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DOCUMENT TITLE: COVENANTS, CONDITIONS, DESIGN GUIDELINES AND
RESTRICTIONS FOR HADDON ROAD HOA

REFERENCE NUMBER OF RELATED DOCUMENT: PUD 2016-1001

GRANTOR(S): ALLEN FAMILY INVESTMENTS, LLC, a Washington Limited Liability
Company

GRANTEE(S): ALLEN FAMILY INVESTMENTS, LLC, a Washington Limited Liability
Company

ADDITIONAL GRANTEES ON PAGE _____ OF DOCUMENT.

ABBREVIATED LEGAL DESCRIPTION:

S 14 rods of the E 60 rods pf Gov. Lot 6, Sec. 30, Twns 35 N, Rng. 2E

ADDITIONAL LEGAL DESCRIPTION ON PAGE(S) 2 OF DOCUMENT.

ASSESSOR'S TAX PARCEL NUMBER(S): P33048 / 350230-0-016-0003

COVENANTS, CONDITIONS, DESIGN GUIDELINES AND RESTRICTIONS**FOR****HADDON ROAD HOA****THESE COVENANTS, CONDITIONS, DESIGN GUIDELINES AND RESTRICTIONS**

(this "Declaration") is made by Allen Family Investments, LLC ("Declarant") as of February 15th, 2018.

RECITALS

Declarant is the owner of certain real property (the "Property") in Skagit County, Washington, legally described on **Exhibit 1** hereto. The Property shall be referred to herein as the "Property" or the "PUD." The Property shall be subdivided as shown in the Plat for Allen Family Investments, LLC Parcel #33048 as shown in Haddon Road Plat and PUD#--PUD 2016-1001 also attached as **Exhibit 1** hereto.

NOW, THEREFORE, Declarant declares that this Declaration of Covenants, together with the PUD referred to herein, state covenants, conditions, restrictions and reservations intended by the Declarant to affect a common plan for the development of the Property mutually beneficial to all of the described Lots. These covenants, conditions, restrictions, reservations and plan are intended to become, and by the recordation of this instrument shall be conclusively deemed to be legal and equitable servitudes which shall run with the land of the Property and shall be binding upon the entire Property and upon each such Lot therein as a parcel of realty, and upon its Owners, their family members, their heirs, personal representatives, successors and assigns, and their tenants, licensees and other lawful occupants, 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.

DEFINITIONS

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

"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.

"Declarant" means the entity, person or group of persons acting in concert who executes this Declaration of Covenants.

“Declaration of Covenants” means this document, which facilitates the creation of this Community; the term also includes any lawful amendments to this document.

“Development Plan” means any formal plan of development, however termed under the Ordinance, approved by the City of Anacortes. The term also includes any amendments thereto approved by applicable governmental entities.

“Dwelling” means the principal housing structure constructed on a Lot. **“Dwelling”** is interchangeable with **“Structure,” “Home,” “Building,” and House.**

“Foreclosure” means a forfeiture or judicial or nonjudicial foreclosure of a mortgage or a deed in lieu thereof.

“Lot” means a physical portion of the Community designated for separate ownership, the boundaries of which are depicted on the PUD.

“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.

“Mortgage” means a mortgage, deed of trust or real estate contract.

“Person” means a natural person, corporation, partnership, limited partnership, trust, governmental body or agency, or other legal entity.

“Property” or **“the Property”** means all the real property described as being contained within the PUD.

“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.

“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 and with all applicable legal, administrative or regulatory requirements.

“Native Growth Protection Area” or **“NGPA”** is synonymous with **“Buffer Zone”** and shall include the west 20 feet of lots 1 and 2 and the north 20 feet of lots 2, 3, 6, 7, 9 and 10 as shown on the PUD map.

“Native Growth Protection Easement” or **“NGPE”** is established that includes the wetland, the wetland’s buffer, the geologically hazardous area, and the geologically hazardous’ area buffer. The NGPE shall begin at the west edge of the fifteen (15) foot non-disturbance setback as measured from the top of the slope and terminate on the eastern property line.

Common Areas The Common Areas of the Community consist of five (5) parking spaces on Lot 9, the driveway area adjacent to the parking spaces on Lot 9, and the NGPE.

ARTICLE I
CONSTRUCTION ON LOTS AND USE OF LOTS

Section 1.1 Minimum Size. The floor area of the main house Structure, exclusive of open porches and garages shall be not less than 1,500 square feet. Each home must have a garage, attached or unattached, which shall be of such size as to accommodate at least (1) one full size automobile. No Carports are allowed.

Section 1.2 Design Guidelines. In all instances, all homes shall comply with the building requirements of the City of Anacortes and any other governmental agency that has jurisdiction over the building process.

Section 1.3 Design Approval: Architectural building plans, landscaping plans and exterior roof and Structure colors shall be approved by 50% of the lot owners based on Design Guidelines defined in this document, or by an Architectural Committee designated by a vote of 50% or more of the lot owners. Plans shall be submitted to all of the lot owners or Architectural Committee with a two-week review timeline. The plan review approval shall be completed prior to submission to the City of Anacortes for a building permit. All exterior painting colors, roofing, siding, fencing and masonry choices shall be submitted with a two-week review timeline prior to application or construction. If review responses are not received back within a two-week time period of submission receipt, then the design submission shall be deemed approved and the lot owners may proceed with design choices.

Buildings and Homes constructed on Allen Family Investments, LLC 13 Lot PUD shall reflect “Transitional Farm House” or “Craftsman Northwest Style” design. This design style typically uses materials found in the area. Compliant designs will reflect a style which will be harmonious with the territory and the neighborhood. Craftsman Bungalow style architecture would be one example, with flexibility for individual architectural expression appropriate to the surrounding neighborhood. Manufactured and/or mobile homes are not allowed in this project.

1.3.1 **Roofing:** All roof pitches to be 5.5/12 minimum. An exception on roof pitch will be made for covered porches and shed dormers to be a 1/12 minimum. All roofing material shall be an “earth tone” color in the brown, black, or grey family. Roofs to have a minimum of 12” overhang, except at dormers. Solar Panels are acceptable.

1.3.2 **Exterior Walls and Decks:**

Rock, brick and stone veneers are acceptable. Rock and stone veneer shall be an “earth tone” color in the beige, brown or grey family. Brick shall be an earth-tone or muted red but no “fire engine” red. Rock, brick and stone veneers should be structural or appear structural and must continue to finish grade level.

Approved siding materials would be shingles, board and batt, horizontal lap, vertical or horizontal channel, Hardi Plank or similar “wood look” siding products, or T & G. This siding is to be stained or painted.

Deck rails should be post and picket, or solid walls sided with siding material appropriate to the home. Glass railing and/or cable railing systems will be allowed as long as the supporting posts are 5” or larger.

Building exteriors should be broken into several planes, creating visual interest. Building elevations in the excess of two stories will be broken vertically with at least one of the following: deck, roof, cantilever sections, trellis or other architectural details that may visually reduce the height of that building elevation.

Trim Details shall be “Transitional Farm House” or “Craftsman Northwest Style”, large window and door trim with a 3.5” minimum width, water tables or belly bands required at horizontal siding breaks. Trim will not be removed as a cost saving measure unless it can be shown that trim is not fitting with the proposed design.

Post and beam entries or other post and beam accents when possible.

1.3.3 Exterior Colors:

- Walls are to be painted and/or stained either medium to dark browns, grays, greens or blues with a matte finish or off-white to light grey with trim that reflects “Transitional Farm House” or “Craftsman Northwest Style.”
- Trim and accent colors will be medium to dark, muted browns, greens, reds, grays, blues and/or off-white to light grey with trim that reflects “Transitional Farm House” or “Craftsman Northwest Style; “ vinyl window frame colors excluded.
- Roofs are to be medium to dark browns, grays or black.

1.3.4 Fences, Walls and Gates:

- All lot fences shall be architectural in design. Design, material, location and color are to be approved by 50% of the PUD owners.
- Cedar Fences can be left to gray naturally or stained with an approved color to compliment home and landscape colors.
- - No chain link fences; vinyl fencing to be of a color and type approved by the Architectural Committee.

1.3.4 (A) **FENCE MAINTENANCE.** In that the City of Anacortes mandated the construction and maintenance of a certain fence located within the Property, more specifically the easterly split-rail fence on the east property line of lots 10 through 13 as shown on the PUD map, and the entire PUD was deemed to benefit from the required installed fence, it shall be the responsibility of all homeowners to contribute to the maintenance of this fence. The amount of the contribution shall be commensurate with the funds necessary to maintain said fence in a reasonably functional and aesthetically pleasing manner. The fence shall be maintained in a manner that matches the characteristics of the Property. **Funds shall be collected and set aside in the Trust Account for maintenance as further discussed herein.**

- 1.3.5 Maintenance of yards, shrubs, trees and weed control shall be the responsibility of the lot owner of record. Yards to be regularly mowed and kept no higher than five (5) inches. The height of trees and shrubs to be maintained per paragraph 1.4.5.

Section 1.4 Use Restrictions:

- 1.4.1 **“Maintenance of Buildings and Lots”**. Each Owner shall, at the Owner’s sole expense, keep the interior and exterior of the Structure on the Owner’s Lot, as well as the Lot, in a clean and sanitary condition, free of motor vehicles of any type that are in obvious disrepair or in non-working condition and stored on the property, free of rodents and pests, and in good order, condition and repair and shall do all redecorating, painting, landscaping, and maintenance at any time necessary to maintain the appearance and condition of the Structure and the Lot. The landscaping shall be maintained to the curb on the edge of the street.
- 1.4.2 **“Trash Containers and Debris”**. All trash shall be placed in sanitary containers. No Lot or any portion thereof shall be used as a dumping ground for trash or rubbish of any kind. Compost piles may be kept upon the Lots provided they are kept in a clean, neat and sanitary condition.
- 1.4.3 **“Offensive Activity”**. No noxious or offensive activity, including but not limited to the creation of excess levels of noise, shall be carried on in any Lot, nor shall anything be done therein which may be or become an annoyance or nuisance to other Owners or tenants.
- 1.4.4 **“Damage”**. Any damage to streets, plat improvements, all fences, landscaping, mailboxes, lights and lighting standards by Lot Owners, their children, agents, visitors, or service personnel shall be repaired by such Owner within fourteen (14) days from the occurrence of such damage.
- 1.4.5 **“Landscaping Height Restrictions”**. All landscaping on the South half of each lot, including but not limited to, trees, bushes, grasses, etc. shall be trimmed and maintained not to exceed 10’ in height as measured from original grade. The use of “Dwarf” type of trees is to be the tree standard. It is imperative that this height restriction is followed and enforced to protect the views of neighbor(s).
- 1.4.6 **“Compliance with Laws”**. Notwithstanding anything to the contrary set forth herein, each Owner shall comply with the more restrictive of either (i) the terms or conditions of this Declaration, or (ii) the laws, codes, ordinances, and regulations of any governmental entity having jurisdiction.

Section 1.5 Required Maintenance:

- 1.5.1 Certain maintenance of the Property shall be required by the residents in whole or part, to include:
- 1.5.1(A) **FENCE**: Maintenance of the easterly split-rail fence on the east side of lots 10 through 13 mandated by the City of Anacortes in approving the PUD on the Property shall be the responsibility of the HOA. Also see 1.3.4(A) herein.

1.5.1(B) **Private Roads:** Maintenance of the private roads accessing various homes and structures built on the Property. See Article 13 herein.

1.5.1(C) **Maintenance and preservation of Trees.** Mature trees and new trees planted by or on behalf of the Declarant in those areas declared "Native Growth Protection Areas" by the City shall be preserved by the Owner of the Lot within which such trees are located.

That portion of the Property defined as the "NGPE" shall be considered a common access easement and shall be maintained by the Homeowners Association. Vegetation and tree removal, topping, or trimming in that portion of the property designated as NGPA or NGPE is strictly prohibited unless first approved by the City. The individual lot owner would need to submit an ISA certified arborist's report that states the tree is dead, diseased, dying or a hazard to an adjacent property/use along with a geological hazardous area critical area report to the City of Anacortes' Planning Department and Parks and Recreation Department for review and approval.

1.5.1(D) **Maintenance Cleaning of Infiltration Trenches.** The Infiltration Trenches located on Lots 10 and 11 shall be maintained by the lot owners benefited by the Infiltration Trenches as shown on the PUD.

1.5.1(E) Maintenance of the Grass Swales located in the right of way between the Haddon Road surface and the sidewalks shall be the responsibility of the individual lot owners of the lot adjacent to said Grass Swales.

ARTICLE 2 **ASSIGNMENT BY DECLARANT**

Declarant reserves the right to assign, transfer, sell, lease, or rent all or any portion of the Property and reserves the right to assign all or any of its rights, duties, and obligations created under this Declaration.

ARTICLE 3 **CHANGES TO CC&RS**

Changes to these Covenants, Conditions, Design Guidelines & Restrictions, other than by the Declarant herein, require a 2/3 vote (66.66%) majority agreement of the lot owners of this PUD. See Article 14.

ARTICLE 4 **ANIMALS**

Section 4.1 No animals or livestock of any kind shall be raised, bred or kept on any Lot, except for dogs, cats, rabbits, chickens (no roosters) or other household pets; provided they are not kept, bred or maintained for commercial purposes. Other household pets are limited to fish and small indoor caged animals. No "exotic" animals are allowed.

Section 4.2 Dogs shall be kept and confined in fenced areas or on leashes when within the Property and rabbits, chickens and other and additional allowed animals, shall be fenced so that they cannot leave the lot owner's property.

Section 4.3 Owner shall cleanup after their pets within the Properties.

Section 4.4 No dangerous or potentially dangerous dogs or dog breeds shall be allowed within the Property unless such dog is a service animal and no Owner shall harbor or keep a dog that howls, barks or makes other loud noises or unreasonably annoys or disturbs other people within the Properties. If a person owns a service animal they shall provide appropriate medical documentation as required under Washington and federal law.

ARTICLE 5 **ENFORCEMENT**

The Declarant and any Lot Owner shall have the right to enforce, by any proceedings at law or in equity, all covenants, conditions, restrictions, reservations, liens and charges now or hereafter imposed by this Declaration. If the Declarant or any Lot owner seeks an injunction they shall not be required to post any bond and each Lot Owner hereby waives the right to require the posting of a bond in any proceeding for an injunction under this Declaration. The failure of the Declarant or any Lot Owners to enforce any rights hereunder shall not be deemed to constitute a waiver of the right to do so thereafter. The prevailing party in any litigation involving the enforcement of any provision of this Declaration shall be entitled to judgement for the reasonable attorney's fees, court costs and other costs incurred in such litigation by such prevailing party. The venue for any action shall be in Skagit County, Washington.

ARTICLE 6 **GRANTEE'S ACCEPTANCE**

The grantee of any Lot subject to this Declaration shall, by the acceptance of a deed conveying title thereto or by the execution of any contract for the purchase thereof, whether from Declarant or any subsequent Owner of such Lot, accept such deed or contract upon, and subject to, each and every provision of this Declaration and the provisions contained herein.

ARTICLE 7 **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 and furthers the common plan of this Community.

ARTICLE 8 **RESIDENTIAL LOTS**

Section 8.1. Number and Location. The Community contains thirteen (13) Lots zoned for residential use which are depicted on the PUD. The location of those Lots and their dimensions are shown on the attached **Exhibit 2**.

Section 8.2. Initial Construction of Dwellings and Other Improvements Within Lots.

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

Section 8.3. No Permanent Construction Within Easements. No permanent building, deck or other significant structure shall be constructed within the easement areas on the Lots or in the common areas depicted on the PUD. A setback is not a consideration in the easement but the easement is subject to limited building allowances.

Section 8.4. Upkeep of Lots. Each Lot Owner shall, at his or her sole expense, have the right and the duty to keep the Lot, its Dwelling and all other improvements in good order, condition and repair and shall do all Upkeep, decorating, landscaping and painting at any time necessary to maintain its good appearance and condition. Each Owner shall perform this Upkeep responsibility in such manner as shall not unreasonably disturb or interfere with other Owners, or scenic views otherwise available from other Lots in the Community.

Section 8.5. Damaged Improvements. If a Dwelling or other major improvement located upon a Lot is damaged or destroyed, the Owner thereof shall restore the site either (i) by repairing or reconstructing such Building or improvement or (ii) by clearing away the debris and restoring the site to an acceptable condition compatible with the remainder of the Property. Such work must be commenced within nine (9) months after the casualty and shall be substantially completed within eighteen (18) months after the casualty.

Section 8.6. Preservation of Certain Trees. Mature trees and new trees planted by or on behalf of the Declarant shall be preserved by the Owner of the Lot within which such trees are located; such trees of concern as are located in the northly and westerly 20-foot buffer areas. The Buffer Zone was approved by the City of Anacortes pursuant to the PUD as a condition to the platting and development of the Community. The Buffer Zone requires the preservation of certain existing trees and the planting of additional trees to meet the City's minimum vegetation requirements for this new development as described in the final PUD and decision of the City of Anacortes. The City retains the right to enforce such requirements. Changes to the Buffer Zone, require the advance written approval of the City, not the approval of Adjoining Lot owner.

**ARTICLE 9
COMMON AREAS**

Section 9.1. Common Areas. The Common Areas of the Community consist of five (5) parking spaces on Lot 9, the driveway area adjacent to the parking spaces on Lot 9, and the NGPE.

Section 9.2. The private roads that serve the various groups of lots are considered "common areas" to the specific lots served but not to the entire Community.

Section 9.3. No Interference with Common Areas. Nothing shall be altered or constructed in, stored in or removed from the Common Areas.

Section 9.4. Regular Inspections: Regular inspection and maintenance of the private infiltration systems by a qualified professional engineer is required and shall be the responsibility of the Lot Owners served by the infiltration system as depicted on the PUD.

ARTICLE 10 **PERMITTED USES**

Section 10.1. Permitted Uses.

10.1.1 Residential Use.

The Lots in this Community are intended to be used for residential purposes, whether on an ownership, rental or lease basis and for common social, recreational or other reasonable uses normally incident to such purposes. Parts of a Dwelling also may be used for a professional office or other low impact commercial use, provided that such use is consistent with all applicable laws, ordinances and regulations of any governmental authority, and so long as such use does not generate any appreciable levels of client or customer traffic, bulk shipping or receiving, noise or other disturbance to other lawful occupants of the Community.

10.1.2. Trees and Vegetation.

10.1.2.1 Following the construction of a Dwelling structure on a Lot, its Owner(s) shall preserve mature trees on the Lot and properly maintain any landscaping vegetation on the Lot, so as to enhance the appearance and value of the Lots in the Community and to prevent the spread of noxious weeds in addition to conforming with the requirements of the PUD. The Owner(s) shall also maintain and preserve those trees existing in the Native Growth Protection Areas on each individual lot consistent with the PUD and the decision of the Anacortes City Council.

10.1.2.2 **NGPE/NGPA Trees:** Within the Native Growth Protection Easement, and the 20-foot wide Native Growth Protection Area (NGPA) established along the western and northern property lines of the subject parcel, vegetation and tree removal, topping, or trimming is strictly prohibited unless first approved by the City. The individual lot owners and/or the HOA would need to submit an ISA certified arborist's report that states the tree is dead, diseased, dying or a hazard to an adjacent property/use along with a geological hazardous area critical area report to the City of Anacortes' Planning Department and Parks and Recreation Department for review and approval.

10.1.3. 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 properties or the Owners thereof.

10.1.4. **Noise, Offensive or Illegal Activity.**

No person shall cause any unreasonably loud noise anywhere in the Community, nor shall any person permit or engage in any noxious, offensive or illegal activity, practice or behavior causing annoyance, discomfort or disturbance to any personal lawfully present on any portion of the Property. Quiet hours shall be observed from 10:00 p.m. to 7:00 a.m., during which only minimal noise shall be permitted to emanate from any Lot.

10.1.5. **Privacy Fencing.**

Fences are permitted but must conform to the style installed by the Declarant, consistent with such further standards as required by the City of Anacortes.

10.1.6 **Vehicle Operation and Parking Restrictions.**

10.1.6.1 **General Restrictions.**

Vehicle parking is permitted on portions of the Lot which have been improved for such purposes. A minimum of two off-street parking spaces are required per Lot, which can be accomplished by using the driveway area in front of the garage associated with each Dwelling.

10.1.6.2 **No Parking on Private Roadway.**

No parking is permitted on other lot owners' private drives or lots except for lot 9 which shares parking with lots 10 and 11.

10.1.6.3 **R.V. Parking, Etc.**

Except as hereinafter provided, junk vehicles (as defined in RCW 46.55.010), and small or large commercial-style vehicles (including without limitation trucks, tractors, large vans or other types of commercial type vehicles or equipment which either require a commercial vehicle operator's license or which exceed 6,000 lbs. in gross vehicle weight) may not be stored, kept or maintained anywhere within the Community.

Bona fide Recreational Vehicles up to but not exceeding twenty-four (24) feet may be parked on the lot of a lot owner in a driveway area or other reasonable and aesthetically pleasing location such as an RV pad or garage that fits within the guidelines of this Declaration. A "Recreational Vehicle" shall be defined to include a motorhome, boat, trailer or 5th wheel. Failure of an Owner or other Occupant to abide by such standards or to remove an offending vehicle or equipment from a Lot shall constitute a nuisance.

10.1.7. **Signs.**

Initially, no other sign of any kind shall be displayed to the public view on or from any Lot or the Common Areas without the prior consent of the Declarant; 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 Lot is for sale or rent.

10.1.8. Underground Utilities.

All utilities are required to be located underground prior to any excavation in the PUD.

10.1.9. Uses by Declarant.

Nothing in the Declaration of Covenants 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 visitors' center) or for the closing of sales of Lots. Further, the Declarant specifically reserves the right to operate a construction office or a 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 on any portion of the Common Areas, to the extent permitted by law. The Declarant may assign its rights under this subsection to or 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.

ARTICLE 11**COMPLIANCE WITH LAW AND COVENANTS**

Section 11.1. Compliance by Owners and Occupants. Each Owner and occupant of a Lot shall comply strictly with the provisions of the Declaration of Covenants. All remedies provided in this Article may be enforced against any tenant or other occupant of a Lot.

Section 11.2. Legal Proceedings. Failure to comply with any of the terms of the Declaration of Covenants shall be grounds for legal relief, including without limitation, actions to recover any sums due for money damages, injunctive relief, or any combination thereof and any other relief afforded by a court of competent jurisdiction, all of which relief may be sought by any aggrieved Owner, and shall not constitute an election of remedies.

Section 11.3. Costs and Attorney's Fees. In connection with proceeding arising out of an alleged default by any Owner or Occupant, the prevailing party shall be entitled to recover the costs of the proceeding, or any appeal therefrom, and such reasonable attorney's fees as may be determined by the Court. The Court is strongly encouraged to make such an award, to protect the values of this Community.

Section 11.4. No Waiver of Rights. The failure of an Owner or other party to enforce any right, provision, covenant or condition which may be granted by this Declaration of Covenants shall not constitute a waiver of the right of any such party to enforce such right, provision, covenant or condition in the future.

ARTICLE 12
EASEMENTS AND SPECIAL DECLARANT RIGHTS

Section 12.1. Easements for Lots and Lot Owners.

12.1.1 In General.

Each Lot has an easement in and through each other Lot and the Common Areas for utilities and for lateral and/or subjacent support.

12.1.2 Specific Easement Shown on PUD.

Easements shown on the PUD are hereby confirmed. Any easement shown on the PUD which benefits one or more Lots in the Community, or which benefits any third parties or any real property not included within the Project, confers various rights and benefits upon such third parties or owner(s) of any such real property. Reference should be made to the PUD.

ARTICLE 13
PRIVATE ROADS

Section 13.1 Several groups of lots in the PUD are served by private roads. The groups of lots are as follows: Lots 1 through 4; Lots 5 through 8; Lots 9 through 11; and Lots 12 and 13.

Section 13.2 Unless such private road is otherwise defined as a common area, each group of lot owners shall be responsible for the upkeep and maintenance of the private road serving their particular group of lots. The percentage of responsibility for upkeep and maintenance shall be divided equally among the lot owners.

Section 13.3 For enforcement of this provision each lot owner shall follow the guidelines given in Articles 5 and 11 of this Declaration.

ARTICLE 14
AMENDMENT OF DECLARATION OF COVENANTS

Section 14.1. Procedure for Amendment of Declaration of Covenants. Amendments to the Declaration of Covenants shall be made by an instrument in writing entitled "Amendment to Declaration of Covenants" which sets forth the entire amendment. Except in cases of amendments that may be adopted by the Declarant unilaterally pursuant to Section 14.3 hereof, amendments may be adopted only if at least 66.6% of the Owners execute and approve an instrument in writing containing such amendment.

Section 14.2. Recordation Required. Every amendment to the Declaration of Covenants must be recorded with the County Auditor and is effective only upon recording. An amendment shall be indexed in the name of the Community and shall contain a cross-reference by recording number to the Declaration of Covenants and each previously recorded amendment thereto.

Section 14.3 Amendments by Declarant. The Declarant may unilaterally adopt and file amendments to the Declaration of Covenants for so long as the Declarant is the Owner of any Lot in the Community or until the expiration of the time limit for the exercise of any Special Declarant Rights reserved by the Declarant.

ARTICLE 15
FUNDS MAINTENANCE AND DISTRIBUTION

Section 15.1 Trust Account. A Trust Account shall be established to hold funds for the maintenance of the fence and the common areas of the PUD as well as any other and additional financial commitment of the PUD owners as a whole. Each lot owner shall contribute \$100.00 a year. The amount of the contribution shall be adjusted each year by the HOA through the operation of a positive vote of 50% or more of the members, but in no event shall the contribution be less than \$100.00 per year.

15.2.1 The Trust Account shall not be comingled with funds for partial maintenance areas such as the private roads that serve various portions of the PUD and not the PUD as a whole.

15.2.2 The funds in the Trust Account shall be held in a Washington Bank and managed by two individuals jointly. The Trust Fund Managers shall be elected or removed by a 50% vote of the Lot Owners in the PUD. The Trust Account managers shall provide an annual accounting to the members of the HOA. If a Manager resigns, is removed or is no longer able to serve for any reason, a meeting of the lot owners shall be called as soon as practical to replace said manager.

15.2.3 The HOA shall maintain liability insurance in the amount of \$1,000,000 per event and \$300,000 per claim for incidents occurring in all common areas and easement areas or other and additional areas where the HOA may encounter liability. The insurance shall be paid from the Trust Account.

ARTICLE 16
MISCELLANEOUS

Section 16.1. No Right of First Refusal. There is no right of first refusal limiting or restricting the right of any Lot Owner to sell, transfer or convey his or her Lot.

Section 16.2. Effective Date. This Declaration of Covenants shall take effect upon recording.

Section 16.3. Notices. Any Notice permitted or required to be delivered under the provisions of this Declaration may be delivered either personally or US. Mail, postage prepaid. If delivered by mail, such Notice shall be deemed to have been delivered forty-eight (48) hours after a copy has been deposited in the United States Mail, postage prepaid for first class mail, addressed to the person entitled to such Notice at the most recent address given in writing by such person to the Association. Notice to Lot Owner(s) shall be sufficient if delivered or addressed to the address of the lot.

DATED this 6th day of JULY, 2018.

Allen Family Investments, LLC:

By, 
Thomas L. Allen, Member

EXHIBIT 1
HADDON ROAD PUD

THE SOUTH 14 RODS OF THE EAST 60 RODS OF GOVERNMENT LOT 6, SECTION 30, TOWNSHIP 35 NORTH, RANGE 2E. W.M., SKAGIT COUNTY, WASHINGTON, EXCEPT THAT PORTION THEREO CONVEYED TO THE STATE OF WASHINGTON FOR HIGHWAY PURPOSES BY DEED RECORDED JANUARY 30, 1957, UNDER AUDITOR'S FILE NUMBER 547018, ALSO EXCEPT THAT PORTION, IF ANY, LYING WITHIN THE WEST 20 RODS (330 FEET) OF SAID GOVERNMENT LOT 6. SURVEY AF#200801280007.

Tax Parcel Number P33048

EXHIBIT 1

