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DECLARATION
OF
COVENANTS, CONDITIONS, RESTRICTIONS
AND RESERVATIONS
FOR
ROCK RIDGE SOUTH
PHASE IV

TITLE OF DOCUMENT:

DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS AND
RESERVATIONS FOR ROCK RIDGE SOUTH
PHASE IV

GRANTOR:

RR SUMMIT NW LLC

GRANTEE:

THE GENERAL PUBLIC

ABBREV. LEGAL DESCRIPTION:

ROCK RIDGE SOUTH PHASE IV,
PER PLAT AF# 201711060066

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ARTICLE I
SUBMISSION OF PROPERTY, PURPOSE

1.1 Submission of Property.

RR Summit NW LLC, a Washington corporation, hereinafter referred to as the "Declarant," is the owner in fee simple of the land described in Section 1.2 hereof, together with all improvements, easements, rights and appurtenances thereunto belonging, collectively referred to hereinafter as "the Property". Declarant has submitted the Property to the provision of Anacortes City Code, Title 16 (hereinafter referred to as the "Ordinance"), and has thus created from such Property a Subdivision known as "Rock Ridge South Phase IV".

1.2 Reference to Subdivision.

The Declarant has recorded with the Auditor of Skagit County, Washington a certain Subdivision, showing the location and dimensions of various lots and/or tracts and common areas within the Subdivision, together with other necessary information; this Subdivision is hereinafter referred to as the "Subdivision Plat"; the Subdivision Plat is recorded at Auditor's File No. 201711000025 Records of Skagit County, Washington.

1.3 Purpose.

This Declaration, together with the Plat Map 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 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.

ARTICLE II
DEFINITIONS

2.1 "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 Section 5.3, 6.4.2 and 9.6 of this Declaration.

2.2 "Assessment" means all sums chargeable by the Association against a Lot including, without limitation: (a) Regular and Special 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.

2.3 "Association" or "Lot Owners Association" means The Rock Ridge Summit Homeowners Association, a nonprofit corporation incorporated to manage the Common Areas of this Community

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

2.5 "City" means the City of Anacortes.

2.6 "Common Areas" means all portions of the Community other than the Lots. Such areas are denoted as "Tracts" on the Plat Map and include areas of land, along with specific facilities and improvements.

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

2.8 "Common Expense liability" means the liability for Common Expenses allocated to each Lot pursuant to Section 9.1 of this Declaration.

2.9 "Community" means all the Property within Phases IV and V, along with all the improvements constructed therein, and all other institutions and things serving the Owners of Lots therein.

2.10 "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.

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

2.12 "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 7.1, 8.2 and 15.7 of this Declaration.

2.13 "Declaration" means this document, the Declaration of Covenants, Conditions, Restrictions and Reservations of Rock Ridge South Phases IV and V, which facilitates the governance and management of this Community; the term also includes any lawful amendments to this document.

2.14 "Design Guidelines" means the standards developed by the Board of Directors or the Covenants Committee pursuant to Article VIII hereof, and any standards established by the Declarant.

2.15 "Development Plan" means any formal plan of development, however termed under the Ordinance, approved by the County or City in which the Community is situated. The term also includes any amendments thereto approved by applicable governmental entities.

2.16 "Development Right" means any right or combination of rights reserved by the Declarant in the Declaration to: (a) Add real property or improvements to the Community; (b) create Lots, Common Areas, or Limited Common Areas within real property included in or added to the Community; (c) subdivide Lots or convert Lots into Common Areas; or (d) withdraw real property from the Community; (e) reallocate Limited Common Areas with respect to Lots that have not been conveyed by the Declarant; or (f) agree to have the Community managed by The Rock Ridge Community Association, a nonprofit corporation already in existence that manages property neighboring the Community, instead of having the Association manage the Community. Development Rights affecting this Community are described in Section 3.4 hereof. Development Rights are personal to the Declarant and may be exercised, or not exercised, in Declarant's sole and absolute discretion.

2.17 "Dispose" or "disposition" means a voluntary transfer or conveyance to a purchaser or lessee of any legal or equitable interest in a Lot, but does not include the transfer or release of a security interest.

2.18 "Dwelling" or "Dwelling Unit" means an improved portion of a Lot intended to serve as a 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.

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. 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 an Limited Common Areas or Facilities serving the new Phase, and (d) any other matters that are necessary or appropriate for the proper use and governance of such Phase.

2.23 "Governing Documents" means this Declaration, the Plat Map, the Articles of Incorporation and Bylaws of the Association, along with any Rules and Regulations adopted by the Board of Directors, and any lawfully adopted amendments to any of the above.

2.24 "Limited Common Expenses" are portions of the Common Expenses for which one or more, but fewer than all Lot Owners may become liable under the terms of the Governing Documents.

2.25 "Identifying number" means a symbol or address that represents the designation of each Lot or, in some cases, a Common Area component, appearing on the face of the Plat Map.

2.26 "Limited Common Area" means a portion of the Common Areas allocated by Article V of the Declaration for the exclusive use of one or more but fewer than all of the Lots.

2.27 "Lot" means a physical portion of the Community designated for separate ownership, the boundaries of which are depicted on the Plat Map as a separate lot of record.

2.28 "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.

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

2.30 "Occupant" means a person lawfully occupying any Lot; the term includes Lot Owners, family members and 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 1.1 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 designated on the Subdivision Plat and legally described thereon, and includes all real property which may be from time to time acquired by the Association pursuant to Section 7.3.3 hereof, or which may be added to this Community under Development Rights reserved in Section 3.4 hereof.

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 (a) a leasehold interest, including renewal options, of less than twenty years at the time of creation of the Lot, or (b) as security for an obligation.

2.35 "Real property" means any fee, leasehold or other estate or interest in, over, or under land, including structures, fixtures, and other improvements thereon and easements, rights and interests appurtenant thereto which by custom, usage, or law pass with a conveyance of land although not described in the contract of sale or instrument of conveyance.

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 to: (a) Complete improvements indicated on the Plat Map filed with the Declaration; (b) exercise any Development Right described in Section 3.4 hereof; (c) maintain sales offices, management offices, signs advertising the Community, and models; (d) 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; (e) appoint or remove any officer of the Association or any member of the Board of Directors, or to veto or approve a proposed action of the Board or Association during any period of Declarant Control reserved in this Declaration; or (f) agree to have the Community managed by The Rock Ridge Community Association, a nonprofit corporation already in existence that manages property neighboring the Community, instead of having the Association manage the Community. Special Declarant Rights are described in Section 15.7 hereof.

2.38 "Subdivision" means all the Property within Phases IV and V, along with all the improvements constructed therein, and all other institutions and things serving the Owners of Lots therein.

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 standards of the Community.

ARTICLE III
DESCRIPTION OF LAND, FACILITIES, AND DEVELOPMENT RIGHTS

3.1 Land.

The Land on which the Lots, Common Areas and other Improvements of this Subdivision are located as situated in Anacortes, Skagit County, Washington, and is more particularly described in the Subdivision Plat.

3.2 Subdivision.

The Subdivision consists of thirteen (13) Lots in Phase IV and nineteen (19) Lots in Phase V, for a total of thirty-two (32) Lots. Provided, however, Declaration may add the Troika LLC parcel to the Community at a later date, Parcel No. P60499.

3.3 Facilities.

The Community includes the following common facilities: none.

3.4 Development Rights.

3.4.1 Description.

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

(a) The first phase, Phase IV, in general, consists of thirteen (13) Lots.

(b) The second phase, Phase V, in general, could consist of up to nineteen (19) additional Lots.

(c) Subject to the prior approval from the owner(s) of the Troika LLC property, Parcel No. P60499, and approval from the City of Anacortes, Declarant may have such parcel added to the Community. Declarant shall confirm the addition of such new land to the 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.

(d) Utilizing Rock Ridge Community Association to manage the Community instead of Rock Ridge Summit Homeowners Association.

(e) At any time within the period specified in Section 3.4.3 hereof, the Declarant may also create additional Common Areas or facilities, or relocate existing common facilities within the Community.

3.4.2 Procedure for Exercise.

To exercise any Development Right reserved under Section 3.4.1 of this Declaration, the Declarant shall obtain all necessary building and occupancy permits for new construction within each additional Phase, and, if necessary, prepare, execute, and record any Future Phase Amendment, as generally described in Section 2.22, to the Plat Map or this Declaration required under the Ordinance or the Development Plan.

3.4.3 Time Limits on Development Rights.

The Declarant may exercise the Development Rights described in Section 3.4.1 of this Declaration within ten (10) years from the date of the conveyance by the Declarant of the first Lot in Phase IV to a person other than the Declarant.

3.4.4 Sequence of Exercise of Rights.

The Development Rights described in Section 3.4.1 of this Declaration shall be exercised generally in the sequence in which phased development is described in Section 3.4.1, but construction of improvements within the Lots in any completed Phase may occur at any time and in any sequence.

3.4.5 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, 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.

3.4.6 Limitation on Development Rights.

Each Development Right reserved by the Declarant in this Declaration 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.

3.4.7 Assurances Connected with Phased Development.

In the event that the Declarant exercises a Development Right to create improvements on additional Lots in the Community, the Dwellings, other improvements and all Common Areas supporting such additional Dwellings, shall be well constructed and of quality and appearance comparable to those used in the earlier phases of development, so as to preserve a reasonably harmonious

appearance relative to the initial phases of development, and shall be landscaped appropriately.

3.4.8 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 assignee of 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

4.1 Number, Description and Location.

4.1.1 Initial Lots.

The Subdivision, Phase IV, contains thirteen (13) individually numbered Lots which are depicted on the Subdivision Plat. The location of existing Lots and their dimensions are shown on the Plat Map.

4.1.2 Lots Created by Phased Development.

The Declarant reserves the right to create a total of 32 Lots pursuant to Development Rights reserved in Section 3.4.1 of this Declaration. Reference should be made to that Section for additional information.

4.2 Height Restrictions, Building Setbacks.

4.2.1 Height Restrictions.

It is the Declarant's intention to protect and preserve to the extent possible, the views for all reasonable building sites on Lots within the Subdivision. The height of structural Improvements erected on Lots shall be restricted to the lower limit of that required under any applicable building code or other Ordinance in effect at the time of application for a building permit and in conformance with the "attached hereto as Exhibit "A".

4.2.2 Building Setbacks.

All buildings and structures shall be constructed in accordance with all ordinances, rules and building regulations of the City of Anacortes, without limitation, as well as land use, zoning and other setback requirements as identified on the face of the Final Plat Map.

4.3 Architectural and Design Review.

4.3.1 Design Guidelines.

Design shall be generally consistent with the theme of the Community established by the Declarant and per the "Exterior Design Guidelines" attached hereto as Exhibit "B". Dwellings constructed on any lot exclusive of porches, patios and garages shall have not less than 1800 square feet of living space for a single level dwelling and 2500 square feet of living space for a two (2) story dwelling. Each home must have a garage to accommodate at least two (2) full size automobiles. The Board of Directors ("Board") shall have the authority to adopt more specific Design Guidelines and procedures to implement the basic theme contained herein, pursuant to Section 8.2 hereof.

4.3.2 Design Review.

To preserve a harmonious architectural and aesthetic appearance of the Lots and Improvements within the Subdivision, no new construction or Improvements of any nature whatsoever shall be constructed or placed on any Lot until detailed plans for the structure and landscape depicting all such Improvements have been reviewed and approved by the Declarant, during the Declarant Control Period, or thereafter, by the Board or its Architectural Review Coordinator ("ARC"). Each lot owner (or its/their representative) wishing to construct, alter or remodel a Structure on a Lot (excluding interior remodeling or alterations) must submit to the Declarant, as applicable, Board or Architectural Review Coordinator not less than forty five (45) days before the date such construction, alterations or remodeling is desired to commence:

1. A complete, current "Rock Ridge Phase IV Construction Application" form with all information and documentation required by such application form.
2. Two (2) copies of detailed construction documents (referred to for convenience as the "Plans") with all features described in "Rock Ridge IV Construction Application", and in such form and with such detail as are required by the City of Anacortes for its review and final approval of such construction documents for building permits. The Plans shall contain detailed construction, drainage control and landscape plans and specifications, and a to-scale site plan showing the location of all proposed Structures on the lot. One copy of the Plans will be returned to the Owner, appropriately marked, one copy held by the Board.

3. A description of exterior materials and a preliminary color board, with the Lot Owner to submit the final description of exterior materials and final color board to the Board for its review and approval or disapproval not less than 30 days prior to the date of such exterior materials is to begin.
4. A design review fee, in an amount as determined in the Board's discretion, from time to time, shall be collected from the applicant. The design review fee shall be used by the Association to hire a design consultant to assist the Board in its review of the Plans. The builder and/or Lot Owner are encouraged to submit Plans to the ARC at the earliest possible date.

4.3.3 Time for Approval – No Construction Prior to Approval.

The Declaration, Board or the ARC, as applicable shall approve or disapprove plans, specifications and detailed within thirty (30) days of receipt thereof. If the Declaration, Board or ARC, as applicable, fails to respond within thirty (30) days, then the plans shall be deemed approved. No construction activity may commence prior to such approval.

4.4 Construction on Lots

4.4.1 No Deviation From Plans.

Any Person obtaining approval of the Declarant, Board or 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 designs 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.

4.4.2 Government Permits.

Approval by the Declarant or Board of Directors or 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 Board of Directors, as appropriate, 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 Board of Directors, then the application shall be executed on behalf of the Association by an officer, without incurring any liability on the part of the Board of Directors or 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.

4.4.3 Timing of Construction.

Any Person obtaining approval of the Declarant, Board of Directors or ARC for construction of Improvements 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 twelve (12) 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 Board of Director's or 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 (6) months after approval, or such other time period determined by the committee, then approval shall lapse.

4.5 Landscaping Installation.

Each Lot Owner is responsible for landscaping his/her Lot. Landscape plans are to conform to the Northwest Style, plants and shrubs native to the West Coast States of Washington and Oregon. Approved landscaping shall be completed prior to occupancy of the dwelling. Landscaping shall be installed and maintained in conformance with the standards set forth in Section 8.1.15 hereof.

4.6 Upkeep of Lots.

Each Lot Owner shall, at his or her sole expense, have the right and the duty to keep the Lot and any Improvements in good order, condition and repair and shall do all decorating, landscaping and painting at any time necessary to maintain its good appearance and condition. No weeds, underbrush or other unsightly growth shall be permitted to grow or remain upon subject property, no refuse pile, garbage or unsightly objects shall be allowed to be placed or remain on subject property. Each Owner shall perform this upkeep responsibility in such manner as shall not unreasonably disturb or interfere with the other Owners.

4.7 Accessory Dwelling Structures.

Accessory dwelling structures must be designed and constructed as to be compatible in appearance with the individual residential dwelling unit constructed on the lot, the proposed structure is to be approved by the ARC. Approval and permitting in accordance of all ordinances, codes and building regulations of the City of Anacortes, without limitation, land use and zoning AMC 19.44.020.

4.8 Damaged Improvements.

UNRECORDED
If a building 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 (4) months after the casualty and be substantially completed within twelve (12) months after the casualty. The 4-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 Subdivision or Combining of Lots.

The subdivision or combining of Lots is not allowed.

ARTICLE V
COMMON AREAS

5.1 Common Areas.

The Common Areas of the Subdivision consist of the Private Open Space Tracts depicted on the Subdivision Plat, specifically Tract A, located adjacent to Lots 1, 2 and 3 of the Subdivision.

5.2 Partition, Conveyance, or Encumbrance.

5.2.1 Except as permitted by this Declaration 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.

5.2.2 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.

5.3 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. In the event that the Declarant exercises a Development Right to add additional Lots to the Community in future phases of development, the initial Allocated Interests shall be reallocated so that all Lots in the Community will always have equal Allocated Interests in the Common Areas.

5.4 Upkeep of Common Areas.

The Association is responsible for all necessary maintenance, repair, and replacement of the Common Areas.

5.5 Limited Common Areas.

The three (3) foot wide strip of land located between curb on Rock Ridge Parkway and the sidewalk immediately adjacent to the Lots within Phase IV and Phase V, shall be landscaped and maintained by the Association, but the expenses of such landscape maintenance shall be assessed equally against only the Lots within Phase IV and Phase V, as a Limited Common Expense Assessment.

ARTICLE VI
LOT OWNERS ASSOCIATION

6.1 Name and Form of Association.

The name of the Association is "The Rock Ridge Summit Homeowners Association". The Association has been, or will be, incorporated as a non-profit corporation under the laws of the State of Washington. It is intended that Owners within the Subdivision will become members of the Rock Ridge Summit Homeowners Association upon the expiration of the Declarant Control Period set forth in Sections 7.1 and 15.7, subject to, however, Declarant's right to have the Community managed by Rock Ridge Community Association, an existing association that manages Rock Ridge South Phases, I, II and III, as allowed in the Special Declarant Rights. 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 this Declaration. 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 Homeowners Association Act, Chapter 64.38 RCW, the Homeowners Association Act shall control.

6.2 Powers of Association.

The Association shall, through its Board of Directors, all powers available to homeowners associations under the Homeowners Association Act, and such additional powers as may be prescribed in the Bylaws of the Association.

6.3 Membership Rights.

Membership rights are specified in the Bylaws of the Association

6.4 Voting.

6.4.1 Voting Rights.

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

6.4.2 Allocated Interests.

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". In the event that the Declarant exercises a Development Right to add additional Lots to the Community in future phases of development, the initial votes shall be reallocated so that all Lots in the Community will always have equal votes.

6.5 Bylaws of Association.

Bylaws for the administration of the Association and the Property, and for other purposes not inconsistent with the Homeowners Association Act and this Declaration have been or will be prepared by the Declarant, subject to the approval of the initial Board of Directors of the Association.

ARTICLE VII
MANAGEMENT OF THE COMMUNITY

7.1 Management by Declarant.

The Declarant has reserved the rights to (a) appoint and remove Officers and members of the Board of Directors of the Association; (b) appoint and remove members from the ARC, 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". The Declarant Control Period shall last until sixty (60) days after conveyance of the last Lot within Phase V by Declarant, or ten (10) years from the sale of the first Lot in Phase IV by Declarant to a party other than an Affiliate of Declarant, whichever occurs first. During the Declarant Control Period, the Declarant reserves the right to waive collection of assessments on a year-to-year basis. In other words, in Declarant's sole discretion, minimum assessments may or may not be incurred, provided Declarant exercises reasonable discretion in the best

interests of all Owners within the Subdivision. In the event Declarant waives collection of assessment on any one (1) Lot, collection of assessments on all Lots shall likewise be deemed waived.

7.2 Professional Management.

Provisions for professional management of the Association are made in the Bylaws.

7.3 Authority of the Board.

7.3.1 General Authority.

The Board, for the benefit of the Subdivision 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 which are not expressly subject to the approval of the Owners.

7.3.2 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) Policies of insurance or bonds required by Article IX.
- (b) 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.
- (c) The services of attorneys, along with bookkeepers and accountants qualified to maintain Association.
- (d) 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.
- (e) 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.

7.3.3 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.

7.3.4 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.

7.4 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 VIII PERMITTED USES; ARCHITECTURAL CONTROL

8.1 Permitted Uses.

8.1.1 Residential Use.

The Lots in this Community shall be used for permanent residential purposes only, whether on an ownership, rental or lease basis. The Board may also permit the use of portions of a Dwelling for a "home office" or a professional office, or for such other lawful low impact commercial uses which do not create annoyance or disturbance of other Occupants, provided that any such use be consistent with all applicable laws, ordinances and regulations of any governmental authority. As a condition to consenting to such office use, the Board may require the Lot Owner to provide proof of adequate commercial liability insurance coverage under which the Association shall be named an additional insured. A "home office", professional office or lawful low impact commercial uses (collectively "occupation") is subject to the following:

- a) No person other than the one(s) residing at the Dwelling shall be engaged in such occupation;
- b) The use of the Dwelling for the occupation shall be clearly

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incidental and subordinate to its use for residential purposes by its occupants;

- c) There shall be no change in the outside appearance of the Dwelling or premises, or other visible evidence of the occupation;
- d) No traffic shall be generated by such occupation in greater volumes that would normally be expected in a residential neighborhood, and any need for parking generated by the conduct of such occupation shall be met off the street;
- e) No equipment or process shall be used in such occupation which creates noise, vibration, glare, fumes, hazardous waste, odors, or electrical interference detectable to normal senses off the Lot, if the occupation is conducted in the Dwelling, garage or adjacent structures. In the case of electrical interference, no equipment or process shall be used which creates visual or audible interference in any normally-shielded radio or television receivers off the premises.

No room or rooms in any individual residential dwelling unit located within the Subdivision or any part thereof may be rented or leased for business purposes only. Month-to-month or vacation rentals are not allowed. Nothing in this paragraph, however, shall be construed as preventing the renting or leasing of an entire individual residential dwelling unit, together with its improvements.

8.1.2 Temporary Structures

No structure of a temporary character, and no trailer, shack, shed or other temporary accessory buildings shall be erected, used or maintained on any Lot except in connection with construction activities, and then only during time periods for construction as provided in Section 4.4.3 hereof.

8.1.3 Vehicle Parking and Use.

8.1.3.1 General Restrictions.

Subject to the provisions of Subsection 8.1.3.2 hereof, to ensure safe passage of vehicles at all time and under all conditions, no permanent or removable basketball hoops, backboards, soccer goals or other sports devices shall be permitted on Rockridge Parkway.

Street parking (Cars, Trucks and SUV's) shall be for guests only and shall be used on a temporary basis. No longer than 24 hours in any one week.

It is the intent that Owners within the Subdivision (Rock Ridge Phase IV and V) park in their garages on a daily basis. Screened or unscreened parking aprons are only to be used on a temporary basis unless family conditions require

additional car(s) beyond the functional limits of the constructed garage (2 car minimum). The Board may grant a variance to allow parking on an owner's garage apron provided the following: Garage space is full to capacity with operable cars driven on a daily basis. The vehicle(s) parked on the driveway apron are driven a minimum of 4 times per week and screened from view on three (3) sides.

Driveway easements shown on the Final Plat Maps of record are for the benefit of the Lots served and shall be maintained by the Owners of the benefited lots, parking is prohibited on a shared driveway easement. Driveway construction costs and maintenance cost will be split equally by lot Owners who share the same driveway.

For Example: Lots 1, 2 and 3 share and use the first 50 ft. of a driveway equally, but Lot 3 uses an additional 50ft that is no benefit to Lots 1 and 2; Lots 1, 2 and 3 will pay 1/3 of the cost of the first 50ft while Lot 3 will pay 100% of the last 50 ft.

8.1.3.2 Recreation and Junk Vehicles.

a. Recreation Vehicles. Travel trailers, motorhomes, boats and other items commonly referred to as recreation vehicles, shall not be parked or stored anywhere within the Subdivision unless the same is stored in an enclosed garage. The Board may require removal of any such recreational vehicle, and any other equipment or item improperly stored. 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. Recreational vehicles can be parked in front of an Owner's Lot for a period of no greater than 8 hours per week, for the purpose of loading and unloading supplies.

b. Junk Vehicles. Junk Vehicles (as defined in RCW 46.55.010), large commercial vehicles, trailers, large trucks, tractors, dilapidated vehicles, and other similar types of vehicles or equipment, may not be stored, kept or maintained anywhere on the Property, except in an enclosed garage where visibility of any such vehicle or equipment is obscured from other Lots. The Board may require removal of any such vehicle, and any other equipment or item improperly stored. 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.

8.1.4 Signs.

No sign of any kind shall be displayed to the public view on or from any Lot or 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 sign for a period of time in which the Owner's Lot is for sale or rent. The Board may by resolution establish further policies regarding signs.

8.1.5 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 Owners thereof.

8.1.6 Compliance With Environmental Laws.

Use of the Lots and Common Areas of this Subdivision may be subject to various federal, state and local laws, regulations and guidelines now in effect and/or hereafter enacted, relating to or affecting the Property, concerning the impact of the environment, of construction, land use and the maintenance and operation of structures located thereon. No Lot Owner shall cause, or permit to be caused, any act or practice by negligence or omission, or otherwise, that would adversely affect the environment or do anything or permit anything to be done that would violate any of the said laws, regulations or guidelines. The foregoing shall cover all requirements whether or not foreseeable at the time and regardless of their expense.

8.1.7 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, dogs, cats and other well-behaved small household pets (not to exceed four (4) which do not normally leave the Lot are 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.

8.1.8 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.

8.1.9 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.

8.1.10 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.

8.1.11 Television, HDTV and Radio Antennas, Dishes.

No exposed or exterior radio or television transmission or receiving antennas, except for "mini" satellite TV and HDTV antennas/dishes (approximately 18") in diameter or less may be installed within a Lot. Any "mini" satellite dish antenna located on the lot must be located and erected so as to minimize its visibility from adjoining lots and street view, and be painted a color to blend with the surface to which it is attached, location to be approved by the Board.

8.1.12' Solar Panels

Solar Panels may be allowed at the sole discretion of the Board, solar panel systems are to be integrated into the home architecture and may be approved or disapproved by the Board. Approved solar systems panels must be integrated with the roof color palette. Equipment, exterior lines and pipes shall be painted to blend with the surrounding area as much as possible. Only professionally designed systems will be allowed.

8.1.13 Heating Ventilation and Air Conditioning Equipment

All heating, ventilation and air conditioning equipment (HVAC), wherever located, shall be screened from view by an appropriate fence or plantings. Plantings must be of sufficient size to block view at time of planting. Any screening fence must receive the prior approval of the ARC as to design and location and in no event shall such screen fence be located in the side or rear yard setback areas. Further, location of the HVAC equipment shall be placed so as to provide the least noise interference with the neighboring Lot Owner.

8.1.14 Trash Containers Debris

All trash shall be placed in sanitary containers and screened so as not to be visible from adjoining structures, streets or roadways. No Lot or any portion thereof shall be used as a dumping ground or for burial of trash or rubbish of any kind. Yard raking, debris resulting from landscaping work or construction shall not be dumped onto adjoining lots, Common Areas, streets or roadways. Dumping yard waste over steep slopes, Common Areas, or adjacent property is strictly prohibited. Compost piles may be kept upon the Lots provided they are kept in an enclosure, and clean, neat and in sanitary condition free of rodents and pest and screened from view of adjoining Lot. No vacant lot shall be permitted or allowed to accumulate grass, leaves, limbs branches and other vegetation as to be a detriment to the neighborhood or become a fire hazard.

8.1.15 Landscaping Restrictions.

No tree, hedge or other landscape feature shall be planted or maintained in any location which obstructs sight-lines for vehicular traffic on public streets or on any private roadways maintained by the Association. Pavement, plantings and other landscape materials shall not be placed or permitted to remain upon any Lot: (i) if such materials may damage or interfere with any easement for the installation or maintenance of utilities; (ii) in violation of the requirements of such easements; (iii) unless in conformity with public utility standards; or (iv) if such materials may unreasonably change, obstruct or retard direction or flow of any drainage channels. Otherwise, the installation of such materials within utility easements shall be encouraged. Except for hoses and the like which are reasonably necessary in connection with construction activities or normal landscape maintenance, no water pipe, sewer pipe, gas pipe, drainage pipe, television cable or similar transmission lines shall be installed or maintained upon any Lot above the surface of the ground.

8.1.16 Fences and Retaining Walls.

No fence, hedge or retaining wall shall be constructed or planted on Lots without the prior written approval of the Board or the ARC, which approval may be granted or denied. Fences shall be architectural in design. The fence shall not detract from the appearance of any adjacent structure or obstruct the view of other Lots. Fencing within front yard setbacks facing Rock Ridge Parkway on Lots 10, 11, 12 and 13 of Phase IV will be allowed, subject to City of Anacortes Code 17.52.010 and Board or ARC approval. Except for Lots 10, 11, 12 and 13 of Phase IV, no other Lots within Phase IV shall be allowed to erect fences of any type along the front yard area facing Rock Ridge Parkway. No chain link, vinyl or barbed wire fences will be allowed. All natural or "living" fences or hedges shall be neatly trimmed and groomed, and shall be subject to the height restrictions set forth in this Declaration. Retaining walls shall be stone, native to the Northwest or other materials approved by the Board. All fences shall comply with the design approved by the Board and with the Ordinances of the City of Anacortes Code 17.52.010 and in accordance with the provisions of this Declaration

8.1.17 Open Fires.

Open burning is not permitted on the Property, except that outdoor fireplaces, grills and chimneys may be used if equipped with fire screens to prevent the discharge of embers or ashes.

8.1.18 Hot Tubs.

Hot tubs and spas shall be operated and used in a manner that does not disturb the peace and tranquility of the Subdivision or interfere with the use and enjoyment of adjacent property by their respective Owners.

8.1.19 Lighting.

Exterior Lighting must be limited in impact to preserve the nighttime sky. Use of low intensity indirect light sources to the extent required for safety, subtle accenting of architecture and landscape, no exterior lighting shall be directed outside the boundaries of the Lot.

8.1.20 Mailboxes and Newspaper Tubes.

Cluster mailboxes are located on Rock Ridge Parkway owners of Lots 1 through 13 Phase IV.

8.1.21 Construction Activities.

This section shall not be construed as forbidding any work involved in the construction or upkeep of any portion of the Property so long as such work is undertaken and carried out (i) with the minimum practical disturbance to Persons occupying other portions of the Property; (ii) in such a way as does not violate the rights of any Person under other provisions of this Declaration; and (iii) in accordance with all applicable restrictions in the Rules and Regulations, the Resolutions of the Board of Directors and the other provisions of this Declaration. The Board of Directors may approve temporary structures for construction purposes which may otherwise be in violation of the Governing Documents or the Rules and Regulations.

8.1.22 Uses by Declarant.

Nothing in the Governing Documents shall be construed to prohibit the Declarant or its designees from using any Lot owned by the Declarant (or any other Lot with the permission of the Owner thereof) or any portion of the Common Areas for promotional, marketing, display or customer service purposes (such as a visitor's center) or for the closing of sales of Lots. Further, Declarant specifically reserves the right to operate a construction office or rental, brokerage and management office at any time on Lots owned or leased by the Declarant (or any other Lot with the permission of the Owner thereof) and any portion of the

Common Areas, to the extent permitted by law. The Declarant may assign its rights under this subsection to share such rights with one or more other Persons, exclusively, simultaneously or consecutively with respect to the Common Areas and Lots owned or leased by the Declarant or such Persons.

8.1.23 Lease Restrictions.

With the exception of an institutional lender in possession of a Lot following a default under a first mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure, no Lot Owner shall be permitted to lease all or any portion of a Lot for periods of less than six (6) months. 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. All leases shall be in writing. A lease, as defined herein, shall include month-to-month rentals. Any tenant or subtenant of any portion of a Lot shall be deemed to have assumed all the responsibilities of an Owner under this section of the Declaration.

8.1.24 Assignment or Subletting.

The assignment or subleasing of a Lot shall be subject to the same limitations as are applicable to the leasing or renting thereof. 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.

8.2 Architectural Uniformity and Design Review.

8.2.1 General Authority of Declarant and Board of Directors.

To assure the health, safety and enjoyment of persons lawfully using any portion of this Subdivision, and to promote visual harmony within the project, both the Declarant and the Board of Directors shall have the power to enforce architectural control over the improvements constructed within the Community, in the manner hereafter provided. Up until the Declarant sells the last Lot in the Community, the Declarant shall have complete authority over architectural control over the improvements constructed within the Community and shall regulate the external design, signage, appearance, use and maintenance of the Property in accordance with the provisions of the Declaration, and with Design Guidelines and procedures adopted by the Declarant for this purpose. During such Declarant Control period, the Declarant may impose reasonable application fees to evaluate any additions or changes to a Dwelling proposed by an Owner. Such fees shall be specially assessed against the affected Owner. Following the sale of the last Lot in the Community by the Declarant, the Board of Directors may regulate the external design, signage, appearance, use and maintenance of the Property in accordance with the provisions of the Declaration. The Board of Directors shall also have the power to impose

reasonable application fees to evaluate any additions or changes to a Dwelling proposed by an Owner. Such fees shall be specially assessed against the affected Owner. Following expiration of the Declarant Control period, the Board of Directors may promulgate or modify Design Guidelines for the Community. Design Guidelines approved by the Declarant or by the Board of Directors shall be enforceable as if set forth herein in full.

8.2.2 Design Guidelines.

Design shall be generally consistent with the theme of the Community established by the Declarant. Attached hereto as Exhibit "B" "Exterior Design Guidelines" for construction on the Lots within Phase IV. The Board shall make a reasonable attempt to incorporate the attached guidelines into its approval or disapproval of proposed structures.

8.2.3 Exterior Paint Color.

Prior to painting any portion of the exterior of any Improvement, Owners shall obtain approval from the Board of Directors or ARC of the proposed color palette. Exterior color on Dwelling Units and Improvements should be consistent and harmonize with the landscape of the site and neighboring improvements. To blend with the Community and landscaping, exterior colors shall not be cool pastels, but rather deep, rich earth tones in a broad range of colors compatible with both the Lot and adjacent Dwelling Units. Monotonous color palettes are strongly discouraged. High gloss paints are discouraged. Use primary color hues sparingly as accents.

8.2.4 Authority to Grant Variances

The Board of Directors 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.

8.2.5 Authority to Delegate Review Functions.

The Declarant and the Board may delegate the Architectural Review and Control functions described herein to an agent or Committee ("ARC").

8.2.6 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.

ARTICLE IX
COMMON EXPENSES AND ASSESSMENTS

9.1 Assessments for Common Expenses.

9.1.1 Liability of Lots.

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 equally against the Lots, provided that the Association may require that any Common Expense or portion thereof benefiting fewer than all of the Lots shall be assessed exclusively against the Lots benefited; such an assessment may be termed a "Limited Common Expense Assessment"

9.1.2 Timing of Payments / Authority for Installment Payments.

Unless otherwise determined by the Board of Directors, the annual Assessment against each Lot for its share of the Common Expenses shall be payable in one annual installment.

9.2 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 9.1.2 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.

9.3 Limited Common Expense Assessments.

9.3.1 To the extent that any Common Expense is caused by the negligence or misconduct of any Lot Owner, the Association may levy a Limited Common Expense Assessment for that expense against the Owner's Lot. In addition and without limitation, the liability of a Lot Owner to pay for expenses associated with Limited Common Areas, Reserved Common Areas, 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 Limited Common Expense Assessment which, unless otherwise directed by the Board, shall be due and payable within thirty (30) days following their imposition.

9.3.2 Any other Common Expense or portion thereof which benefits fewer than all of the Lots may be assessed exclusively against the Lots so benefited.

9.4 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.

9.5 Surplus Funds.

Unless otherwise provided in this Declaration, 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.

9.6 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.

9.7 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.

9.8 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 9.12 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.

9.9 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.

9.10 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. If an Assessment is payable in installments, the Association has a lien for the full amount of the Assessment from the time the first installment thereof is due.

9.11 Perfection of Lien.

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 the county in which the Community is

located.

9.12 Priority of Lien.

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; (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.

9.13 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 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.

9.14 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.

9.15 Rent Subject to Lien for Assessments.

9.15.1 Rent Payable to Association Upon Default of Owner.

If a Lot is rented or leased by its Owner, the Association may collect and the tenant shall pay over to the Association so much of the rent for such Lot as is required to pay any delinquency in assessments that has existed for greater than 30 days, plus interest, attorneys' fees and other costs of collection. 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 under Section 9.15.2 hereof.

9.15.2 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 rental is not paid, the receiver may obtain possession of the Lot, refurbish it for rental up to a reasonable standard for rental Dwelling Units 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. Only a receiver may take possession under this subsection, and a receiver shall not be appointed less than ninety days after the delinquency. The exercise by the Association of the foregoing rights shall not affect the priority of preexisting liens on the Lot.

9.16 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 X
INSURANCE, DESTRUCTION, RESTORATION AND DISTRIBUTION

10.1 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: "Rock Ridge Summit Homeowners Association".

10.2 Deductible.

The deductible, if any, on any policy of insurance purchased by the Board of Directors, 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.

ARTICLE XI
CONDEMNATION

In the event that Common Areas of the Subdivision are or become subject to eminent domain proceedings, the Association shall be a necessary party to such proceedings.

ARTICLE XII
COMPLIANCE WITH LAW AND COVENANTS

12.1 Compliance by Owners and Occupants.

Each Owner and occupant of a Lot shall comply strictly with the provisions of the Ordinance, this Declaration, the Bylaws and any Rules and Regulations properly adopted by the Board of Directors, as the same may be lawfully amended from time to time.

12.2 Enforcement by Association.

12.2.1 Authority of the Board.

The Board of Directors shall have primary responsibility for maintaining and enforcing compliance with the covenants, conditions and restrictions contained in this Declaration, the Bylaws, and any Rules and Regulations adopted by the Board of Directors. Without limiting the authority and powers conferred upon the Board, the Board shall have the following power and authority:

12.2.2 Abatement of Violations.

The violation of any of the Rules and Regulations adopted by the Board of Directors, the breach of any provision of the Governing Documents or the Ordinance shall give the Board of Directors the right, in addition to any other rights set forth in the Bylaws, to enter the Lot or any Limited Common Area in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Lot Owner, anything or condition that constitutes such a violation, and the Board of Directors shall not thereby be deemed guilty in any manner of trespass. PROVIDED, that this remedy is subject to the provisions of Section 7.3 hereof, and the remedy shall not be utilized when a breach of the peace is likely to occur or if any items of construction within the Lot or any of the Common Areas will be altered or demolished.

12.2.3 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, any other relief provided for in the Bylaws 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, the Board of Directors, the Managing Agent or, if appropriate, by any aggrieved Lot Owner, and shall not constitute an election of remedies.

12.2.4 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, or in the enforcement of a judgment. In any other proceeding arising out of an alleged default by a Lot 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 Special Assessment against the Owner's Lot.

12.2.5 Late Charges and Interest.

The Board may impose and collect reasonable late charges to encourage prompt payment of Assessments. Until changed by resolution of the Board with advice of counsel, the Board may collect a late charge: (a) when any Assessment or installment thereof is received by the Association more than ten (10) days beyond the due date of such Assessment or installment; (b) in an amount not to exceed the greater of \$25.00 or ten percent (10%) of the amount of said Assessment or installment. Delinquent Assessments shall bear interest from the date of delinquency at the rate of 12% per annum, or the maximum rate permitted under RCW 19.52.020 on the date on which the Assessments became delinquent.

12.2.6 Fines.

The Board may impose and collect reasonable fines against Lot Owners for violations of the Ordinance or the Governing Documents. PROVIDED, however, that no fine may be levied unless (1) the Board has by resolution established a schedule of fines which has been furnished to all Lot Owners prior to the alleged violation, and (2) the allegedly offending Owner has been provided with notice of and an opportunity to be heard at a hearing to be conducted pursuant to provisions of the Bylaws. Until changed by resolution of the Board with advice of counsel, the amount of any fine so assessed shall not exceed fifty dollars for a single offense or ten dollars per diem for any offense of a continuing nature, and shall constitute a Special Assessment against such Lot Owner's Lot.

12.2.7 Liability for Conduct Causing Common Expense.

Each Lot Owner shall be liable for the cost of all maintenance, repair or replacement rendered necessary by his or her or her act, neglect or carelessness, or the act, neglect or carelessness of any member of his or her or her family or his or her or her employees, agents, tenants or licensees, but only to the extent that such cost is not covered by the proceeds of insurance carried by the Board of Directors. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of any Lot or its appurtenances. To the extent that any Common Expense is caused by the misconduct of any Lot Owner, the Association may specially assess that expense against the Owner's Lot, PROVIDED that no such Special Assessment may be levied unless the allegedly offending Owner has been provided with notice

of and an opportunity to be heard at a hearing to be conducted pursuant to provisions of the Bylaws.

12.2.8 No Waiver of Rights.

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

12.2.9 Remedies Cumulative.

All rights, remedies and privileges granted to the Lot Owners Association, the Board of Directors or any Lot Owner pursuant to any term, provision, covenant or condition of the Governing Documents or the Ordinance shall be deemed to be 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 rights, remedies or privileges as may be granted to such party by the Governing Documents or the Ordinance or at law or in equity.

12.2.10 Alternative Forms of Dispute Resolution Authorized.

In addition to the rights, remedies and procedures described above, the Association may, with the consent of an affected Lot Owner and/or any other interested party, agree to resolve any dispute through mediation, binding or non-binding arbitration, or such other alternative dispute resolution mechanism as may be deemed appropriate, at the discretion of the Board.

ARTICLE XIII
LIMITATION OF LIABILITY

13.1 No Liability for Utility Failure, Etc.

Except to the extent covered by insurance obtained by the Board pursuant to Article X, neither the Association nor the Board nor the Declarant shall be liable for any failure of any utility or other service obtained by the Board; or for injury or damage to person or property caused by the elements, or resulting from electricity, water, rain, dust or sand which may lead or flow from any of its pipes, drains, conduits, appliances, or equipment, or from any other place, 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 utility or service failure, or for such injury or damage, or for such inconvenience or discomfort.

13.2 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.

13.3 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 XIV
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.

14.1 Percentage of Eligible Mortgagees.

Wherever in this Declaration 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.

14.2 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.

14.3 Inspection of Books.

The Association shall maintain current copies of the Declaration, 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.

14.4 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 Community'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 Community'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.

14.5 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.

14.5 Attendance at Meetings.

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

14.7 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.

ARTICLE XV
EASEMENTS AND SPECIAL DECLARANT RIGHTS

15.1 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 in Good Standing has a perpetual right of ingress to and egress from his or her Lot over any sidewalks or roadways included in the Common Areas.

15.2 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, the Bylaws, or the Rules and Regulations. See Section 7.3 hereof.

15.3 Easement for Emergency Access and other Municipal Functions.

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.

15.4 Slope Protection Easement.

15.4.1 Rock Ridge West Phase II.

Currently there is a Slope Protection Easement that burdens portions of Lots 8 through 14, Plat of Rock Ridge West Phase II, Skagit County

Auditor's File No. 200412020087, and as further contained within the Declaration of Covenants and Conditions for Rock Ridge West, Phase II, recorded under Skagit County Auditor's File No. 22012080178 ("Slope Easement"). The Slope Easement burdens Lots 8 through 14, Plat of Rock Ridge West Phase II by requiring that the Owners of such Lots be 100% responsible on a prorate basis for the maintenance and repair of the Slope Protection Easement and specifically the PVC coated wire mesh installed to secure the hillside.

15.4.2 Lots 3 through 6.

In the event the Community becomes managed by Rock Ridge Community Association, Lots 3 through 6 within the Community may be subject to the terms and conditions of the Slope Easement, maintenance and financial responsibilities, as set forth in the Slope Easement, along with Lots 8 through 14, Plat of Rock Ridge West Phase II.

15.5 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:

15.5.1 General Reservation.

Declarant reserves non-exclusive easements for ingress, egress and utilities over and across all Common Areas within the initial Phase(s) of development, all portions of the Property subject to Development Rights and across all Common Areas included within any subsequently completed Phase of the Community

15.5.2 Specific Rights.

The easements reserved under this Section shall entitle the Declarant, for the development of real property constituting each successive phase 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 phases 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.

15.5.3 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 phase of the Community; provided, that if said tie-ins cause an increase in the cost of delivering affected utility services to any completed phase of the Community, that cost shall be borne by the Declarant.

15.6 Easements Shown on Plat Map.

Any easement shown on the Plat Map which benefits one or more Lots in the Community, confer various rights and benefits upon the owner(s) of such real property, and may also impose obligations upon the Association.

15.7 Special Declarant Rights.

15.7.1 General Reservation.

The Declarant has reserved the following Special Declarant Rights for the purpose of furthering and completing the development of the Community: To complete any improvements indicated on the Plat Map filed with the Declaration or described earlier in this Declaration of Covenants; to exercise any Development Right under Section 3.4 hereof; 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 appoint or remove any officer of the Association or any member of the Board of Directors, or to veto or approve a proposed action of the Board or Association during the Declarant Control Period described in Section 15.7.2 hereof; to maintain the ARC during the Declarant Control Period; to have an existing association, specifically the Rock Ridge Community Association, manage the Community instead of the Association; the Declarant shall be deemed to hold a proxy from all Lot Owners during the Declarant Control Period for such purposes. Special Declarant Rights other than those specified in Sections 3.3.1 or 15.7.2 hereof shall persist until the last Lot in Phase V is conveyed by Declarant to a party other than an Affiliate of the Declarant, or until a date which is ten (10) years following the conveyance of the first Lot in the Community by Declarant to a party other than an Affiliate of Declarant, whichever first occurs.

15.7.2 Declarant Control Period

The Declarant has reserved the rights to (a) appoint and remove Officers and members of the Board of Directors of the Association; (b) appoint and remove members from the ARC; and (c) veto or approve 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 such purposes. The Declarant Control Period shall not exceed ten (10) years following

the conveyance of the first Lot within Phase IV from the Declarant to a party other than an Affiliate of the Declarant. The Declarant Control Period shall terminated sixty days after conveyance of the last Lot within Phase V, or ten (10) years following the conveyance of the first Lot within Phase IV from the Declarant to a party other than an Affiliate of the Declarant, whichever first occurs.

15.7.3 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, for so long as Declarant owns a Lot in the Community. 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.

ARTICLE XVI AMENDMENT OF DECLARATION, PLAT MAP

16.1 Procedure for Amendment of Declaration.

Amendments to the Declaration shall be made by an instrument in writing entitled "Amendment to Declaration" which sets forth the entire amendment. Except as otherwise specifically provided for in this Declaration, 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 16.5 hereof, amendments may be adopted only at a meeting of the Owners if at least sixty percent (60%) 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 percent (60%) 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.

16.2 Recordation Required.

Every amendment to the Declaration 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 and each previously recorded amendment thereto.

16.3 Special Restrictions.

No amendment may restrict, eliminate, or otherwise modify any Special Declarant Right provided in the Declaration 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.

16.4 Amendment of Plat Map.

The Plat Map may be also amended. Copies of any such proposed amendment to the Plat Map shall be made available for examination by every Owner. Such amendment to the Plat Map shall also be effective, once properly adopted, upon recordation in the appropriate county offices, along with any amendment to the Declaration which accompanies it. In all cases, the amendment when adopted shall bear the acknowledged signature of the President of the Association.

16.5 Amendments by Declarant.

The Declarant may unilaterally adopt and file amendments to the Declaration and to the Plat Map 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 Development Rights reserved by the Declarant, in order to:

- (a) conform them to the actual location of any of the constructed improvements and to establish, vacate and relocate utility easements and/or access road easements;
- (b) exercise any Development Right reserved by the Declarant under Section 3.4 of this Declaration;
- (c) correct any nonmaterial technical errors contained in the Governing Documents or clarify provisions of same.
- (d) conform them to requirements of the City of Anacortes, *bona fide* title insurance companies, secondary mortgage market entities or loan guarantors.

ARTICLE XVII MISCELLANEOUS

17.1. Notices for All Purposes, Delivery.

17.1.1 Except as otherwise provided by law, any notice permitted or required to be delivered under the provisions of the Declaration 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 writing, 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. Mailing addresses may be changed from time to time by notice in writing to the Board. Notice to be given to the Association may be given to Declarant until the initial Board has been constituted and thereafter

shall be given to the President or Secretary of the Association, or to its Registered Agent.

17.1.2 New Lot Owners must supply their names and addresses, along with the names and addresses of their respective Mortgagees, to the Secretary of the Association promptly after conveyance.

17.2. 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 Ordinance and furthers the common plan of this Community

17.3. 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.

17.4. Effective Date.

This Declaration shall take effect upon recording.

[signatures on following page]

“EXHIBIT B”
Rock Ridge Phase IV and V
Exterior Architecture Design Guidelines

“Coastal Contemporary Design” General Considerations:

- “Form Follows Function” The result of the design should derive directly from its purpose.
- Simplicity and clarity of forms and elimination of “unnecessary detail”.
- Visual expression of structural elements
- The true nature or natural appearance material should be seen rather than concealed.
- Exteriors massing shall be clean lined.
- Emphasis on natural light, views, and view protection.

Specific Exterior Style Considerations:

1. All homes shall be custom designed and specific to the lot.
2. Buildings shall have low pitched roof; flat, shed, hip, or gable.
3. Large windows and window walls are encouraged.
4. Use of Natural materials are encouraged. (i.e. cedar siding, pine soffits, IPA paneling, etc.).
5. Enclosed soffits are required unless the exposed rafters are an architectural detail complimentary to the style of the home.
6. All roofs to be standing seam metal, TPO roofing material or similar approved material. Standing seam metal material shall be matte finish and non-reflective. To the greatest extent possible, TPO roof material shall be shielded from the street view using parapet walls, decorative screens, or painting of the TPO membrane to blend with surrounding color schemes. Where TPO roofs are visible from neighboring properties or views, the TPO membrane shall be painted to blend with the color scheme of the house using TPO material.
7. Concrete that is exposed more than 18” from grade shall be architectural in design.
8. Garage doors where reasonably possible shall be hidden from the street, garage doors shall be clean lined and contemporary.
9. Window frames shall be darker colors, copper, or clear aluminum. (approved palette available)
10. Bold colors are allowed if approved by the architectural committee, but should only be used as an “accent” (i.e. front door other lessor features).
11. Cement based (hardi products or similar) and high-quality metal siding products will be accepted. (Approved Palette Available)
12. Deck joists that are easily visible shall either be clad with soffit, hidden with landscape, walled with siding, or made to look finished and structural.
13. Exterior paint should be predominately natural wood color or darker greens, greys and browns. (Color Palette Available)
14. Change of siding materials should be encouraged at inside angle points or when building massing increases or decreases.
15. Exterior lighting dark sky standards, indirect down lighting.

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16. Setbacks per City of Anacortes minimums unless otherwise shown on Exhibit "A" and Exhibit "B". The more restrictive setback will prevail.
17. Height Restrictions per City of Anacortes maximums or restrictions Per Exhibit "B" or whichever is most restrictive.
18. Landscape should consist predominantly of grass, bark mulch, native stone and/or gravel and plants, trees, and shrubs native to the west coast states of Oregon and Washington. (Approved Plant List Available)
19. Masonry to be selected from the preapproved palette.
20. Fences shall be architectural in design and complimentary to the homes architecture. Design, Materials and location to be approved by the ACC prior to installation.
21. Retaining walls shall be stacked stone native to Fidalgo Island. Other retaining wall materials and methods, may be approved by the ACC, if it can be shown the retaining wall will be complimentary to the subject home and the neighborhood.
22. Driveways shall be exposed aggregate or natural brushed concrete, other driveway materials and methods may be approved by the ACC, if it can be shown the driveway will be complimentary to the subject home and neighborhood.

Not Permitted:

1. Design themes imported from other geographic areas (i.e. French Chateau or Southwest Hacienda)
2. Design themes easily recognized from another era (i.e. Craftsmen, Cape Cod etc.). Some details and or characteristics of these styles may be accepted. (i.e. Shingle siding would be approved in Rock Ridge Phases IV & V, even though shingles are one of the defining characteristics of the Cape Cod Style, but if that same shingled house, has a steeper pitch roof and no overhangs it has become too recognizable as being designed in the Cape Cod theme and would *not* be approved).
3. Exterior White paint or color similar light colors, unless approved as an accent.
4. Exposed 2x4 or 2x6 truss tails.
5. Ogee style gutter systems.
6. Exposed Chimney flues visible from the street.
7. Siding materials: Vinyl siding, faux stone.
8. Roofing materials: Torch down, composition, or wood shingles, concrete or clay tile.
9. White or light tan windows.
10. Traditional grid windows and faux grid window systems.
11. Arched windows.
12. Overly decoratively applied architectural features that do not provide the appearance of function.
13. Asphalt or gravel driveways.
14. Exposed "rough frame" pressure treated deck framing, visible from the street.
15. Lighting the causes unnecessary glare and light pollution.
16. Landscape: rock, gravel, or cobble not naturally found in Western Washington
17. Fences: No chain link, vinyl or barbed wire.

***Developer, Owner or Declarant Reserves the Right to Make Changes to the Design Guidelines.**

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