on the burdened properties will be limited accordingly. This easement is for the benefit of all Lots in the Property and is part of the Common Areas controlled by the Association. The Association shall be responsible for the maintenance and upkeep of the trail system.
- Private Roads. The Plats created the Private Roads and established easements over the Private Roads for all the Lots within the Plats. Additionally, maintenance responsibilities were established. A non-exclusive perpetual easement for ingress and egress is hereby granted, reserved, and conveyed by the Declarant over and across the Private Roads for each of the Lots within the Property. The Private Roads shall be maintained by the Association pursuant to this Declaration. The Declarants anticipate that the Association may assess for paving of Bow Lake Lane in the future. The easement and maintenance agreement of the Private Roads previously established are not extinguished but are significantly modified and expanded by this Declaration. Specifically, the Private Roads were created pursuant to documents

recorded at Skagit County Auditor File Nos. 9404200069, 9411070071, 9503010033, 9404500070, and 9802090152. The easements for the Private Roads are part of the Common Areas controlled by the Association. Bow Lake Lane is established through Lot 4 of the Plat. The portion of Bow Lake Lane that bends back on the east side of the property is a primitive, rough road. This portion of Bow Lake Lane is established as an easement "as built," as that portion of the road currently exists and has not yet been precisely located. If such portion of Bow Lake Road is precisely located, then this easement may be supplemented and amended by a record survey prepared by a licensed surveyor and filed in Skagit County Auditor's Office precisely describing the easement "as built." In that event, the effect of the easement on the burdened property will be limited accordingly.

- **Common Septic Easement.** A common easement for septic systems was shown on the map of the Plat of Bow Hill Lake. This easement is hereby granted and conveyed over the portion of Lot 5 of the Plat of Bow Hill Lake as shown on the map for the benefit of Lots 1, 2, 3, and 4. All septic systems installed within the easement area shall be approved by the appropriate governmental entities with jurisdiction. An easement is hereby granted, reserved and conveyed for the benefit of Lots 1 and 2 of the Plat of Bow Hill Lake over the southerly five (5) feet of Lot 4 of the Plat of Bow Hill Lake for the purpose of installing a sewer line to run to the common easement for septic systems described herein. Provided, this easement is only for sewer lines in the event that a sewer line is run under the Lake by a Lot Owner. Provided further, this easement is only for the portion of Lot 4 located west of Bow Lake Lane. Except as provided herein or as to separate arrangements made by Lot Owners, all other Lots shall have its own septic system located within their own Lot
- Lake Easement. An easement granted to all the Lots for the right to the complete and full enjoyment of the Lake was established on the face of the Plat of Bow Hill Lake, recorded at Skagit County Auditor's File No. 9802090152. This easement is not extinguished but it is modified by this Declaration. The Declarants hereby grant, reserve and convey a perpetual easement for the use and enjoyment of the Lake. This easement is for the benefit of all Lots in the Property. The easement for the Lake is part of the Common Areas and controlled by the Association. Provided, however, the use of the Lake is restricted by and subject to the license granted in Paragraph 2.7 below. Additionally, for so long as the license granted herein is in effect no Lot Owner or the Association shall utilize the Lake for any purpose where funds are received for that use, which means the Lake shall be utilized for recreational purposes only by the Owners and their Guests. The use of the Lake is subject to this Declaration and any Rules established by the Board, as well as the Hamilton Easements. The use of the Lake is restricted to the Designated Member and Guests as determined by this Declaration. The location of the Lake is shown on the Plats, however, the Lake is a water body and its location is subject to change. The easement conveyed herein for the Lake is intended to move with the location of the Lake. The Association shall be responsible for the maintenance and upkeep of the Lake and separate easements are being granted to the Association for maintenance of the Lake and other areas. The easements granted herein for the Lake, Marina Area, Lake Amenities, and any maintenance related easements are to be construed broadly in favor of continued use of the Property as the competitive water Ski Lake it is. In this regard, nothing shall be done to interfere with this use of the Lake.
- License for Bow Lake Estates. There is hereby reserved a license to TST, Inc. and Bow Lake Watersports Inc. (collectively "BLWS") for the benefit of Lot 1 of the Plat of Bow Hill Lake, for the exclusive/priority use of the Lake during the Water Ski Season from the time period of 2:00pm through 11:30 p.m. daily. The Association and the Lot Owner's shall have the right to use of the Lake at any time when it is not Water Ski Season and from sunrise through 2:00 p.m. during Water Ski Season. BLWS and the Owner of Lot 1 shall have the right to assign or lease its rights hereunder to any entity as long as the Owner of Lot 1 has an ownership interest in said entity. The above created license may be terminated any time after the date fifteen (15) years from the recording of this Declaration with a two-thirds supermajority vote of the Association. The following examples are provided to assist in describing the above license. Example #1 of use: Lot Owner wants to ski after work and BLWS has a customer skiing. Lot Owner will be added to ski list and can take a set as soon as possible. However, BLWS has priority over skiing on the Lake. Example #2: BLWS has a customer that wants to ski in the morning. Customer will be added to list and ski AFTER the Lot Owners and Guests ski. Lot Owner has priority over skiing on the Lake.

- 2.8 <u>Easement for Marina Area</u>. The Declarants hereby grant, reserve, and convey a perpetual easement for the use and enjoyment of the Marina Area, including all buildings, structures and facilities. This easement is for the benefit of all Lots in the Property. The easement for the Marina Area is part of the Common Areas and controlled by the Association. The use of the Marina Area shall be subject to the same time restrictions as described regarding use of the Lake in Sections 2.6 and 2.7 as to portions of the Marina Area utilized for competitive water skiing. It is the intent of this easement that the entire Marina Area and all buildings, structures and facilities be commonly shared by all Owners and Guests, and that the Marina Area be completely controlled and maintained by the Association. Such maintenance and upkeep includes the grounds, structures, buildings, facilities, and fixtures, as well as any personal property, such as the docks, not tubs, decks and any other infrastructure. The Board may establish Rules that are governing the use of the facilities (i.e., docks, decks and hot tubs), including setting certain time restrictions.
- 2.9 Easement for Lake Amenities. The Declarants hereby grant, reserve, and convey an a perpetual easement for the use and enjoyment of the Lake Amenities. This easement is for the benefit of all Lots in the Property. The use of the Lake Amenities shall be subject to the same time restrictions as described regarding use of the Lake in Sections 2.6 and 2.7. As described in Section 2.8, the Association shall be responsible for the maintenance and upkeep of the Lake Amenities. The maintenance shall keep the water ski amenities (i.e., water ski jump and course) in a condition such that it meets competitive water ski standards and is safe for competition. Some of the Lake Amenities include the water ski course and jump which are integral to use of the Lake. No one shall take any actions that would interfere with the use of the Lake Amenities for competitive water skiing or use the Lake Amenities in inappropriate ways. The Lake Amenities are subject to the license.
- 2.10 <u>Lake Maintenance and Light Easement</u>. There is existing lighting located on the east bank of the Lake for the purpose of night water skiing. In addition, the Association may need to maintain portions of the upland areas around the Lake to make sure there is proper functioning of the Lake itself. The Association may also want to install additional lighting to facilitate night water skiing. The Declarants hereby grant, reserve, and convey a non-exclusive perpetual easement twenty (20) feet along the entire perimeter of the Lake for the benefit of the Association for maintenance and monitoring of the Lake. This easement encroaches (wenty (20) feet up the bank on the lakeside of each Lot from the ordinary high water mark. In addition to maintenance and monitoring, the Declarants and/or Association may install or replace lighting on the eastern side of the Lake within the easement area at their discretion. This is in addition to the existing lighting that already exists.
- 2.11 <u>Lake Maintenance and Dredging Easement</u>. The Declarants hereby grant, reserve, and convey a non-exclusive perpetual easement under the entire Lake for the benefit of the Association to conduct maintenance or dredging of the Lake as the Association deems necessary.
- 2.12 Reservation of Right to Allocate Moorage Spaces to Individual Lots. A rough map showing the Marina Area and the location of four numbered moorage spaces marked as Limited Common Areas, which may be allocated to Lot Owners. The Declarants reserve the exclusive right to assign moorage spaces as Limited Common Areas for the exclusive use of a particular Lot Owner to whose Lot the Limited Common Area moorage shall become appurtenant. The Declarant may assign such a Common Area moorage space as a Limited Common Area through an amendment to this Declaration requiring only Declarants' signature. The right to assign such Limited Common Area moorage spaces is reserved exclusively to Declarants Spady. The right to allocate moorage spaces as Limited Common Areas shall expire seven (7) years from the recording of this Declaration.
- 2.13 <u>Hamilton Easement</u>. As described in the Recitals above, there are a number of shared easements created between the original developer of the Lake and the Hamiltons. These are defined above as the Hamilton Easements and are incorporated herein by this reference. This Declaration does not extinguish or modify the terms of any of those easement grants between those parties. However, this Declaration does clarify and restrict between the Owners of the Lots as to portions of those Hamilton Easements.

- **2.13.1** The Property is accessed off of Colony Road pursuant to an easement granted by Dennis Hamilton and Patricia Hamilton, husband and wife, recorded at Skagit County Auditor's File Nos. 94,1070070, 9404200070 and 9010290107. This easement is 60 feet wide and for ingress, egress and utilities. The Association is responsible for any maintenance or repair of this access road.
- 2.14 Termination of Private Street Maintenance Agreement. A Private Street Maintenance Agreement was recorded at Skagit County Auditor's File No. 201104190032, which provided that a portion of Bow Lake Lane was to be maintained by two of the Lots. Given that the entirety of Bow Lake Lane is becoming the responsibility of the Association for maintenance, repair and replacement, this Private Street Maintenance Agreement is no longer needed and is hereby terminated and has no further force and effect.

# 3. GENERAL USE RESTRICTIONS AND REQUIREMENTS

- 3.1 <u>Permanent Residential Purposes.</u> Except as provided herein, all Lots within the Property shall be used exclusively for single-family residential purposes and related purposes.
- **3.1.1** Lot 5 may be used as a Bed and Breakfast or other lodging consistent with Skagit County Standards. In addition, Lot 5 may also be used for commercial storage of boats and other vehicles. Such storage business will also include the ancillary activities of boat repair and storage of boat parts. Repair of boats will be out of the view of other Lot Owners. Lot 5 has the specific right to expand on those businesses, including adding additional Improvements to the Lot. No other Lot may be used for any commercial purposes, except for the limited trade or business in Section 3.1.2 below.
- **3.1.2** Any Lot Owner may conduct a home trade or business within the Owner's Lot, provided that (a) the existence or operation of the trade or business activity within the Lot is not unreasonably apparent or detectible by site, sound, or smell from the exterior of the Lot; (b) the trade or business activity conforms to the applicable zoning requirements; (c) the trade or business activity does not unreasonably involve persons coming around to the Property; (d) the trade or business activity does not increase the liability or casualty insurance obligations or premiums of the Association; and (e) the trade or business activity is consistent with the residential character of the Lots and does not constitute a nuisance or hazardous or offensive use as determined, in the sole discretion of the Board.
- Leasing. The leasing or renting of a Lot by its Owner shall be governed by the provisions of this Section. No Lot Owner shall be permitted to lease his/her Lot for transient purposes, which shall be defined as renting for any period of less than thirty (30) days. The Association may by resolution of the Board prohibit the leasing of any Lot for a period of less than six (6) months. No Lot Owner may lease less than the entire Lot with no subletting. All lease or rental agreements shall be in writing and subject to this Declaration and the Project Documents (with the default by the Tenant complying with the Project Documents constituting a default under the lease or rental agreement). Any person renting a Lot shall be considered a Resident. They will also be considered a Guest and automatically deemed to be approved by the Designated Member for the Lot. Any Resident who is the subject of a written lease for a Lot is considered a Guest but does not have to have an Owner present to use the Common Areas.
- 3.3 No Explosives or Hunting. With the exception of fireworks during legally permitted time periods, no explosives shall be discharged within the boundaries of the Property; provided, this shall not in any way limit the use of explosives as required for bona fide construction activities within the Property. The unlawful discharge of firearms is prohibited. No hunting is allowed on the Property, unless approved by the Association.

### 3.4 Animals and Dogs.

- **3.4.1** Animals, livestock and poultry of any kind, including household pets, may be raised or kept on any Lot, consistent with applicable zoning standards, provided that they are not kept, bred or maintained for commercial purposes. De minimus commercial activity (e.g. one or two animals raised for sale) including reasonable 4-H operations, shall not be considered a violation of this provision so long as such activity is otherwise lawful. Any such activity, however, shall be prohibited if all other Designated Members deliver an objection in writing to the Owner conducting the activity.
- 3.4.2 Peaceful and friendly dogs of Owners shall be free to roam all Lots within the Property. Owners are expected to take reasonable measures to protect their property from dog intrusion (e.g. secure garbage containers and protect gardens). Any Owner wishing to prohibit trespass by dogs must construct fencing on that Owner's Lot at that Owner's sole cost and expense. Notwithstanding, Owners shall be responsible for all actions of their own dogs consistent with state law and local ordinance, including trespass upon or damage to the real or personal property of other Owners. No dog shall be allowed to bark at unreasonable hours, with unreasonable frequency or at an unreasonable volume.
- **3.4.3** The Board may adopt Rules regarding the conduct of Animals and Dogs. All Owners, Guests, Residents, and invitees shall abide by any rules adopted by the Board regarding the conduct of Animals and/or Dogs. The Board may require a Dog to be removed if it is not abiding by this Declaration and the rules.
- 3.5 Signs. Without the Association's advanced permission, No signs or billboards shall be placed on any Lot, except that one identification sign bearing the Owner's name and address may be placed upon the Owner's Lot. Irrespective of the foregoing, the Declarants may display post signs, billboards or other advertising materials on or about any unsold Lot or Lots until all Lots within the Property have been sold by Declarants. In addition thereto, the Declarants, and any Owner or such Owner's agent, may subsequently advertise any Lot for sale, and, furthermore, an Owner may display signs of a political nature, promoting a candidate or a political proposition, during periods of political campaigns. Signs may be utilized to advertise any water ski tournaments or events at the Lake.
- **3.6** Garbage/Refuse. No Owner shall deposit or permit the accumulation of any trash, ashes, garbage or other refuse or debris on or about such Owner's Lot or any other property within the Property, except in appropriate covered trash receptacles. Each Owner shall keep such Owner's Lot neat and orderly in appearance and shall not cause or permit any noxious or odorous conditions to exist, nor maintain any tangible objects which are unsightly in appearance to exist, on any Lot

### 3.7 Vehicles.

- 3.7.1 All boats, utility trailers, trucks of more than one ton rating, campers, recreational vehicles, travel trailers, motorhomes, and similar items or vehicles maintained or kept upon any Lot shall at all times be enclosed within a garage or otherwise neatly stored behind the front wall line of the residence and reasonably screened from view the road. Provided, Lot 5 does have storage barns located thereon for the purpose of storing boats indoors during the winter months. As described in Section 3.1.1 above, Lot 5 is authorized to have a commercial storage business, which means these barns and any future Improvements or structures for such purposes on Lot 5 are allowed.
- 3.7.2 <u>Automobiles</u>. All automobiles and all other permitted vehicles, if kept or parked on any Lot or otherwise within the Property, shall be in good order and in working condition. Partially wrecked vehicles, discarded vehicles, unlicensed vehicles or vehicles which are in a state of disrepair shall not be kept on any Lot nor shall they be maintained within the Property, unless completely enclosed in a garage or otherwise completely screened from view from outside of the Lot.
- 3.8 Fences. All fences shall be approved by the Committee. The determination as to what the type, design, and location of any fence shall be approved by the Committee. While wire and chain link fencing is not prohibited, its use should be limited to areas around storm treatment ponds and the Lake and

the like, if any. Provided, the Committee may approve wire and chain link fences for any purpose, as long as they are comfortable with the aesthetics of the proposed fence. Absolutely no gates shall be allowed across any Private Road without permission of all Owners using such road.

- 3.9 Surface Water Run-Off. No Lot shall be improved in such a way as to cause excess surface water run-off that may damage or inconvenience other Lots or contiguous properties and the Owners thereof. Construction activities shall be done in such a way as to minimize stormwater runoff to the Lake. In po case shall parking or other areas with potential of toxic runoff drain to the Lake.
- 3.16 <u>Damaged Improvements</u>. No Improvement which has been partially or totally destroyed by fire, earthquake or any other cause shall be allowed to remain in a state of disrepair for a period in excess of four months from the date of such partial or total destruction. Corrective construction or reconstruction shall be required to commence within such four month period and shall be completed in accordance with the provisions of Paragraph 4.1 hereof; provided, however, that four month period shall be extended for a reasonable period thereafter in the event that corrective construction or reconstruction has not commenced as a result of factors beyond the control of the subject Owner and in the event that the subject Owner has exercised and does thereafter continue to exercise due diligence in an effort to eliminate such factors causing such delay in commencement.
- 3.11 Residential Structures. Except as may be existing as of the execution of this Declaration or as otherwise provided herein, there shall be permitted only one (1) residential structure within any Lot except an accessory dwelling unit as may be approved by Skagit County under the applicable zoning ordinance. No mobile homes are permitted within any Lot. Provided, the existing mobile home located on the Parents Property can remain. The mobile home may be improved and/or enlarged, subject to approval by the Committee. It is Declarants' desire that at some point in the future, there will be a "stick built" home on the Parents Property. However, this is not required and, in the discretion of the Committee, the mobile home may be improved and/or enlarged as described above.
- 3.12 <u>Out-buildings</u>. Out-buildings and/or structures are allowed within any Lot but must be approved by the Committee. Out-buildings or structures existing at the time of execution of this Declaration are exempt from any approval of the Committee and may be improved and maintained. The Committee shall consider and approve the location of any out-building or structures in addition to the design, materials, and size. Lot 5 may add additional storage facilities conducive for the business described in Section 3.1.1.
- 3.13 <u>Vacant Lots.</u> Vacant lots shall be kept free of unsightly debris and shall not be used for storage or parking or any other purpose until commencement of construction on the Lot. Vacant lots shall be moved as to keep tall grass and blackberries controlled. Notwithstanding any other provision, no Owner shall allow any condition of that Owner's lot to constitute a fire hazard or encourage the proliferation of invasive plant species such as ivy or blackberries.
- 3.14 Owner's Responsibility. Each Owner shall maintain his/her Lot and Improvements in good repair and in a neat and attractive condition. Said maintenance responsibilities shall include, but not be limited to, maintenance of all landscaping, such as regular grass mowing and shrubbery trimming, even when Owner is out of town. Each Owner shall practice responsible and careful landscape design and maintenance of his/her Lot to prevent contamination of surface water. No Owner shall take any action which: (1) increases the maintenance responsibility of the Association; (2) causes the Association's insurance premiums to increase; or (3) interferes with the Association's maintenance or operational responsibilities. Each Owner shall ensure that banks and slopes of the Lake that lie within a Lot remain free of any structural or landscape encroachments so as to permit vehicular access for maintenance and inspection when needed.

### 3.15 Ski Lake.

3.15.1 <u>Use of Lake and Lake Amenities</u>; <u>Permitted Users</u>. Subject to the easement limitations and the Project Documents, the Owners are permitted users of the Lake and Lake Amenities. Owner's Guests (as approved ty the Designated Member) may operate boats and participate in water skiing

and other water recreational activities on the Lake. However, all Guests shall be in the presence and under the control and supervision of an Owner, who shall be responsible for the safe, proper and reasonable operations of the boat and water skiing activities there from, and for the conduct of all persons in the boat. In addition, the Association may (but shall not be obligated to) require proof of evidence of driving and/or other operating ability, as the Association deems appropriate. Good judgment and common practice standards in the utilization of safety equipment (i.e. life vests, helmets, etc.) is expected by anyone in and around the Lake and Lake Amenities. An Owner must be physically present at the Lake for his/her Guests to utilize the Lake. The failure to be present shall be considered a material violation of the Declaration and may subject an Owner to a sanction and fine, including suspension of the right to use the Lake and the Lake Amenities. The use of the Lake and/or Lake Amenities is limited to the Declarants, Owners and their Guests, subject to the Rules adopted by the Board of Directors, which are subject to change.

3.15.2 Risks Associated with Lake. Each Owner purchasing a Lot, each tenant, and each person using and/or entering the Property, including any trespassers, acknowledges the inherent and unavoidable potential dangers and hazards, including bodily injury, death or property damage, whether caused by accident, negligence or lack of due care, of (1) entering land with the Lake, Lake Amenities and other Improvements, (2) purchasing, owning, leasing, or using land adjacent to the Lake, Lake Amenity, or unfenced body of water, (3) the sport of water skiing and wakeboarding or other water recreational activities which will frequently occur on the Property and (4) the operation of motorized watercraft in such Lake. Owners, their tenants and contract purchasers, and their respective family members. Guests and invitees assume the various risks involved in living and/or coming upon the Property and/or using the Lake and Lake Amenities. Each Owner, tenant, Guest, and contract purchaser shall execute such waiver or releases of claims, hold harmless agreements or acknowledgments ("Waivers") as the Association may require from time to time as a condition to use of the Lake, Lake Amenities, or other portion of the Common Area by the Owner, tenant, or contract purchaser or any parties deriving use privilege through them, and each shall be solely responsible to ensure the safety of all persons as a result of their actions or omissions and those of all persons deriving use privileges, including but not limited to the safety of such persons and all other persons present at the Property with the actual or implied permission or consent of any such person, the safety of small children or non-swimmers in the vicinity of the Lake, the prevention of unauthorized or other dangerous use of the Lake by persons deriving use privileges from them, and the proper and safe operation of all watercraft. The Association will not employ or otherwise have available lifeguards, monitors, supervisors or other persons to monitor or supervise use of the Lake, the activities of persons on or at the Lake of the safety of any person, and no act or omission of the Association shall create any responsibility or obligation of the Association, the Board, the Officers of the Association or the members to monitor or supervise the Lake, Lake Amenities or Common Area use.

### 3.15.3 Lake Use Restrictions. Use restrictions for the Lake.

- a. Boats on the Lake must only be AWSA approved in-board water ski boats or wakeboard boats. Non-motorized watercraft may only be used when they can be used safely and do not interfere with the water ski boats.
- b. No jet skis, wave runners or motorized personal watercraft of any type or design, except for AWSA official in-board water ski boats or wakeboard boats, shall be allowed in the Lake.
- c. No boat greater than twenty five (25) feet or nine (9) feet in beam shall be allowed on the Lake, without the prior written permission of the Association.
- d. All water skiing and boating in the Lake shall be done at the sole risk of each Owner and its Guests and invitees.
- e. No fueling facility is allowed other than the existing facility within the Marina Area. Owners shall take care to not spill any fuel or other toxic substance in the Lake. In the event a spill does occur the responsible Owner must take all steps necessary to contain and clean the spill and contact the proper authorities as required.

- f. There shall be no discharge of animal waste, fertilizer, pesticides, fishing line, plastic bottles, or contaminated bilge water, or similar debris, into the Lake. All horse stables, pastures and significant items shall be located such that runoff is discharged away from the Lake.
- g. All Owners, Guests and invitees shall obey all rules and sign Waivers before conducting water sport activities on the Lake.
- h. If a boat and skier are waiting, the skier in the course is limited to 8 passes or jumps (down and back 4 times) or 20 minutes whichever occurs first. It is considered a pass when a skier enters the gate, whether the skier falls or completes the pass (a "Skiing Set") Skiing Sets will progress through the Owner's present on a first-come, first served basis.
  - i. Only one boat shall be operated in the Lake at any given time.
  - Any person knocking out a buoy shall immediately replace same.
- k. All boats operated on the Lake shall be equipped with a muffler system which is maintained in working order at all times so as to abate the noise level emitted to not more than 100 decibels at 100 feet and 3 feet off the ground. No open exhaust or modifications from stock shall be permitted.
- I. Swimming is not permitted in the Lake when motor boats are present, except as necessary due to permitted water sport (skiing/waterboarding) and boating activities.
- m. The docks in the Marina Area are intended for moorage of water ski boats and facilitating water skiing on the Lake. However, the docks may be used for passive recreation, such as sun-bathing or swimming, as long as such use does not interfere with the use of the Lake for water skiing.
- n. The term water skiing and wakeboarding are used interchangeably throughout.
- **3.15.4** <u>Indemnification</u>. Each Owner shall indemnify and hold the Association and all Owner's harmless from and against any claim, demand, action, proceeding, loss, damage, suit, cost or expense, including but not limited to reasonable attorneys' fees and costs, arising from or related in any manner to the their use of the Lake and Lake Amenities, including Owner's negligent acts or omissions in the performance of their responsibilities under this Declaration.
- 3.16 <u>Docks</u>. Docks on individual Lots are permitted. The size and location of any Docks shall be approved by the Committee. The Docks shall not impede the use of the Lake for its designed purpose.

### 4. CONSTRUCTION

- 4.1 <u>Time For Completion</u>. Construction of all Improvements shall be prosecuted diligently from the date of commencement of work until the exterior is completed and painted or finished and all sanitation and health requirements have been fulfilled. Furthermore, the maximum time limit for the completion of construction of an Improvement shall be twelve months from the date construction commences, which is defined as the date building materials are first delivered to the Lot for such purpose. 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.
- 4.2 <u>Height Restrictions.</u> No structural Improvement shall be constructed in such a manner as to materially obstruct the view of the residential structure located on any other Lot. Whether view impairment is material shall be determined under the standards set forth at paragraph 4.8.5 (i) through (iv).

- 4.3 <u>Minimum Building Size.</u> The minimum building size for any residence shall be one thousand three hundred fifty (1,350) square feet of habitable space, excluding patios, walkways, or garages.
- 4.4 Garage. Unless otherwise specifically authorized in writing by the Committee, all residences must have an attached or detached garage.
- **4.5 Foundation.** Exposed concrete foundation walls on any dwelling on a Lot shall not exceed two (2) feet in height, except as approved by the Committee.

### 4.6 Landscaping.

- **4.6.1** Owners shall landscape the immediate area surrounding the residential structure within six (6) months of the start of construction.
- **4.6.2** Where construction is not commenced within three (3) months after an Owner acquires a Lot, the Owner shall cut weeds on the Lot and shall keep the Lot free of garbage or other debris and shall otherwise maintain the Lot in reasonable condition so not as to detract from the neighboring Lots.
- 4.7 Maintenance and Repair. Landscaping shall at all times be kept and maintained in good order, repair, condition and free of debris, consistent with this Sections 4 and 3.3. If an Owner fails to comply with this requirement, then the Association may do such maintenance, repair or cleaning and utilize the authority set forth in subsection 6.4 to assess the Lot and Owner for the cost of such work. The Owner shall reimburse the Association as is appropriate within fourteen (14) days after receipt of a billing for the above described work. The Association has an easement to enter the Owner's Lot for the purpose of conducting the above referenced work or any work related to the maintenance or repair of the Lake.
- 4.8 <u>Existing Structures</u>. Improvements (including the mobile home located on Lot 3 of the Parents Property) existing at the time of this Declaration are not subject to paragraphs 3.10, 3.11 and 4.2 through 4.5 of this Section. If any existing Improvement is destroyed or demolished for any reason, this paragraph shall not apply to any replacement.
- 4.9 <u>Setbacks</u>. All setbacks shall be pursuant to Skagit County standards; provided, all construction must be at least twenty (20) feet off the Lake, except as specifically authorized in writing by the Committee.
- 4.10 Roads. It is an individual Lot Owner's responsibility to improve any access roads or driveways as necessary to meet County standards for a building permit. Specifically, the access road to Lots 1 and 2 of the Plat of Bow Hill Lake is not installed and is the responsibility of the Owners. Once constructed, maintenance of it will become the responsibility of the Association.

### 5. DESIGN REVIEW COMMITTEE

- 5.1 General. Construction of Improvements, except as specifically required in this Declaration, on any Lot within the Property shall be subject to the prior approval of a Design Review Committee (herein "Committee"), who shall be appointed by Declarants Spady. No Improvements shall be eracted, placed or altered on any Lot until the construction plans, specifications and a site plan showing the location of all proposed Improvements on the Lot have been approved by the Committee. The approval or disapproval of the Committee as to such construction plans, specifications and site plan shall be based upon the quality of materials to be utilized in construction, the harmony of the external design and color scheme of the proposed Improvements with other existing Improvements within the Property and the location and bulk of the Improvements with respect to topography and finished grade elevation.
- 5.2 <u>Committee Fee.</u> In addition to the construction plan, specifications, site plan and landscaping plans, the Owner shall give to the Committee the current design review fee for each approval requested. As of the date of this Declaration, the design review fee shall be \$150.00. This fee is subject

to charge by the Board. A significant change to plans (to be determined in the discretion of the Committee) shall be deemed to be a new set of plans and shall require an additional design review fee. The Committee is not obligated to commence review until the above specified fees have been paid.

- Approval/Disapproval. The Committee shall approve or disapprove the construction plans, specifications and site plans, including specified color finishes, within twenty (20) days following receigt of a complete set thereof from the submitting Lot Owner or prospective Lot Owner together with the applicable design review fee. Any such Lot Owner or prospective Lot Owner shall submit two sets of plans. The two sets of plans and specifications submitted to the Committee shall be drawn to a scale not less than one-eighth (1/8th) of an inch equals one (1) foot (1/8" = 1"), shall contain a plot plan, shall designate the direction "north," shall locate all existing and proposed Improvements, shall locate all utility installations. and shall locate all trees busines or other landscaping, having a present or reasonably expected excess of six (6) feet. The plans shall also include a plan indicating the location of all exterior walls and four (4) major exterior building elevations indicating exterior materials, finishings, window sizes and materials, door sizes and materials, and exterior finish color scheme. Any complete submission of construction plan, specifications, site plan and landscaping plan on which no action is taken by the Committee for twenty (20) days following the date of receipt thereof shall be deemed approved as submitted, unless within such twenty (20) day period the Committee has sought, in writing, clarifying information concerning the same or provided another reasonable explanation why more time is necessary, in which case the time period shall be extended for the then remaining number of days after receipt of additional requested information or other reason for delay, has been resolved. Of the two sets of construction plans, specifications (including exterior color finish detail), site plan and landscaping plan submitted to the Committee, one such complete set shall be returned to the submitting Lot Owner or prospective Lot Owner with the approval or disapproval endorsed upon such complete set by the Complete. The other complete set shall be retained by the Committee for its permanent files. The Committee shall have the right to disapprove any construction plans, specifications and/or site plan in the event one or more are not in accordance with the provisions of this Declaration, if the design or exterior color scheme of the proposed Improvements is not in harmony with the general surroundings of the Property or with the adjacent improvements, if the proposed improvements interfere with views from other Lots, if the construction plan, specification, site plan and landscaping plan are incomplete, or if the Committee reasonably determines that the construction plan, specifications and site plan, or any portion of any, are contrary to the interest welfare and or rights of the Owners of other Lots, again, within the reasonable discretion of the Committee.
- **5.4** Conditional Approval. Any approval given by the Committee may be conditioned upon compliance by the applicant with any reasonable condition which the Committee deems appropriate, including, without limitation, the posting of bonds or other acceptable security in order to insure performance by the applicant in accordance with the construction plans, specifications and site plan being approved.
- **5.5 No Liability.** The Committee, nor any member thereof nor any successor thereto, shall be liable to any person for any action taken by the Committee or for any failure to act by it under or pursuant to the provisions of this Declaration, so long as the Committee, any member thereof and any successors thereto act in good faith and without malice.
- 5.6 Expiration. Declarants Spady may remove and replace members of the Committee as its sole discretion. This right to appoint or remove members of the Committee shall not expire until the Declarants Spady no longer own any Lots within the Property. After Declarants Spady turns control over to the Association, the Association under an affirmative vote of seventy-five percent (75%) of the Owners may elect to appoint a Committee that shall have all of the powers of the Committee that was under Declarants Spady's control provided for herein. The Committee shall consist of three (3) members appointed by the Board. All decisions of the Committee shall be made by majority vote and in accordance with all substantive procedural requirements applicable to the Committee.

### HOMEOWNERS' ASSOCIATION

The Declarants shall form a Homeowners' Association, designated herein as the "Association", to include as its members all Owners of any Lot within the Property. This organization shall be a nonprofit corporation pursuant to Title 24 of the Revised Code of Washington and shall be known as "Bow Lake Estates Homeowners' Association". The Association shall be formed contemporaneously with the recordation of the Declaration.

- and promotion of the common welfare of the Owners of any Lot or parcel within the Property; the regulation, use, care, construction, operation, repair, maintenance and preservation of the Common Areas, including the Lake, Marina Area and Lake Amenities for which there is a private maintenance obligation to be shared in common by the Association members; the regulation, maintenance and repair of facilities thereon and such other facilities, equipment, activities, objects and purposes pertaining to the welfare, enjoyment, social well-being, protection and benefit of the members and of their Lots within the Property, including, but not limited to, the operation, maintenance and use of the Common Areas or other property held or controlled by the Association; enforcement of this Declaration including Lot maintenance, construction requirements and building restrictions imposed on the Lots; payment of taxes, if imposed, on Common Areas and Improvements; and the furnishing of protection and preservation of the interests of the Owners for the common good.
  - **6.2** Meetings. All Meetings shall be conducted as provided in the Association Bylaws.
- 6.3 Creation and Transfer of Control. The Association shall be organized at the instance of the Declarants, and each Owner shall be a member of the Association. Declarants Spady shall have the exclusive right to designate and appoint a governing Board of the Association until such time as Declarants Spady have sold all of its Lots within the Property or ten (10) years from the date of this Declaration, whichever is sooner. When all Lots owned by Declarants Spady have been sold or at the expiration of the time period, the control of the Association shall be turned over to the members, and the members shall elect from their number the governing Board of the Association, as determined by the Articles of Incorporation and Bylaws of the Association. Irrespective of the foregoing, Declarants Spady, at their sole and exclusive option, may elect at any time prior to the sale of all Lots within the Property to transfer control of the Association to the members thereof.
- **Conveyances.** The Declarants may have transferred all Common Areas as hereinbefore identified to the Association, subject to the reservations impressed upon these Common Areas by this Declaration. At all times, the Association shall be responsible for the maintenance and upkeep of the Common Properties at its sole and exclusive expense. Such obligation shall include, without limitation, responsibility for maintenance of all Common Areas, Lake, Lake Amenities, Private Roads, common Improvements and easements as identified herein and on the face of the Plats. Specifically, and also without limiting the foregoing, the Association shall be responsible for the operation and maintenance of, and for potential liability arising from, all Common Areas.

### 6.5 Assessments and Liens.

- **6.5.1** Authority. The Association during the period of Declarants Spady's control and at all times thereafter shall be empowered to establish and to collect dues and Assessments upon Lots in the Property for the common benefit of such Lots.
- **6.5.2** Purposes. The purposes for which dues and Assessments may be established and collected include, without limitation, making provision for the payment of charges associated with the Common Areas, Lake, Lake Amenities, utilities, Private Roads, drainage, property protection, landscaping, insurance, maintenance, Improvements, enforcement of this Declaration, payment of taxes upon Common Areas, the holding of ownership or a leasehold interest therein or for any other common purposes, all as determined pursuant to the Articles of Incorporation and Bylaws of the Association.

- 6.5.3 Personal Obligation and Lien Foreclosure. Dues and Assessments shall constitute a personal obligation of any Owner of record of a Lot on the due date thereof and shall also constitute a lien on the Lot assessed. Such lien may be enforced by the Association in the same form and manner of procedure as foreclosure of real property mortgages under the laws of the State of Washington.
- **6.5.4** Amounts Included. Each Owner and each party hereinafter owning or claiming an equity interest in a Lot agrees that in the event of such foreclosure action involving such Lot, the Owner or Owners thereof or other party asserting an equity interest therein will pay the Association's expenses of title examination and insurance, the cost of attorney's fees incurred by the Association and court costs, as well as all other costs reasonably and necessarily incurred in such foreclosure action. In any such action, delinquent Assessments shall bear interest at the rate of 12% per annum from the date the same became due until the date of the entry of the judgment of foreclosure thereon and then at the prevailing rate for judgments under the laws of the state of Washington.
- **6.5.5** Other Liens and Foreclosure Actions. The method and manner provided for foreclosure of liens set forth in this Section 6 shall pertain to all liens referred to in this Declaration.
- **Establishment of Assessment of Charges.** For the purpose of providing funds for uses specified herein, the Board shall for each year, charge yearly dues against all Lots. Declarants Spady shall determine such dues while the Association is under Declarants Spady's control. Notwithstanding, until dues are assessed, the Declarant shall be responsible for payment of expenses of the Association. Each Lot shall be assessed an equal amount for each calendar year for all expenses. When the Board deems it appropriate, it shall adopt a regular or special budget for the Association. The Board shall set a date for a meeting of the Owners to consider ratification of the budget. The meeting shall be not less than fourteen (14) days nor more than sixty (60) days after the budget has been mailed to all of the Owners. Unless at the meeting of the Owners a majority of the Owners vote to reject to the budget, the budget shall be ratified, whether or not a quorum if present. If the proposed budget is rejected, or the required notice is not given, the budget last ratified by the Owners shall continue until the Owners ratify a subsequent budget proposed by the Board.
- 6.7 <u>Special Assessment</u>. The Association may levy such other special Assessments for maintenance or Improvements upon the Common Areas, or for such other purposes and in such manner as shall be provided in this Declaration, the Bylaws, or other Rules of the Association. Special Assessments may be levied against all the Lots or as a special common expense against less than all Lots. Special Assessments shall be determined by the Board. Special Assessments shall be payable in one lump sum, or in installments, as determined by the Board. The Association may charge interest on any special assessment, as determined by the Board, and such interest shall become part of the installments due.
- **Annual statement.** As soon as shall be practical in each calendar year, the Association shall send a written statement to each Owner setting forth the dollar amount of the Assessment for such Lot for such calendar year. The Association may, in its sole discretion, provide for payment of such Assessments on a periodic basis during such calendar year, with or without a service charge.
- 6.9 <u>Penalty on Delinquent Assessments.</u> If an Owner shall fail to pay the annual Assessment or any installment of an annual Assessment within thirty (30) days from the date the same is due, then the entire annual Assessment for such Lot shall be delinquent and shall become immediately due and payable, shall bear interest at the rate of 12% per annum thereafter until paid and shall also bear a penalty in such amount as shall be determined by the Board of the Association.
- 6.10 <u>Delinquency For More Than Ninety Days</u>. If the Owner of any Lot shall be delinquent in the payment of the annual Assessment, or any installment thereof, for more than ninety (90) days following the date the same is due, then the Association shall have the right to commence legal action seeking a personal judgment against such Owner and, in addition thereto, shall have the right to foreclose its tien upon such Lot. The total amount due from such Owner shall be such sums as provided in paragraphs 6.5 and 6.4.4, plus any penalty imposed under paragraph 6.7 hereof.

- Association shall have the power and authority to adopt rules and procedures respecting the billing and collecting of annual Assessments, which shall be binding upon all Owners.
- **6.12** Application of Assessment. The Association shall apply all funds received by it pursuant to this Declaration in the following order:
- 6.12.1 Administrative costs and expenses incurred by the Association in the exercise of its powers under this Declaration;
- **6.12.2** The promotion of the recreation, health, safety, enjoyment and welfare of the users of the Common Areas, and the enhancement of the values of the Common Areas by means of construction, repair, maintenance, operation and administration of the Common Areas, including, but not limited to, the payment of any taxes and insurance premiums on the Common Areas and the payment of utility charges therefor.
- **6.12.3** The service, repair, maintenance and/or replacement of any and all common Improvements, including, but not limited to, fences, roads, paths, drainage facilities and lighting belonging to the Association.
- 6.13 <u>Authority to Maintain Surpius</u>. The Association shall not be obligated to spend in any particular time period all of the sums collected or received by it during such time period or any other time period. The Association may carry forward, as surplus, any balances remaining. The Association shall not be obligated to apply any such surplus to the reduction of the amount of the annual Assessment in any future year.
- 6.14 <u>Maintenance of Private Roads</u>. The Association shall be responsible for maintaining the Private Roads. The Declarant anticipates that Bow Lake Road will be paved in the future and the Association will collect monies for this capital project or in the alternative provide for a special Assessment to pay for the Improvement.
- 6.15 <u>Association Maintenance Obligations</u> The Association shall be responsible for maintaining the Common Areas, including but not limited to the Lake, Marina Area, Lake Amenities, trails, and any Improvements thereon in good condition and repair. The Association is not responsible for maintaining individual Lots.
- 6.16 Indemnification. Each officer of the Association, and each member of the Board, the Committee and any of the Board's other committees, and any agents thereof, including the Declarants, shall be indemnified by the Association against all expenses and liabilities (including attorneys' fees and costs) reasonably incurred by or imposed in connection with any litigation or other proceeding by reason of such individual holding a position or office, whether or not such person holds that position at the time the expense or liability is incurred, except to the extent such expenses or liabilities are covered by insurance and except where such person is adjudged guilty of willful malfeasance in the performance of his/her duties. However, that in the event of a settlement, the indemnification shall apply only when the Board approves such settlement and reimbursement as being in the best interests of the Association.
- 6.17 <u>Limitation of Liability</u>. So long as a member of the Board, the Committee, any of the Board's other committees, Declarants or any agent of the foregoing has acted in good faith, without willful or intentional misconduct, upon the basis of information possessed by such person, then that person shall not be personally liable to any Owner, the Association, or to any other person for any damage, loss, or claim on account of any, omission, error, or negligence of such person, except this article shall not apply to the extent such acts, omissions or errors are covered by the Association's insurance. In connection with all reviews, acceptances, inspections, permissions, consents or approvals required or permitted by or from either the Declarants, the Association or the Committee under this Declaration, neither Declarants, the Association, nor the Committee shall be liable to any Owner or to any other person on account of any claim, liability, damage or expense suffered or incurred by or threatened against any Owner or such other person

and arising out of or in any way relating to the subject matter of any such review, acceptance, inspection, permission consent or approval, whether given, granted, withheld or denied.

### 6.16 Insurance and Damage and Destruction.

- **6.16.1** Premiums. Premiums upon insurance policies purchased by the Association shall be paid by the Association and shall be assessed against the Owners as a common expense, pursuant to Section 6.5.
- 6.16.2 insurance for Common Areas. The Board of Directors, or its duly authorized agent, shall obtain blanket all-risk casualty insurance, if reasonably available, for all insurable Improvements within the Common Areas, and at the election of the Board of Directors, upon any other property or Improvements maintained by the Association. If blanket all-risk coverage is not reasonably available, then at a minimum an insurance policy providing fire and extended coverage shall be obtained. This insurance shall be in an amount sufficient to cover one hundred percent (100%) of the replacement cost of any Improvement in the event of damage or destruction from any insured hazard. The Board shall also obtain a public liability policy covering the Common Areas and the Association for all damage or injury to property or persons. The public liability policy shall have reasonable liability limits as established by the Board from time to time and shall name the beneficiary under the license created in Paragraph 2.7 above as an additional insured.
- **6.16.3** Officers' and Directors' Personal Liability Insurance. The Board may, in its sole and absolute discretion, purchase officers' and directors' personal liability insurance at the expense of the Association to protect the officers, directors and all committee members from personal liability in relation to their duties and responsibilities on behalf of the Association.
- **6.16.4** Workers' Compensation Insurance. The Association shall obtain workers' compensation insurance or similar insurance with respect to its employees, if any, in the amounts and forms as may now or hereafter be required by law.
- **6.16.5** Other Insurance. The Association may obtain insurance against such other risks, of a similar or dissimilar nature, as it shall deem appropriate with respect to its responsibilities and duties.

### 6.16.6 Damage and Destruction.

- a. <u>Filing Claims</u>. Immediately after damage or destruction by fire or other casualty to all or any part of the Property and Improvements thereto covered by insurance written in the name of the Association, the Board of Directors or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in this paragraph, means repairing or restoring the property to substantially the same condition in which they existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in applicable building codes.
- Areas shall be repaired or reconstructed unless at least seventy-five percent (75%) of the total votes eligible to be cast by members, shall decide within sixty (60) days after the casualty not to repair or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within said period, then the period shall be extended until such funds or information shall be made available; provided, however, such extension shall not exceed sixty (60) additional days. In the event that it should be determined in the manner described above that the damage or destruction to the Common Areas shall not be repaired or reconstructed and no alternative Improvements are authorized, then and in that event the affected portion of the Property shall be sodded and maintained by the Association in a neat and attractive condition.

6.16.7 <u>Disbursement of Proceeds</u>. If the damage or destruction for which the proceeds of insurance policies are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying such costs of repair or reconstruction to the Common Areas or, if no repair or reconstruction is made, shall be retained by and for the benefit of the Association and placed in a capital Improvements account.

6.16.8 Insufficient Proceeds. If the damage or destruction to the Common Areas for which insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board of Directors shall, without the necessity of a vote of the members, levy a special Assessment against members on the same basis as provided for regular Assessments. Additional special Assessments may be made in like manner at any time during or following the completion of any repair or reconstruction.

**6.16.9** Association as Agent and Attorney-in-Fact. The Association is hereby irrevocably appointed agent and attorney-in-fact for each Owner and for each owner of any other interest in the Property to adjust all claims arising under the insurance policies purchased by the Association and to execute and deliver releases upon the payment of a claim.

### 7. ENFORCEMENT

The Association, the Declarants and any Owner shall have the right to enforce, by any proceedings at law or in equity, all covenants, conditions, restrictions, reservations, liens and charges now or hereafter imposed by this Declaration. The failure of the Association, of the Declarants or of any Owner to enforce any rights hereunder shall not be deemed to constitute a waiver of the right to do so thereafter. The prevailing party in any litigation involving the enforcement of any provision of this Declaration shall be entitled to judgment for the reasonable attorney's fees and costs incurred in such litigation by such prevailing party.

### 8. GRANTEE'S ACCEPTANCE

The grantee of any Lot subject to this Declaration shall, by the acceptance of a deed conveying title thereto or by the execution of any contract for the purchase thereof, whether from Declarants or any subsequent Owner of such Lot, accept such deed or contract upon, and subject to, each and every provision of this Declaration and the provisions contained herein, including the jurisdiction, rights and powers of Declarants, and by such acceptance shall, for himself, his heirs, personal representatives, successors and assigns, covenant, consent and agree to and with Declarants and to and with the grantees and subsequent Owners of each of the Lots within the Property, to keep, observe, comply with and perform all obligations set forth herein.

Each such grantee also agrees, by such acceptance, to assume as against Declarants, its successors or assigns, all of the risks and hazards of ownership and occupancy attendant to such Lot, including, but not limited to, its proximity to any Common Areas, Lake, Lake Amenities, public and private roads, power lines, and wetlands. Additionally, grantee understands that the Lake is and will always be used for water skiing/wake boarding by motorized boats and/or overhead cable drive (sesitec 2.0 or other cable systems).

### 9. AMENDMENT TO DECLARATION

This Declaration may be amended or terminated by an instrument signed solely by Declarants Spady until such time as the Association is transferred to the Owners pursuant to Section 6.3. After transfer to the Owners, this Declaration may be amended or terminated by an instrument signed by the Owners

who own at least seventy-five percent (75%) of lots within the Property. Any amendment shall take effect upon recording with the Skagit County Auditor.

### 10. PROTECTION OF MORTGAGEES

Protection of Mortgage or Deed of Trust Holder. No violation or breach of any covenant contained in this Declaration, or in any supplement hereto, and no action to enforce the same, shall defeat, render invalid or impair the lien of any mortgage or deed of trust taken in good faith and for value against any title or interest in any Lot which is the subject of an action arising from such violation or breach. A purchaser of any such Lot at a trustee's sale, sheriffs sale or tax foreclosure sale shall take title to such Lot free and clear of any violations or breaches which have occurred on such Lot, or by the previous Owner thereof, prior to such foreclosure, but such purchaser shall nevertheless take subject to this Declaration and to any supplements hereto.

# 11. <u>DECLARANT ASSIGNMENT</u>

The Declarants Spady reserve the right to assign the status of Declarants under this Declaration.

## 12. **SEVERABILITY**

In the event that any provision hereof is deemed by proper judicial decree to be invalid, then the remaining portion of this Declaration shall in no way be affected.

### 13. PARAGRAPH HEADINGS

The paragraph headings in this Declaration are for convenience only and shall not be considered in construing this Declaration.

### 14. NO WAIVER

The failure of any party entitled to enforce any provision hereof to take steps to enforce such provision shall not, in any fashion, operate or be deemed to be a waiver of any such provision or of any other provision hereof.

Signature Page Follows

DATED this 25 day of June, 2017.	
day of oallo, 2011.	
DECLARANTS:	
DEGERICANTS.	
NO MAKE LAKES INC	
NO WAKE LAKES, INC.	
Ву	
Douglas A. Spady, President	
ESTATE OF RICHARD J. SRADY	
Ву	
James Richard Spady Co-Executor	
And I Wald	
By Trady On Freeway	
ina L. Spady, Co-Executor	
	gr.
DOUGLAS A. SPADY	
The state of the s	
JULIE L. SPADY	
Fra L. Abady.	
INA L. SPADY	
STATE OF WASHINGTON )	
)ss.	
COUNTY OF WHATCOM	
On this <u>15</u> day of <u>JUU</u> , 2017, before n	ne personally appeared DOUGLAS A.
SPADY to me known to be the President of NO WAKE LAKES.	NC., a Washington corporation, the
corporation that executed the within and foregoing instrument to be t	ie nee and voluntary act and deed of

said corporation for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument.

IN WHTHESO WHEREOF, I have	ve hereunto set my hand and official seal the day and year first	
above writer CO		
S NOTARY S	Vann I una Sold arise	
E B	PRINTED NAME: TAMMY (SIGNATURY	
TO PUBLIC S.	Notary Public in and for the State of	
8ER V	Washington, residing at What	
WILLIAM OF WASHINGTON	My Commission Expires 12-14-17	
STATE OF WASHINGTON		
35		
COUNTY OF WHATCOM	forth and that IAMES DISTIADD SDADY is the norman who	
l certify that I know or have satis	factory evidence that JAMES RICHARD SPADY is the person who cknowledged that he signed this instrument as the Co-Executor of	
the ESTATE OF RICHARD J. SPADY a	ind on oath stated that he was authorized to execute the instrument	
	J. SPADY as the free and voluntary act of such party for the uses	
and purposes mentioned in the instrume	NL.	
	fficial seal the day and year first above written.	
Charles April 60 Contract	1 0.1.6	
2	Yanny Kung Colductor	
A NOTARY THE	PRINTED NAME: // Ammy Lyon (old/195* Notary Public in and for the State of,	
Ne Public 2/	Washington, residing at BW W.	
BER IN STATE	My Commission Expires 12-14-17.	
MASHING.		
STATE OF WASHINGTON )		
) ss.		
COUNTY OF WHATCOM )		
I certify that I know or have sati	isfactory evidence that INA L SPADY is the person who appeared dged that she signed this instrument as the Co-Executor of the	
ESTATE OF RICHARD J. SPADY, and	on oath stated that she was authorized to execute the instrument	
on behalf of the ESTATE OF RICHARD J. SPADY as the free and voluntary act of such party for the uses		
and purposes mentioned in the instrume	ent.	
GIVEN UNDER my hand and o	fficial seal the day and year first above writter	
WW. CO		
100	1 annuhunn (Old Ville) -	
NOTARY "	PRINTED NAME: Jamus Vinn (DC) TIEN	
	Notary Public in and for the State of Washington, residing at	
OF CORLIC SINE	My Commission Expires 12-14-17	
THER NO STATE		
WYSHINGS.		

STATE OF WASHINGTON )
COUNTY OF WHATCOM )ss.
On this 25 day of, 2017, before me personally appeared DOUGLAS A. SPADY to me known to be the individual described in and who executed the within and foregoing instrument and acknowledged to me that he signed the same as his free and voluntary act and deed for the uses and purposes therein mentioned.
IN WITHESS WHEREOF, I have hereunto set my hand and official seal the day and year first
PRINTED NAME: Ammy Lynn Colquiter  Notary Public in and for the State of  Washington, residing at My Commission Expires 12-14-17
STATE OF WASHINGTON
COUNTY OF WHATCOM )
On this B day of Line 2017, before me personally appeared JULIE L. SPADY,
to me known to be the individual described in and who executed the within and foregoing instrument and acknowledged to me that she signed the same as her free and voluntary act and deed for the uses and purposes therein mentioned.
IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first
above written.
PRINTED NAME: Hammy Jum Codater  Notary Public in and for the State of Washington, residing at 1000, WA  My Commission Expires 12 Jul 17
PUBLIC AS PUBLIC OF WASHINGTON

and the state of t	
STATE OF WASHINGTON )	
COUNTY OF WHATCOM )	
on this 5 day of	_, 2017, before me personally appeared INA L. SPADY, to d who executed the within and foregoing instrument and as her free and voluntary act and deed for the uses and
IN WITNESS WHEREOF, I have here	unto set my hand and official seal the day and year first
above written	
NOTARY  PUBLIC OF THE PUBLIC O	PRINTED NAME. JAMMY (OVALATICATION Notary Public in and for the State of Washington, residing at Bow wa.  My Commission Expires 12-14-17
WASHING.	
	>
<u> </u>	



PROPERTY LEGAL DESCRIPTION

Lots 2, 3 and 4. Skagit County Short Plat No. 94-021, Approved January 11, 1995, and Recorded January 17, 1995, in Volume 11 of Short Plats, Page 167, Under Auditor's File No. 9501170109, Records of Skagit County, Washington.

Together with, Lots 1, 2, 3, 4 and 5, Plat of Bow Hill Lake, According to the Plat thereof Recorded in Volume 16 of Plats, Page 224 and 225, Under Auditor's File No. 9802090152, Records of Skagit County, Washington.

Situated in Skagit County, Washington.





# SPADY PROPERTY LEGAL DESCRIPTION

Lot 2, Skagit County Short Plat No. 94-021, Approved January 11, 1995, and Recorded January 17, 1995, in Volume 11 of Short Plats, Page 167, Under Auditor's File No. 9501170109, Records of Skagit County, Washington.

Together with, Lots 1, 2, 3, 4 and 5, Plat of Bow Hill Lake, According to the Plat thereof Recorded in Volume 16 of Plats, Page 224 and 225, Under Auditor's File No. 9802090152, Records of Skagit County, Washington.

Situated in Skagit County, Washington.





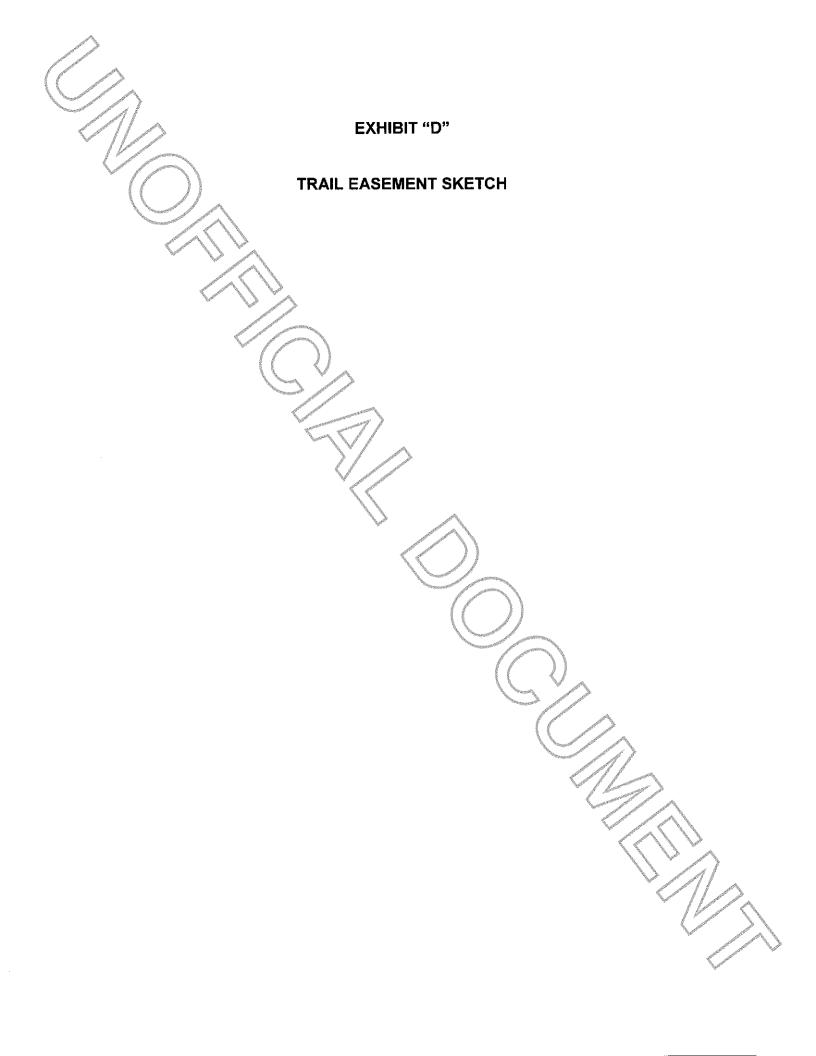
# **EXHIBIT "C"**

# PARENTS PROPERTY LEGAL DESCRIPTION

Lots 3 and 4, Skagit County Short Plat No. 94-021, Approved January 11, 1995, and Recorded January 17, 1995, in Volume 11 of Short Plats, Page 167, Under Auditor's File No. 9501170109, Records of Skagit County, Washington.

Situated in Skagit County, Washington.





# Bow Hill Lake

COMMON SEPTIC CREEK CROSSING 3107 774 MO8

BOW LAKE LANE



◆ AS BUILT TRAIL



