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Skegit County Auditor

**AMENDED AND RESTATED
DECLARATION, COVENANTS, CONDITIONS,
RESTRICTIONS AND RESERVATIONS
FOR
RIVER'S EDGE A PLAT COMMUNITY**

Note to Recorder: Please complete the recording information
in section 2.2

AF# 201808240048

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**AMENDED AND RESTATED
DECLARATION, COVENANTS, CONDITIONS,
RESTRICTIONS AND RESERVATIONS
FOR
RIVER'S EDGE, A PLAT COMMUNITY**

Pursuant to the Washington Uniform Common Interest Ownership Act, Revised Code of Washington 64.90, et. seq., and the amendments thereto, hereinafter referred to as the "Act", for the purpose of submitting the Real Property hereinafter described to the provisions of the Act, the Lot Owners of said property as Members of the Rivers Edge Skagit Homeowners Association, having adopted this Amended and Restated Declaration by a vote of no less than sixty-seven percent, make the following Amended and Restated Declaration, Covenants, Conditions, Restrictions and Reservations for River's Edge, a Plat Community.

It is agreed by acceptance of any conveyance, contract for sale, lease, rental agreement, or any form of contract for sale, lease, rental agreement, or any form of security agreement or instrument, or any privileges of use or enjoyment, respecting the Property or any residential space in the Plat Community created by this Declaration, that this Declaration, together with the Survey Map and Plans referred to herein, states covenants, conditions, restrictions, reservations and plans that are binding upon the entire Property and upon each residential space as a parcel of realty, and upon its owners or possessors, and their heirs, personal property or any security interests therein, without requirement of further specific reference or inclusion in deeds, contracts or security instruments, and regardless of any subsequent forfeiture, foreclosures, or sales of residential Lots under security instruments.

The Property that is the subject of this Declaration is currently owned by the Lot Owners and the Rivers Edge Skagit Homeowners Association. The Property is subject to numerous easements as depicted on the Survey. This Declaration is subject to all of the encumbrances of record. To the extent that any provision in this Declaration is inconsistent with any prior recorded encumbrance, the prior encumbrance will control.

ARTICLE 1. DEFINITIONS

The following terms are defined for use in this agreement. To the extent that any definition is inconsistent with the Act, the definition in this ARTICLE 1 shall control over any inconsistent definition in the Act.

1.1 Allocated Interests means those undivided interests in the Common Elements and the Common Element Expense Liability, and votes in the Association allocated to each Lot.

1.2 Assessment means all sums chargeable by the Association against a Lot including, regular and special Assessments for Common Expenses, fines or fees levied or imposed by the Association pursuant to the Act or the governing documents, interest and late charges on any delinquent account, and all costs of collection incurred by the Association in connection with the collection of a delinquent owner's account, including reasonable attorneys' fees.

1.3 Association means River's Edge Skagit Homeowners Association. The Association shall be a non-profit corporation formed under the laws of the State of Washington and shall be empowered to act in accordance with the Association Bylaws and the laws of the State of Washington.

1.4 Board means the Association's Board of Directors, as designated in the organizational documents, with primary authority to manage the affairs of the association.

1.5 Books and Records of the Association shall be given the broadest possible meaning and shall include, without limitation, exception or qualification, the following:

(a) Declaration, Survey Map and Plans, Articles of Incorporation, Bylaws and other Rules and Regulations governing the Plat Community (or any part thereof), and all amendments thereto;

(b) Minute books, including all minutes, of all Owner, Board, officer, committee, or other meetings relating to the Plat Community (or any part thereof), including all reports, documents, communications, or written instruments attached thereto or referenced therein;

(c) All financial records including audited financial statements if available and including, without limitation, canceled checks, bank statements, and financial statements of the Association and source documents from the time of incorporation of the Association through the current date;

(d) All reports, documents, communications, or written instruments pertaining to the personal property of the Association or the Plat Community (or any part thereof);

(e) All reports, documents, communications, written instruments, plans, and specifications pertaining to the construction, remodeling, maintenance, repair, replacement, or condition of the Plat Community (or any part thereof);

(f) All insurance policies or copies thereof for the Plat Community (or any part thereof) and the Association;

(g) Copies of any certificates of occupancy that may have been issued for the Plat Community (or any part thereof);

(h) Any other permits or notices issued by governmental bodies applicable to the Plat Community (or any part thereof) in force or issued;

(i) All written warranties that are still in effect for the Plat Community (or any part thereof), or any other areas or facilities which the Association has the responsibility to maintain and repair, from the Declarant, contractor, subcontractors, suppliers, and manufacturers, together with all owners' manuals or instructions furnished with respect to installed equipment or building systems;

(j) A roster of Owners, officers and Board members and eligible mortgagees and their addresses and telephone numbers, if known;

(k) Any leases of the Common Elements and other leases to which the Association is a party; any employment, service, consultation, professional or other contracts in which the Association, Board or officer is one of the contracting parties, or in which the Association or the owners have an obligation or a responsibility, directly or indirectly, to pay some or all of the fee or charge, or which in any way relate to the Plat Community (or any part thereof);

(l) All reports, documents, communications, or written instruments pertaining to any litigation or other legal or mediation/arbitration proceeding (whether pending, threatened, or under consideration) to which the Association (or Board, officer, or Owner) is or may be a party, or which may relate to or affect the Plat Community (or any part thereof); and

(m) All other reports, documents, communications, or written instruments in any way relating to or affecting the Association, Board, officers, owners, or the Plat Community (or any part thereof).

PROVIDED, that nothing herein shall be construed to waive any attorney client privilege.

1.6 Bylaws shall mean the Association Bylaws prepared in accordance with the applicable sections of the Revised Code of Washington and the Act.

1.7 Common Elements means all portions of the Plat Community other than the Lots.

1.8 Common Expenses shall include all sums lawfully assessed against owners by the Association and expenses of administration, maintenance, repair, or replacement of the Common Elements, including allocations to reserves, declared to be Common Expenses by the Act, this Declaration, or the Bylaws (as they may be lawfully amended) and agreed upon as Common Expenses by the Association.

1.9 Common Expense Liability means the liability for Common Expenses allocated to each Lot.

1.10 Declarant means any person or group of persons acting in concert who executed as Declarant the previous Declaration recorded under Skagit County Auditor's File Number 201910080019 or reserves or succeeds to any Special Declarant Right under said Declaration.

1.11 Declarant Control means the right, if expressly reserved by this Declaration, of the Declarant or persons designated by the Declarant to appoint and remove Association officers and Board members, or to vote or approve a proposed action of the Board or Association; provided that, in no event shall exercising the voting rights allocated to a Lot or Lots owned by the Declarant be deemed Declarant Control.

1.12 Declaration means this Amended and Restated Declaration and any amendments thereto.

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

1.14 Dwelling Structure means the improvements located within a Lot.

1.15 Eligible Mortgagee means a Mortgagee of a Lot or the Mortgagee of the Plat Community that has filed with the secretary of the Association a written request that it be given copies of notices of any action by the Association that requires the consent of Mortgagees.

1.16 Foreclosure means a forfeiture or judicial or nonjudicial foreclosure of a Mortgage or a deed in lieu thereof.

1.17 Identifying Number means a symbol or address that identifies only one Lot in a Plat Community.

1.18 Limited Common Element means a portion of the Common Elements allocated by this Declaration (or by subsequent amendments thereto) or by operation of law for the exclusive use of one or more but fewer than all of the Lots.

1.19 Mortgage means a mortgage or deed of trust that creates a lien against a Lot and also means a real estate contract for the sale of a Lot.

1.20 Mortgagee means the beneficial owner, or the designee of a beneficial owner, of an encumbrance on a Lot created by mortgage or deed of trust and also means the vendor, or the designee of a vendor, of a real estate contract for the sale of a Lot. A Mortgagee of the Plat Community and a Mortgagee of a Lot are included within the definition of Mortgagee.

1.21 Mortgagee of a Lot means the holder of a Mortgage on a Lot, which mortgage was recorded simultaneous with or after the recordation of this Declaration. Unless the context requires otherwise, the term Mortgagee of a Lot shall also be deemed to include the Mortgagee of the Plat Community.

1.22 Mortgagee of the Plat Community means the holder of a Mortgage on the Property which this Declaration affects, which Mortgage was recorded prior to the recordation of this Declaration. The term Mortgagee of the Plat Community does not include Mortgagees of the individual Lots.

1.23 Person means an individual, corporation, business trust, estate, the trustee or beneficiary of a trust that is not a business trust, partnership, limited liability company, association, joint venture, public corporation, government, or governmental subdivision, agency, or instrumentality, or any other legal entity.

1.24 Plat Community means a common interest Community in which Lots have been created by subdivision or short subdivision as both are defined in RCW 58.17.020 and in which the boundaries of Lots are established pursuant to RCW 58.17.

1.25 Property or Real Property means the fee, leasehold or other estate or interest in, over or under the land, described in Section 2.1, including Buildings, structures, fixtures and other improvements thereon and easements, rights and appurtenances belonging thereto which by custom, usage or law pass with a conveyance of land although not described in the contract of sale or instrument of

conveyance. Property includes parcels, with or without upper or lower boundaries, and spaces that may be filled with air or water, and all personalty intended for use in connection therewith.

1.26 Renting or Leasing a Lot means the granting of a right to use or occupy a Lot, for a specified term or indefinite term (with rent reserved on a periodic basis), in exchange for the payment of rent (which includes consideration of any kind).

1.27 Residential Purposes means use for dwelling or recreational purposes, or both.

1.28 Survey Map and Plans means the Survey Map and Plans recorded simultaneously with this Declaration and any amendments, corrections and addenda thereto subsequently recorded.

1.29 Lot means a physical portion of the Plat Community designated for separate ownership or occupancy, the boundaries of which are described in ARTICLE 3.

1.30 Lot Owner or Owner means a Declarant or other person who owns a Lot but does not include a person who has an interest in a Lot solely as security for an obligation or is merely Renting or Leasing a Lot. Lot Owner also means the vendee of a Lot under a real estate contract.

ARTICLE 2. DESCRIPTION OF LAND

2.1 Legal Description. The Real Property included in the Plat Community is described as:

Lots 1 – 35, Plat of River's Edge, according to the plat thereof, recorded August 24, 2018 under Auditor's File No. 201808240048, records of Skagit County, Washington.

Situate in the County of Skagit, State of Washington.

2.2 Plan and Survey Recording Information. The Survey Map and Plans were filed with the Recorder of Skagit County, Washington, under Recording No. 201808240048.

ARTICLE 3. DESCRIPTION OF LOTS

3.1 Number of Lots. Declarant has created thirty-five (35) Lots all of which are airspace Lots with improvements on each of the Lots. The Lots are shown on the Survey Map and consist of spaces of air without physical boundaries. Because the Lots consist of airspaces without physical boundaries there is no description of fireplaces, levels, or bathrooms.

3.2 Access to Common Ways and Public Streets. Each Lot has direct access to a public street adjoining the Property. Each Lot owner shall have the right of ingress and egress which shall be perpetual and appurtenant to each Lot.

3.3 Nature of Interest. Each purchaser of a Lot will acquire fee simple title to the Lot. There will be no rights of first refusal or similar rights retained or claimed by the Association.

ARTICLE 4. BOUNDARIES

The Lots consist of an envelope of space, the perimeter boundaries of which are on the surface of the land and are as located and depicted on the Survey Map and Plans. Each Lot may be improved with a dwelling Lot to be constructed in accordance with the guidelines set forth herein.

ARTICLE 5. DESCRIPTION OF OTHER IMPROVEMENTS

5.1 Recreational Facilities. The Declarant will not be providing for any Recreational facilities within the Property.

5.2 Parking. The Lots do not have designated parking spaces outside of the Lots. A portion of each Lot may be used for parking purposes.

ARTICLE 6. DESCRIPTION OF COMMON ELEMENTS

6.1 Description. The Common Elements are all portions of the Plat Community other than the Lots which are not a part of or within the Lot boundaries. The Common Elements are depicted on the survey and include but are not limited to the common area, the River's Edge sign, open space tracts, and trail easements within the plat Community. The Association shall be responsible for maintenance of all Common Elements and for maintenance of the trees along Gardener Road in the right of way owned by the City of Burlington.

6.2 Use. Each Owner shall have the right to use the Common Elements in common with all other Owners and a right of access from the Owner's Lot across the Common Elements to the public streets. The right to use the Common Elements extends to each Owner, his agents, tenants, family members, invitees, and licensees. The right to use the Common Elements shall be governed by the provisions of the Act, this Declaration, the Bylaws, and the Association rules and regulations.

ARTICLE 7. DESCRIPTION OF LIMITED COMMON ELEMENTS

7.1 Description. There are no limited common elements.

ARTICLE 8. ALLOCATED INTERESTS

The Allocated interests of each Lot are equal regardless of the relative square footage of a Lot. The Allocated Interests were rounded so that the total equaled One Hundred Percent (100%). The Allocated Interest pertaining to each Lot cannot be changed except as provided in this Declaration. The Allocated Interest and the title to the respective Lots shall not be separated or separately conveyed and each Allocated interest shall be deemed to be conveyed with its respective Lot even though the description in the instrument of conveyance or encumbrance may refer only to the title to the Lot. Except where permitted by the Act, the Common Elements are not subject to partition, and any purported conveyance, encumbrance, judicial sale, or other voluntary or involuntary transfer of an Allocated Interest made without the Lot to which that interest is allocated is void. The allocated interest below relates to each Lot's share of undivided votes in the association and share of the common expenses of the association.

Lot No.	Lot Address	Allocated Common Expense	Allocated Votes
1	1619 River Walk Lane		1
2	1631 River Walk Lane		1
3	1649 River Walk Lane		1
4	1667 River Walk Lane		1
5	1685 River Walk Lane		1
6	1707 River Walk Lane		1
7	1729 River Walk Lane		1
8	1741 River Walk Lane		1
9	1753 River Walk Lane		1
10	1775 River Walk Lane		1
11	1787 River Walk Lane		1

12	1815 River Walk Lane		1
13	1785 River Walk Lane		1
14	1803 River Walk Lane		1
15	1833 River Walk Lane		1
16	1851 River Walk Lane		1
17	1824 Rio Vista Avenue		1
18	1624 River Walk Lane		1
19	1632 River Walk Lane		1
20	1650 River Walk Lane		1
21	1668 River Walk Lane		1
22	1688 River Walk Lane		1
23	1710 River Walk Lane		1
24	1720 River Walk Lane		1
25	1730 River Walk Lane		1
26	1740 River Walk Lane		1
27	1750 River Walk Lane		1
28	1760 River Walk Lane		1
29	1770 River Walk Lane		1
30	1780 River Walk Lane		1
31	1790 River Walk Lane		1
32	1822 River Walk Lane		1
33	1834 River Walk Lane		1
34	1846 River Walk Lane		1
35	1858 River Walk Lane		1

All of the Lots are located in Skagit County, Washington.

ARTICLE 9. USE AND OCCUPANCY RESTRICTIONS

Each Lot shall be occupied and used only as follows:

9.1 Non-Residential Use Prohibited. No home occupations, commercial or industrial activity of any kind shall be conducted on any Lot with the exception of the business of Declarant and the transferees of the Declarant in the development of the Lots as provided herein.

9.2 Signs. No sign regarding candidates for public or Association office, or ballot issues shall be displayed to the public view on or from within any Lot or Limited Common Element unless it complies with Association rules governing time, place, size, and manner of display. No other sign of any kind shall be displayed to the public view from any Lot, Limited Common Element, or Common Element without the prior

Board consent. This Section shall not apply to the Declarant who may post such signs on the Property as it deems necessary or appropriate for the sale of Lots in the Plat Community as long as the Declarant has a Lot for sale.

9.3 Insurance Risks Prohibited. Nothing shall be done or kept on a Lot or on the Common Elements which would increase the insurable risks without the prior written consent of the Association, and no Owner shall permit anything to be done or kept on his Lot or the Common Elements which would result in the cancellation of insurance on any residence or on any part of the Common Elements, or which would be in violation of any law.

9.4 Animals. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any Lot, except that dogs, cats, and other household pets may be kept on Lots subject to such rules and regulations as may be adopted by the Association, so long as they are not kept, bred, or maintained for commercial purposes. All pets shall be kept on a leash when not in a residence or fenced yard. Pets shall not be allowed to eliminate waste on common areas or other owner's Lots. The owner of any pet shall be responsible for immediate removal and disposal of any animal waste. Excessive barking, as determined by the Association, shall not be permitted. The Association may require the removal of any pet from River's Edge for repeated violations of the foregoing provisions and or the rules and regulations adopted by the Association.

9.5 Waste Disposal. No rubbish, trash, or garbage, or other waste material shall be kept or permitted on any Lot or on the Common Elements except in sanitary containers located in appropriate areas concealed from public view. Disposition of any hazardous or toxic waste or material, including any petroleum by-product, onto any Lot is prohibited.

9.6 Insect Control. Each and every Lot Owner shall take appropriate and timely action to control and/or eradicate any potentially destructive insect infestation such as, but not limited to, tent caterpillars that may occur on such Lots.

9.7 Tree Maintenance. The care and Maintenance of trees on any Lot is the responsibility of the legal owner. This includes any trees on Lots bordering Gardener Road that are located on private property. Trees should not be planted or maintained in locations where the root systems may penetrate and adversely affect underground utilities. Lot Owners shall be responsible for maintaining the street trees located in the utility and landscaping easement on their lot. Street trees shall not be removed unless they are diseased, pose a hazard, or must be removed to allow utility work, in which case they must be replaced immediately with a tree of the same species.

9.8 Noxious Vegetation Control. The control and/or eradication of noxious vegetation such as, but not limited to, thistle, fireweed, scotch broom, nettles, and blackberry vines shall be required on all Lots.

9.9 Leases of Lots. No lease or rental of a Lot may be for less than the entire Lot nor for less than thirty (30) days. All leases or rental agreements for Lots shall provide that its terms shall be subject in all respects to the provisions of the Declaration, the Bylaws and the rules and regulations of the Association and that any failure by the tenant to comply with the terms of such documents, rules, and regulations shall be a default under the lease or rental agreement. If any lease under this Section does not contain the foregoing provisions, such provisions shall nevertheless be deemed to be part of the lease and binding upon the Owner and the tenant by reason of their being stated in this Declaration.

9.10 Maintenance of Lots. Each Owner is responsible for maintenance, repair, and replacement of the Owner's improvements on the Lot. Each Lot Owner shall keep the Lot in a neat, clean, and orderly condition. This shall include the condition of the exterior including the roof and siding and shall also include maintenance of the yard within each Lot. The Developer shall keep unsold Lots in a neat, clean, and orderly condition.

9.11 Effect on Insurance. Nothing shall be done or kept in any Lot or in any Common Element or Limited Common Element that will increase the rate of insurance on the Property without the prior written consent of the Board. Nothing shall be done or kept in any Lot that will result in the cancellation of insurance on any part of the Property, or that would be in violation of any laws.

9.12 Hazardous Substances. No Owner shall permit any Hazardous Substance to be generated, processed, stored, transported, handled, or disposed of on, under, in, or through the Owner's Lot or the Property, and each Owner shall indemnify, defend, and hold harmless the other Owners and the Association from all fines, suits, procedures, claims and actions of any kind arising out of or in any way connected with any spills or discharges of Hazardous Substances or wastes arising from the operation or use of the Lot by the Owner or the tenants or invitees of the Lot. As used herein, the term Hazardous Substance means any hazardous, toxic, or dangerous substance, waste or material which is or becomes regulated under any federal, state or local statute, ordinance, rule, regulation or other law now or hereafter in effect pertaining to environmental protection, contamination or cleanup, including without limitation any substance, waste or material which is now or is hereafter designated as a Hazardous Substance under the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. § 9601 *et seq.*), or under any local or state rule or regulation. Without limiting the foregoing, Hazardous Substances shall include, but not be limited to, any substance which after

being released into the environment and upon exposure, ingestion, inhalation, or assimilation, either directly from the environment or indirectly by ingestion through food chains, will or may reasonably be anticipated to cause death, disease, behavior abnormalities, cancer, and/or genetic abnormalities.

9.13 Campers, Trailers, Boats, and Recreational Vehicles. Except as hereinafter expressly provided, the Common Area and/or streets located in the Plat Community shall not be used for the overnight parking of any vehicle other than private family automobiles. No boat trailer, house trailer, camper, truck in excess of eight thousand two hundred (8,200) pounds gross weight or other recreational vehicle or similar object, or any part thereof, shall be stored or permitted to remain in the Common Area, or on any Lot unless the same is stored or placed in a garage or is stored in rear or side yard within a fence enclosure.

The Board or its authorized representative shall give written notice of a violation to the Lot Owner or occupant and said Lot Owner or occupant shall have ten (10) days from the date of receipt of such notice to take whatever actions are necessary to remedy said violation. If said Lot Owner shall not comply within said ten (10) day period, the Board or its authorized representative is granted the right to remove, at the expense of the Lot Owner thereof, any boats, trailers, campers, trucks, recreational vehicles, or other similar items which are parked or stored in violation of the terms and provisions hereof. Said Lot Owners grant to the Association an express easement for the purpose of going upon the Lots of said Lot Owners or public streets for the purpose of removing said items parked or stored in violation of the terms and provisions hereof.

9.14 Temporary Structures, Garages and Storage. Except as otherwise provided herein, there shall be no temporary structures of any kind kept on a Lot. No garage shall be used as a residence either temporarily or permanently. No storage shall be permitted under decks or overhands or anywhere else on a Lot which is visible from any point outside the Lot.

ARTICLE 10. **ARCHITECTURAL CONTROL COMMITTEE** **AND BUILDING RESTRICTIONS**

10.1 Architectural Control Committee. The Board of Directors shall appoint an Architectural Control Committee of three (3) or more persons, who need not be members of the Association, which Committee may act for the Board to the extent set forth in this Declaration. One member of the Architectural Control Committee shall be appointed for one year; the second member for two years; the third member, for three years. Thereafter, members of the Architectural Control Committee shall be appointed or selected for three- (3) year terms.

10.2 Jurisdiction and Purpose. The Committee shall have the right to review and thereby either approve or reject all plans and specifications for any building or structure to be constructed or modified within the properties which do not conform to the architectural guidelines. Enforcement of these covenants shall be carried out by the River's Edge Skagit Homeowners Association. All plans and specifications for any building structure shall be submitted to the Architectural Control Committee prior to commencement of any construction activity. The Architectural Control Committee shall issue a decision within 30 days of receiving the submittal.

10.3 Minimum Floor Living Area. No construction plan shall be approved unless the floor living area of the main structure, exclusive of one-story open porches, decks, and garages, has more than 1,900 above grade square feet of usable living area for each single-story/rambler house or the main floor of daylight basement house, or has more than 2,100 square feet of usable living area for each second-story house to be built.

10.4 Grading. Grading, if any, should be limited to the utilization of the original graded contour of each Lot and shall preserve the natural configuration of the Lot. Appropriate erosion control measures shall be implemented during construction. There shall be no blocking or diversion of the presently existing or natural or approved drainage channels or facilities without the written permission of the Declarant. All grading must conform to the standards established by the Skagit County Code.

10.5 Materials. Siding must be materials such as cedar siding, drivit (synthetic stucco), wood shingles, hardiboard or similar, stone, or brick. T-1-11 plywood siding is not allowed. Roofing must be 30-year or better architectural composition roofing.

10.6 Trellises, Patio and Porch Roofs. Trellises must be of wood. All trellises, patio, or porch roofs must conform to county set back requirements. No fiberglass or corrugated roofing materials shall be used.

10.7 Fences. The maximum height for all front yard fences shall be five feet and the maximum height for all rear yard fences shall be six feet. All front yard fences shall be constructed of wood or decorative chain link fence as approved by the Architectural Control Committee.

10.8 Solar Panels. Any solar panels must be installed directly onto the roof and lie parallel on or to the roof or be screened by a fence in the backyard only.

10.9 Garages; Car Ports Prohibited. Each dwelling Lot must include a two-car or more minimum enclosed garage which must be attached, including by a covered breezeway, from the dwelling but must adhere to set back requirements. Roof slope

and garage materials must be in harmony with the dwelling. No carports will be permitted.

10.10 Reconstruction; Renovation. If all or any portion of a residence is damaged or destroyed by fire or other casualty, it shall be the duty of the Owner thereof, with all due diligence, to rebuild, repair, or reconstruct such residence in a manner which will substantially restore it to its appearance and condition immediately prior to the casualty. Reconstruction shall be undertaken within Four (4) months after the damage occurs and shall be completed within Twelve (12) months after the damage occurs, unless prevented by causes beyond the control of the Owner or Owners. In the event that the Owner elects not to rebuild, repair or reconstruct the building, then the building shall be demolished and removed as quickly as possible and the property shall be graded, seeded, and maintained as a vacant lot.

10.11 Construction Time to Completion. All construction shall be completed within Nine (9) months after the time construction has commenced.

10.12 Building Site Maintenance. Each Owner of a building site upon which a dwelling has been constructed shall keep the building site in a neat, clean, and orderly condition. No excess debris shall be allowed to accumulate on the site.

10.13 Landscaping Time to Completion. Landscaping should be completed at the time of occupancy, but in no event later than Ninety (90) days after occupancy or substantial completion of construction, whichever shall first occur.

10.14 Landscaping Maintenance. All landscaping shall be maintained at all times, including weeding flowerbeds, mowing, etc. Common area landscaping, if any, as depicted on the attached map, shall be maintained at all times. In the event the Lot owner fails to fulfill the foregoing obligation after being given reasonable notice, then the Board shall have the right, but not the duty, to maintain the landscaping for the Lot owner and at the Lot owner's sole cost and expense, including all legal fees incurred. Said expense shall be deemed to constitute a lien on the particular Lot involved, and collection thereof may be enforced by the Board in the same manner as the Board is entitled to enforce collection of common expenses.

10.15 Outbuildings. Outbuildings that conform to the City of Burlington Municipal Code may be allowed subject to review and approval by the Architectural Control Committee. Any outbuilding must be consistent with the exterior of the residence. No metal buildings are allowed.

10.16 Outside Lighting. All outside lighting shall be of a directional type lighting and shall not have the effect of general illumination.

10.17 Setbacks. All construction shall conform to the setback requirements mandated by the City of Burlington Municipal Code.

ARTICLE 11. SPECIAL DECLARANT RIGHTS

11.1 Special Declarant Rights. As more particularly provided in this Article, Declarant, for itself and any successor Declarant, has reserved the following Special Declarant Rights:

11.1.1 Exercise any development right within 10 years after the recording of the original Declaration;

11.2 Land Subject to Special Declarant Rights and Development Rights. Any Lots owned by the Declarant.

11.3 Termination of Declarant Rights. Except as otherwise provided in this Declaration, the foregoing Declarant Rights shall continue so long as Declarant is completing improvements which are within or may be added to this Plat Community, or Declarant owns any Lots, or any Development Rights remain in effect; provided that Declarant may voluntarily terminate any or all of such Rights at any time by recording an amendment to the Declaration, which amendment specifies which Declarant Right is thereby terminated.

11.4 Development Rights. As more particularly provided in this Article, the Declarant, for itself and any successor Declarant, has reserved the following Development Rights:

11.4.1 Subdivision and Combination. Declarant shall have the right to subdivide Lot 22 owned by Declarant or convert Lots owned by Declarant into Common Elements.

11.4.2 Exercise of Development Rights. To exercise any Development Right reserved under Section 11.4, the Declarant shall prepare, execute and record an amendment to the Declaration under ARTICLE 24 and comply with RCW 64.90.285.

11.5 Liability for Damage. The Declarant is subject to liability for the prompt repair and restoration, to a condition compatible with the remainder of the Plat Community, of any portion of the Plat Community damaged by the exercise of rights reserved pursuant to or created by this Declaration or the Act.

11.6 Declarant's Easements. Declarant has an easement through the Common Elements as may be reasonably necessary for the purpose of discharging Declarant's obligations or exercising Special Declarant Rights or Development Rights, whether arising under the Act or reserved in the Declaration.

11.7 Implementation of Development Rights. The Declarant reserves the right to amend the Declaration and Survey Map and Plans and to grant future utility and or drainage access easements over, under, or through the Lots. Declarant shall restore Lots to the Lots appearance or condition immediately prior to Declarant's access. Each Lot Owner and each Mortgagee hereby appoints the Declarant as his or her attorney in fact for the purpose of executing all such amendments or easements, and/or for executing any other land use documents which affect any portion of the Plat Community including but not limited to boundary line adjustments and government short plats, until such time as the Declarant has terminated all Development Rights by a written document terminating all such Development Rights.

ARTICLE 12. OWNERS ASSOCIATION

12.1 Form of Association. The Owners of Lots constitute an Owners Association known as the River's Edge Homeowner's Association. The Association is organized as a nonprofit corporation. It will be governed by the Board which shall be made up of at least three (3) members, all of which shall be Lot Owners. The officers shall be elected from the members of the Board of Directors as further set forth in the Bylaws. The rights and duties of the Board and of the Association shall be governed by the provisions of the Act, the Declaration, the Articles of Incorporation, and the Bylaws. The Declarant adopted the initial Bylaws for the Association.

12.2 Qualification and Transfer. Except as provided below, each Owner of a Lot (including the Declarant) shall be a member of the Association and shall be entitled to one membership and therefore one vote for each Lot owned. Membership shall be appurtenant to that member's Lot. Ownership of a Lot shall be the sole qualification for membership in the Association. A membership shall not be transferred in any way except upon the transfer of title to the Lot and then only to the transferee of title to the Lot. If a Lot has been sold on contract, the contract purchaser shall exercise the rights of the Owner for purposes of the Association, this Declaration, and the Bylaws, except as hereinafter limited, and shall be the voting representative unless otherwise specified. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Lot shall operate automatically to transfer the membership in the Association to the new Owner.

12.3 Subassociation. If Lot 22 is developed into a six-unit multifamily building a Subassociation shall be created and shall exercise the following powers:

12.3.1 Each of the six units in the multifamily building shall be a member of the Subassociation and shall each be entitled to 1/6 of a vote in the master Association and 1/6 of the allocated interests of Lot 22.

12.3.2 The Subassociation shall have a board of directors of not less than two of the Unit owners in the six-unit building. Said board shall be elected pursuant to the Master Association Bylaws.

12.3.3 The Board of Directors for the Subassociation shall have the exclusive right to exercise the following powers and responsibilities: 1) to collect monthly assessments from each of the units in the six-unit building in each unit's pro rata share of Lot 22's assessment; and 2) to collect in advance the proxy votes for each of the Units for any vote of the Master Association and shall vote at the Master Association Meeting in favor of the majority of the Units proxy vote. A majority shall mean 51%.

12.4 Powers of the Association. In addition to those actions authorized elsewhere in the Declaration, the Association shall have the power to do any acts authorized by the Revised Code of Washington.

12.5 Financial Statements and Records. The Association shall keep financial records in accordance with generally accepted accounting principles and in sufficient detail to enable the Association to comply with the resale certificate requirements set forth in RCW 64.90.640. All Association Books and Records shall be available for examination by any Lot Owner, prospective purchaser, and the Owner's authorized agents at least annually. The Association shall prepare, or cause to be prepared, a financial statement of the Association in accordance with generally accepted accounting principles. The annual financial statement shall be audited at least annually by a certified public accountant who is not a member of the Board or an Owner. The Owners, by majority vote, excluding votes held by the Declarant, may waive the audit. Any mortgagee shall, upon request, be entitled to receive the annual financial statement within One Hundred Twenty (120) days following the end of the fiscal year. The Board may require that an audit of the Association and management books be presented at any special meeting. Upon written request of FHLMC, FNMA, HUD, or VA, if it is a Mortgagee, the Association shall provide within a reasonable time the financial statement of the Association for the preceding fiscal year.

ARTICLE 13.
BUDGET AND ASSESSMENTS

13.1 Annual Meeting. The Association shall have an annual meeting each year, at which time the Lot Owners will agree on the scope and amount of maintenance required for the Common Elements and Limited Common Elements.

13.2 Fiscal Year. The Board may adopt such fiscal year for the Association as it deems to be convenient.

13.3 Preparation of Budget. Not less than Thirty (30) days before the end of the fiscal year the Board shall prepare a budget for the Association for the coming year. The Board must provide a copy of the proposed budget not less than Fourteen (14) days but not more than Fifty (50) days before the next Member meeting where the budget shall be put to vote.

13.4 Ratification of Budget. The proposed budget shall be put to a vote at the next Member meeting following preparation. Unless at that meeting the Lot owners of Lots to which a majority of the votes in the Association are allocated reject the budget, the budget and the Assessments against the Lots included in the budget are ratified, whether or not a quorum is present. In the event the proposed budget is rejected or the required notice for the meeting is not given, the budget last ratified by the Owners shall be continued until a budget proposed by the Board is ratified.

13.5 Annual Assessments. The amounts required by the Association for Common Expenses and Special Allocations as reflected in the annual budget and any supplemental budgets shall be set forth in an annual assessment. Late payments shall be subject to interest and a late charge of 10% of the amount of the required payment.

13.6 Common Expenses. Common Expenses shall include the cost of operation, maintenance, repair and replacement of the Common Elements, and the general expenses of the Association, including management and professional fees and costs, insurance, and any other costs that the Board determines benefits the Lots. Common Expenses shall be allocated to all Lot Owners in accordance with their Common Expense Liability.

13.7 Payment of Annual Assessment. On or before the first day of each February each Owner shall pay or cause to be paid to the Association or to the Management Company the annual assessment. Any installment not paid by the tenth day of February shall be delinquent and subject to late charges, interest charges and collection procedures as provided in ARTICLE 14.

13.8 Failure to Assess. Any failure by the Board or the Association to make the budgets and Assessments hereunder before the expiration of any year for the ensuing year shall not be deemed a waiver or modification in any respect of the provisions of this declaration, or a release of the Owners from the obligation to pay Assessments during that or any subsequent year, and the monthly payment amounts established for the preceding year shall continue until new Assessments are established.

13.9 Certificate of Unpaid Assessments. Upon the request of any Owner or Mortgagee of a Lot, the Board will furnish a certificate stating the amount, if any, of unpaid Assessments charged to the Lot. The certificate shall be conclusive upon the Board and the Association as to the amount of such indebtedness on the date of the certificate in favor of all purchasers and mortgagees of the Lot who rely on the certificate in good faith. The Board may establish a reasonable fee to be charged to reimburse it for the cost of preparing the certificate which shall not be in excess of the statutory limits set forth in the Act.

ARTICLE 14. LIEN AND COLLECTION OF ASSESSMENTS

14.1 Assessments are a Lien; Priority. The Association has a statutory lien on a Lot for any unpaid Assessment levied against a Lot from the Assessment due date. A lien under this Article shall be prior to all other liens and encumbrances on a Lot except (a) liens and encumbrances recorded before the recording of this Declaration; (b) a mortgage on the Lot recorded before the date on which the Assessment sought to be enforced became delinquent, except as provided below; and (c) liens for real property taxes and other governmental assessments or charges against the Lot. Recording of this Declaration constitutes record notice and perfection of the lien for Assessments. The Association may record a notice of claim of lien for Assessments in the real property records of Skagit County. Such recording shall not constitute the written notice of delinquency to a mortgagee referred to above.

14.2 Lien Priority.

14.2.1 A lien for unpaid Assessments has priority over a Mortgage on the Lot recorded before the date on which the Assessment sought to be enforced became delinquent only if the Association has given that holder not less than Sixty (60) days' prior written notice that the owner of the Lot is in default in payment of an assessment. The notice shall contain:

14.2.1.1 Name of the borrower;

14.2.1.2 Recording date of the trust deed or mortgage;

14.2.1.3 Recording information;

14.2.1.4 Name of Plat Community, Lot owner, and Lot designation stated in the Declaration or applicable supplemental declaration;

14.2.1.5 Amount of unpaid Assessment; and

14.2.1.6 A statement that failure to, within Sixty (60) days of the written notice, submit to the Association payment of Six (6) months of Assessments will result in the priority of the amounts described in this subsection.

14.2.2 Upon payment of the amounts described in this subsection by the holder of a security interest, the Association's lien shall thereafter be fully subordinated to the lien of such holder's security interest on the Lot.

14.2.3 A lien under this Section shall have priority over a Mortgage to the extent of an amount equal to the following:

14.2.4 The Common Expense Assessments, excluding any amounts for capital improvements, based on the periodic budget adopted by the Association pursuant to RCW 64.90.480(1), along with any specially allocated Assessments that are properly assessable against the Lot under such periodic budget, which would have become due in the absence of acceleration during the Six (6) months immediately preceding the institution of proceedings to foreclose the Association's lien; and

14.2.5 The Association's actual costs and reasonable attorneys' fees incurred in foreclosing its lien but incurred after the giving of the notice described in Section 14.2.1, however, the costs and reasonable attorneys' fees that will have priority shall not exceed Two Thousand Dollars (\$2,000.00) or an amount equal to the delinquent Assessments, whichever is less.

14.3 Lien May Be Foreclosed, Judicial Foreclosure. The lien arising under this Article may be enforced judicially by the Association in the manner set forth in RCW 61.12, or nonjudicially in the manner set forth in Section 14.4. The Association or its authorized representative shall have the power to purchase the Lot at the foreclosure sale and to acquire, hold, lease, mortgage, or convey the same. Nothing in this Section shall prohibit the Association from taking a deed in lieu of foreclosure. The holder of a mortgage or other purchaser of a Lot who obtains the right of possession of a Lot through foreclosure shall not be liable for any Assessments or installments thereof that became due prior to such right of possession. Such unpaid Assessments shall be deemed to be Common Expenses collectible from all the Owners, including such mortgagee or other purchaser of the Lot. Foreclosure of a mortgage does not relieve the prior Owner of personal liability for Assessments accruing against the Lot prior to the date of such sale.

14.4 Nonjudicial Foreclosure. A lien arising under this Article may be foreclosed nonjudicially in the manner set forth in RCW 61.24 for nonjudicial foreclosure of deeds of trust. For the purpose of preserving the Association's nonjudicial foreclosure option, this Declaration shall be considered to create a grant of each Lot in trust to River's Edge Homeowners Association or its successors or assigns (Trustee), to secure the obligations of each Lot Owner (Grantor) to the Association (Beneficiary) for the payment of Assessments. Grantor shall retain the right to possession of Grantor's Lot so long as Grantor is not in default of an obligation to pay Assessments. The Trustee shall have a power of sale with respect to each Lot, which becomes operative in the case of a default in a Grantor's obligation to pay Assessments. In the event of foreclosure, the Association shall resign as trustee and appoint a successor trustee.

14.5 Assessments Are Personal Obligations. In addition to constituting a lien on the Lot, all sums assessed by the Association chargeable to any Lot, including all charges provided in this Article, shall be the personal obligation of the Owner of the Lot when the Assessments are made. Suit to recover personal judgment for any delinquent Assessments shall be maintainable without foreclosing or waiving the liens securing them. The personal obligation for delinquent assessments shall not pass to successors in title or interest unless specifically assumed by the purchaser. A foreclosure on a Lot shall not operate to eliminate the encumbrance on the Property imposed by this Declaration. Any first mortgagee who obtains title to a Lot pursuant to the remedies in the mortgage or through foreclosure will not be liable for more than Six (6) months of the Lot's unpaid regularly budgeted dues or charges accrued before acquisition of the title to the Lot by mortgagee.

14.6 Late Charges and Interest on Delinquent Assessments. Delinquent Assessments shall bear interest from the date of delinquency at the maximum rate permitted under RCW 19.52.020 on the date on which the Assessments became delinquent.

14.7 Recovery of Attorneys' Fees and Costs. The Association shall be entitled to recover any costs and reasonable attorneys' fees incurred in connection with the collection of delinquent Assessments, whether or not such collection activities result in suit being commenced or prosecuted to judgment. In addition, the Association shall be entitled to recover costs and reasonable attorneys' fees if it prevails on appeal and in the enforcement of a judgment. If the Association files a lien, then there shall be a lien filing fee to cover costs of preparation and filing of the lien in the amount of \$500.00.

14.8 Security Deposit. An Owner who has been delinquent in paying his or her annual payment for more than thirty (30) days may be required by the Board, from time to time, to make and maintain a security deposit not in excess of Two years

estimated annual Assessments, which shall be collected and shall be subject to penalties for nonpayment as are other Assessments. The deposit shall be held in a separate fund, credited to such Owner, and may be resorted to at any time when such Owner is Ten (10) days or more delinquent in paying Assessments.

14.9 Conveyance by Owners Notice Required. An Owner intending to convey a Lot shall deliver a written notice to the Board, at least two weeks before closing, specifying (a) the Lot being sold; (b) the name and address of the purchaser, of the closing agent, and of the title insurance company insuring the purchaser's interest; and (c) the estimated closing date. The Board shall have the right to notify the purchaser, the title insurance company, and the closing agent of the amount of unpaid Assessments and charges outstanding against the Lot, whether or not such information is requested. Promptly upon the conveyance of a Lot, the new Lot Owner shall notify the Association of the date of the conveyance and the Lot Owner's name and address.

ARTICLE 15. ENFORCEMENT OF DECLARATION, BYLAWS AND RULES AND REGULATIONS

Each Owner, the Board, and the Association shall comply strictly with this Declaration, the Bylaws, and the rules and regulations adopted pursuant thereto, as they may be lawfully amended from time to time, and the decisions of the Board. Failure to comply with any of the foregoing shall be grounds for an action to recover sums due, damages, and for injunctive relief, or any or all of them, maintainable by the Board on behalf of the Association or by an Owner.

ARTICLE 16. TORT AND CONTRACT LIABILITY

16.1 Declarant Liability. Neither the Association nor any Owner except the Declarant is liable for the Declarant's torts in connection with any part of the Plat Community which the Declarant has the responsibility to maintain. An action alleging a wrongdoing by the Association must be brought against the Association and not against any Owner or any officer or director of the Association.

16.2 Limitation of Liability for Utility Failure and Other Claims. Except to the extent covered by insurance obtained by the Board, neither the Association, the Board, the Managing Agent, nor the Declarant shall be liable for the failure of any utility or other service. No diminution or abatement of Assessments shall be claimed or allowed for any such utility or service failure, or for such injury or damage, or for such inconvenience or discomfort.

16.3 No Personal Liability. So long as a Board member, the Declarant or the Managing Agent has acted in good faith, without willful or intentional misconduct, upon the basis of such information as is then possessed by such person, no such person shall be personally liable to any Owner, or to any other person, including the Association, for any damage, loss, or prejudice suffered or claimed on account of any act, omission, error, or negligence of such person.

ARTICLE 17. INDEMNIFICATION

Each Board member, Association officer and the Declarant shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by, or imposed in connection with any proceeding to which such person may be a party, or in which such person may become involved, by reason of holding or having held such position, or any settlement thereof.

ARTICLE 18. ASSOCIATION DISPUTE RESOLUTION.

18.1 Policy. The policy of this provision is to reduce the costs associated with litigation and to provide for a matter of dispute resolution that brings promptness and finality to decisions.

18.2 Small Claims. The provisions of this ARTICLE 18 shall not apply to Legal Proceedings wherein the Association could not spend more than Five Thousand Dollars (\$5,000), including fees for attorneys, experts, witnesses, investigations, and other costs of suit.

18.3 Conditions That Must Be Met Prior to Litigation. In order for the Association or the Board acting on behalf of the Association to institute, defend, or intervene in Legal Proceedings, and in order for the Association to become obligated to spend in excess of Five Thousand Dollars (\$5,000) to professionals, consultants, or other experts in connection with Legal Proceedings, the following conditions must first be satisfied:

18.3.1 The Board has received a detailed written summary (Litigation Summary) concerning the substance of the proceeding, including: (i) agreements with lawyers, experts and consultants and issues involved; (ii) legal and factual basis of anticipated allegations on behalf of and against the Association; (iii) remedies to be sought on behalf of and against the Association; (iv) estimated amount to be sought on behalf of (and that could be sought from) the Association; (v) Association's estimated costs of suit and any third party costs of suit that the Association would pay if the Association does not prevail; (vi) reports and recommendations by any professionals or consultants retained by the Association; (vii) any written demands

or settlement offers made by an opposing party; and (viii) any negative consequences that the Association, Plat Community or Owners could suffer during such proceedings including required disclosures to prospective purchasers, impediments to Lot refinancing, or diminishment of Lot value.

18.3.2 If the proceeding will involve a claim against the Declarant (or Declarant's contractor, subcontractors, vendors, suppliers or other professionals) concerning construction defects or other condition of the Plat Community, the Litigation Summary will also include: a description of the construction defects or other condition (which shall also have been transmitted to the Declarant); and any written response from the Declarant concerning such defects (including any offer to settle by performing remedial work, payment of cash or a combination of both).

18.3.3 A copy of the Litigation Summary shall be transmitted to all Owners, together with a written notice of the Owner's right of access to the Books and Records of the Association as provided in Section 12.5, and a written notice of a special Owners' meeting to be convened as provided in this Declaration, at which meeting the Declarant and its representatives shall be entitled to attend and participate in on a non-voting basis if Declarant no longer owns Lots.

18.3.4 The owners holding Seventy Percent (70%) of the total Association voting power must grant approval for the Association (or the Board acting on behalf of the Association) to institute, defend, or intervene in legal proceedings; provided, that under no circumstances may legal proceedings be commenced against Declarant (or Declarant's contractor, subcontractors, vendors, suppliers or other professionals) with respect to any alleged construction defect or other condition which Declarant has agreed in writing to remedy and is proceeding with reasonable due diligence to do so.

18.4 Mediation. If a dispute arises, the parties agree to resolve all disputes by the following alternate dispute resolution process: (a) the parties will seek a fair and prompt negotiated resolution, but if this is not successful, (b) all disputes shall be resolved by binding arbitration; provided that, during this process, (c) at the request of either party made not later than Forty-five (45) days after the initial arbitration demand, the parties will attempt to resolve any dispute by nonbinding mediation (but without delaying the arbitration hearing date). The parties confirm that by agreeing to this alternate dispute resolution process, they intend to give up their right to have any dispute decided in court by a judge or jury.

18.5 Binding Arbitration. Any claim, except a claim involving an action for judicial or nonjudicial foreclosure of the Association's lien for assessments between or among any parties subject to this Declaration (including without limitation, the Declarant, Association, Board or officers, Lot Owners, or their employees or agents)

arising out of or relating to this Declaration, a Lot or Lots, the Plat Community or the Association, shall be determined by Arbitration in Skagit County, Washington commenced in accordance with RCW 7.04.050. The total award by a single arbitrator (as opposed to a majority of the arbitrators) shall not exceed Fifty Thousand Dollars (\$50,000.00), including interest, attorneys' fees, and costs. If any party demands a total award greater than \$50,000, there shall be Three (3) neutral arbitrators. If the parties cannot agree on an arbitrator(s) within Ten (10) days of the arbitration demand, the arbitrators shall be appointed by a Commissioner of the Skagit County Superior Court. Each arbitrator shall be an attorney with at least Ten (10) years' experience in commercial or real estate Law. Whether a claim is covered by this Article shall be determined by the arbitrators. All statutes of limitations which would otherwise be applicable shall apply to any arbitration proceeding hereunder.

18.6 Hearing--Law--Appeal Limited. The arbitrators shall take such steps as may be necessary to hold a private hearing within Ninety (90) days of the initial demand for arbitration and to conclude the hearing within Three (3) days; and the arbitrators' written decision shall be made not later than Fourteen (14) calendar days after the hearing. The parties have included these time limits in order to expedite the proceeding, but they are not jurisdictional, and the arbitrators may for good cause afford or permit reasonable extensions or delays, which shall not affect the validity of the award. The written decision shall contain a brief statement of the claim (s) determined and the award made for each claim. In making the decision and award, the arbitrators shall apply applicable substantive law. Absent fraud, collusion or willful misconduct by an arbitrator, the award and decision shall be final, and the judgment may be entered in any court having jurisdiction thereof. The arbitrators may award injunctive relief or any other remedy available from a judge, including without limitation joinder of parties or consolidation of this arbitration with any other involving common issues of law or fact or which may promote judicial economy; but shall not have the power to award punitive or exemplary damages; or to award attorneys' fees and costs in excess of \$10,000 to the prevailing party. The decision and award of the arbitrators need not be unanimous; rather, the decision and award of the arbitrator when there is one (1) arbitrator or two (2) arbitrators when there is a panel of three (3) arbitrators shall be final.

18.7 Warranty Dispute Resolution. In the event Declarant has issued a warranty of quality to the initial purchasers of Lots, and such warranty contains provisions governing the making of claims and governing the resolution of disputes, then the provisions of such warranty shall control over the provisions of this Article with respect to all express and implied warranty claims (including, without limitation, the Washington Uniform Common Interest Ownership Act implied warranties) involving Lots and Common Elements (regardless of whether the Lot Owner, Association or Board is asserting the claim).

ARTICLE 19. INSURANCE

19.1 General Requirements. The Association shall maintain a commercial general liability insurance policy or policies to insure the Board, the Association, the Owners, and the Declarant in the Plat Community. Each Lot Owner shall obtain property insurance for his or her individual Lot and all improvements located on the Lot.

19.2 Property Insurance: Deductible. The property insurance shall, at the minimum and subject to such reasonable deductible as the Board may determine, provide all risk or special cause of loss coverage in an amount equal to the full replacement cost of the Common Elements.

19.3 Commercial General Liability Insurance. The liability insurance coverage shall insure the Board, the Association, the Owners and the Declarant and cover all of the Common Elements in the Plat Community with a Severability of Interest Endorsement or equivalent coverage which would preclude the insurer from denying the claim of an Owner because of the negligent acts of the Association or of another Owner, and shall cover liability of the insureds for property damage and bodily injury and death of persons arising out of the operation, maintenance, and use of the Common Elements, host liquor liability, employers' liability insurance, automobile liability insurance, and such other risks as are customarily covered with respect to residential Plat Community projects of similar construction, location and use. The limits of liability shall be in amounts generally required by Mortgagees for projects of similar construction, location, and use, but shall be at least \$1,000,000 combined single limit for bodily injury and property damage per occurrence and \$2,000,000 general aggregate.

19.4 Fidelity Bonds. The Association shall maintain fidelity bonds naming anyone who either handles or is responsible for funds that it holds or administers, whether or not that individual receives compensation for services, including coverage for a managing agent. The bonds shall be at least in an amount equal to three (3) months aggregate Assessments for all Lots plus reserves, in the custody of the Association at any given time during the term of each bond.

19.5 Insurance Trustee, Power of Attorney. The named insured under the policies shall be the Association, as trustee for each of the Owners in accordance with their respective interests in the Common Elements. The insurance proceeds may be made payable to any trustee with which the Association enters into an insurance trust agreement, or any successor trustee, who shall have exclusive authority to negotiate losses under the policies. Lot Owners and lienholders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds

after the Property has been completely repaired or restored or the Plat Community is terminated. Each Owner appoints the Association, or any insurance trustee or successor trustee designated by the Association, as attorney-in-fact for the purpose of purchasing and maintaining such insurance, including the collection and appropriate disposition of the proceeds thereof, the negotiation of losses and execution of releases of liability, the execution of all documents and the performance of all other acts necessary to accomplish such purposes.

19.6 Owners' Individual Insurance. Each Lot Owner shall obtain issuance for his individual Lot and all improvements located on the Lot. An insurance policy issued to the Association does not prevent an Owner from obtaining insurance for the Owner's own benefit.

19.7 Use of Insurance Proceeds. Any portion of the Plat Community for which insurance is required under this Article which is damaged or destroyed shall be repaired or replaced promptly by the Association pursuant to ARTICLE 20 unless (a) the Plat Community is terminated; (b) repair or replacement would be illegal under any state or local health or safety statute or ordinance; or (c) the Owners, by unanimous vote, elect not to rebuild. The cost of repair or replacement in excess of the deductible, insurance proceeds and reserves are a Common Expense. The Lot Owner shall be responsible for the amount of the deductible applicable to damage or loss within the Owner's Lot.

ARTICLE 20.

DAMAGE AND REPAIR OF DAMAGE TO PROPERTY

20.1 Initial Board Determination. In the event of damage to any property covered by the Association's insurance policy, the Board shall promptly, and in all events within Sixty (60) days after the date of damage, make the following determinations with respect thereto:

20.1.1 The nature and extent of the damage.

20.1.2 An estimate of the cost to repair the damage based upon two or more firm bids obtained from responsible contractors.

20.1.3 The expected insurance proceeds, if any, to be available from insurance covering the loss based on the amount paid or initially offered by the insurer.

20.1.4 The amount, if any, by which the estimated cost of repair exceeds the expected insurance proceeds and the amount of the Assessments to be made against the Lot owners.

20.2 Notice of Damage. The Board shall file a proof of loss statement with the insurance company in accordance with the requirements of the insurance policy. The Board shall then provide each Owner with a written notice describing the damage and summarizing the initial Board determinations.

20.3 Execution of Repairs. If the Members, by unanimous vote decide to repair the damage, the board shall proceed as follows:

20.3.1 The Board shall promptly repair the damage and use the available insurance proceeds. If the cost of repair exceeds the amount of the available insurance proceeds, the Board shall impose Assessments against all Lots in proportion to their Common Expense Liabilities in an aggregate amount sufficient to pay the excess costs and the deductibles to the extent not covered by reserves.

20.3.2 The Board shall have the authority to employ architects and engineers, advertise for bids, let contracts to contractors and others, and take such other action as is reasonably necessary to make the repairs. Contracts for the repair work shall be awarded when the Board, by means of insurance proceeds and sufficient Assessments, has provided for paying the cost. The Board may authorize the insurance carrier to make the repairs if the Board is satisfied that the work will be done satisfactorily, and if such authorization does not contravene any insurance trust agreement or requirement of law.

20.3.3 The Board may enter into a written agreement with a reputable financial institution or trust or escrow company that the institution or company shall act as an insurance trustee to adjust and settle any claim for casualty loss in excess of \$50,000, or for the institution or company to collect the insurance proceeds and carry out the provisions of this Article.

20.4 Effect of Decision Not to Repair. In the event of a decision not to repair the damage, the Board may nevertheless expend so much of the insurance proceeds and common funds as the Board deems reasonably necessary for emergency work (which emergency work may include but is not necessarily limited to removal of the damaged improvements and clearing, filling, and grading the land), and the remaining funds, if any, and the Property shall thereafter be held and distributed as provided by the Act.

ARTICLE 21. CONDEMNATION

21.1 Consequences of Condemnation; Notices. If any Lot or portion thereof or the Common Elements or Limited Common Elements or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is

otherwise sought to be acquired by a condemning authority, notice of the proceeding or proposed acquisition shall promptly be given to each Owner and Mortgagee and the provisions of this Article shall apply.

21.2 Condemnation of a Lot. If a Lot is acquired by condemnation, the proceeds from the condemnation of a Lot shall be paid to the Owner or lienholder of the Lot, as their interests may appear. Upon acquisition, unless the decree otherwise provides, that Lot's Allocated Interests are automatically reallocated to the remaining Lots in proportion to the respective Allocated Interests of those Lots before the taking, and the Association shall promptly prepare, execute, and record an amendment to this Declaration reflecting the reallocations.

21.3 Condemnation of Common Element or Limited Common Element. If part of the Common Elements is acquired by condemnation the portion of the award attributable to the Common Elements taken shall be paid to the Association. If part of a Limited Common Element is acquired by condemnation, the award attributable to the Limited Common Element must be equally divided among the Owners of the Lots to which that Limited Common Element was allocated at the time of acquisition.

21.4 Reconstruction and Repair. Any reconstruction and repair necessitated by condemnation shall be paid from the condemnation award prior to the distribution of funds to any owner or lien holder.

21.5 Votes and Eligible Mortgagees Any restoration or repair of the Plat Community after a partial condemnation or damage due to an insurable hazard shall be substantially in accordance with the declaration and the original plans and specifications unless the approval of the eligible holders of first mortgages on Lots to which at least 51% of the votes of Lots subject to mortgages held by such eligible holders are allocated, is obtained. (2) Any election to terminate the Plat Community after substantial destruction or a substantial taking in condemnation of the Plat Community Property must require the approval of the eligible holders of first mortgages on Lots to which at least 51% of the votes of Lots subject to mortgages held by such eligible holders are allocated. (3) Unless the formula for reallocation of interests in the Common Elements after a partial condemnation or partial destruction of the Plat Community project is fixed in advance by the Declaration or by applicable law, no reallocation of interests in the Common Elements resulting from a partial condemnation or partial destruction of the Plat Community project may be effected without the approval of the eligible holders of first mortgages on Lots to which at least 51% of the votes of Lots subject to mortgages held by such eligible holders are allocated.

ARTICLE 22.
MORTGAGEE PROTECTION

22.1 Change in Manager. In the event that professional management is employed by the Association, at least Thirty (30) days' notice of any contemplated change in the professional manager shall be given to any Eligible Mortgagee. The Association shall not elect to terminate professional management and assume self-management without the unanimous consent of the Owners and of all Eligible Mortgagees; provided that, such prior consent shall not be required to change from one professional manager to another professional manager.

22.2 Abandonment of Plat Community Status. Except when acting pursuant to the provisions of the Act involving damage, destruction, or condemnation, the Association shall not without the consent of at least Eighty percent (80%) of the Owners and of all Eligible Mortgagees of the Owners of record of the Lots, seek by act or omission to either (a) abandon or terminate the Plat Community status of the project or (b) abandon, encumber, sell or transfer any of the Common Elements.

22.3 Partitions and Combinations. The Association shall not combine nor subdivide any Lot or the appurtenant Limited Common Elements, nor abandon, partition, subdivide, encumber, or sell any Common Elements, or accept any proposal so to do, without the prior written approval of at least Eighty percent (80%) of the Eligible Mortgagees and the Lot Owners.

22.4 Change in Percentages. The Association shall not make any amendment to this Declaration or Bylaws (including changes in the percentages of interest in the Common Elements) without the approval of at least Ninety percent (90%) of the Eligible Mortgagee and Owners of the Lots.

22.5 Copies of Notices. A Mortgagee of a Lot (and any insurer or guarantor of such Mortgage) shall be entitled to receive timely written notice: (a) that the Owner's Mortgagor of the Lot has for more than Sixty (60) days failed to meet any obligation under the Plat Community documents; (b) of all meetings of the Association and be permitted to designate a representative to attend all such meetings; (c) of any condemnation loss or casualty loss affecting a material portion of the Property or the Lot on which it holds a Mortgage; (d) of any lapse, cancellation or material modification of insurance policies or fidelity bonds maintained by the Association; and (e) of any proposed action that requires the consent of a specified percentage of Mortgagees. To be entitled to receive notices under this Section the Mortgagee (or Mortgage insurer or guarantor) must send a written request to the Association stating both its name and address and the Lot number or address of the Lot on which it has (or insures or guaranties) the Mortgage.

22.6 Effect of Declaration Amendments. No amendment of this Declaration shall be effective to modify change, limit or alter the rights expressly conferred upon Mortgagees in this instrument with respect to any unsatisfied Mortgage duly recorded unless the amendment shall be consented to in writing by the holder of such Mortgage. Any provision of this Declaration conferring rights upon Mortgagees which is consistent with any other provision of said Declaration or the Bylaws shall control over such other inconsistent provisions.

22.7 Inspection of Books. Owners, Mortgagees, insurers and guarantors of any Mortgage on any Lot shall be entitled to inspect at all reasonable hours of weekdays (or under other reasonable circumstances) all of the books and records of the Association including current copies of this Declaration, Bylaws and other rules governing the Plat Community, and other books, records and financial statements of the Owners' Association (within a reasonable time following request); and, upon written request of any holder, insurer or guarantor of any Mortgage at no cost of the party so requesting to receive an annual audited financial statement of the Association within Ninety (90) days following the end of any fiscal year of the Association if the Association elects to prepare audited financial statements.

22.8 Response to Notice. Whenever the consent or prior written approval of a Mortgagee is required by the terms of this Declaration, it shall be deemed given by a Mortgagee who fails to respond in writing within Thirty (30) days of a written notice describing the matter subject to such consent or approval if such notice was delivered by certified or registered mail with a return receipt requested.

ARTICLE 23.

PROCEDURES FOR SUBDIVIDING OR ALTERING LOTS

23.1 Residential Lots. No Lot shall be subdivided either by agreement or legal proceedings, except under such terms and conditions as may be approved by the Board or through exercise of Development Rights unless prohibited by law.

23.2 Relocation of Boundaries between Adjoining Lots. The boundaries between adjoining Lots may only be relocated if not prohibited by law. Such relocation may be affected by an amendment to the Declaration and only with the approval of the Board under such terms and conditions as the Board shall require. All costs, including reasonable attorneys' fees, incurred by the Association for preparing and recording amendments to the Declaration and Map under this section must be assessed to the Lot, the boundaries of which are being relocated. This section does not apply to the Declarant's exercise of any Development Right to subdivide or combine a Lot previously created.

ARTICLE 24.
AMENDMENT OF DECLARATION, SURVEY MAP AND PLANS,
ARTICLES OR BYLAWS

24.1 Procedures. Except in cases of amendments that may be executed by the Declarant under the Declaration or the Act, the Declaration, the Survey Map and Plans, the Articles and the Bylaws may be amended only by agreement of at least Sixty-Seven percent (67%) the Owners and Mortgagees. Upon the adoption of an amendment and the obtaining of any necessary consents of Eligible Mortgagees as provided below, amendment to the Declaration or the Survey Map and Plans will become effective when it is recorded or filed in the real property records in Skagit County. An amendment to the Articles shall be effective upon filing the amendment with the Secretary of State. An amendment to the Bylaws shall be effective upon adoption. The Rules and Regulations may be amended by the Board and shall become effective upon the date of adoption.

24.2 Limitations on Amendments. No amendment may restrict, eliminate, or otherwise modify any Special Declarant Right provided in the Declaration without the consent of the Declarant and any mortgagee of record with a security interest in the Special Declarant Right or in any real property subject thereto.

ARTICLE 25.
TERMINATION OF PLAT COMMUNITY

25.1 Termination by Agreement. Except as provided in ARTICLE 20 or ARTICLE 21, the Plat Community may be terminated only by the consent of at least Eighty percent (80%) of the Owners and in accordance with the Act.

25.2 Judicial Termination.

25.2.1 If substantially all the Lots in the Plat Community have been destroyed or abandoned or are uninhabitable and the available methods for giving notice under RCW 64.90.515 of a meeting of Lot owners to consider termination under RCW 64.90.290 will not likely result in receipt of the notice, the board or any other interested person may commence an action seeking to terminate the Plat Community in the superior court for any county in which a portion of the Plat Community is located. If any portion of the Plat Community is located in a county other than the county in which the action is commenced, the person commencing the action must record a copy of the judgment in the other county.

25.2.2 During the pendency of the action, the court may issue whatever orders it considers appropriate, including appointment of a receiver. After a hearing, the court may terminate the Plat Community or reduce its size and may issue any

other order the court considers to be in the best interest of the Lot owners and persons holding an interest in the Plat Community.

ARTICLE 26. NOTICES

26.1 Form and Delivery of Notice.

26.1.1 Tangible Notice. Notices given in a tangible medium under the provisions of this Declaration or the Bylaws or rules or regulations of the Association shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, the notice shall be deemed to have been delivered upon being deposited in the United States mail, first class postage prepaid, addressed to the person entitled to such notice at the most recent address known to the Board. Notice to the Owner of any Lot shall be sufficient if mailed to the Lot if no other mailing address has been given to the Board. Mailing addresses may be changed by notice in writing to the Board. Notices to the Board shall be given to the Declarant until the Transition Date, and thereafter shall be given to the Association President or Secretary.

26.1.2 Electronic Notice. Notice to Lot owners or board members by electronic transmission is effective only upon Lot owners and board members who have consented, in the form of a record, to receive electronically transmitted notices Section and have designated in the consent the address, location, or system to which such notices may be electronically transmitted, provided that such notice otherwise complies with any other requirements of the Act and applicable law. A Lot owner or board member who has consented to receipt of electronically transmitted notices may revoke this consent by delivering a revocation to the Association in the form of a record. The consent of any Lot owner or board member is revoked if the Association is unable to electronically transmit Two (2) consecutive notices given by the Association in accordance with the consent, and this inability becomes known to the secretary of the Association or any other person responsible for giving the notice. The inadvertent failure by the Association to treat this inability as a revocation does not invalidate any meeting or other action. Notice to Lot owners or board members who have consented to receipt of electronically transmitted notices may be provided by posting the notice on an electronic network and delivering to the Lot owner or board member a separate record of the posting, together with comprehensible instructions regarding how to obtain access to the posting on the electronic network. Notice to the Association in an electronic transmission is effective only if the Association has designated in a record an address, location, or system to which the notices may be electronically transmitted.

26.2 Notices to Eligible Mortgagees. An Eligible Mortgagee is a Mortgagee that has filed with the Secretary of the Board a written request that it be given copies

of the notices listed below. The request must state the name and address of the Eligible Mortgagee and the Identifying Number or address of the Lot on which it has (or insures or guarantees) a Mortgage. Until such time thereafter that the Eligible Mortgagee withdraws the request or the mortgage held, insured or guaranteed by the Eligible Mortgagee is satisfied, the Board shall send to the Eligible Mortgagee timely written notice of (a) any proposed amendment of the Declaration or Survey Map and Plans effecting a change in (i) the boundaries of a Lot, (ii) the exclusive easement rights, if any, appertaining to any Lot, (iii) the interest in the Common Elements or the liability for Common Expenses of any Lot, (iv) the number of votes in the Association allocated to any Lot, or (v) the purposes to which a Lot or the Common Elements or Limited Common Elements are restricted; (b) any proposed termination of Plat Community status, transfer of any part of the Common Elements, or termination of professional management of the Plat Community; (c) any condemnation loss or casualty loss that affects a material portion of the Plat Community or that affects any Lot on which an Eligible Mortgagee has a first mortgage; (d) any delinquency which has continued for Sixty (60) days in the payment of Assessments or charges owed by an Owner of a Lot on which an Eligible Mortgagee had a mortgage; (e) any lapse, cancellation, or material modification of any insurance policy maintained by the Association pursuant to ARTICLE 19; and (f) any proposed action that would require the consent of a specified percentage of Eligible Mortgagees pursuant to this Declaration. A request for notice shall be effective for a period of three years after which it must be renewed.

ARTICLE 27.

ASSIGNMENT BY DECLARANT

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

ARTICLE 28.

INTERPRETATION

28.1 Liberal Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of this Project under the provisions of Washington law. It is intended and covenanted also that, insofar as it affects this Declaration and Plat Community, the provisions of the Act under which this Declaration is operative shall be liberally construed to effectuate the intent of this Declaration insofar as reasonably possible.

28.2 Consistent with Act. The terms used herein are intended to have the same meaning given in the Act unless the context clearly requires otherwise or to so define the terms would produce an illegal or improper result.

28.3 Covenant Running with Land. It is intended that this Declaration shall be operative as a set of covenants running with the land, or equitable servitudes, binding on Declarant, its successors and assigns, all subsequent owners of the Property, together with their grantees, successors, heirs, executors, administrators, devisees or assigns, supplementing and interpreting the Act, and operating independently of the Act should the Act be, in any respect, inapplicable.

28.4 Percentage of Owners and Mortgagees. For purposes of determining the percentage of Owners or Mortgagees, or percentage of voting power for, approving a proposed decision or course of action in cases where an owner owns, or a Mortgagee holds Mortgages on, more than one Lot, such Owner shall be deemed a separate Owner for each such Lot so owned and such Mortgagee shall be deemed a separate Mortgagee for each such first Mortgage so held.

28.5 Declarant Is Original Owner. Declarant is the original owner of all Lots and Property and will continue to be deemed the owner thereof except as conveyances or documents changing such ownership regarding specifically described Lots are recorded.

28.6 Captions and Exhibits. Captions given to the various Articles and Sections herein are for convenience only and are not intended to modify or affect the meaning of any of the substantive provisions hereof. The various exhibits referred to herein and attached hereto shall be deemed incorporated herein by reference as though fully set forth where such reference is made.

28.7 Inflationary Increase in Dollar Limits. The dollar amounts specified in this Declaration in connection with any proposed action or decision of the Board or Association may, in the discretion of the Board, be increased proportionately by the increase in the Consumer Price Index for the City of Seattle, Washington For All Urban Consumers, prepared by the United States Department of Labor for the base period, January 1, of the calendar year following the year in which the Declaration was recorded, to adjust for any deflation in the value of the dollar.

ARTICLE 29.


SERVICE OF PROCESS.

Process may be served upon the Registered Agent of the Association. The address of the Registered Agent is John Lund, 1650 River Walk Ln, Burlington, WA 98233.

This Declaration shall take effect upon recording.

Dated this 7th day of July, 2022.

River's Edge Skagit Homeowners Association

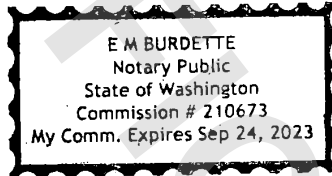


By: Ronald McHenry

Its: President

STATE OF WASHINGTON)
)
COUNTY OF SKAGIT)

This record was acknowledged before me on July 7, 2022 by Ronald McHenry as President of the River's Edge Skagit Owners Association.



E M Burdette
Notary Public in and for the state of Washington
My Commission expires: 9.24.2023

**AMENDED AND RESTATED
BYLAWS OF
RIVER'S EDGE
OWNER'S ASSOCIATION**

The following are the Bylaws of River's Edge Skagit Homeowners Association, a corporation organized under the Washington Nonprofit Corporation Act (RCW 24.03, the "Nonprofit Corporation Act"). These Bylaws provide for operation of River's Edge, (the "Plat Community") located in Skagit County, Washington, which was created pursuant to the Washington Uniform Common Interest Ownership Act (RCW 64.90, the "Act"). These Bylaws apply to the entire Plat Community, each Lot therein, all Common Elements, and. Limited Common Elements. Each Lot Owner automatically, by virtue of such ownership, becomes a member of the Association. All present and future Owners, Mortgagees and other Mortgagors, lessees, tenants, licensees, and occupants of Lots, and their guests and employees, and any other person who may use the Plat Community facilities are subject to these Bylaws, the Plat Community Declaration for River's Edge, a Plat Community, as it may from time to time be amended (the "Declaration") and the Plat Community rules and regulations.

Words and phrases that are defined in the Declaration shall have the same meaning in these Bylaws.

**ARTICLE 1.
MEMBERSHIP AND VOTING**

Section 1.1 Membership. The Plat Community Lot Owners shall constitute the River's Edge Skagit Homeowners Association. Corporations, partnerships, associations, and other legal entities, trustees under an express trust, and other fiduciaries, as well as natural persons, may be Association members. Owners of a Lot as joint tenants, tenants in common, Community property, or other ownership involving more than one Owner, shall be joint Association members, but the sum total of their vote shall not exceed the voting power allocated to the Lots owned.

Section 1.2 Number of Votes. The total voting power of the Association equals 35 votes and each Lot Owner shall be entitled to one vote. In the event of multiple owners of a single Lot, the owners shall designate their voting representative. Fractional voting will not be allowed.

Section 1.3 Voting Representative. An Owner may, by written notice to the Board, designate a voting representative for the Lot for the purpose of voting at any regular or special Lot Owners meeting. The voting representative need not be an Owner. The designation may be revoked at any time by written notice to the Board

from a person having an ownership interest in a Lot, or by actual notice to the Board of the death or judicially declared incompetence of any person with an ownership interest in the Lot, except in cases in which the person designated is a Mortgagee of the Lot. This power of designation and revocation may be exercised by the guardian of an Owner, the attorney-in-fact of the Owner under a durable power of attorney, or the administrators or executors of an Owner's estate. If no designation has been made, or if a designation has been revoked and no new designation has been made, the voting representative of each Lot shall be the group composed of all of its Owners. If a Lot is owned by husband and wife and only one of them is at a meeting, the one who is present will represent the marital Community.

ARTICLE 2.

MEETINGS OF MEMBERS

Section 2.1 Place. Association Member meetings shall be held at such suitable place as may be convenient to the membership and designated from time to time by the Board.

Section 2.2 Annual Meeting. The annual meeting of the Association shall be held in August of each year. At such annual meeting, the Owners shall transact such business as shall properly come before the meeting.

Section 2.3 Budget Meeting. Within Thirty (30) days after adoption of any proposed budget for the Association, the Board shall provide a copy of the budget to all of the members and set a date for a meeting of the members to consider ratification of the budget, which date shall be not less than Fourteen (14) nor more than Fifty (50) days after mailing the proposed budget. Unless at that meeting the Lot owners of Lots to which a majority of the votes in the association are allocated reject the budget, the budget and the assessments against the Lots included in the budget are ratified, whether or not a quorum is present. In the event the proposed budget is rejected or the required notice for the meeting is not given, the budget last ratified by the Owners shall be continued until a budget proposed by the Board is ratified.

Section 2.4 Special Meeting. A special meeting of the Association may be called by the president, by resolution of the Board, or upon the written request of a majority of the Board on not less than Fourteen (14) nor more than Fifty (50) days' notice in advance of the meeting. No business shall be transacted at a special meeting except as stated in the notice given there for unless consented to by each of the Owners present either in person or by proxy.

Section 2.5 Notice of Meeting.

Section 2.5.1 Tangible Notice. The secretary shall give notice of each annual, budget, and special meeting. Such notice shall be hand-delivered or sent prepaid by first class United States mail to the mailing address of each Lot Owner or to any other mailing address designated in writing by the Lot Owner, to each member of the Association and to each Eligible Mortgagee, if required by the Declaration. The notice of any meeting shall state the time and place of the meeting and the items on the agenda to be voted on by the members, including the general nature of any proposed amendment to the Declaration or Bylaws, changes in the previously approved budget that result in a change in Assessment obligations, and any proposal to remove a director or officer. Before any meeting of the Association, any member may, in writing, waive notice of such meeting. Attendance by a member at a meeting of the Association shall be a waiver by him of timely and adequate notice unless he expressly challenges the notice when the meeting begins.

Section 2.5.2 Electronic Notice. Notice to Lot owners or board members by electronic transmission is effective only upon Lot owners and board members who have consented, in the form of a record, to receive electronically transmitted notices and have designated in the consent the address, location, or system to which such notices may be electronically transmitted, provided that such notice otherwise complies with any other requirements of the Act and applicable law. A Lot owner or board member who has consented to receipt of electronically transmitted notices may revoke this consent by delivering a revocation to the Association in the form of a record. The consent of any Lot owner or board member is revoked if the Association is unable to electronically transmit two (2) consecutive notices given by the Association in accordance with the consent, and this inability becomes known to the secretary of the Association or any other person responsible for giving the notice. The inadvertent failure by the Association to treat this inability as a revocation does not invalidate any meeting or other action. Notice to Lot owners or board members who have consented to receipt of electronically transmitted notices may be provided by posting the notice on an electronic network and delivering to the Lot owner or board member a separate record of the posting, together with comprehensible instructions regarding how to obtain access to the posting on the electronic network. Notice to the Association in an electronic transmission is effective only if the Association has designated in a record an address, location, or system to which the notices may be electronically transmitted.

Section 2.6 Voting. Except as otherwise provided by the Act by the Declaration, or by these Bylaws, passage of any matter submitted to vote at a meeting where a quorum is present, shall require the affirmative vote of Two-thirds (2/3) of the Lot Owners. A quorum is present at any meeting of the Lot Owners if persons

entitled to cast ten percent (10%) of the votes are present or have voted by absentee ballot.

Section 2.7 Order of Business. The order of business at Association meetings shall be as follows unless dispensed with on motion:

- a) Roll call;
- b) Proof of notice of meeting or waiver of notice;
- c) Minutes of preceding meeting;
- d) Unfinished business;
- e) New business;
- f) Adjournment.

ARTICLE 3. BOARD OF DIRECTORS

Section 3.1 Number, Term and Qualifications. The affairs of the Association shall be governed by a Board of directors which shall be elected by the Lot Owners at the Association annual meeting. The Board Members shall be nominated by the Members and elected by the Members. The Board shall consist of at least Three (3) members, all of which shall be Members.

Section 3.2 Powers and Duties. The Board shall have the powers and duties provided for the Plat Community administration as set forth in the Act and in the Declaration, and all other power necessary for the administration of the Association's affairs and may do all such acts and things as are not prohibited by statute or by the Declaration. The Board of Directors shall act in all instances on behalf of the Association. In the performance of their duties, the Officers and Directors are required to exercise: (a) If appointed by the Declarant, the care required of fiduciaries of the Lot owners; or (b) if elected by the Lot owners, ordinary and reasonable care.

Section 3.3 Compensation. No compensation shall be paid to Directors for their services as directors.

Section 3.4 Regular Meetings. Regular Board meetings may be held at such time and place as shall be determined from time to time by a majority of the Directors, but at least one such meeting shall be held during each fiscal year. Notice of regular

Board meetings shall be given to each Director personally or by mail, telephone, or email, at least five (5) days before the meeting day.

Section 3.5 Special Meeting. Special Board meetings may be called by the President on Three (3) days' notice to each Director, given personally or by mail, telephone, or email, which notice shall state the time, place, and purpose of the meeting. Special Board meetings shall be called by either the President or Secretary in like manner and on like notice on the written request of any Director.

Section 3.6 Board Voting. A board member who is present at a board meeting at which any action is taken is presumed to have assented to the action taken unless the board member's dissent or abstention to such action is lodged with the person acting as the secretary of the meeting before adjournment of the meeting or provided in a record to the secretary of the association immediately after adjournment of the meeting. The right to dissent or abstain does not apply to a board member who voted in favor of such action at the meeting.

Section 3.7 Waiver of Notice. Before any Board meeting, any director may, in writing, waive notice of such meeting. Attendance by a director at any Board meeting shall be a waiver by him of timely and adequate notice unless he expressly challenges the notice when the meeting begins. If all directors are present at any Board meeting, no notice shall be required and any business may be transacted at the meeting.

ARTICLE 4 **OFFICERS**

Section 4.1 Designation. The principal officers of the Association shall be a president, a vice president, a secretary/treasurer, all of whom shall be elected by and from the Board. Two or more offices may be held by the same person, except that a person may not hold the offices of president and secretary simultaneously.

Section 4.2 Election of Officers. The officers of the Association shall be elected to hold office as follows at the annual the Board meeting:

The first President shall serve a two-year term. Thereafter the office of President shall be held for a three-year term.

The first Vice President shall serve a one-year term. Thereafter the office of Vice President shall be held for a three-year term.

The office of Treasurer/Secretary shall be held for a three-year term.

Section 4.3 President. The president shall be the chief executive officer of the Association. The president shall preside at all meetings of the Association and of the

Board and shall have all powers and duties usually vested in the office of the President.

Section 4.4 Vice President. The vice president shall perform the duties of the president when the President is absent or unable to act, and shall perform such other duties as may be prescribed by the Board.

Section 4.5 Secretary. The Secretary shall keep all meeting minutes and shall have custody of the Association business records other than financial records kept by the treasurer. The Secretary may prepare, execute, certify and record amendments to the Declaration on behalf of the Association. The Secretary shall also perform such other duties as may be prescribed by the Board.

Section 4.6 Treasurer. The Treasurer shall have responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all Association receipts and disbursements.

Section 4.7 Other Officers and Employee. Other Association officers, and any persons employed to assist the officers, shall have such authority and shall perform such duties as the Board may prescribe within the provisions of the applicable statutes, the Declaration, and these Bylaws.

Section 4.8 Standard of Care. In the performance of their duties, the Officers are required to exercise: (a) If appointed by the Declarant, the care required of fiduciaries of the Lot owners; or (b) if elected by the Lot owners, ordinary and reasonable care.

ARTICLE 5.

HANDLING OF FUNDS

Section 5.1 Accounts. The Association shall establish the necessary funds or accounts to provide properly for the operation and maintenance of the Plat Community.

Section 5.2 Combination and Deposit or Investment of Funds. All Association funds shall be kept in accounts or deposits that are insured by agencies of the United States. The Association funds shall not be commingled with the funds of any other association or with the funds of any Association manager.

ARTICLE 6.

KEEPING RECORDS AND REPORTS

The Board shall keep complete, detailed, and accurate books and records in a form that complies with generally accepted accounting principles. The books and records, authorizations for payment of expenditures, and all contracts, documents, papers, and other records shall be available for examination by the Owners, Mortgagees, and the agents or attorneys of either of them, during normal business hours and at any other reasonable time or times.

ARTICLE 7

INDEMNIFICATION OF DIRECTORS AND OFFICERS

Each Director or Officer now or hereafter serving the corporation and the respective heirs, executors and administrators of each of them, shall be indemnified by the Corporation against all costs, expenses, judgments and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him or her in connection with or resulting from any action or suit, civil or criminal, in which he or she is or may be made a party by reason of his being or having been such director or officer, or by reason of his action alleged to have been taken or omitted by him or her as such director or officer, whether or not he or she is a director or officer at the time of incurring such costs, expenses, judgments and liabilities, except in relation to matters as to which he or she shall be finally adjudged, without right of further appeal in such action, suit or proceedings, to have been liable for willful misconduct in the performance of his or her duty as such director or officer. Such indemnification shall be made with respect to adjudications other than on the merits and shall extend to settlement and compromises. The foregoing right of indemnification shall not be exclusive of other rights to which such director or officer may be entitled as a matter of law.

ARTICLE 8

AMENDMENT TO BYLAWS

These Bylaws may be amended, altered, or repealed at any regular or special meeting of the Members if notice of the proposed alteration or amendment is contained in the notice of the meeting and the amendment is passed by Two-thirds (2/3) vote of the Members.

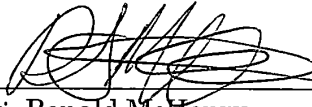
ARTICLE 9

RULES OF ORDER

The rules contained in the most recent edition of Robert's Rules of Order, Revised, shall govern all meetings of Members and Directors where those rules are not inconsistent with the Articles of Incorporation, Bylaws or special rules of order of the Association.

The foregoing Bylaws were adopted on the 12th day of Aug, 2021, by a two-thirds (2/3) vote of the Members.

RIVER'S EDGE SKAGIT HOMEOWNERS
ASSOCIATION



By: Ronald McHenry
Its: President