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Document Title(s) (or transactions contained therein): Declaration of Covenants, Conditions, Restrictions, and Easements for Cascade Highlands – Phase 1 and 3
Reference Number(s) of Document(s) Assigned or Released: <u>201904190032</u>
Grantor(s) (Last name, first name, initials): 1. Plats Plus, Inc. 2. Lake 16, LLC 3.
Grantee(s) (Last name first, then first name and initials): Cascade Highlands Home Owners Association
Legal Description (abbreviated: i.e. lot, block, plat or section, township, range): Lots 1 through 38, inclusive, and Tracts A through D, inclusive, of Cascade Highlands – Phase 1 and 3, according to the plat thereof recorded under Auditor's File No. <u>201904190032</u> records of Skagit County, Washington Additional legal is on page <u>2</u> of document.
Assessor's Property Tax Parcel/Account Number(s) <input type="checkbox"/> Not yet assigned parent parcels P16707 (XRefID 330416-4-001-0604) and P16701 (XRefID 330416-4-001-0000)
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**DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR CASCADE HIGHLANDS – PHASE 1 AND 3**

This Declaration of Covenants, Conditions, and Restrictions for Cascade Highlands – Phase 1 and 3 (“**Declaration**”) is made by Plats Plus, Inc., a Washington corporation, and Lake 16, LLC, a Washington limited liability company (collectively the “**Declarant**”), as the legal owner of that certain real property situated in Skagit County, Washington, legally described as follows (the “**Property**”):

Lots 1 through 38, inclusive, and Tracts A through D, inclusive of Cascade Highlands – Phase 1 and 3, according to the plat thereof recorded under Auditor’s
File No. 201904190032, records of Skagit County, Washington.
Situate in Skagit County, Washington.

RECITALS

Declarant has developed or is developing Cascade Highlands – Phase 1 and 3 as a residential community on the Property. Declarant desires to enhance and protect the value, desirability, and attractiveness of the Property for the benefit of the owners thereof and their heirs, successors, and assigns. Declarant also desires to create common areas and facilities for the benefit of Cascade Highlands – Phase 1 and 3 Community and to provide for the preservation of the natural values in Cascade Highlands – Phase 1 and 3.

This Declaration establishes a plan for the private ownership of lots and the buildings constructed thereon, and for the dedication of certain areas to the public. This Declaration further establishes that certain land and related easements within the Property are to be owned by a nonprofit corporation homeowners’ association as common areas as further described herein for the benefit of the owners within Cascade Highlands – Phase 1 and 3. The nonprofit corporation shall be delegated and assigned the duties and powers of maintaining and administering the Common Areas; administering and enforcing these covenants, conditions, and restrictions; and collecting and disbursing the assessments and charges created herein.

NOW, THEREFORE, Declarant hereby covenants, agrees, and declares that all of the Property as defined herein, and the buildings and structures now or hereafter constructed thereon are and will be held, sold, and conveyed subject to and burdened by the following covenants, conditions, restrictions, and easements, all of which are for the purpose of enhancing and protecting the value, desirability, and attractiveness of Cascade Highlands – Phase 1 and 3 for the benefit of the Owners thereof and their heirs, successors, grantees, and assigns. All provisions of this Declaration shall be binding upon all parties having or acquiring any right, title, or interest in the Property or any part thereof, and shall inure to the benefit of the Owners thereof and to the benefit of the Association, and are intended to be and shall in all respects be regarded as covenants running with the land.

ARTICLE 1 - DEFINITIONS

- 1.1. “**ACC**” shall mean and refer to the Architectural Control Committee as further defined in Article 4 herein.
- 1.2. “**Association**” shall mean and refer to Cascade Highlands HOA, a Washington nonprofit corporation, and its successors and assigns.

- 1.3. **"Association Action"** shall mean and refer to a written corporate action of the Association in the form of either a bylaw or resolution duly passed by the Declarant, the Board, or the Owners, as appropriate.
- 1.4. **"Board"** shall mean and refer to the board of directors of the Association.
- 1.5. **"Common Areas"** shall mean and refer to those areas or improvements owned or maintained by the Association for the benefit of the Owners, as further defined in Article 7 herein.
- 1.6. **"Common Expenses"** means the costs incurred by the Association related to the Common Areas or the costs related to the exercise of any of the powers provided for in RCW 64.38 and this Declaration.
- 1.7. **"Declarant"** shall mean and refer collectively to Plats Plus, Inc., a Washington corporation, and Lake 16, LLC, a Washington limited liability company, and their respective successors and assigns. Nothing contained herein shall be deemed or construed by the Association or by any third person to create the relationship of principal and agent, or of a partnership, or of a joint venture, or of any association between or among any of the signatories hereto.
- 1.8. **"Development Period"** shall mean the period of time from the date of recording of this Declaration until the earliest of: (a) the date thirty (30) days after Declarant has transferred title for all Lots to a person who intends to use the Lot for his or her own residence; (b) the date on which Declarant elects, in writing provided to all Owners, to permanently relinquish all of Declarant's authority under this Declaration; or (c) the date two (2) years from the date of recording this Declaration. A partial delegation of authority by Declarant of any of its management duties described in the Declaration shall not terminate the Development Period.
- 1.9. **"Declaration"** shall mean and refer to this instrument, including all supplements or amendments thereto.
- 1.10. **"Final Plat"** shall mean and refer to the recorded subdivision of Cascade Highlands – Phase 1 and 3 as recorded under Auditor's File No. 201904190032, records of Skagit County, Washington.
- 1.11. **"Forested or Native Condition Retention Areas (FNCRA)"** are designated protected areas as shown on the Final Plat that shall not be altered or adjusted without the approval of Skagit County.
- 1.12. **"Protected Critical Area Easements (PCAE)"** are designated protected areas as shown on the Final Plat that shall not be altered or adjusted without the approval of Skagit County. The requirements and obligations of these easements as memorialized in the **"Protected Critical Area Agreement (PCAA)"** as recorded under Auditor's File No. 201904190035, records of Skagit County, Washington.
- 1.13. **"Governing Documents"** shall mean and refer to this Declaration and the Articles of Incorporation, Bylaws, and rules and regulations of the Association, including all supplements and amendments thereto.
- 1.14. **"Lot"** shall mean and refer to any legally segmented and alienable portion of the Property created through subdivision or any other legal process for dividing land and subjected to the Declaration by an appropriate recording, with the exception of dedicated rights-of-way and Tracts.
- 1.15. **"Mortgage"** shall mean and refer to any recorded mortgage or deed of trust encumbering any Lot(s). **"First Mortgage"** shall mean and refer to a Mortgage with priority over other Mortgages. **"Mortgagee"** shall mean and refer to the holder or beneficiary of any Mortgage and shall not be limited to Institutional Mortgagees. **"Institutional Mortgagee"** or **"Institutional Holder"** shall include banks, trust companies, insurance companies, mortgage companies, mortgage insurance companies,

savings and loan associations, trusts, mutual savings banks, credit unions, pension funds, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, all corporations, and any agency of department of the United States Government or of any state or municipal government.

- 1.16. **"Owner"** shall mean and refer to the record owner (whether one or more persons or entities) of a fee interest in any Lot, including Declarant but excluding Mortgagees or other persons or entities having such interest merely as security for the performance of any obligation. Purchasers or assignees under recorded real estate contracts shall be deemed Owners as against their respective sellers or assignors.
- 1.17. **"Property"** shall mean and refer to Lots 1 through 38, inclusive and Tracts A through D, inclusive, of Cascade Highlands – Phase 1 and 3, according to the plat thereof recorded under Auditor's File No. 201904190032, records of Skagit County, Washington, and such additions thereto as may hereafter be made subject to the terms and conditions of this Declaration by an appropriate recording.
- 1.18. **"Reserve Account"** shall have the meaning set forth in Section 3.14 of this Declaration.
- 1.19. **"Reserve Component"** shall mean a Common Area for which the cost of maintenance, repair, or replacement is infrequent, significant, and impractical to include in the annual budget of the Association.
- 1.20. **"Reserve Study Professional"** shall mean an independent person who is suitably qualified by knowledge, skill, experience, training, or education to prepare a reserve study in accordance with RCW 64.38.
- 1.21. **"Significant Assets"** shall mean that the current replacement value of the Reserve Components is seventy-five percent (75%) or more of the gross budget of the Association, excluding the Association's Reserve Account funds.
- 1.22. **"Single Family"** shall mean and refer to a single housekeeping unit that includes not more than four (4) adults who are legally unrelated.
- 1.23. **"Structure"** shall include any building, fence, wall, driveway, walkway, patio, garage, storage shed, carport, mailbox, basketball hoop, play equipment, climbing apparatus, swimming pool, rockery, dog run, or the like.
- 1.24. **"Tract"** shall mean and refer to any legally segmented and alienable portion of the Property created through subdivision or any other legal process for dividing land and subjected to this Declaration by an appropriate recording, with the exception of Lots and dedicated rights-of-way.

ARTICLE 2 - CASCADE HIGHLANDS HOA

- 2.1. **Description of Association.** The Association is a nonprofit corporation organized and existing under RCW 64.38 and the laws of the State of Washington, and is charged with the duties and vested with the powers prescribed by law and set forth in the Governing Documents. The Association shall have a perpetual existence. Upon dissolution or final winding up of the Association corporate entity under the laws of the State of Washington, all of the Association's assets remaining after payment to creditors shall be distributed or sold, and the sales proceeds distributed to the members of the Association entity in accordance with the Governing Documents and the provisions of RCW 24.03. The Owners are responsible for providing that the Association continues to be a functioning legal entity.

- 2.2. **Association Board.** During the Development Period, Declarant shall manage the Association and shall have all the powers of the Board set forth herein. Upon termination of the Development Period, a Board shall be elected by the Owners as provided in the Bylaws. The Board shall elect officers of the Association from among the Board members as provided in the Bylaws.
- 2.3. **Votes Appurtenant to Lots.** Every Owner shall be a member of the Association and, except as provided in Section 2.4, shall be entitled to cast one (1) vote for each Lot owned. A vote shall be appurtenant to and held and owned in the same manner as the beneficial fee interest in the Lot to which it relates. A vote shall not be separated from ownership of the Lot to which it relates. When more than one person or entity holds the beneficial fee interest in any Lot, the vote therefor shall be cast as the Owners amongst themselves determine, but, except as provided in Section 2.4, in no event shall more than one vote be cast with respect to any Lot; and if the several Owners of a Lot are unable to agree as to the casting of their vote, such vote shall not be counted. If a Lot is further subdivided as provided in Section 6.1 herein, the Owner of each additional Lot created shall be entitled to one vote for each Lot owned.
- 2.4. **Number of Votes.** During the Development Period, each Lot owned by Declarant shall be entitled to five (5) votes, and each Lot owned by an Owner other than Declarant shall be entitled to one (1) vote. Upon expiration of the Development Period, the total number of votes in the Association shall be equal to the number of Lots subject to this Declaration, and each Lot shall be entitled to one (1) vote.
- 2.5. **Owner's Compliance.** By acceptance of a deed to a Lot, recording of a real estate contract conveying title to a Lot, or any other means of acquisition of an ownership interest, the Owner thereof covenants and agrees, on behalf of the Owner and the Owner's heirs, successors, and assigns, to observe and comply with the terms of the Final Plat, this Declaration, the Governing Documents, and all rules and regulations duly promulgated pursuant to Association Action.
- 2.6. **Bylaws, Rules, and Regulations.** The Board, on behalf of the Association, shall have the power to adopt, modify, and amend rules and regulations governing the use of the Property, provided that such rules and regulations shall not be inconsistent with this Declaration. The rules and regulations shall apply uniformly to all Owners, except as specifically provided herein. The Board shall have the power to enforce the rules and regulations on behalf of the Association and may prescribe penalties for the violation of such rules and regulations, including, but not limited to, suspension of the right to use the Common Areas or portions thereof, if any. Any such rules and regulations shall become effective thirty (30) days after promulgation and shall be mailed to all Owners prior to their effective date. A copy of the rules and regulations then in force shall be retained by the secretary of the Association. Declarant, on behalf of the Board, may adopt the initial Bylaws and rules and regulations of the Association.
- 2.7. **Implied Rights.** The Association may exercise any right or privilege granted expressly by this Declaration or the Bylaws or that may be reasonably implied from or reasonably necessary to effectuate any such right or privilege.
- 2.8. **Association Property.** The Association, through action of its Board, may acquire, hold, and dispose of tangible and intangible personal property and real property.

ARTICLE 3 - ASSOCIATION BUDGET, ASSESSMENTS, AND LIENS

- 3.1. **Owner's Covenants to Pay Assessments.** By acquisition of any ownership interest in a Lot, the Owner thereof covenants and agrees thereby, on behalf of the Owner and the Owner's heirs, successors, and assigns, to pay the Association, in advance, all general and special assessments levied as provided herein. Notwithstanding the foregoing, Declarant shall not be obligated to pay any assessments.

3.2. **Association Budget.** The Association shall prepare, or cause the preparation of, an operating budget for the Association at least annually, in accordance with generally accepted accounting principles. The operating budget shall set forth all sums required by the Association, as estimated by the Association, to meet its annual costs and expenses, including, but not limited to the cost of: Association management and administration; operation and maintenance of the Common Areas; services furnished to or in connection with the Common Areas; all taxes and assessments levied against the Common Areas; liability, property, and other insurance on the Common Areas; services furnished by or to the Association; utilities and other services; and funding all reserves established by the Association. The funds required to meet the Association's annual expenses shall be raised from a general assessment against each Owner as provided herein. After adoption of the operating budget, the Association may revise the operating budget at any time in accordance with the procedures set forth in this Article as it deems necessary or advisable in order to take into account and defray additional costs and expenses of the Association.

3.2.1. **Ratification of Budget.** Within thirty (30) days after adoption by the Board of any proposed regular or special budget of the Association, the Board shall set a date for a meeting of the Owners to consider ratification of the budget, which meeting shall be not less than fourteen (14) nor more than sixty (60) days after mailing of the proposed budget and meeting notice to all Owners. Unless at that meeting the Owners to which a majority of the votes in the Association are allocated reject the budget, in person or by proxy, the budget is ratified, whether or not a quorum is present. In the event that the proposed budget is rejected or the required notice is not given, the periodic budget last ratified by the Owners shall be continued until such time as the Owners ratify a subsequent budget proposed by the Board.

3.2.2. **Budget Summary.** As part of the summary of the budget provided to all Owners, the Board shall disclose to the Owners:

- (1) The current amount of regular assessments budgeted for contribution to the Reserve Account, the recommended contribution rate from the Reserve Study, and the funding plan upon which the recommended contribution rate is based;
- (2) If additional regular or special assessments are scheduled to be imposed, the date the assessments are due, the amount of the assessments per each Owner per month or year, and the purpose of the assessments;
- (3) Based upon the most recent Reserve Study and other information, whether currently projected Reserve Account balances will be sufficient at the end of each year to meet the Association's obligation for major maintenance, repair, or replacement of Reserve Components during the next thirty (30) years;
- (4) If Reserve Account balances are projected to be insufficient, what additional assessments may be necessary to ensure that sufficient Reserve Account funds will be available each year during the next thirty (30) years, the approximate dates assessments may be due, and the amount of the assessments per Owner per month or year;
- (5) The estimated amount recommended in the Reserve Account at the end of the current fiscal year based on the most recent Reserve Study, the projected Reserve Account cash balance at the end of the current fiscal year, and the percent funded at the date of the latest Reserve Study;
- (6) The estimated amount recommended in the Reserve Account based upon the most recent Reserve Study at the end of each of the next five (5) budget years, the projected Reserve Account cash balance in each of those years, and the projected percent funded

for each of those years; and

- (7) If the funding plan approved by the Association is implemented, the projected Reserve Account cash balance in each of the next five (5) budget years and the percent funded for each of those years.

- 3.3. **Levy of General Assessment.** In order to meet the costs and expenses projected in its operating budget, the Association shall by Association Action determine a general assessment, and shall levy said assessment in advance on every Lot. During the Development Period, the amount of the annual assessment, if any, shall be determined by Declarant. After expiration of the Development Period, the amount of each Lot's general assessment shall be the amount of the Association's operating budget divided by the number of Lots.

For each Lot, the first annual assessment, if any has been established, shall be adjusted according to the number of days remaining in the calendar year calculated from the date of recording of the Final Plat.

The Association shall make reasonable efforts to determine the amount of the general assessment payable by each Owner for an assessment period at least thirty (30) days in advance of the beginning of such period and shall at that time prepare a roster of the Owners and the general assessment allocated to each. The roster shall be open to inspection by any Owner upon reasonable notice to the Association. Notice of the general assessment shall thereupon be sent to each Owner; provided, however, that notification to an Owner of the amount of an assessment shall not be necessary to the validity thereof.

The omission by the Association, before the expiration of any assessment period, to fix the amount of the general assessment for that period or the next period, shall not be deemed a waiver or modification in any respect of the provisions of this Article or a release by any Owner from the obligation to pay the general assessment, or any installment thereof, for that or any subsequent assessment period, but the general assessment fixed for the preceding period shall continue until a new assessment is fixed. Upon any revision by the Association of the operating budget during the assessment period for which such budget was prepared, the Association shall, if necessary, revise the general assessment levied against Lots and give notice to each Owner.

- 3.4. **Payment of General Assessment.** Upon Association Action, installments of general assessments may be collected on a monthly, quarterly, semi-annual, or annual basis, as determined by the Board. Unless the Board otherwise provides, one-twelfth (1/12th) of the General Assessment shall be due in advance on the first day of each calendar month. Any Owner may prepay one or more installments on any assessment levied by the Association without penalty.
- 3.5. **Nondiscriminatory Assessment.** Except as otherwise specifically provided herein, no assessment shall be made at any time which may unreasonably discriminate against any particular Owner or group of Owners in favor of other Owners. However, a special assessment may be made against a particular Owner and Owner's Lot by a two-thirds (2/3) majority vote of the Board if, after notice from the Association of failure to maintain such Lot in a condition comparable to the other Lots has been given, the Association elects to expend funds to bring such Owner's Lot up to such comparable standard.
- 3.6. **Commencement of Assessments.** Liability of an Owner for assessments shall commence on the date upon which any instrument of transfer to such Owner becomes effective (such as the date of a deed or the date of a recorded real estate contract for the sale of any Lot) or, if earlier, the commencement date of Owner's occupancy of such Lot. Declarant shall not be liable for any assessments with respect to any Lot.
- 3.7. **Certificates of Assessment Payment.** Upon request, the Board shall furnish written certificates certifying the extent to which assessment payments on a specified Lot are paid and current to

the date stated therein. A reasonable charge may be made by the Association for the issuance of such certificate.

- 3.8. **Working Capital Assessment.** Unless Declarant waives this requirement in writing, upon the initial closing on any Lot from Declarant, the buyer thereof shall pay a one-time working capital assessment in the amount of Two Hundred Fifty and No/100 Dollars (\$250.00). This amount shall be deposited by the buyer into the purchase and sale escrow and disbursed therefrom to the Association or to Declarant on behalf of the Association. This amount shall be in addition to any General Assessment established by the Association, and shall be paid by all buyers, including builders.
- 3.9. **Initial Reserve Account Contribution.** Unless Declarant waives this requirement in writing, upon acquisition of record title to a Lot, the buyer thereof shall pay a one-time initial reserve account contribution in the amount of Five Hundred and No/100 Dollars (\$500.00). This amount shall be deposited by the buyer into the purchase and sale escrow and disbursed therefrom to the Association or to Declarant on behalf of the Association. This amount shall be in addition to any General Assessment established by the Association, and shall be paid by all buyers, including builders.
- 3.10. **Special Assessments.** In addition to the general assessments authorized by this Article, the Association may, by Association Action, levy a special assessment or assessments at any time, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, inordinate repair, or replacement of a capital improvement located upon or forming a part of the Common Areas, including necessary fixtures and personal property related thereto, or for such other purpose as the Association may consider appropriate, including maintenance of a Lot as provided in Section 3.5 or maintenance of street trees and/or landscaping in the right-of-way abutting a Lot as provided in Section 8.7. The due dates of any special assessment payments shall be fixed by the Association Action authorizing such special assessment.
- 3.11. **Effect of Nonpayment of Assessment.** If any assessment payment is not made in full within thirty (30) days after it was first due and payable, the unpaid amounts shall constitute a lien against the Lot assessed and shall bear interest from such due date at a rate set by the Board in its rules and regulations, which rate shall not exceed the highest rate then permitted by law. By acceptance of a deed to a Lot, recording of a real estate contract therefore, or any other means of acquisition of an ownership interest, and whether or not it shall be so expressed in any such deed or other instrument, each Owner shall be deemed to grant thereby to the Association, its agents, and employees, and to Declarant during the Development Period, the right and power to bring all actions against such Owner personally for the collection of such assessments as a debt, and to enforce the liens created by this Declaration in favor of the Association by foreclosure of the continuing liens in the same form of action as is then provided for the foreclosure of a mortgage on real property. The liens provided for in this Declaration shall be for the benefit of the Association, and shall arise in accordance with the terms of this Declaration without the necessity of any further action by the Association. The Association shall have the power to bid at any lien foreclosure sale and to acquire, hold, lease, mortgage, and convey the Lot foreclosed against.
- 3.12. **Duration of Lien.** Any lien arising pursuant to Section 3.11 shall be a continuing lien in the amount stated in the assessment from the time of the assessment, but expiring pro rata as the assessment payments are made, and shall also be the personal obligation of the person or entity who is the Owner of the Lot at the time of the assessment. The personal obligation to pay a prior assessment shall not pass to successors in interest unless expressly assumed by them; provided, however, that in the case of a sale or contract for the sale of any Lot which is charged with the payment of an assessment, the person or entity who is the Owner immediately prior to the date of such sale shall be personally liable for the amounts of the monthly installments due prior to said date, and the new Owner shall be personally liable for monthly installments becoming due on or after such date. The foregoing limitation on the duration of the personal obligation of an Owner to pay assessments shall not, however, affect the validity or duration of the continuing lien for unpaid assessments

against the respective Lot.

- 3.13. **Suspension for Nonpayment of Assessment.** If an Owner is in arrears in the payment of any assessment due, or is otherwise in default of the performance of any terms of the Governing Documents of the Association for a period exceeding thirty (30) days, said Owner's voting rights shall, without the necessity of any further action by the Association, be suspended (except as against foreclosing secured parties) and shall remain suspended until all payments, including interest thereon, are brought current and any other default is remedied. No Owner is relieved of liability for assessments by nonuse of the Common Areas or by abandonment of a Lot.
- 3.14. **Reserve Account for Repair or Replacement.** As a Common Expense, the Association may establish and maintain a reserve fund for major maintenance, repair, or replacement of the Common Areas and any improvements thereon ("Reserve Account"). Such Reserve Account shall be deposited with a banking institution in the name of the Association. The Reserve Account shall be expended only for the purpose of effecting the major maintenance, repair, or replacement of the Common Areas and any improvements and community facilities thereon, and for equipment replacement, and for operating contingencies of a nonrecurring nature. The Board is responsible for administering the Reserve Account. The Association may establish such other reserves for such other purposes as it may from time to time consider to be necessary or appropriate. The proportional interest of any Owner in any such reserves shall be considered an appurtenance of that Owner's Lot and shall not be separately withdrawn, assigned, or transferred from the Lot to which it appertains.
- 3.15. **Withdrawals from Reserve Account.** In addition to withdrawals for the purposes set forth in Section 3.14, the Association may withdraw funds from the Reserve Account to pay for unforeseen or unbudgeted costs that are unrelated to maintenance, repair, or replacement of Reserve Components. The Board shall record any such withdrawal in the Association's minute books, cause notice of any such withdrawal to be hand-delivered or sent prepaid by first-class U.S. mail to the mailing address of each Owner, and adopt a repayment schedule not to exceed twenty-four (24) months unless the Board determines that repayment within twenty-four (24) months would impose an unreasonable burden on the Owners. Payment for major maintenance, repair, or replacement of the Reserve Components out of cycle with the Reserve Study projections or not included in the Reserve Study may be made from the Reserve Account without meeting the notification or repayment requirements under this section.
- 3.16. **Reserve Studies.** The provisions of this section are intended to summarize the requirements for reserve studies as provided in RCW 64.38.065-.090, and in the event of any conflict with the provisions herein, the statutory provisions shall control.
- 3.16.1. **Board Determination.** Unless (a) there are ten (10) or fewer homes in the Association; (b) the Board determines that the Association does not have Significant Assets; (c) the cost of a Reserve Study exceeds five percent (5%) of the Association's annual budget; or (d) the Board determines that doing so would impose an unreasonable hardship, the Board shall cause the Association to prepare a reserve study (a "Reserve Study") based upon a visual site inspection conducted by a Reserve Study Professional. The Reserve Study shall comply with the requirements of RCW 64.38.070, and shall be updated annually unless doing so would impose an unreasonable hardship. At least every three (3) years, an updated Reserve Study must be prepared and based upon a visual site inspection conducted by a Reserve Study Professional.
- 3.16.2. **Owner Demand.** When more than three (3) years have passed since the date of the last Reserve Study prepared by a Reserve Study Professional, the Owners to which at least thirty-five percent (35%) of the votes are allocated may demand, in writing, to the Association that the cost of a Reserve Study be included in the next budget and that the Reserve Study be prepared by the end of that budget year. The written demand must refer to RCW 64.38.080. The Board shall, upon receipt of the written demand, provide reasonable

assurance the Owners who made the demand that the Board will include a Reserve Study in the next budget and, if the budget is not rejected by a majority of the Owners, will arrange for the completion of a Reserve Study.

- 3.17. **Limitations on Liability Related to Reserve Account and Reserve Studies.** Monetary damages or any other liability may not be awarded against or imposed upon the Association, its officers, the Board, or those persons who may have provided advice or assistance to the Association, its officers, or the Board, for failure to: (a) establish a Reserve Account; (b) have a current Reserve Study prepared or updated in accordance with the requirements of RCW 64.38 and this Declaration; or (c) make the required disclosures in accordance with Section 3.2.2 and RCW 64.38.
- 3.18. **Failure to Comply Does Not Relieve Owners.** An Owner's duty to pay for Common Expenses is not excused, and a budget ratified by the Owners is not invalidated, because of the Association's failure to comply with the Reserve Study or Reserve Account requirements.
- 3.19. **Certain Areas Exempt.** The Tracts and all portions within the Property dedicated to and accepted by a public authority shall be exempt from assessments by the Association.

ARTICLE 4 - ARCHITECTURAL CONTROL COMMITTEE

- 4.1. **Architectural Control Committee.** During the Development Period, Declarant may serve as the Architectural Control Committee ("ACC"), or may appoint an ACC. After expiration of the Development Period, an ACC consisting of at least three (3) members, but in any event always an odd number of members, shall be appointed by the Board with the rights and powers set forth in this Declaration. ACC members shall not be entitled to compensation for their services hereunder, except as may be determined by the Board.
- 4.2. **Jurisdiction and Purpose.** The ACC shall review proposed plans and specifications for construction of all residences and all other Structures within the Property, including any additions, exterior alterations, fences, major landscaping, clearing, painting, paving, and excavation. During the Development Period, a prospective Owner shall submit architectural and landscaping plans and specifications to the ACC for its review prior to closing the purchase of a Lot. Prior to submittal to the ACC, the Owner shall verify all improvements meet all local municipal codes. The ACC assumes no liability and holds no authority to approve, permit, or allow any construction on behalf of local governing authorities. The ACC may adopt and publish rules and procedures for the review of such plans and specifications. It shall be the obligation of each Owner or prospective Owner to be familiar with the rules and procedures of the ACC. As conditions precedent to approval of any matter submitted to it, the ACC shall find:
 - 4.2.1. Consistent with Declaration. The approval of the plan is in the best interest of the Owner and consistent with this Declaration.
 - 4.2.2. General Considerations. General architectural considerations, including relationship and layout of Structures to natural features and adjacent homes, orientation and location of buildings, vehicular access, circulation and parking, setbacks, height, walls, fences, and similar elements have been designed to be compatible with the overall design of Cascade Highlands – Phase 1 and 3.
 - 4.2.3. Site Considerations. General site considerations, including site layout, relationship of site to vegetation, natural features, open space, and topography, orientation and locations of buildings, vehicular access and driveway lighting, circulation and parking, setbacks, height, walls, fences, and similar elements have been designed to be compatible with the overall design of Cascade Highlands – Phase 1 and 3.

- 4.2.4. **Landscaping.** General landscape considerations, including the location, type, size, color, texture, and coverage of plant materials, provisions for irrigation, maintenance, and protection of existing landscaped areas and similar elements have been considered to ensure visual relief, to complement buildings and Structures, and to provide an attractive environment for the enjoyment of the Owners in general and the enhancement of the property values in Cascade Highlands – Phase 1 and 3.
- 4.2.5. **Siding.** Without limiting the foregoing, each residence, improvement, or Structure constructed on a Lot shall be built of new materials except, with approval of the ACC, decorative items such as used brick, weathered planking, and similar items may be incorporated. All siding materials shall be of masonry (including stucco, dryvit, cultured stone, brick, stone, or similar material), and/or wood or wood-type siding material. All paints or natural finishes shall be those colors commonly known as earth tones or as approved by the ACC or in the design guidelines, if any are implemented by the Association.
- 4.2.6. **Roofing.** The roof shall be a composition roof with at least a 30-year life.
- 4.2.7. **Entry Walks, Porches, and Decks.** All front entry walks shall be concrete, and all decks and wood porches shall be constructed of cedar or pressure-treated or composite materials.
- 4.2.8. **Driveways.** All driveways shall be constructed of concrete paving or asphalt.
- 4.2.9. **Local Codes.** All buildings or Structures shall be constructed in accordance with all applicable codes and regulations. In the event of a conflict between any applicable codes and this Declaration, the codes shall govern.
- 4.3. **Approval Procedures.** Two copies of a preliminary application for approval must be submitted in writing to the ACC at the registered office of the Association. Within fifteen (15) days following receipt of a preliminary application, the ACC shall notify the applicant in writing as to whether the application is complete and, if not, of any additional information that may be required before the ACC can review the application. The ACC's rules and procedures may specify the payment of a reasonable nonrefundable fee for the purpose of defraying the costs associated with the ACC's review of the preliminary application. This fee may be adjusted from time to time by the ACC in accordance with its rules and procedures. The ACC shall review the application as soon as possible after a complete application has been filed. The decision of a majority of the members of the ACC shall be the decision of the ACC. One copy of approved plans will remain in the ACC's files; the second copy of approved plans will be returned to the applicant. All disapproved plans will be returned to the applicant.
- 4.4. **Failure of the ACC to Take Action.** Except as provided in Section 4.6, in the event that the ACC fails to respond to an applicant's complete and properly submitted application within thirty (30) days after the ACC has notified the applicant that the application is complete, formal written approval will not be required, and the applicant shall be deemed to have fully complied with the provisions for approval.
- 4.5. **ACC's Obligation.** The ACC, in its deliberations and in the discharge of its obligations hereunder, shall act objectively and fairly in making decisions concerning various plans, specifications, plot plans, and landscape plans submitted to it by various applicants for consideration in accordance with the provisions of this Declaration. Further, the determinations of the ACC as to noncompliance shall be in writing, signed by the ACC, and shall set forth in reasonable detail the reason for noncompliance. The ACC may approve, approve with conditions, or disapprove an application or any part thereof. In all cases, the sole responsibility for satisfying the provisions of this Declaration and all local building codes and governmental requirements rests with the applicant. In consideration of the ACC's review of an applicant's application, the applicant shall indemnify and hold the ACC harmless from any claim or damages resulting from an applicant's failure to comply with applicable building codes or other governmental requirements.

- 4.6. **Exemptions and Variances from ACC Requirements.** The ACC may, upon request, grant exemptions and variances from the rules and procedures of the ACC and the requirements of this Declaration when the applicant requesting such exemption or variance establishes to the satisfaction of the ACC that the improvements or other matters desired by the applicant are aesthetically as appealing, suited to climatic conditions, and compatible with the overall character of Cascade Highlands – Phase 1 and 3 as are similar improvements or matters which conform to the requirements of this Declaration. Requests for exemption or variance shall be submitted in writing to the ACC and shall contain such information as the ACC may require. The ACC shall consider applications for exemption or variance and shall render its decision within thirty (30) days after notice to the applicant of proper submission. Failure of the ACC to approve an application for an exemption or variance shall constitute disapproval of such application.
- 4.7. **Failure of Applicant to Comply.** Failure of the applicant to comply with the rules and procedures of the ACC or with the final decision of the ACC shall, at the election of the Association's Board exercised after thirty (30) days' written notice to such applicant, constitute a violation of this Declaration. In that event, the Board shall be empowered to assess a penalty commensurate with the violation, which shall constitute a lien against such Lot, enforceable as provided herein and/or pursue any other remedy, including, but not limited to, an action for injunctive relief or specific performance.

ARTICLE 5 - SUBORDINATION OF LIENS

- 5.1. **Intent of Provisions.** The provisions of this Article apply for the benefit of each Mortgagee who lends money for purposes of construction or to secure the payment of the purchase price of a Lot.
- 5.2. **Mortgagee's Nonliability.** The holder of a Mortgage shall not, by reason of its security interest only, be liable for the payment of any assessment or charge, nor for the observance or performance of any covenant or restriction, excepting only those enforceable by equitable relief and not requiring the payment of money, and except as hereafter provided.
- 5.3. **Mortgagee's Rights During Foreclosure.** During foreclosure of a Mortgage, including any period of redemption, the holder of the Mortgage may exercise any or all of the rights and privileges of the Owner of the encumbered Lot, including but not limited to the right to vote in the Association to the exclusion of the Owner's exercise of such rights and privileges.
- 5.4. **Mortgagee as Owner.** At such time as a Mortgagee shall become the record Owner of the Lot previously encumbered by the Mortgage, the Mortgagee shall be subject to all of the terms and conditions of this Declaration, including the obligation to pay for all assessments and charges in the same manner as any Owner.
- 5.5. **Survival of Assessment Obligation.** After the foreclosure of a security interest in a Lot, any unpaid assessments shall continue to exist and remain as a personal obligation of the Owner against whom the same was levied, and the Association shall use reasonable efforts to collect the same from such Owner.
- 5.6. **Subordination of Assessment Liens.** The liens for assessments provided for in this Declaration shall be subordinate to the lien of any first Mortgage or other security interest placed upon a Lot as a construction loan security interest or as a purchase price security interest, and the Association will, upon demand, execute a written subordination document to confirm such priority. The sale or transfer of any Lot or of any interest therein shall not affect the liens provided for in this Declaration except as otherwise specifically provided for herein, and in the case of a transfer of a Lot for purposes of realizing a security interest, liens shall arise against the Lot for any assessment payments coming due after the date of completion of foreclosure.

ARTICLE 6 - USE COVENANTS, CONDITIONS AND RESTRICTIONS

- 6.1. **Authorized Uses.** The Property shall be used solely for residential purposes and related facilities normally incidental to a residential community. After expiration of the Development Period, no Lot shall be further subdivided, except as permitted in this Declaration, without prior approval conferred by Association Action.
- 6.2. **Leasing Restrictions.** No residence on any Lot may be leased or rented by any party for a period of fewer than thirty (30) days, nor shall less than the whole of any Lot be leased or rented. Each lease or rental agreement shall be in writing and shall by its terms provide that it is subject in all respects to the provisions of the Governing Documents by including essentially the following language: **"Tenant understands that the premises are subject to a Declaration of Covenants, Conditions, Restrictions, and Easements, which is attached hereto. Tenant agrees to, in all respects, abide by and conform to all requirements of that Declaration of Covenants, Conditions, Restrictions, and Easements, and any applicable supplements, addendums, or amendments."** Any failure by a lessee to comply with the terms of the Governing Documents shall be a default under the lease, whether or not it is so expressed therein. Other than the foregoing, there is no restriction on the right of any Owner to lease that Owner's Lot or residence.
- 6.3. **Animals.** No animals, livestock, or poultry of any kind shall be raised, bred, or kept within the Property except as specifically provided herein. Domesticated dogs, cats, or other conventional household pets may be kept if they are not kept, bred, or maintained for any commercial purposes, and all animals must be in compliance with applicable codes and regulations. "Other conventional household pets" shall include only traditionally domesticated pets and shall not include any form of poultry (i.e., domestic fowl, including but not limited to chickens, turkeys, ducks, and geese) or any exotic pets such as large or potentially dangerous reptiles, potentially harmful insects, bees, large birds, wild animals, and animals not normally domesticated, all of which are strictly prohibited within the Property. No domestic pet may be kept if its presence or actions constitute a public or private nuisance. Pets shall be registered, licensed, and inoculated from time to time as required by law. When not confined to the Owner's Lot, in compliance with local ordinance or code, pets within the Property shall be leashed and accompanied by a person responsible for cleaning up any animal waste. No pets shall be tethered to any rope, cord, chain, etc. while outdoors on a Lot within the Property for longer than two (2) hours at a time.
- 6.4. **Commercial Uses.** No commercial enterprise, including itinerant vendors, shall be permitted on any Lot; provided, however, that the Association may, by adopting rules and regulations, permit specified home occupations to be conducted if allowed by law and if such occupation will not, in the reasonable judgment of the Association, cause traffic congestion or other disruption of Cascade Highlands – Phase 1 and 3 community; and provided further that no signs or advertising devices of any character shall be permitted.
- 6.5. **Vehicle Storage.** Storage of goods, vehicles, boats, trailers, trucks, campers, recreational vehicles, or other equipment or devices shall be permitted as approved by the ACC or in the design guidelines, if any are implemented by the Association. Upon forty-eight (48) hours' notice to the Owner of improperly stored goods or an improperly parked or stored vehicle, boat, or other equipment or devices, the Association has authority to have removed at the Owner's expense any such goods or vehicles.
- 6.6. **Garbage.** All garbage, trash, yard and food waste, household recyclables, and other similar debris and discardables shall be placed in appropriate sanitary containers that are screened so as not to be visible from adjoining Structures or streets or roadways. No Lot or any portion thereof shall be used as a dumping ground for trash or rubbish of any kind. Yard rakings, dirt, and debris resulting from landscaping work or Construction shall not be dumped onto any PCAEs and FRNCAs or adjoining

lots or streets or roadways. Owners are responsible for moving their respective garbage, recycling, and trash containers to an appropriate pickup location at the curb during a 24-hour period around the pickup date.

- 6.7. **Parking.** Each Lot shall contain an enclosed garage(s) with at least two parking stalls. No vehicle or other item may be placed or stored in a way that would limit, block, or materially interfere with the right of each Owner to access that Owner's driveway or garage. Owners shall first utilize all available parking in the garage of their Lot, and then in the driveway of their Lot, only utilizing street parking after the driveway is full.
- 6.8. **Garage Conversion Prohibited.** Use of a Lot's garage for storage that precludes the ability to park two vehicles in the garage(s) is prohibited. No garage(s) shall be converted to any other use that prevents parking of two vehicles in the garage(s). No garage(s) shall be converted or used for living or business purposes.
- 6.9. **Exterior Lighting.** All exterior lighting must be approved by the ACC and must be dark sky compliant.
- 6.10. **Utilities Underground.** Except for hoses and the like that are reasonably necessary in connection with normal yard maintenance, no water pipe, sewer pipe, gas pipe, drainage pipe, telephone, power, or television cable, or similar transmission line shall be installed or maintained above the surface of the ground.
- 6.11. **Signs.** Except for entrance, street, directional, traffic control, and safety signs, no promotional signs or advertising devices of any character shall be posted or displayed within the Property; provided, however, that one temporary real estate sign not exceeding six (6) square feet in area may be erected upon any Lot or attached to any residence placed upon the market for sale or lease. Any such temporary real estate sign shall be removed promptly following the sale or rental of such Lot or residence.
- 6.12. **No Obstruction of Easements.** No structure, planting, or other material shall be placed or permitted to remain upon the Property that may damage or interfere with any easement or the installation or maintenance of utilities, or which may unreasonably change, obstruct, or retard direction or flow of any drainage channels.
- 6.13. **Antennas and Satellite Dishes.** In compliance with 47 C.F.R. Section 1.4000, and any amendments or revisions thereto, the following (collectively "Antenna/Dish") are permitted: 1) an antenna that is used to receive direct broadcast satellite service or to receive or transmit fixed wireless signals via satellite, provided that such antenna is one meter or less in diameter; and 2) an antenna that is used to receive video programming services via multipoint distribution services, including multichannel multipoint distribution services, instructional television fixed services, and local multipoint distribution services, or to receive or transmit fixed wireless signals other than via satellite, provided that such antenna is one meter or less in diameter or diagonal measurement; and 3) an antenna that is used to receive television broadcast signals; and 4) a mast supporting an Antenna/Dish as described in this paragraph. No Antenna/Dish shall be erected or placed so that it is visible from the entry to the Property or the entry areas of any principal Structures. No Antenna/Dish shall be located on any Lot in a location that is visible from the adjoining streets or roadways. No Antenna/Dish shall be located at the front or side elevation of a principal Structure. In the event that an Owner cannot locate an Antenna/Dish in a location that is not visible from the adjoining streets and roadways because it will unreasonably interfere with the reception or will impose unreasonable costs on the Owner, the Owner may locate the Antenna/Dish in an alternate location that allows for adequate reception and signal strength and while still minimizing the impact of the installation of the Antenna/Dish. All such Antenna/Dish devices shall be properly screened. It is the Owner's responsibility to ensure that the Antenna/Dish is installed in the least obtrusive location on the Lot. Owners are encouraged, but not required, to submit a notice to the ACC identifying the type of Antenna/Dish to be installed and the location of the installation at least fourteen (14) days prior to the

installation to allow the ACC time to review the location and determine whether an alternative, less obtrusive location can be used. In any event, an Owner shall notify the ACC after the installation of the Antenna/Dish to allow the ACC to review the placement of the Antenna/Dish. The ACC may: (i) require additional screening and/or the painting of the Antenna/Dish to match the color of the home so long as such action does not unreasonably interfere with the signal strength of the Antenna/Dish; or (ii) require the relocation of the Antenna/Dish if the ACC is able to determine that an alternative location may be used that is less visible or obtrusive, but still does not unreasonably interfere with the signal reception of the Antenna/Dish. Satellite dishes greater than one meter in diameter may be allowed by written consent of the ACC.

- 6.14. **Clotheslines.** Clotheslines, clothing, rugs, washing, or similar items may only be placed or hung outside in the rear yard of any Lot, and may not project above the fence height.
- 6.15. **Owners' Maintenance Responsibilities.** The maintenance, upkeep, and repair of individual Lots and Structures shall be the sole responsibility of the individual Owners thereof, and in no way shall it be the responsibility of the Association, its agents, officers, or directors. Owners shall maintain their Lots and the Structures thereon in good repair, free of rodents and pests, and in a clean, sightly, and sanitary condition at all times, and shall also maintain the landscaping in a healthy and attractive state. No storage of firewood shall be permitted in front yards. After thirty (30) days' written notice to an Owner from the Association of such Owner's failure to so maintain the Owner's Lot or Structures thereon, and after approval by a two-thirds (2/3) majority vote by the Board, the Association shall have the right, through its agents and employees, to enter upon any Lot that has been found to violate the foregoing standards in order to restore the Lot or the Structures thereon to such standards. The cost of such work shall be a special assessment on such Owner and such Owner's Lot only.
- 6.16. **Weapons.** No firearms of any kind or nature, including rifles, handguns, bows, slingshots, BB guns, slings, traps, or any other like weapon, shall be used or discharged within the Property except by authorized governmental officials.
- 6.17. **Nuisances Prohibited.** No noxious or offensive activity shall be conducted in any portion of the Property, nor shall anything be done or maintained therein in derogation or violation of the laws of the State of Washington or any other applicable governmental entity. Nothing shall be done or maintained on any portion of the Property that may be or become an annoyance or nuisance to the neighborhood or detract from the value of Cascade Highlands – Phase 1 and 3 community. The Association shall determine by Association Action whether any given use of a Lot unreasonably interferes with the rights of the other Owners to the use and enjoyment of their respective Lots or of the Common Areas, and such determination shall be final and conclusive.
- 6.18. **Preservation of Landscaping.** No party subject to the terms of this Declaration or his/her/their agents, employees, or guests shall destroy or otherwise materially adversely impact landscaping within Common Areas and/or dedicated Tracts, PCAEs, FNCRAEs or as otherwise governed by applicable laws, codes, and regulations.
- 6.19. **Temporary Structures.** No Structure or improvement of a temporary character, including without limitation a trailer, tent, shack, garage, barn, or other outbuilding shall be installed, placed, or used on any Lot as a dwelling or residence, either temporarily or permanently.
- 6.20. **Window Coverings.** Within ninety (90) days of occupancy of a residence on a Lot, curtains, drapes, blinds, or valances shall be installed on all bedroom, bathroom, and closet windows. No newspapers, bed sheets or other makeshift window coverings shall be visible from the exterior of the residence.
- 6.21. **Fences.** All fences must be approved by the ACC.
- 6.22. **Forested or Native Condition Retention Areas.** The Forested or Native Condition Retention Areas

(FNCRA) as shown on the Final Plat shall not be altered or adjusted without the approval of Skagit County based on the review of a new engineered drainage plan meeting the requirements of the Department of Ecology Stormwater Management Manual in effect at the time of the alteration request. The altered site plan shall include, at a minimum, the new dimensions and FNCRA percentage per the engineered drainage plan, the location of the new stakes, the legal description, and the parcel number. The approved site plan shall be recorded at the Auditor's office.

- 6.23. **Protected Critical Area Easements.** The Protected Critical Area Easement areas as shown on the Final Plat that shall not be altered or adjusted without the approval of Skagit County. Any changes requested and all maintenance must be in accordance with the Protected Critical Area Agreement, and can only be modified or changed with the approval of Skagit County.
- 6.24. **Lot Size Restriction.** No Lot or portion of a Lot within the Property shall be divided and sold or resold or ownership changed or transferred, whereby the ownership of any portion of the Property shall be less than the area required for the use district or zone in which it is located.
- 6.25. **Damage.** Any damage to streets, plat improvements, entry structure, fences, landscaping, mailboxes, lights, or lighting standards by Lot Owners, their children, contractors, agents, visitors, friends, relatives, or service personnel shall be repaired and restored to like new condition by such Owner within twelve (12) days from the occurrence of such damage. After thirty (30) days' written notice to an Owner from the Association of such Owner's failure to so repair, and after approval by a two-thirds (2/3) majority vote by the Board, the Association shall have the right, through its agents and employees, make such repairs on behalf of such Owner. The cost of such work shall be a special assessment on such Owner and such Owner's Lot only.
- 6.26. **Septic System.** All Lots within the Property utilize septic systems for sewage disposal. Owners should familiarize themselves with the functioning of their septic system as described in Exhibit B. Owners are responsible for maintaining their septic systems in proper working order.

ARTICLE 7 - COMMON AREAS

- 7.1. **Common Areas.** The Association shall manage and control the Common Areas for the benefit of the Owners. Except as otherwise limited by law, prior restriction, or the restrictions set forth in this Declaration, each Owner shall have a non-exclusive right to use and enjoyment of the Common Areas. As of the date of recording of this Declaration, the Common Areas consist of:
- 7.1.1. Tract A, open space tract, as depicted on the Final Plat, including all improvements within Tract A, including, but not limited to, landscaping, trail, benches, and dock, if any.
- 7.1.2. Tract B, open space tract, as depicted on the Final Plat, including all improvements within Tract B, if any.
- 7.1.3. Tract D, private road and utility tract, as depicted on the Final Plat, including the surface of Tract D.
- 7.1.4. The entry monument for Cascade Highlands – Phase 1 and 3 located within the entry monument easement on Lot 1, including, but not limited to, signage, footings, lighting, grass, shrubs, trees, other landscaping, irrigation, and all appurtenances related thereto.
- 7.1.5. The 10-foot drainage easement within Lots 13, 14, 15, 16, 17, and 18 as shown on the Final Plat.
- 7.1.6. Forested or Native Condition Retention Areas (FNCRA) and Protected Critical Area

Easements (PCAEs) as depicted on the Final Plat.

- 7.1.7. Common/shared mailbox stands.
- 7.1.8. All property owned and maintained in common by the Association, including real property and the improvements located thereon.
- 7.1.9. Any other areas or improvements that the Association's Board of Directors and/or the Owners, as appropriate, agree to treat as a Common Area.

The Association, its employees, agents, and contractors shall have a perpetual, nonexclusive easement over, under, and across the Property with right of immediate entry and continued access for the construction, improvement, maintenance, repair, and reconstruction of the Common Areas.

7.2. **Common Expenses.** As of the date of recording of this Declaration, the Common Expenses, which shall be paid by the Association, consist of:

- 7.2.1. Any and all expenses related to Association management and administration.
- 7.2.2. Any and all expenses related to liability or other insurance for the Association.
- 7.2.3. Any and all expenses related to ownership, management, operation, inspection, maintenance, repair, replacement, and improvement of the Common Areas. The Association shall take any action necessary or appropriate to the maintenance and upkeep of the Common Areas and improvements thereon. This shall include all maintenance items required by the Protected Critical Areas Agreement, including, but not limited to PCAE markers, signage, and fencing as needed to delineate the easement.
- 7.2.4. Any and all expenses related to all taxes and assessments levied against the Common Areas.
- 7.2.5. Any and all expenses related to liability, property, and other insurance on the Common Areas.
- 7.2.6. Any and all expenses related to services furnished by or to the Association, including utilities and other services.
- 7.2.7. Funding all reserves established by the Association.
- 7.2.8. Any other expense that the Association's Board of Directors and/or the Owners, as appropriate, agree to treat as a Common Expense.

ARTICLE 8 - CERTAIN GRANTS, EASEMENTS, COVENANTS AND RESTRICTIONS

8.1. **Tracts.**

- 8.1.1. Tract A. Tract A is an open space tract. Upon recording of the Final Plat, Tract A was conveyed to the Association for ownership and maintenance of the improvements within Tract A.
- 8.1.2. Tract B. Tract B is an open space tract. Upon recording of the Final Plat, Tract B was conveyed to the Association for ownership and maintenance.
- 8.1.3. Tract C: Tract C is a future development tract and was reserved by Declarant.
- 8.1.4. Tract D: Tract D is a private road and utility tract (Limestone Lane). Upon recording of the

Final Plat, Tract D was conveyed to the Association for ownership and maintenance.

- 8.1.5. Tract E: Tract E is a utility tract. Upon recording of the Final Plat, Tract E was conveyed to Skagit County Public Utility District No. 1 for ownership and maintenance.
- 8.2. **Forested or Native Condition Retention Areas (FNCRA) and Protected Critical Area Easements (PCAEs)**. The Association and all Owners shall leave undisturbed the Forested or Native Condition Retention Areas (FNCRA) and Protected Critical Area Easements (PCAEs). The vegetation within the Forested or Native Condition Retention Areas (FNCRA) and Protected Critical Area Easements (PCAEs) may not be cut, pruned, covered by fill, removed, or damaged without approval in writing from Skagit County.
- 8.3. **Sensitive Slope Protection**. The Property may be located adjacent to or contain land that has been designated as a steep slope sensitive area. The Association and all Owners shall fully comply with the requirements and restrictions set forth on the Final Plat and Exhibit A attached hereto.
- 8.4. **Common Areas**. The Association, its employees, agents, and contractors shall have a perpetual, nonexclusive easement over, under, and across the Property with right of immediate entry and continued access for the construction, improvement, maintenance, repair, and reconstruction of the Common Areas.
- 8.5. **Declarant Rights**. Declarant hereby reserves unto itself, its successors, and assigns an easement for the right, during the Development Period and any period thereafter in which Declarant is an Owner, to utilize the Common Areas for its business use and purposes, including, but not limited to, completion of improvements on the Property and other uses and purposes related to the construction, promotion, development, and sale of the Property.
- 8.6. **Maintenance of Easements**. Unless otherwise specified herein or on the Final Plat, the Lot Owners benefitting from easements as shown on the Final Plat shall jointly pay for any maintenance and operating expenses required for the easement and necessary appurtenances, including use of incidental areas immediately adjacent to said easement, if located upon private property. Protected Critical Area Easements within an individual Lot will be maintained by the Association, with the Owner allowing reasonable access to the Association to perform any maintenance as required by the Protected Critical Area Agreement or by Skagit County.

ARTICLE 9 - MANAGEMENT RIGHTS OF DECLARANT DURING DEVELOPMENT PERIOD

- 9.1. Management by Declarant: The Development Period shall be that period of time from the date of recording the Declaration until the earliest of: (1) the date two (2) years from the date of recording the Declaration; or (2) the thirtieth (30th) day after Declarant has transferred title to 100 percent (100%) of all Lots within the Property; or (3) the date on which Declarant elects permanently to relinquish all of Declarant's authority. Until termination of the Development Period, the Property shall be managed, and the Association organized at Declarant's sole discretion. A partial delegation of authority by Declarant of any of its management duties described in the Declaration shall not terminate the Development Period.
- 9.2. Notice to Owners: Not fewer than ten (10) nor more than thirty (30) days prior to the termination of the Development Period, Declarant shall give written notice of the termination of the Development Period to the Owner of each Lot. Said notice shall specify the date when the Development Period will terminate and shall further notify the Owners of the date, place, and time when a special meeting of the Association will be held. The notice shall specify that the purpose of the Association meeting is to elect new Officers and Directors of the Association. Notwithstanding any provisions of the Articles or these Bylaws of the Association to the contrary, for the purpose of this meeting, the presence, either in person or by proxy, of the Owners of 10 percent (10%) of the Lots shall constitute a quorum. The

Board of Directors and Officers of the Association may be elected by a majority vote of said quorum. If a quorum shall not be present, the Development Period shall nevertheless terminate on the date specified in said notice and it shall thereafter be the responsibility of the Owners to provide for the operation of the Association.

- 9.3. **Board of Directors during Development Period:** During the Development Period, Declarant may serve as the Board of Directors or may at its sole discretion appoint a Board of Directors. This Board shall be for all purposes the Board of Directors of the Association and shall have full authority (including the authority to adopt or amend the Bylaws of the Association) and all rights, responsibilities, privileges, and duties to manage the Property under the Declaration, and shall be subject to all provisions of the Declaration, the Articles of Incorporation, and these Bylaws.

During the Development Period, Declarant, at its sole discretion and at any time, may terminate the Board and reassume Declarant's management authority under this Article 9, or select a new Board under this Article 9.

- 9.4. **Managing Agent:** During the Development Period, Declarant may at its sole discretion select a managing agent to assume the responsibilities of the Board. The managing agent shall have the power and authority to exercise all the rights, duties, and functions of the Board and generally exercise all powers necessary to carry out the provisions of the Declaration, including, but not limited to, enacting reasonable administrative rules, contracting for required services, obtaining property and liability insurance, collecting and expending all assessments and Association funds, and enforcing the Declaration (including foreclosing any liens provided for by the Declaration). Any such managing agent or Declarant shall have the exclusive right to contract for all goods and services, payment for which is to be made from any monies collected from assessments.

ARTICLE 10 - INSURANCE; CASUALTY LOSSES; CONDEMNATION

- 10.1. **Insurance Coverage.** The Association shall, subject to change by Association Actions, maintain at all times as an Association expense a policy or policies and bonds written by companies licensed to do business in Washington providing:
- 10.1.1. Insurance against loss or damage by fire and other hazards covered by the standard extended coverage endorsement in an amount as near as practicable to the full insurable replacement value (without deduction for depreciation) of the Common Areas, if any, with the Association named as insured as trustee for the benefit of Owners and Mortgagees as their interests appear.
 - 10.1.2. General comprehensive liability insurance with a combined single limit of \$1,000,000 insuring the Association, the Owners, and Declarant against any liability to the public or to the Owners and their guests, invitees, licensees, or tenants, incident to the ownership or use of the Common Areas, if any.
 - 10.1.3. Worker's compensation insurance to the extent required by applicable laws.
 - 10.1.4. Such other insurance as the Association deems advisable; provided, that notwithstanding any other provisions herein, the Association shall continuously maintain in effect casualty, flood, and liability insurance and a fidelity bond meeting the insurance and fidelity bond requirements for similar projects established by Federal National Mortgage Association, Governmental National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Housing Authority, and Veterans Administration, so long as any of them is a Mortgagee or Owner, except to the extent such coverage is not available or has been waived in writing by such agencies.

- 10.2. **Casualty Losses.** In the event of substantial damage to or destruction of any of the Common Areas, the Association shall give prompt written notice of such damage or destruction to the Owners and to the holders of all First Mortgages. Insurance proceeds for damage or destruction to any part of the Common Areas shall be paid to the Association as a trustee for the Owners, or its authorized representative, including an insurance trustee, which shall segregate such proceeds from other funds of the Association.
- 10.3. **Condemnation.** In the event any part of the Common Areas is made the subject matter of any condemnation or eminent domain proceeding, or is otherwise sought to be acquired by any condemning authority, the Association shall give prompt notice of any such proceeding or proposed acquisition to the Owners and to the holders of all First Mortgages who have requested from the Association notification of any such proceeding or proposed acquisition. All compensation, damages, or other proceeds therefrom, shall be payable to the Association.

ARTICLE 11 - ENFORCEMENT

- 11.1. **Right to Enforce.** The Association, Declarant, or any Owner shall have the right to enforce, by any appropriate proceeding at law or in equity, all covenants, conditions, restrictions, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration.
- 11.2. **Dispute Resolution.** Owners and the Association are encouraged to attempt to resolve any dispute arising out of this Declaration through discussion or other informal means, including mediation.
- 11.3. **Owner Non-Compliance.** If an Owner fails or refuses to perform any required maintenance, repair, reconstruction, replacement, restoration, or other obligation or make any payment required under this Declaration (the "Defaulting Owner"), and if such failure or refusal continues beyond ten (10) days after written demand by the Association through its Board, then the Association may perform the maintenance, repair, reconstruction, replacement, or restoration; make the payment; and/or otherwise cure the default and send a statement of the cost thereof (the "Cure Costs") to the Defaulting Owner. The Association shall have a lien on the Defaulting Owner's Lot for the amount of all Cure Costs paid by the Association. If the Defaulting Owner does not pay the Cure Costs within fourteen (14) days after the Association sends the statement of the Cure Costs, then the Association may, within thirty (30) days after the end of that fourteen (14) day period, record a Notice of the Lien against the Lot of the Defaulting Owner, specifying the amount of the Cure Costs, in the real property records of Skagit County, Washington. If this Notice is timely recorded, the lien for the Cure Costs may be foreclosed in the manner of foreclosing a mortgage on real property. If this Notice is not timely recorded, the lien for those Cure Costs (but not the personal liability of the Defaulting Owner) shall expire. In addition, the Association may enforce this Declaration by a suit in a court of competent jurisdiction, and the court in any such action shall have authority to award damages, to order payments of sums due under this Declaration, to order specific performance, and to grant any other appropriate legal, equitable, or other relief. The Association shall be entitled to recover any costs, including reasonable attorneys' fees, incurred in connection with enforcement of this Declaration against any Defaulting Owner, whether or not such enforcement results in suit being commenced or prosecuted to judgment. In addition, in any action under this Declaration and/or action to enforce a lien under this Declaration, the prevailing party shall be entitled to recover that party's reasonable costs and attorneys' fees from the other party.
- 11.4. **Non-Waiver.** The failure of the Association, the Declarant, any Owner, or any of their respective duly authorized agents to: (1) insist in any one or more instances upon the strict performance of or compliance with this Declaration or the Governing Documents; (2) exercise any right or option contained in this Declaration or the Governing Documents; or (3) serve notice or institute any action or summary proceeding shall not be construed as a waiver or relinquishment of such right for the future. Such enforcement right shall continue and remain in full force and effect. No waiver of any provision of this Declaration or the Governing Documents shall be deemed to have been made, either

expressly or impliedly, unless such waiver shall be in writing and signed pursuant to a resolution of the Board. The receipt by the Association of payment of any assessment with knowledge of any breach of any covenant in this Declaration or the Governing Documents shall not be deemed a waiver of such breach.

- 11.5. **Remedies Cumulative.** Remedies provided by this Declaration are in addition to, cumulative with, and are not in lieu of, other remedies provided by law. There shall be, and there is hereby created, a conclusive presumption that any breach or attempted breach of the covenants, conditions, and restrictions herein cannot be adequately remedied by an action at law or exclusively by recovery of damages.
- 11.6. **Covenants Running with the Land.** The covenants, conditions, restrictions, liens, easements, enjoyment rights, and other provisions contained herein are intended to and shall run with the land and shall be binding upon all persons purchasing, leasing, subleasing, or otherwise occupying any portion of the Property, and their respective heirs, executors, administrators, successors, grantees, and assigns. All instruments granting or conveying any interest in any Lot shall be subject to this Declaration.

ARTICLE 12 - AMENDMENT AND REVOCATION

- 12.1. **Amendment by Declarant or Association.** Declarant may, on its sole signature, during the Development Period, amend this Declaration. This Declaration may also be amended at any time by an instrument executed by the Association for and on behalf of the Owners, provided, however, that such amendments shall have received the approval of a vote of the Owners having sixty-seven percent (67%) of the total outstanding votes in the Association; and provided, further, that no such amendment shall be valid during the Development Period without Declarant's prior written consent. Notwithstanding any of the foregoing, the prior written approval of fifty-one percent (51%) of all Mortgagees who have requested from the Association notification of amendments shall be required for any material amendment to the Declaration or the Association's Bylaws of any of the following: voting rights; assessments, assessment liens, and subordination of such liens; reserves for maintenance, repair, and replacement of Common Areas; insurance or fidelity bonds; responsibility for maintenance and repair; reallocation of interest in the Common Areas; leasing of Lots other than as set forth herein; imposition of any restrictions on the right of an Owner to sell or transfer that Owner's Lot; a decision by the Association to establish self-management when professional management had been required previously by an eligible Mortgagee; any action to terminate the legal status of the Association after substantial destruction or condemnation occurs; or any provisions which are for the express benefit of Mortgagees or eligible insurers or guarantors of First Mortgages. Any such amendment shall be recorded in the official real property records of Skagit County, Washington.
- 12.2. **Additional Property.** Declarant hereby reserves the right during the Development Period to add additional properties to the Association. Additional properties may include subsequent phases of Cascade Highlands – Phase 1 and 3, or other properties or lots that Declarant may wish to add at Declarant's sole discretion. Any such addition of property shall be memorialized by an amendment to this Declaration, which amendment shall be recorded in the official real property records of Skagit County, Washington.
- 12.3. **Effective Date.** Amendments shall take effect only upon recording in the official real property records of Skagit County, Washington.

ARTICLE 13 - GENERAL PROVISIONS

- 13.1. **Taxes.** Each Owner shall pay without abatement, deduction, or offset, all real and personal property taxes, general and special assessments, including local improvement assessments, and other

charges of every description levied on or assessed against that Owner's Lot, or personal property located on or in the Lot. The Association shall likewise pay without abatement, deduction, or offset, all of the foregoing taxes, assessments, and charges levied or assessed against the Common Areas.

- 13.2. **Non-Waiver.** No waiver of any breach of this Declaration or failure to enforce any covenant of this Declaration shall constitute a waiver of any other breach, whether of the same or any other covenant, condition, or restriction.
- 13.3. **Attorneys' Fees.** In the event of a suit or action to enforce any provision of this Declaration or to collect any money due hereunder or to foreclose a lien, the unsuccessful party in such suit or action shall pay to the prevailing party all costs and expenses, including title reports, and all attorneys' fees that the prevailing party has incurred in connection with the suit or action, in such amounts as the court may deem to be reasonable therein, and also including all costs, expenses, and attorneys' fees incurred in connection with any appeal from the decision of a trial court or any intermediate appellate court.
- 13.4. **No Abandonment of Obligation.** No Owner, through non-use of any Common Area, or by abandonment of that Owner's Lot, may avoid or diminish the burdens or obligations imposed by this Declaration.
- 13.5. **Captions.** The captions of the various articles, sections, and paragraphs of this Declaration are for convenience of use and reference only and do not define, limit, augment, or describe the scope, content, or intent of this Declaration or any parts of this Declaration.
- 13.6. **Severability.** Invalidation of any one of these covenants, conditions, restrictions, easements, or provisions by judgment or court order shall in no way affect any other of the same, all of which shall remain in full force and effect.
- 13.7. **Notices.** All notices, demands, or other communications ("**Notices**") permitted or required to be given by this Declaration shall be in writing and, if mailed postage prepaid by certified or registered mail, return receipt requested, shall be deemed given three (3) days after the date of mailing thereof, or on the date of actual receipt, if sooner; otherwise, Notices shall be deemed given on the date of actual receipt. Notice to any Owner may be given at any Lot owned by such Owner; provided, however, that an Owner may from time to time by Notice to the Association designate such other place or places or individuals for the receipt of future Notices. If there is more than one Owner of a Lot, Notice to any one such Owner shall be sufficient. The address of Declarant and of the Association shall be given to each Owner at or before the time he becomes an Owner. If the address of Declarant or the Association is changed, Notice shall be given to all Owners.
- 13.8. **Indemnification.** The Association shall indemnify every officer and director authorized to act on behalf of the Association by the Board or by this Declaration against any and all expenses, including attorneys' fees, reasonably incurred by, or imposed upon, any officer and director in connection with any action, suit, or proceeding if approved by the then Board to which he or she may be a party by reason of being or having been an officer and director. The officers and directors shall not be liable for any mistakes of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers and directors may also be members of the Association), and the Association shall indemnify and forever hold each officer and director free and harmless against any and all liability to others on account of any such contract or commitment. The Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation.
- 13.9. **Applicable Law.** This Declaration shall be construed in all respects under the laws of the State of Washington.

Dated this 28th day of JANUARY, 2019.

DECLARANT
Plats Plus, Inc.

[Signature]
Signature
By Brendan Reeves
Its Vice President
Title

DECLARANT
Lake 16, LLC

[Signature]
Signature
By Ma. K. Kaushayev
Its President
Title

STATE OF WASHINGTON)
) ss.
COUNTY OF Snohomish)

I certify that I know or have satisfactory evidence that Brendan Reeves
is the person who appeared before me, and said person acknowledged that (he/she) signed this
instrument, on oath stated that (he/she) was authorized to execute the instrument and acknowledged it as
the Vice President of Plats Plus, Inc
to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

1/28/19
Dated

[Signature]
Notary Public in and for the State of Washington
Caprice M. Hochstrasser
Printed Name
Residing at: Everett, Washington
Appointment Expires: 9/18/21



STATE OF WASHINGTON)
) ss.
COUNTY OF Snohomish)

I certify that I know or have satisfactory evidence that Mark Kaushager
is the person who appeared before me, and said person acknowledged that (he/she) signed this
instrument, on oath stated that (he/she) was authorized to execute the instrument and acknowledged it as
the President of Lake 116 LLC
to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

1/28/19
Dated

Caprice M. Hochstrasser
Notary Public in and for the State of Washington
Caprice M. Hochstrasser
Printed Name
Residing at: Everett Washington
Appointment Expires: 9/18/21



EXHIBIT A

Sensitive Slope Protection Guidelines

Based on geotechnical exploration and analyses, grading recommendations, building and lot setbacks, and drainage recommendations have been prepared to ensure the long-term stability of the site slopes and Sensitive Areas. As such, the concern of individual Owners should be directed toward maintaining slopes, drainage provisions, and facilities so that they will perform as designed. The following general recommendations and simple precautions are presented to help properly maintain Lots adjacent to hillsides.

The general public often regards the natural terrain as stable. This is an erroneous concept. Natural forces are constantly at work altering the landscape. Hills and mountains are worn down by mass wasting (erosion, landsliding, creeping soil, etc.), and the valleys and lowlands collect these products. Thus, the natural process is toward leveling the terrain. Periodically (over millions of years), major land movements rebuild mountains and hills, and these processes begin over again. In some areas, these processes are at a very slow geological rate, and in others they occur at a relatively rapid rate. Development procedures are directed toward slowing the processes.

The development of hillsides for residential use is carried out, insofar as possible, to enhance the natural stability of the site, and to reduce the probability of instability resulting from the grading necessary to provide homesites, streets, yards, etc. This has been done by Declarant and engineers on the basis of geologic and soil engineering studies. However, in order to be successful, the slope, drainage and setback provisions, and facilities must be maintained by the Owner. Owners are accustomed to maintaining their homes; that is painting, cleaning out clogged plumbing, repairing roofs, and so on. Maintenance of a hillside Lot must be considered on an even more serious basis because neglect can result in serious consequences. In most cases, lot and site maintenance can be provided along with normal care of the grounds and landscaping. Any costs of maintenance are far cheaper than repair after neglect. Most hillside lot problems are associated with water. Uncontrolled water from a broken pipe, septic tanks, or during wet weather causes most damage. Wet weather is the principal cause of slope problems in Washington because the rainfall is quite variable and may be heavy and/or prolonged. Therefore, drainage and erosion control are important aspects of Lot stability, and the provisions built into the developed lot must not be altered without competent professional advice. Maintenance of the provisions must be carried out to assure their continued operation.

The following is a list of points which should be followed by all Owners with respect to their Lots to ensure the stability of the slopes is maintained:

1. Roof drains, gutters, and downspouts should be checked to be sure they are clear. Clogged gutters and downspouts will allow water to collect against foundations and basement walls, which is undesirable.
2. Clear drainage ditches and check them frequently during the rainy season.
3. Check interceptor ditches at the top of slopes to be sure they are clean and that water will not overflow the slope, causing erosion. Check trench drains at the toe of slopes for ponding. Large (5 feet and higher) slopes have a trench drain that runs at the toe of the slope. If ponding is evident, consult a drainage professional for recommendations.
4. Ensure that all drain outlets and weep holes are open and clear of debris, vegetation, and other material that could block them in a storm. If blockage is evident, it should be cleared.

5. Limit watering during rainy season when little irrigation is required. Over-saturation of the ground can cause major subsurface damage.
6. Watch for water backup inside the house at sump drains and toilets, since this indicates drain or sewer blockage.
7. Watch for wet spots. These may be natural seeps or an indication of a broken water or sewer line. In either case, obtain competent advice regarding the problem and its correction.
8. Exercise ordinary precaution. This development was designed and constructed to meet standards that should protect against most natural occurrences, provided they are properly maintained.
9. The Lots in this development have been graded to provide drainage away from slopes, sensitive areas, and wetland areas. Any additional backyard fill planned to be placed adjacent to slopes, sensitive areas, or wetland areas should be reviewed by a qualified geotechnical engineer.
10. Check slope faces during wet weather for saturation or seeping water. Slope faces that are soft, saturated, or seeping should be reviewed by a soil engineer for repair recommendations.
11. If swimming pools at the tops of slopes and sensitive areas are planned, they should be built in accordance with recommendations by a qualified geotechnical engineer.

The following is a list of points which may affect the slope stability and Owners should not do:

1. DON'T alter lot grading without competent geotechnical advice. The man-made slopes in this development were designed to carry runoff away from slopes and to a place where it can be discharged without affecting slope stability.
2. DON'T block or alter ditches or drains. If several homes rely on the same facilities, it is a good idea to check on adjacent properties. Water backed up on adjacent property may eventually reach other properties. Water backed up in surface drains will overflow and infiltrate slopes, which leads to instability.
3. DON'T permit water to collect or pond anywhere. Such water will either seep into the ground, causing unwanted saturation, or will overflow onto slopes and begin erosion. Once erosion is started, it is difficult to control and severe damage may result rather quickly.
4. DON'T direct water over slopes, even where this may seem a good way to prevent ponding. This tends to cause erosion and slope instability. Dry wells are sometimes used to get rid of excess water when other means of disposing of water are not readily available. However, such facilities should be planned and located by a qualified geotechnical engineer.
5. DON'T let water pond against foundations, retaining walls, and basement walls. These walls are built to withstand the ordinary moisture in the ground and, where necessary, are accompanied by sub-drains to carry off excess subsurface water. However, excess surface water must be directed away from these structures.
6. DON'T connect roof drains, gutters, or downspouts to existing subsurface drains that may not have been designed for that purpose. Instead, either collect the water in lined ditches or nonperforated pipes and conduct it to a storm drain, paved road, or a suitable area of natural ground. Where such channel flow is directed onto natural ground, it must be converted to sheet flow to allow for dispersion to occur utilizing a Skagit County approved methodology and discharged into a Skagit County approved dispersion area. Any modifications to the lot drainage plan as approved must be submitted, reviewed, and approved by Skagit County.

7. DON'T remove slope stabilizing vegetation during wet months (typically October 1 through June 1). Always cover bare slopes with plastic or other nonporous protection to prevent slope erosion. Re-vegetate bare slopes or altered slopes immediately and ensure growth and establishment of slope vegetation to prevent erosion and slope failure.
8. DON'T plant large trees on slopes. Large tree pits collect water and can lead to slope failure. Large trees, particularly evergreens, can be significantly moved by wind, causing uprooting and slope instability.
9. DON'T place loose soil, debris, or yard waste on slopes. Loose soil, debris, and yard waste will become saturated and will slide, and may even affect the soil beneath it. The sliding may clog terrace drains below or may cause additional damage in weakening the slope.
10. DON'T over-irrigate slopes or leave a hose or sprinkler running unattended on or near a slope. Ground cover and other vegetation will require moisture during the hot summer months, but during the wet season, irrigation can cause ground cover to pull loose, which not only destroys the ground cover, but also starts a serious erosion.
11. DON'T compact earth in trenches by flooding with water. Not only is flooding the least efficient way of compacting fine-grained soil, but this could saturate and reduce the bearing capacity of supporting soils.
12. DON'T change the surface grade behind retaining walls or against building walls, as this would increase the lateral loading on the walls, which could result in damage to such walls or failure.

EXHIBIT B SEPTIC TANKS

A typical septic tank is a buried watertight container made of concrete, fiberglass or polyethylene that is designed to pre-treat liquid domestic waste (effluent). It clarifies wastewater by holding the water long enough to allow the solids to settle out (sludge), be reduced by bacterial action, or float to the surface (scum). The clarified wastewater is pushed along into the drainfield for further treatment every time new wastewater enters the tank.

If a septic tank isn't watertight, water can leak into and out of the system. Water leaking in overloads the system and causes it to work harder than it is designed to. Usually, water entering the system from the environment causes hydraulic overloading, taxing the system beyond its capabilities, causing inadequate treatment and sometimes surfacing liquid. Water leaking out of the septic tank is also a significant health hazard because the leaking effluent has not been properly treated.

Baffles within the septic tank direct the flow of the wastewater and help to keep sludge and scum from traveling into the drainfield area. All tanks should have accessible covers for checking the condition of the baffles and for pumping both compartments of the tank.

Solids that accumulate in the bottom of the tank as sludge need to be removed through periodic pumping, just as lighter materials that form a scum layer need to be removed. Commercial septic tank additives will not eliminate the need for periodic clean-out.

If the bottom of the scum layer is within 3 inches of the bottom of the outlet baffle, or the top of the sludge layer is within 12 inches of the outlet baffle, the septic tank needs to be pumped. Whether or not the pumper determines the tank should be pumped, sludge and scum levels should be noted in the operation and maintenance records. This information will help you decide how often pumping is necessary.

The contents of the tank should be pumped through the main lids only, not through the baffles. Everything should be removed out of every compartment; 'starter' is not needed to reactivate the tank. The pumped tank also should be rinsed with water so that you can see the physical condition of the tank. At the end of the inspection the pumper should refill the tank with water. This will keep it from raising up if the groundwater level is high. If you have a below-ground swimming pool, you know that it could pop out of the ground if you emptied it completely. If the septic tank is a holding tank, do not refill it.

In the service report, the pumper should note whether the tank is in good condition or damaged. Any repairs made by the pumper during this visit should be recorded. If the pumper recommends repair but cannot perform this service, note the recommendation and hire someone to make the repairs as soon as possible.

The septic drainfield takes the clarified effluent from the septic tank. It further treats this effluent in the soils below gravel-lined trenches and then disposes of it in the surrounding soils and groundwater. Various mechanisms and bacteria within the soil treat the effluent.

Keep all vehicles and heavy equipment from using the drainfield and entire septic system as a parking lot or storage area. Not only can soil be squeezed together such that it restricts wastewater moving through it, but also pipes and other components can crack and shift under the weight. Protect the septic system by building barriers to vehicle traffic.

The clogging mat, or 'biomat', called, is an important element of the septic system that builds naturally under the septic drain lines. The mat is a complex formation of microorganisms that provide some treatment, effectively slow the movement of liquid into the soil, and can help keep the soil beneath it from becoming saturated. Unsaturated soils below the drainfield trenches allow wastewater to slowly pass downward through the soil with sufficient time for the soil bacteria and natural die-off to remove all pathogens of human health concern. If the soils beneath the drainfield are saturated, they will not be able

to properly handle and treat the effluent being distributed by the drainfield pipes. In essence, you will not be sure that the wastewater will be free of disease-causing organisms or other nutrients harmful to health or the environment. Effluent distributed into the soil eventually ends up in shallow perched water tables that feed lakes, rivers, streams and other surface water bodies.

A simple drainfield relies on gravity to distribute the clarified effluent over the soils. Every time water enters the septic tank, water leaves the septic tank for the drainfield. Therefore, in a gravity system the drainfield gets liquid whenever we use water in the house. Make sure that the drainfield is not overloaded by excess water drained by rooftops, hot tubs, or anything else. Keep any irrigation system at least 10 feet from the edge of the septic system.

Try to maximize the exposure of the drainfield to sunlight and wind currents to improve its performance. Surrounding the perimeter of the drainfield with tall trees not only blocks winds, but their roots could also invade the drainfield lines, interfering with uniform delivery of effluent across the area. Tree roots are often a problem in drainfield lines and septic system components. The roots can plug up or divert sewage from receiving proper treatment. There are no magic additives recommended to routinely clear tree roots from the lines or the tank.

Plantings are good for the septic area because plants increase oxygen exchange and evaporation in the drainfield area. Grass, shallow-rooted native ground covers, and shallow-rooted perennials are good choices. Covering the septic area with plastics, bark, gravel, or patio blocks set in sand will not give the septic system the same benefits as plantings will.

The reserve area for the septic system is a site suitable for a new septic system if the current system fails. Treat this area with the same care as the drainfield.

*Excerpted From
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