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Skagit County Auditor**AFTER RECORDING, RETURN TO:**VILLAGE PARK OWNERS' ASSOCIATION
PO BOX 512
ANACORTES, WA 98221**AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS,
AND RESTRICTIONS FOR VILLAGE PARK OWNERS' ASSOCIATION**

DOCUMENT TITLE:	AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR VILLAGE PARK OWNERS' ASSOCIATION
REFERENCE NUMBER:	9811130093 (COVENANTS)
GRANTOR:	VILLAGE PARK OWNERS' ASSOCIATION
GRANTEE:	PUBLIC
LEGAL DESCRIPTION:	ALL PROPERTY INCLUDED IN THE PLAT OF VILLAGE PARK, AS PER THE PLAT RECORDED ON OCTOBER 17, 1997, IN VOL. 16 OF PLATS, PAGES 192-193, UNDER AUDITOR'S FILE NO. 9710170075
ASSESSOR PARCEL NOS:	P112536, P112537, P112538, P112539, P112540, P112541, P112542, P112543, P112544, P112545, P112546, P112547, P112548, P112549, P112550, P112551, P112552, P112553, P112554, P112555, P112556, P112557, P112558, AND P112559.

**AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS,
AND RESTRICTIONS FOR VILLAGE PARK OWNERS' ASSOCIATION**

RECITALS

WHEREAS, Village Park Owners' Association, each member of which is an owner of certain residential real property (hereinafter referred to as the "Property") in Skagit County, Washington, legally described in the Plat of Village Park, recorded in Volume 16 of Plats, pages 192 to 193, under Auditor's File No. 9710170075, and incorporated herein;

WHEREAS, the Declaration of Covenants, Conditions, Restrictions, Easements and Reservations (the "Declaration of Protective Covenants for Village Park") was recorded on October 17, 1997 under Skagit County Auditor's File No. 9710170076;

WHEREAS, the Declaration of Protective Covenants for Village Park was previously amended by the First Amendment to Declaration and Covenants, Conditions, Restrictions, Easements and Reservations ("Covenants") recorded on November 13, 1998 under Skagit County Auditor's File No. 9811130093;

WHEREAS, the Village Park Owners' Association desires to amend and restate in their entirety the original Declaration of Protective Covenants for Village Park and its previous amendments;

WHEREAS, the Association has deemed it desirable, for the efficient preservation of the values and common amenities in the Property described above, to operate as a nonprofit corporation under the Washington Nonprofit Corporation Act (RCW 24.03A) to which should be delegated and assigned the powers of the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created;

NOW THEREFORE, to accomplish the foregoing purpose, the undersigned Board of Directors of the Association certifies that the procedures for amending the Declaration of Covenants, Conditions, and Restrictions have been followed and acknowledge and attest, by their signature below, the adoption of the following Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Village Park Owners' Association.

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**AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS,
AND RESTRICTIONS FOR VILLAGE PARK OWNERS' ASSOCIATION**

ARTICLE I.
PRELIMINARY MATTERS; PURPOSE

1.1. Identification of Original Declaration of Covenants and Prior Amendments.

A certain "Declaration of Covenants, Conditions, Restrictions, Easements and Reservations (the "Declaration of Protective Covenants for Village Park") for the Village Park Owners' Association (the "Community") in Anacortes, Washington was recorded under Skagit County Auditor's File No. 9710170076 along with the Plat of Village Park (the "Plat") which was contemporaneously recorded under Auditor's File No. 9710170075 among the land records of Skagit County, Washington. The Declaration of Protective Covenants for Village Park have been amended by a First Amendment to the Declaration of Protective Covenants for Village Park ("Covenants") recorded under Skagit County Auditor's File No. 9811130093.

1.2. Purpose of Amended and Restated Declaration of Covenants.

The original and First Amended Covenants for the Community were written without reference to essential provisions of the Washington State Homeowners' Associations Act, Chapter 64.38 RCW, and were vague in their approach to several issues of importance to the Community, including the rights and responsibilities of the Association in relation to its Members and Board of Directors of the Association, and the rights-of-way. This Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Village Park Owners' Association ("Declaration of Covenants") rectifies those oversights and provides a system of governance for the Community consistent with the provisions of RCW 64.38 and the Washington Nonprofit Corporation Act (RCW 24.03A).

1.3. Applicability Following.

This Declaration of Covenants shall completely replace and supersede the First Amended Covenants, as to all events and circumstances occurring after the date of the recordation of this Declaration of Covenants, which shall be deemed to be the effective date hereof. The covenants, conditions and restrictions contained in this Declaration of Covenants shall be binding in perpetuity upon all Property within the Community and upon each Lot or parcel therein as a parcel of realty and upon the respective present and future Owners of Lots 1 through 24 (Assessor Parcel Nos. P112536, P112537, P112538, P112539, P112540, P112541, P112542, P112543, P112544, P112545, P112546, P112547, P112548, P112549, P112550, P112551, P112552, P112553, P112554, P112555, P112556, P112557, P112558, and P112559) as described in the Plat of Village Park, recorded in Volume 16 of Plats, pages 192 to 193, under Skagit County Auditor's File No. 9710170075, and their family members, heirs, personal representatives, tenants, licensees, successors and assigns, through all successive transfers of a Lot or of any other part of the Property,

irrespective of whether specifically referred to in deeds, contracts or security instruments, and regardless of any subsequent forfeitures, foreclosures, or sales of Lots under security instruments, or of any forfeitures, foreclosures, or sales instituted for nonpayment of government tax, levy or assessment of any kind.

1.4. Specific Purposes – Governance of Community.

The specific purpose of this Declaration of Covenants is to maintain the effective governance structure for the Community to facilitate its perpetual existence so that common amenities and services essential to the Upkeep of common Property and to the interests of the Owners and Occupants of the Community may be assured. The Community shall be governed in perpetuity by the Community Association described in Section 3.1 hereof.

ARTICLE II.
DEFINITIONS

2.1. “Allocated Interest” means the undivided interest in the Common Amenities, the Common Expense Liability, and votes in the Association allocated to each Lot by the provisions in Sections 3.5.2, 7.3 and 9.5 of this Declaration of Covenants.

2.2. “AMC” means Anacortes Municipal Code.

2.3. “Articles of Incorporation” or “Articles” means the Articles of Incorporation as modified by all amendments and restatements thereof, as filed by the Secretary of State. If any record filed under the Washington State Nonprofit Act RCW 24.03A restates the Articles in their entirety, the Articles shall not include any prior filings.

2.4. “Assessment” means all sums chargeable to an Owner by the Association including, without limitation: (a) Regular (Annual) and Special Assessments for Common Expenses, and Specially Allocated Assessments for other expenses, charges, or fines imposed and levied by the Association; (b) interest and late charges on any delinquent account; and (c) costs of collection, including reasonable attorneys’ fees, incurred by the Association in connection with the collection of a delinquent Owner’s account.

2.5. “Association” or “Owners Association” means Village Park Owners’ Association, identified in Article III hereof, formed under the State of Washington Nonprofit Act and its successors and assigns each Member of which is an Owner of residential real property located within the Association's jurisdiction, as described in the Governing Documents, and by virtue of membership or ownership of property is obligated to pay insurance premiums, maintenance costs, or for improvement of real property other than that which is owned by the Member.

2.6. “Board of Directors” or “Board” means the team or body of individuals regardless of

the name used to refer to the team or body with primary authority to manage the affairs of the Association as provided for by RCW 64.38.025.

2.7. “Bylaws” means the code or codes of rules, other than the Articles, adopted for the regulation and governance of the internal affairs of Village Park Owners’ Association, regardless of the name or names used to refer to those rules, excluding policies or procedures adopted by the Board.

2.8. “Common Amenities” means all portions of the Community other than the Lots. Such amenities include areas of land, along with specific facilities and improvements. The term “asset” shall be synonymous with the term “Common Amenity”.

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

2.10. “Common Expense Liability” means the liability for Common Expenses allocated to each Lot pursuant to Section 9.5 of this Declaration of Covenants.

2.11. “Community” means all the Property depicted within the Plat, along with all the improvements constructed therein, the Association, and all other institutions and things serving the Owners of Lots therein governed by the Association.

2.12. “Construction” or “Constructed” means any construction, reconstruction, assembly, or alteration of an Improvement, except wholly interior alterations to a then existing Structure.

2.13. “Contribution Rate” means the amount contributed to the Reserves so that the Association will have cash reserves to pay major maintenance, repair, or replacement costs without the need of a Special Assessment.

2.14. “Conveyance” means any transfer of the ownership of a Lot, including a transfer by deed or by real estate contract, but shall not include a transfer solely for security.

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

2.16. “Director” means an individual designated, elected, or appointed, by that or any other name or title, to act as a member of the Village Park Board of Directors, while the individual is holding that position.

2.17. “Dwelling” means the single-family residence constructed on a Lot.

2.18. “Electronic transmission” means any electronic communication (a) not directly involving the physical transfer of a Record in a tangible medium and (b) that may be retained, retrieved, and

reviewed by the sender and the recipient of the communication, and that may be directly reproduced in a tangible medium by a sender and recipient.

2.19. “Eligible Insurer” means the holder of a mortgage on a Lot that has filed with the Association’s Secretary a written request that it be given copies of notices of any action by the Association that requires the consent of mortgagees. The term “Eligible Insurer” includes such entities as the Veterans Administration, the Federal Housing Administration or the like.

2.20. “Eligible Mortgagee” means the holder of a mortgage on a Lot that has filed with the Association’s Secretary a written request that it be given copies of notices of any action by the Association that requires the consent of mortgagees. The term “Eligible Mortgagee” also includes the “servicer” of a mortgage which has been acquired or securitized by secondary mortgage market entities such as the Federal National Mortgage Association (“FNMA” or “Fannie Mae”) or the Federal Home Loan Mortgage Corporation (“FHLMC” or “Freddie Mac”) or the like.

2.21. “Entity” means an organization or artificial legal person that either has a separate legal existence or has the power to acquire an estate in real property in its own name including but is not limited to the entities listed in RCW 24.03A.010.

2.22. “First Mortgage” and “First Mortgagee” means respectively, a recorded Mortgage on a Lot that has legal priority over all other Mortgages thereon, and the holder of a First Mortgage. For purposes of determining the percentage of First Mortgagees approving a proposed decision or course of action in cases where a Mortgage holds First Mortgages on more than on a Lot, such Mortgage shall be deemed a separate Mortgagee for each such First Mortgage so held.

2.23. “Foreclosure” means a statutory forfeiture or judicial or non-judicial foreclosure of a mortgage, or a deed or other conveyance in lieu thereof.

2.24. “Governing Documents” means this Declaration of Covenants, the Plat, the Articles of Incorporation and Bylaws of the Association, along with any Resolutions, Policies, and Rules and Regulations adopted by the Board of Directors, or any other written instrument by which the Association has the authority to exercise any of the powers provided for by RCW 64.38 to manage, maintain, or otherwise affect the property under its jurisdiction and any lawful amendments to any of the above.

2.25. “Governing Law” means the Washington State Homeowners’ Association Act (Chapter 64.38, the “Act”) or any successor statute, and any amendments thereto.

2.26. “Improvement” used as a noun, means any exterior addition to or modification of real property, either structurally or in landscaping.

2.27. “Lot” means a physical portion of the Community designated for separate ownership, the boundaries of which are numbered 1 through 24 depicted on the Plat as a separate Lot of record.

2.28. "Lot Owner" or "Owner" means the Association or any other Person who owns a Lot but does not include a Person who has an interest in a Lot solely as security for an obligation. "Lot Owner" or "Owner" means the vendee, not the vendor, of a Lot under a real estate contract.

2.29. "Member" means any Person or entity holding membership in the Association who has the right set forth in the Articles, not as a delegate, to select or vote for the election of Directors or delegates or to vote on at least one type of fundamental transaction.

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

2.31. "Mortgagee" means a Person or entity to whom a mortgage is made and shall include the beneficiary of a Deed of Trust. The term "Beneficiary" is synonymous with the term "Mortgagee".

2.32. "Notice" means a notice provided under the provisions of Section 15.1 hereof.

2.33. "Occupant" means a Person lawfully occupying any Lot; the term includes without limitation Lot Owners, family members and tenants of Lot Owners.

2.34. "Officer" means a Person who is in the hands of a custodian, receiver, trustee, or other court-appointed fiduciary, that fiduciary or any Person appointed by that fiduciary to act as an officer for any purpose under this Declaration of Covenants.

2.35. "Person" means a natural person, 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.

2.36. "Plat" means the Plat of Village Park as described in Section 1.1 hereof, and any amendments, corrections or addenda thereto subsequently recorded. See **Exhibit A** hereof.

2.37. "Property" or "the Property" means all property, whether real, personal, or mixed or tangible or intangible, including cash, securities, or real property, or any right or interest therein depicted on the Plat and such additions thereto as may hereafter be subjected to the terms of the Declaration of Covenants and all improvements and structures now or hereafter replaced on the land.

2.38. "Purchaser" means any Person, who by means of a disposition acquires a legal or equitable interest in a Lot other than as security for an obligation.

2.39. "RCW" means the Revised Code of Washington which is the compilation of all permanent laws now in force. It is a collection of Session Laws (enacted by the Legislature, and signed by the Governor, or enacted via the initiative process), arranged by topic, with amendments added and repealed laws removed. It does not include temporary laws such as appropriations acts.

2.40. “Record” used as a noun, means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

2.41. “Reserve” or “Reserves”, when used as a noun, means money on deposit in a Reserve Fund or Reserve Account, which terms are synonymous, established pursuant to RCW 64.38.

2.42. “Residential Purposes” means use for dwelling and human habitation, whether on an ownership, rental, or lease basis and for reasonable social, recreational, or other uses normally incident to such purposes.

2.43. “Rights-of-way” is any street, sidewalk, easement, or tract within the Property including, but not limited to, Tract A and Tract B as depicted on the Plat established by grant from the City of Anacortes reserved for the purposes of maintenance or expansion of existing services within the rights-of-way.

2.44. “Special Assessment” means an Assessment levied by the Association for the purpose of defraying the cost of any unexpected repair or other nonrecurring contingency, or to meet any other deficiencies in operations or reserves occurring from time to time.

2.45. “Specially Allocated Assessment” means an Assessment made by the Association against one or more but fewer than all of the Lots pursuant to Section 9.7 of this Declaration of Covenants.

2.46. “Structure” means a Dwelling, or any other addition constructed on or placed on a Lot.

2.47. “Upkeep” means any care, inspection, maintenance, operation, repair, repainting, remodeling, restoration, improvement, irrigation, renovation, alteration, replacement, and reconstruction that is required to maintain a Lot in a decent, safe, and sanitary condition in keeping with the provisions hereof and with all applicable legal, administrative, or regulatory requirements.

ARTICLE III. **COMMUNITY ASSOCIATION**

3.1. Name and Form of Association.

The name of the Association is “Village Park Owners’ Association”. The Association has been incorporated as a nonprofit corporation under the laws of the State of Washington. The rights and duties of the Members of said corporation are governed by its Governing Documents and Governing Law. The Association shall remain organized as a nonprofit corporation. In case of any conflict between Chapter 24.03A RCW, the Washington Nonprofit Corporation Act, and the Governing Law, the Governing Law shall control.

3.2. Powers and Duties of Association.

3.2.1. Duties and Responsibility of Association. The business of the Association is to maintain, repair, replace and manage the Common Amenities and interests on the Property, to provide necessary insurance coverage, and to enforce provisions of the Governing Documents to preserve the long-term value of the Property for the benefit of the Lot Owners.

3.2.2. Statutory Powers Exercised by Board of Directors. The Association, through its Board, shall have all powers available to homeowners' associations under the Governing Law. Such powers are set forth with particularity in the Bylaws of the Association.

3.3. Lapse of Corporate Status – Personal Lot Owner Liability Created.

3.3.1. Association Must Remain Incorporated. The Association shall have perpetual existence. The Lot Owners shall not permit its corporate charter to be dissolved or abandoned, nor may the Association's obligations under this Declaration of Covenants with respect to the Common Amenities be altered or abandoned.

3.3.2. Incorporation Protects Owners – Owners Personally Liable Upon Abandonment. Should the corporate charter for the Association be dissolved for any reason in violation of the foregoing, the Lot Owners shall become jointly and severally liable for all obligations imposed upon the Association under these Covenants. The corporate status of the Association exists to protect Lot Owners from personal liability to the fullest extent provided by law.

3.4. Membership Rights and Privileges.

3.4.1. Members. The Owner of each Lot shall be a member of the Association, and such membership shall be an inseparable appurtenance to the Owner's Lot. Membership rights and privileges are specified in the Bylaws of the Association.

3.5. Voting.

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

3.5.2. Allocated Interests for Voting. Each Lot in the Community has an equal vote in the Association which is known as the Lot's Allocated Interest for voting, or "vote".

3.6. Bylaws of Association.

Bylaws for the administration of the Association and for other purposes not inconsistent with the Homeowners Association Act and this Declaration of Covenants are recorded with the Skagit County Auditor's Office.

3.7. Books and Records.

The Association must make available to each Owner of record for examination and copying minutes from the previous Association meeting not more than sixty (60) days after the meeting. Minutes of the previous Association meeting must be approved at the next Association meeting in accordance with the Bylaws. The Association shall maintain current copies of the Declaration of Covenants, Bylaws, the Articles of Incorporation, books and records and financial statements. The Board shall cause to be kept complete, detailed, and accurate books and records of the receipts and expenditures of the Association, in a form that complies with generally accepted accounting principles. The Association shall permit any party eligible under Washington State law to inspect the books and records of the Association.

ARTICLE IV.
MANAGEMENT OF THE COMMUNITY**4.1. Authority of the Board.**

The Board, for the benefit of the Community and the Owners, shall enforce the provisions of the Governing Documents and shall have all powers and authority granted to the Board or the Association under RCW 24.03A.490 and RCW 64.38.025 and this Declaration of Covenants which are not expressly subject to the approval of the Owners.

4.2. Incurring and Payment of Common Expenses.

The Board shall acquire and shall pay for, as Common Expenses, all goods and services deemed necessary or desirable for the proper functioning of the Association. Without limitation, such Common Expenses may include:

- (a) Common water and common electrical and any other necessary utility service necessary for the Upkeep of Common Amenities.
- (b) Policies of insurance or bonds required by Article X hereof.
- (c) The services of Persons or firms as required to properly manage the affairs of the Community to the extent deemed advisable by the Board as well as such other personnel as the Board shall determine are necessary or proper for the operation of the Common Amenities, as such personnel are employed directly by the Board.
- (d) The services of attorneys, along with bookkeepers and accountants qualified to maintain Association records in the manner required by the Bylaws.
- (e) Painting, maintenance, repair, and replacement of the Common Amenities within the

Property, landscaping and gardening work for the Property, and such furnishings and equipment for the Property as the Board shall determine are necessary and proper.

- (f) Any other materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes, or assessments which the Board is required to by law to pay or procure or which in its opinion shall be necessary or proper for the operation of the Community, the maintenance, repair, or replacement of Common Amenities within the Property, or for the enforcement of this Declaration of Covenants.
- (g) If maintenance or repair to portions of any such Dwellings or other portions of the Lots for which the Owner is responsible is reasonably necessary, in the opinion of the Board, to protect the Common Amenities or to preserve the appearance and value of the Community, and the Owner of said Lot has failed or refused to perform such Upkeep as required by Section 5.7 of the Declaration of Covenants within a reasonable time after written notice of such failure has been delivered by the Board to the Owner, the Association may cause such Upkeep to be performed. The cost of such maintenance or repair shall constitute a Specially Allocated Assessment against the Lot of such Owner, pursuant to Section 9.7 of the Declaration of Covenants.

4.3. Right of Entry.

The Board and its agents or employees may enter any Lot or rights-of-way, when necessary, in connection with any maintenance, landscaping or construction for which the Board is responsible, or in the event of emergencies. Except in the case of an emergency, reasonable advance notice shall be given to the Lot Owner and, if applicable, to any lawful Occupant in any Dwelling on the Lot. Such entry shall be made with as little inconvenience to the Occupant(s) as practicable, and any damage caused thereby shall be repaired by the Association out of the Common Expense fund if the entry was due to an emergency (unless the emergency was caused by the Owner or lawful Occupant of the Lot entered, in which case the cost shall be specially assessed to the Lot entered) or for the purpose of maintenance, or repairs, to rights-of-way where the repairs were undertaken by or under the direction or authority of the Board. If the repairs or maintenance were necessitated by or for the Lot entered or its Owners or lawful Occupants, or requested by its Owners, the costs thereof shall be specially assessed to such Lot.

4.4. Acquisition of Property.

The Board may acquire and hold in the name of the Association, for the benefit of the Owners, tangible and intangible personal property and real property and interests therein and may dispose of the same by sale or otherwise. Such property shall thereafter be held, sold, leased, rented, mortgaged, or otherwise dealt with for the benefit of the Association as the Board may direct.

4.5. No Business Authority.

Nothing herein contained shall be construed to give the Board authority to conduct an active business for profit on behalf of all the Owners or any of them.

4.6. Adoption of Policies, Rules, and Regulations.

The Board is empowered to adopt, amend, and revoke on behalf of the Association detailed administrative policies, rules, and regulations necessary or convenient from time to time to ensure compliance with the general provisions of this Declaration of Covenants and to govern the operation and procedures of the Community. The policies, rules and regulations of the Association shall be binding upon all Owners and Occupants and all other Persons claiming any interest in the Property.

4.7. Strict Performance No Waiver.

The failure of the Board in any instance to insist upon the compliance with this Declaration of Covenants or rules and regulations of the Association, or to exercise any right contained in such documents, or to serve any notice or to institute any action, shall not be construed as a waiver or a relinquishment for the future of any term, covenant, condition, or restriction. The receipt by the Board of payment of any assessment from an Owner, with knowledge of any breach by the Owner, shall not be a waiver of the breach. No waiver by the Board of any requirement shall be effective unless expressed in writing and signed for by the Board.

4.8. Board as Attorney-in-Fact.

Each Owner, by the act of becoming an Owner of a Lot, shall be deemed to have irrevocably appointed the Board of Directors as his or her attorney-in-fact, with full power of substitution, to take such actions as are reasonably necessary to perform the duties of the Association and Board hereunder, including, but not limited to, the duties to maintain, repair and improve the Property and to secure and distribute condemnation awards and/or insurance proceeds affecting the Common Amenities.

4.9. Removal from the Board.

The Owners by a majority vote of the voting power in the Association present, in person or by proxy, and entitled to vote at any meeting of the Owners at which a quorum is present, may remove any member of the Board of Directors with or without cause.

ARTICLE V.
LOTS AND DWELLINGS

5.1. Zoning.

The Property is zoned R2A (Residential Low Density 2A) by the City of Anacortes.

5.2. Number and Location.

The Community contains twenty-four Lots (1-24) and various Tracts (A & B) described more fully on the Plat. (See **Exhibit A**)

5.3. Subdivision.

Except as otherwise expressly provided for in Section 14.4 hereof, no Lot shall be subdivided by its Owner.

5.4. Alterations of Lots and Dwellings.

For a complete list of construction and improvement specifications requiring review and written approval by the Board, refer to Article VIII hereof. Subject to the provisions of this Declaration of Covenants and other provisions of law, a Lot Owner may:

- (a) Make any improvements or alterations to the exterior portions of a Dwelling constructed within an Owner's Lot or interior work that does not change the exterior of the house in any way and that do not affect the structural integrity or mechanical or electrical systems of any other Lot or lessen the support of any portion of the Property;
- (b) Not materially change the appearance of the exterior of any building constructed within the Lot, nor construct or erect any additional improvements within the Lot without review and written approval by the Board;
- (c) Be required to post a performance and public improvement damage bond commensurate with the scope of the project, payable to the Association prior to commencing any work. Any damage to Association property or Common Amenities by Lot Owners, their children, contractors, agents, visitors, friends, relatives, or service personnel shall be repaired by such Owner within a time as determined by the Board from the occurrence of such damage and/or, at the option of the Association, the Association may perform necessary repairs, the costs of which shall constitute a Specially Allocated Assessment under Section 9.7.2 hereof; and
- (d) Any reconstruction of the exterior portions of any building constructed within a Lot, and the construction of improvements within the Lot which receives Board review and

written approval, shall be performed in a manner consistent with the provisions of Article V hereof.

5.5. Architectural and Design Review.

5.5.1. Uniformity of Use and Appearance - Design Guidelines. One of the purposes of this Declaration of Covenants is to assure within the Property a uniformity of use and quality of workmanship, materials, design, maintenance, and location of Structures with respect to topography and finish grade elevation. Dwellings and related improvements, including accessory Structures shall be constructed within the Lots by or under the direction of the Board, according to the common design scheme established by the developer. Any addition, alteration or improvement upon any Lot shall be consistent with the original scheme and shall be constructed in accordance with the building codes and other ordinances of the City of Anacortes. It is in the best interests of each Owner that such uniformity of use be maintained as herein provided. To preserve a harmonious architectural and aesthetic appearance of improvements constructed within the Community, no construction or improvements listed in Section 5.4 or Article VIII hereof shall be erected, altered, placed, or permitted to remain on any Lot by any Person until detailed plans depicting all such construction and improvements have been reviewed and approved in writing by the Board as provided in this Article V. The Board shall have the authority to adopt more specific design guidelines and procedures to maintain the basic theme contained herein and may perform architectural control to the extent permitted in this Declaration of Covenants. Notwithstanding anything herein set forth, the construction or improvements of any Structure shall comply with the more restrictive of either: (a) the terms and conditions of this Declaration of Covenants; or (b) the laws, codes, ordinances, and regulations of any governmental entity having jurisdiction.

5.5.2. Design Review. The plans and specifications are individually and collectively referred to herein as the "Plans". Two complete copies of Plans detailing the nature, kind, shape, height, material colors, and location of proposed improvements including construction specifics, surface water run-off control, landscaping, and location of proposed improvements listed in Section 5.4 or Article VIII hereof shall be submitted to the Board by hand, mail, or electronic transmission for review and approval outlined in **Attachment 1** attached hereto. The Board may withhold approval because of its reasonable dissatisfaction with the location of the proposed Structure on the Lot, color scheme, finish, architecture, height, impact on view from another Lot or Lots, appropriateness of the proposed Structure, materials used therein, or because of its reasonable dissatisfaction with any other matter which, in the reasonable judgment of the Board, would render the proposed Structure inharmonious with the Property or other Structures nearby. The Board may require the submission of such additional information including a courtesy notice to surrounding Lot Owners as may be reasonably necessary to consider any proposal. If other Lot Owners have concerns with the proposed work, the Lot Owners will have ten (10) days from the date of their notification to register their concerns with the Board in writing by hand delivery, mail, or electronic transmission, however, with good cause shown, the Board may extend this term. The Board's approval or disapproval of Plans shall be in writing and approval shall be evidenced by written endorsement on such Plans. Upon approval of the Board, one set of Plans shall be retained

among the permanent records of the Association. Lot Owners are encouraged to submit Plans to the Board as soon as possible.

5.5.3. Approval/Disapproval. The Board shall, within thirty (30) days after receipt of a completed proposal and all required information, respond in writing to the Owner or his or her representative at the mailing address or by electronic transmission (i.e., email) on record with the Association's Secretary. The response may: (i) approve the proposal, with or without conditions; (ii) approve a portion of the proposal and disapprove other portions; or (iii) disapprove the proposal. The Board shall specify the reasons for any objections. If the Board fails to respond within thirty (30) days, approval shall be deemed to have been given. However, no approval, whether expressly granted or deemed granted pursuant to the foregoing, shall be inconsistent with the provisions of this Declaration of Covenants, unless a variance has been granted pursuant to Section 5.5.7 hereof.

5.5.4. Appeals to the Board. A written notice of appeal shall be received by the Board within ten (10) days after the Board's decision. If an appeal is filed, then the Board shall promptly consider the appeal and give the appellant and other interested parties the opportunity to be heard. The Board's decision on appeal shall be final. If no appeal is timely filed within the 10-day period, then the Board's decision shall be deemed approved by and as the final action of the Board.

5.5.5. No Deviation from Plans – Noncompliance Deemed a Nuisance. Any Person obtaining approval by the Board shall not deviate from the approved Plans without notifying the Board. At the discretion of the Board, the Board may approve minor changes to the design that comply with the intent of the original request. Approval of any Plans or design does not waive the right of the Board to disapprove such Plans or any elements or features thereof, if such Plans are subsequently submitted for use in any other instance by any other Person. Any addition, alteration, or improvement upon any Lot existing in noncompliance of the Governing Documents shall constitute a nuisance and shall be removed or altered to conform to the Governing Documents by the Lot's Owner within thirty (30) days after delivery of notice of the noncompliance to the Owner by the Board.

5.5.6. No Waiver of Future Approvals. Each Owner acknowledges that the Persons reviewing proposals on the Board under this Article V will change from time to time and that opinions on aesthetic matters as well as interpretation and application of the improvement standards, may vary accordingly. In addition, each Owner acknowledges that it may not always be possible to identify objectionable features of proposed work until the work is in progress or completed, in which case it may be unreasonable to require changes to the improvements involved, but the Board may refuse to approve similar proposals in the future. Approval of Plans for any work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar proposals, Plans, or other matters subsequently or additionally submitted for approval.

5.5.7. Authority to Grant Variances. The Board shall have the authority, to waive

enforcement of or grant variances from conditions contained in this Declaration of Covenants without a specific finding that enforcement of such guidelines would impose an unfair burden on such Owner but describing the variance and the reasons therefor in a written instrument which shall be part of the records of the Association. Upon such written approval of any specific variance or exception from the requirements of Article V and Article VI hereof, all development conforming to such variance or exception shall be deemed lawful. Nothing in this Section shall be interpreted as a waiver of enforcement of applicable County, Municipal or other governmental or quasi-governmental code requirements over which the Board has no control.

5.5.8. Non-Liability of Board Approval. The Board's approval of any construction or improvements shall not constitute any warranty or presentation whatsoever by the Board or any of its members that such construction or improvements were examined or approved for engineering or structural integrity or sufficiency or compliance with applicable permits, governmental laws, codes, ordinances and regulations, and each Owner hereby releases any and all claims or possible claims against the Board or any of the Board Directors, their heirs, successors and assigns, or of any nature whatsoever, based upon engineering or structural integrity or sufficiency or compliance with applicable permits, governmental laws, codes, ordinances and regulations.

5.6. Construction and Improvements on Lots.

5.6.1. No Construction or Improvements Prior to Review and Approval. No construction or improvement activity described in Section 5.4 hereof requiring review and written approval by the Board may commence prior to such approval. The Board's approval or disapproval of Plans based on cost, aesthetic design, and harmony with previously approved Structures on or about other Lots in the Property, and location, shall be absolute and enforceable in any court of competent jurisdiction. Dwellings and related improvements, including fencing and accessory Structures will be reconstructed within the Lots by or under the direction of the Board of Directors, according to the common design scheme established by the developer. Any addition, alteration or improvement upon any Lot shall be consistent with the developer's original scheme and shall be constructed in accordance with the building code or other ordinances of the City of Anacortes.

5.6.2. Timing of Construction and Improvements. Completion of construction or improvements shall be twelve (12) months from the date of construction for Structures and three (3) months from the date of construction for landscaping, which is defined as the date building materials are first delivered to the Lot for such purpose. However, with good cause shown, the Board may extend these terms. Construction shall not be deemed to be completed until all improvements are finished, the Lot has been cleaned of construction debris, and the Lot has been landscaped consistent with the Board approved Plans and the provisions of Article V hereof.

5.6.3. Damaged Improvements. If a Dwelling or other major improvement located upon a Lot is damaged or destroyed, the Owner shall be entitled to reconstruct the improvements as they existed prior to the damage or loss without review and approval by the Board; provided however, alteration or deviations from the originally approved Plans will require review and written

approval. The Owner thereof shall restore the Dwelling or Lot either (i) by repairing or reconstructing such building or improvement, or (ii) by clearing away the debris and restoring the Lot to an acceptable condition compatible with the remainder of the Property. Unless the Board permits a longer time period, such work must commence within three (3) months after the casualty and shall be substantially completed within twelve (12) months after the casualty. The 3-month period may be extended for a reasonable time period thereafter if repairs, or reconstruction have not commenced because of factors beyond the control of the Owner, provided that the Owner has exercised and does thereafter continue to exercise due diligence to commence required work. Nothing in this Declaration of Covenants is intended to prevent an Owner who has suffered property damage or loss from taking temporary measures to secure the property and prevent further damage, or to prevent injury or dangerous conditions following loss or damage before reconstruction begins. Such temporary measures may be taken without the consent or approval of the Board, provided that any such measure must be of a temporary nature, and repair or reconstruction must begin as soon as circumstances permit.

5.6.4. Setbacks. Pursuant to AMC 19.42, form and intensity standards for residential zones ("setbacks") apply to principal and accessory structures, except where accessory structure setbacks are modified by AMC 19.47.020(B). All Structures shall be set back from the Lot boundaries such distances as provided in the Plat in **Exhibit A**. No Structure shall be located closer than (i) twenty (20) feet from the street setback line of any Lot, (ii) five (5) feet from the interior side setback lines of any Lot, or (iii) twenty (20) feet from the rear setback line of any Lot, provided that Structures may extend into or be located in required setbacks pursuant to AMC 19.42.140. For purposes of this Section, eaves, steps, and open porches shall be considered as part of the Structure. This Section shall not be construed to permit any portion of a Structure on any Lot to encroach upon any other Lot. All Structures shall comply with all applicable governmental codes, ordinances and regulations pertaining to setbacks.

5.6.5. No Permanent Construction within Easements. No permanent building, deck, fencing or other Structure shall be constructed within the easements on the Lots depicted on the Plat except as provided in this Declaration of Covenants.

5.6.6. Governmental Permits. Approval by the Board shall not relieve an Owner from the obligation to obtain any required governmental permits. The Owner shall include all approvals and permits required by law for applicable construction and improvements listed in Section 5.4 and Article VIII hereof requiring review and approval by the Board. If any application to any governmental authority for a permit to make any such structural addition, alteration or improvement to any Lot or improvement located on any Lot requires execution by the Association, and provided consent has been given by the Board, then the application shall be executed on behalf of the Association by the Board, without incurring any liability on the part of the Association to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having a claim for personal injury or property damage arising therefrom.

5.6.7. Excavating. All reconstruction performed on each Lot shall hereafter be maintained so that the natural character of the land and the existing ecology shall, insofar as possible, be preserved and enhanced. The Lot Owner shall utilize best efforts, including taking of desirable affirmative action and forbearance from acting where desirable, to ensure that the particular Lot and the surrounding environs shall be and remain free from air pollution, water pollution, noise pollution and other like environmental hazards. The Lot Owner or his or her agent shall be responsible for cleanup of any soil erosion onto the roads due to the removal of vegetation from said Lots. Any removal of vegetation is to be replaced by grass, shrubs, other mulch, or other finished landscaping within ninety (90) days to ensure that soil erosion is kept to a minimum. A continuous line of hay bales or siltation fence shall be placed along all Lot lines and conservation and open space easement line of each respective Lot during reconstruction. During the period of excavation, construction and landscaping the Lot shall be kept clean by using trash receptacles or by the daily removal of all debris from the Lot. No tracked vehicles are to be unloaded, kept, or used on the paved roadways.

5.6.8. Minimum Size for Dwelling. The floor area of any new construction main house Structure, exclusive of open porches and garages shall be not less than 1,500 square feet for a Dwelling containing a single level and 1,800 square feet for a Dwelling containing two levels.

5.6.9. Maximum Height. New buildings or Structures shall be constructed in accordance with all applicable governmental codes, ordinances and regulations pertaining to height restrictions.

5.6.10. Reconstruction of Garage Required. Unless a variance is granted pursuant to Section 5.5.7 hereof because of reasonable difficulties associated with the size, shape or grade of the Lot, reconstruction on a Lot must include a garage large enough to accommodate two automobiles to serve the Dwelling thereon. Each Lot must provide parking for a minimum of two vehicles which may be satisfied by the driveway and/or the garage. Street parking is not encouraged, nor is it a substitute for each Lot providing off-street parking for two vehicles.

5.7. Upkeep of Lots.

5.7.1. Lot Owners' General Responsibility. Each Lot Owner shall, at the Lot Owner's sole expense, have the right and the duty to keep their Lot and the Dwelling and other improvements erected within the Lot serving the Dwelling, landscaping, yards, irrigation, and any equipment, appliances, and fixtures contained therein in good order, condition and repair and shall do all interior and exterior redecorating and painting at any time necessary to maintain the good appearance and condition of such property. This Section shall not be construed as permitting any interference with or damage to the structural integrity of either the rights-of-way or of other Lots, nor shall it be construed to limit the powers or obligations of the Association hereunder. See also Sections 4.3 and 7.5 hereof.

5.7.2. Upkeep of Surface Drainage by Lot Owners. No Lot shall be improved in such a way as to cause excess surface water run-off that may damage or inconvenience the rights-of-way, other Lots, or contiguous properties of the Owners thereof. Obstruction or rechanneling drainage flows from existing drainage swales, storm sewers, or storm drains is prohibited, except that the Association shall have such right; so long as the exercise of such right shall not materially diminish the value of or unreasonably interfere with the use of any Lot without the Owner's consent. All new construction and applicable major landscape improvements described in Section 5.4 hereof shall include a drainage plan. Drainage shall be designed to direct water to existing drainage areas in accordance with all applicable governmental codes, ordinances, and regulations.

5.7.3. Upkeep by Association. If Upkeep to portions of any such Dwellings or other portions of the Lots for which the Owner is responsible is reasonably necessary, in the opinion of the Board, to protect the rights-of-way and safety of Lot Owners or to preserve the appearance and value of the Community and the Owner of said Lot has failed or refused to perform such Upkeep as required by Section 5.7.1 hereof within a reasonable time after written notice of such failure has been delivered by the Board to the Owner, the Association may cause such Upkeep to be performed. The cost of such maintenance or repair shall constitute a Specially Allocated Assessment charged to the Lot of such Owner, pursuant to Section 9.7 hereof.

5.7.4. Association's Additional Responsibility. Subject to the provisions of Section 9.7.1 hereof, the Association may provide Upkeep to any other portions of Dwellings or Lots in the Community that the Association, by resolution adopted by its Members at a duly constituted meeting, may hereafter elect to maintain, or as to which an individual Lot Owner may request from the Association.

5.8. Compliance.

Any deviation from these Article V provisions may be considered a violation. Absent resolution within the Association and/or through mediation, any affected party may maintain an action in a court of competent jurisdiction to abate or enjoin any such violation; the prevailing party in any such action shall be entitled to an award of attorneys' fees and costs.

ARTICLE VI.
EASEMENTS AND RIGHTS-OF-WAY

6.1. Easements for Lots and Lot Owners.

Each Lot has an easement in and through each other Lot and the rights-of-way for utilities and each Lot Owner has a perpetual right of ingress and egress from his or her Lot over any sidewalks or street included in the rights-of-way.

6.2. General Easement for Association Functions.

There is reserved for the Association, or its duly authorized agents and representatives, such easements as are necessary to perform the duties and obligations of the Association as are set forth in this Declaration of Covenants and the Bylaws. See also Section 4.3 hereof.

6.3. Easements for Utilities and Drainage.

Easements for installation and maintenance of master television antenna and/or cable systems, and all utilities, including, but not limited to, storm sewers and drainage systems, electrical, fiber-optic, gas, telephone, water and sewer lines and drainage systems over the areas designated for easements are depicted on the Plat in **Exhibit A** hereof. No Lot Owner shall allow or permit any Structure or landscaping to be located, installed, or grow upon the area subject to the Utilities and Drainage Easement which might in any way damage or interfere with the installation and operation of such utilities and systems. Each Person utilizing the Utilities and Drainage Easement areas located on another's Lot shall promptly restore such area to a condition as close to its original condition as reasonably practical after making such use. Each Lot Owner shall maintain the area of his or her Lot subject to the Utilities and Drainage Easement in a condition which will not interfere with the operation and maintenance of said utilities and systems or which may change the direction of flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements. The easement area of each Lot and all improvements in it shall be maintained continuously by the Owner of the Lot, except for those improvements for which a public authority or utility company is responsible. Easements are reserved and conveyed as recorded on the Plat in **Exhibit A** defined as SW ¼, NW ¼, SECTION 25, TOWNSHIP 35 NORTH, RANGE 1 EAST, W.M. SKAGIT COUNTY, WASHINGTON; A ten (10) foot wide Utility Easement measured from and parallel to, the front Lot line of each Lot; a five (5) foot wide easement measured from, and parallel to, the rear Lot line of each Lot; a two and one half (2½) foot wide easement measured from each side Lot line except for Lot 1 which has a five (5) foot easement on its east side, Lot 14 which has a ten (10) foot easement on its east side, Lot 15 which has a ten (10) foot easement on its west side; Lots 21 and 24 have a thirty (30) foot Shared Driveway and Utility Easement; Lot 24 has a twenty (20) foot Fire Truck Egress Easement on its east side; and Lot 23 which has a five (5) foot easement on its east side as depicted on the Plat.

6.4. Street.

35th Ct. is a public road and is enforced and maintained by the City of Anacortes.

6.5. Rights-of-Way.

It is the policy of the City of Anacortes to retain adequate rights-of-way owned by the City for future expansion and servicing of streets, sidewalks, easements, tracts, alleys, and utility systems. The landscaping and irrigation in Tract A and Tract B depicted on the Plat are located

in part in portions of the rights-of-way of D Avenue and are subject to certain conditions appearing in an Encroachment Permit pursuant to AMC 12.30 issued to the Association by the City of Anacortes. The Encroachment Permit allows the City to (i) know that there is an encroachment within the rights-of-way and identifies what those encroachments are; (ii) to have a drawing of record by the Association of all private utility locations within the City owned tracts, easements, and public rights-of-way; and (iii) to notify the Association in writing thirty (30) days to mark or remove any encroachment needed to perform the maintenance of the storm water detention ponds in Tract A and Tract B. The City of Anacortes is not responsible for damage to any unmarked private utilities on City property.

6.6. Use and Interference with Rights-of-Way.

The improvements located on the rights-of-way shall be used only for their intended purposes. Except as otherwise expressly provided in the Governing Documents, no Owner shall make any private, exclusive, or proprietary use of any of the rights-of-way. Pursuant to AMC 9.06.040, no Lot Owner shall obstruct or damage any of the rights-of-way nor shall any Lot Owner place or cause or permit anything to be placed on or in any of the rights-of-way without the approval of the City of Anacortes. Nothing shall be altered or constructed in or removed from the rights-of-way except with prior written consent of the City of Anacortes. See also Section 6.8 hereof.

6.7. Storm Water Detention Ponds.

The storm water detention ponds are dedicated to the City of Anacortes in Tract A and Tract B for operation and maintenance by the City. The Association shall coordinate all storm water detention pond drainage Upkeep with the City as required. See also Section 6.8 hereof.

6.8. Rights and Benefits of the City of Anacortes.

6.8.1. General Rights. The obligations of the Lot Owners and of the Association to the City are for the benefit of the City and shall not operate to create an obligation of the City or by the City to the Owners or to any third party. The rights of the City contained in this Section are cumulative, and in addition to, all other rights and privileges held by the City and are not in lieu thereof. The obligations of the Owners to the City shall not be amended or altered without the express written consent of the City.

6.8.2. Specific Rights. The City shall have the right, for the benefit of the City and of the public health, safety, and welfare, to enter upon and perform or provide Upkeep to any or all the rights-of-way on the Property if the Association or the Lot Owners, or any of them, should fail to perform or provide such Upkeep in a competent and/or timely manner. If the City shall incur any costs or expend any funds, directly or indirectly (including without limitation the cost of the City's own equipment and employees in performing or providing any such Upkeep), the Association shall be liable to the City for all costs and expenses so expended or incurred.

6.8.3 Rights to Approve Certain Amendments to Covenants. No Amendment to this Declaration of Covenants, the effect of which would alter or modify the provisions of Article VI hereof relating to the City of Anacortes may be adopted in the absence of advance written approval of the City of Anacortes.

ARTICLE VII.
COMMON AMENITIES

7.1. Common Amenities.

7.1.1. The Common Amenities of the Community, to be maintained by the Association, consist of:

- (a) Two Association owned entryway identification signs;
- (b) Association owned entryway landscaping and associated irrigation system and lighting fixtures located in Tract A and Tract B, and the in public rights-of-way described in Section 6.5 hereof;
- (c) Two D Avenue retaining walls adjoining Lot 1 and Lot 23;
- (d) Two entryway bridge retaining walls adjoining 35th Ct.;
- (e) Street trees within the 10' utility easement;
- (f) Association owned irrigation system fixtures in the 10' utility easement located from and parallel to, the front line of each Lot along 35th Ct. and on various individual Lots;
- (g) Four Association owned mailbox kiosks in the 10' utility easement located from and parallel to, the front line of each Lot along 35th Ct.; and
- (h) One 20' fire truck egress easement gate.

7.1.2. Entrance Facilities. The Association shall maintain the landscaped entry to the Property within Tract A and Tract B, the public rights-of-way east of Tract A and Tract B up to the sidewalk on the west side of D Avenue, and the sloped landscape south of the storm water detention pond in Tract A to the Property line including all Community signs and landscape irrigation and lighting fixtures therein located within the rights-of-way and the costs and expenses related thereto shall be shared equally by each of the Owners of the Association; provided however, that, if any such maintenance, repair or replacement is required as a result of the acts or omissions of anyone for whom such Person is responsible, such Person shall be solely responsible for the costs and expense related to such maintenance, repair or replacement.

7.1.3. D Avenue Retaining Walls. There are two areas containing retaining walls located along Tract A and Tract B within the Property designated along Lot 1 and Lot 23 (collectively, the “D Avenue Retaining Walls”) and the 35th Ct. entryway bridge retaining walls hereafter referred to as the “Bridge Retaining Walls” constructed for the benefit of the Community. The Association shall maintain provisions in its Budget to ensure that adequate funding shall exist for the necessary maintenance, repairs or replacement of the D Avenue Retaining Walls and Bridge Retaining Walls, and the costs and expenses related thereto shall be shared equally by each of the Owners of the Association; provided however, that, if any such maintenance, repair or replacement is required as a result of the acts or omissions of the Owner of any Lot (or the acts or omissions of anyone for whom such Owner is responsible), such Owner shall be solely responsible for the costs and expense related to such maintenance, repair or replacement.

7.1.4. Street Trees. Street trees are located within the public rights-of-way on individual Lots. The City of Anacortes defines a street tree as trees in the planting strip of a street right-of-way between the street pavement and the property line. While Lot Owners have primary responsibility for irrigating, maintaining and replacing trees on their Lot (see Sections 5.7.1 and 8.1.28 hereof), the Association reserves the right to enter into neighborhood wide contracts with service providers to maintain the street trees in a uniform appearance and cost-efficient manner and the costs and expenses related thereto shall be shared equally by each of the Owners of the Association; provided however, that, if any such maintenance, repair or replacement is required as a result of the acts or omissions of the Owner of any Lot with a street tree (or the acts or omissions of anyone for whom such Owner is responsible), such Owner shall be solely responsible for the costs and expense related to such maintenance, repair or replacement. Street trees shall not be removed without review and written approval by the Board. Pursuant to AMC 16.50, removal of a street tree requires a permit from the City of Anacortes.

7.1.5. Utility Easement Irrigation. Association owned landscape irrigation components are located within the 10’ utility easement and other locations on the majority of individual Lots and are installed for the benefit of the Community. While Lot Owners have primary responsibility for irrigating landscape on their Lot (see Sections 5.7.1 and 8.1.28 hereof), the Association reserves the right to enter into neighborhood wide contracts with service providers to maintain the irrigation in the 10’ utility easements for a uniform appearance and cost-efficient manner and the costs and expenses related thereto shall be shared equally by each of the Owners of the Association; provided however, that, if any such maintenance, repair or replacement is required as a result of the acts or omissions of the Owner of any Lot with Association irrigation facilities (or the acts or omissions of anyone for whom such Owner is responsible), such Owner shall be solely responsible for the costs and expense related to such maintenance, repair or replacement. Access to Association irrigation control valve box covers located on individual Lots shall be preserved and not covered by landscaping. Association irrigation components within the 10’ utility easement and on individual Lots shall not be maintained, removed, or repaired without review and written approval by the Board.

7.1.6. Fire Truck Egress Easement Gate. The Community is benefited by a twenty (20)

foot fire truck egress easement gate ("Gate") located at the eastern terminus of the Shared Driveway and Utility Easement on Lot 24 as depicted on the Plat in **Exhibit A** and hereby agree to the following provisions: (a) Expenses arising in relation to the operation of the Gate to include hinges and closure hardware shall be shared equally among the Owners; (b) Expenses arising in relation to the maintenance and repair of the Gate to include fencing material and paint or stain shall be the responsibility of the Owner of Lot 24; and (c) Any maintenance or repair of the Gate that is required because of the negligence or intentional misconduct of a Lot Owner (without regard to the Lot owned) shall be the sole responsibility of such Lot Owner.

7.2. Partition, Conveyance, or Encumbrance.

7.2.1. Except as permitted hereof or City of Anacortes ordinance, the Common Amenities shall remain undivided and shall not be abandoned by act or omission, and no Lot Owner or other Person may bring any action for partition or subdivision of the Common Amenities.

7.2.2. Any purported conveyance, encumbrance, or other voluntary transfer of the Common Amenities, unless made pursuant to this Section, is void. A conveyance or encumbrance of the Common Amenities pursuant to this Section shall not deprive any Lot of its right or access and support, nor shall it affect the priority of validity of preexisting encumbrances.

7.3. Allocated Interests – Common Amenities Declared an Appurtenance.

Each Lot in the Community has allocated to it an equal undivided interest in the Common Amenities of the Association, which interest shall be conclusively presumed to be a perpetual appurtenance to such Lot, and which is known as the Lot's Allocated Interest in the Common Amenities. This Allocated Interest shall be deemed included with each Lot in any Conveyance of such Lot, irrespective of whether so stated in the Conveyance deed. No Allocated Interest in the Common Amenities may be severed from, mortgaged, or conveyed separately from the Lot. Any purported severance, mortgaging or conveyance shall be void. Each Lot Owner shall thus be a tenant in common with all other Lot Owners with respect to the Common Amenities. A conveyance of such Common Amenities by the Association shall be unnecessary to establish these Allocated Interests, but if such a conveyance is made by the Association, it shall be deemed to be in furtherance of such rights, rather than in derogation thereof.

7.4. Upkeep of Common Amenities by Association.

Except as otherwise specifically provided hereof, the Association is responsible for all necessary maintenance, repair, and replacement of the Common Amenities. The Board shall develop a schedule of preventative maintenance for all components of the Common Amenities establishing appropriate cycles when such maintenance should occur and identifying qualified agents or contractors to conduct inspections and preventative maintenance. The costs and expenses related thereto shall be shared equally by each of the Owners of the Association; provided however, that, if any such maintenance, repair or replacement is required as a result of the acts or omissions

of the Owner of any Lot (or the acts or omissions of anyone for whom such Owner is responsible), such Owner shall be solely responsible for the costs and expense related to such maintenance, repair, or replacement. The Association shall have the authority to perform any required maintenance that an Owner fails to perform, and the costs so incurred by the Association shall constitute Specially Allocated Assessments against the affected Lot under Section 9.7.1.

7.5. Right of Access.

Each Lot Owner shall afford to the Association and to its agents and licensed contractors, access through the Owner's Lot as may be reasonably necessary for the purposes of maintenance, repair, and replacement of the Common Amenities. If damage is inflicted upon the Common Amenities or on any Lot through which access is taken, the Lot Owner responsible for the damage, or the Association, as appropriate, shall be liable for the repair thereof, as provided in Section 4.3 hereof.

7.6. Reserves to Maintain, Repair, and Replace Common Amenities.

7.6.1. Capital Reserves are for costs expected to occur less frequently than annually. Pursuant to Sections 4.2, 9.1.1, and 9.2 hereof, a portion of the Annual Budget for the Association shall be devoted to funding Capital Reserves for major maintenance or major repairs that extend the life of the assets, increase the value of the assets or to replace assets as they wear out or become obsolete.

7.6.2. The Board may also establish, fund, and maintain an Operating Reserve as a contingency against cash flow timing differences within the Annual Budget and/or for operating expenses or expense levels not anticipated in the Annual Budget.

7.6.3. All Owners shall be assessed by the Association for their share of such costs and expenses in proportions to the Allocated Interest for Common Expense Liability, as described in Section 9.5 hereof.

ARTICLE VIII.
PERMITTED USES

8.1. Permitted Uses.

8.1.1. Residential Use. The Lots in the Community shall be used for single-family Residential Purposes only, whether on an ownership, rental, or lease basis and for common social, recreational, or other reasonable uses normally incident to such purposes. Any yard visible from a street shall be used for landscaping and for the placement of walkway and driveway areas providing pedestrian and vehicular access to the Dwelling and garage areas and for no other purposes unless specifically permitted under the provisions hereof. Rear yards and side yards may be used for landscaping and private garden areas, and placement of patios, outdoor furniture and

the like, and the use thereof for recreational purposes associated with private yard areas in single-family residential areas.

8.1.2. Accessory and Temporary Structures. Structures including but not limited to an arbor, awning, barn, carport, gazebo, greenhouse, kennel, patio cover, pen, pergola, pet run, shack, shed, stable, swimming pool, tent, trailer, tree house, or other accessory Structures or outbuildings of the like shall not be erected nor placed, used, or maintained on any Lot visible by other Lots or the street without review and written approval by the Board. Camping tents set up for occasional sleeping by children in the rear yard do not require approval if left up no longer than seventy-two hours. Wooden structures other than iron wood, teak, treated wood and the like must be painted or stained. Composite materials are acceptable. If the Structure creates an adverse visual effect to other Lots or the public, the Board may decline the proposal or require fencing to be built or placement of landscaping to screen the Structure. Vehicle covers for use outside of structured garages for vehicles parked on a Lot driveway visible by other Lots or the street are prohibited.

8.1.3. Accommodations for Disabled Residents. Pursuant to the Federal *Fair Housing Act*, 42 U.S.C. §3601, *et seq.* and the *Americans with Disabilities Act*, 42 U.S.C.A §12101 *et seq.*, a reasonable modification for a structural change may be made to a Lot upon review and written approval by the Board. Reasonable modifications can include structural changes to exteriors of Dwellings to include, but not limited to widening a doorway for a wheelchair user or adding a ramp and handrails to make a main entrance accessible. When a disabled Person makes a request for reasonable accommodation and the Person's disability is obvious, the Association cannot request additional information to verify the existence of the claimed disability. When the disability is not obvious, the Association can request information verifying: (a) that the person is disabled; (b) that there is a need for the requested accommodation; and (c) information verifying the relationship between the claimed disability and the requested accommodation.

8.1.4. Air Conditioners, Generators and Heat Pumps. Passive and neutral techniques for ventilation and cooling or indoor portable cooling and heating devices are encouraged. External and window-mounted air conditioning units and heating or refrigeration equipment on or outside of a Structure shall not be installed without the review and written approval by the Board. Any air conditioners and heat pumps may only be located on the side face or rear face of the Dwelling. Installation of a mechanical condenser unit on an external concrete pad requires review and written approval from the Board to meet criteria and may require landscape screening or fencing to mitigate sound that may impact other Owners. Concrete condenser pads may only be located within the rear yard or side yard not visible to other Lots or the street, and when feasible, with at least a five (5) foot set back from an adjacent Lot's property line. Tubing and wiring attached to the home visible by other Lots or the street shall be painted to match the house color. External unit's noise rating shall not exceed seventy decibels (70 dB). Air conditioner sound blankets may be required to cover the units. Window-mounted units may only be flush mounted to the window and not protrude externally. Window-mounted unit's noise rating shall not exceed sixty decibels (60 dB). Air conditioning equipment on the roof of any Structure visible by other Lots or the street is prohibited.

8.1.5. Animals. The Owner of any animal maintained on the Property shall exercise control over the animal, shall clean up after such animal, and shall not permit feces, urine, foodstuffs, or similar material on other Lots or to remain anywhere on the Property. The maintenance and keeping of livestock, poultry, reptiles (including pythons), ostriches, or pigs on the Property is prohibited. Small birdhouses and birdfeeders are permitted within the front yard. Feeding practices that habituate nuisance wildlife or feral animals to seek food within the Property is prohibited. Notwithstanding anything set forth herein, this Section is in addition to and complementary to the City of Anacortes *Municipal Code Title 6, Animals*.

8.1.6. Antennas and Dishes. No over-the-air reception devices designed to receive wireless cable or local television broadcasts, satellite dishes, or weather stations shall be erected, placed, or maintained on any part of a Lot except as approved by the applicable codes prior to installation. The primary installation of any antenna, dish, or weather station shall be in a location in the rear yard or rear face of a Dwelling below the lowest ridgeline of the Structure that is shielded from view from the street. If the primary location prevents reception of an acceptable quality signal, the antenna may be installed in a location that is shielded from view from the street or other suitable location pursuant to the Federal Communications Commission ("FCC") *Telecommunications Act, Over-The-Air Reception Devices ("OTARD")*, 47 C.F.R. § 1.4000 (the "OTARD Rule"). Over-the-air reception devices permitted on a Lot include Direct broadcast satellite antennas that are: (a) one (1) meter or less in diameter; (b) antennas that are one (1) meter or less in diameter or diagonal measurement and are designed to receive or transmit video programming services through multipoint distribution services, including multichannel multipoint distribution services, instructional television fixed services, and local multipoint distribution services; (c) antennas designed to receive television broadcast signals; and (d) antennas used to receive fixed wireless or broadband Internet signals. The term "fixed wireless signals" means any commercial non-broadcast communications signals transmitted via wireless technology to and/or from a fixed customer location. Fixed wireless signals do not include, among other things, AM radio, FM radio, amateur ("HAM") radio, citizens band ("CB") radio, and Digital Audio Radio Service (DARS) signals ("Sirius and XM"). Ham radio and CB antennas may be used so long as they do not cause interference with electronic equipment of any neighboring Lot. Any antenna other than for fixed wireless or broadband internet as described in subpart (d) of this Section are only permissible for installation in the same manner as antennas or dish installation described in this Section hereof or as designated for safety and so long as the installation location does not prevent reception or transmission of acceptable quality signal or impose unreasonable expense or delay to the Owner. This Section has been designed to comply with applicable regulations and decisions of the OTARD Rule and shall be construed in accordance with applicable OTARD regulations as they may be amended from time to time or interpreted by the FCC or courts of appropriate jurisdiction.

8.1.7. Artificial Turf and AstroTurf. While drought tolerant landscapes consisting of natural vegetation are encouraged, artificial turf may be permitted only with review and written approval by the Board prior to installation. Use of artificial turf within the Lot must always be used in conjunction with living plants and other foliage to create a balanced and comprehensive

landscape scheme. Edges of the artificial turf must be bordered by non-deteriorating material subject to approval by the Board. Artificial turf must be maintained free from animal waste that may saturate, penetrate, or rest upon the surface. Artificial turf must be maintained free from weeds or other vegetation that may protrude through the surface of the product. Artificial turf must be replaced if the turf should become worn or unsightly. Astroturf or other carpet-type floor covering on decks, porches, or balconies visible by other Lots or the street is prohibited. Installation of artificial turf shall meet the following specifications:

- (a) Artificial turf cannot be installed over the top of existing grass. Sod and dirt must be removed, and an aggregate base and soil stabilization fabric must be installed to allow for proper drainage.
- (b) Pile height, synthetic grass blades, shall be made of a minimum of two different blade lengths and a minimum of 1 ½" to 2" inches.
- (c) Blade and thatch shall be made up of a minimum of two colors or shades approved by the Board.
- (d) Nylon should be avoided. Rate of color loss must be provided for review.
- (e) In-fill must not absorb water or urine or raise the temperature of the product (such as rubber) and shall not contain lead or any other heavy metals.
- (f) Completely permeable backing is required.
- (g) Face-weight shall be a minimum of eighty (80) face-weight.
- (h) Installations shall be by a licensed, professional contractor with demonstrated experience working with artificial turf products.
- (i) Installation must be covered by a minimum 15-year installation warranty.

8.1.8. Burning. Applicable burn ban regulations issued by governmental agencies shall be observed. Pursuant to AMC 9.06.040 and AMC 19.69.030, outside burning of trash and yard debris is prohibited.

8.1.9. Clothes Lines. Outdoor drying of laundry is permitted so long as the laundry, cords, ropes, wires, and related Structures from which laundered items may be hung to dry are not visible from other Lots or the street.

8.1.10. Commercial and Business Uses. An Owner or Occupant residing on a Lot may conduct business activity within the Lot only if: (a) the existence or operation of the business activity within the Lot is not apparent or detectable by sight, sound or smell outside the Lot

boundaries; (b) the business activity conforms to all zoning requirements for the Property; (c) the business activity does not create a noticeable increase in the amount of traffic, either vehicular or pedestrian, entering or leaving the Property; (d) the business activity does not increase the liability or insurance obligation or premium of the Association; and (e) in the sole discretion of the Board, the business activity is consistent with the residential character of the Community and does not constitute a nuisance as defined by AMC 9.06.040, or hazardous or offensive use. Goods, equipment, vehicles, or materials used in connection therewith, shall not be kept, parked, stored, dismantled, or repaired outside on any Lot or rights-of-way except for Yard sales, estate sales, and "Buy-Sell-Trade" activities for legal goods as described in Section 8.1.31 hereof. Goods shall not be placed on any other Lot or rights-of-way. All goods shall be removed from view of any other Lot or rights-of-way from sunset to sunrise. Use of any rights-of-way for the sales or dissemination of any goods or advertising (except as otherwise advertised for the annual Village Park neighborhood garage sale) is prohibited.

8.1.11. Compost bins. Disposal of food and yard waste and other compostable materials in composting bins and yard waste piles are permitted within the rear yard or side yard not visible from other Lots or the street if Lot Owners use best practices to maintain such bins and piles in a clean, neat, and sanitary condition that prevents odors and does not encourage pests.

8.1.12. Decks, Patios, Porches. Decks may be constructed of natural wood or composite decking materials. Wooden structures other than iron wood, teak, treated wood and the like must be painted or stained. Decks, patios, and porches used as storage areas visible by other Lots or the street are prohibited.

8.1.13. Drones. A drone is defined as an aerial device controlled by a remote pilot or computer or onboard computer instruction, with or without the capability to record video, photographs, or any type of sensor and to collect, retain or disseminate such data. The Board will defer to the *Federal Aviation Administration Law Enforcement Assistance Program* for unsafe and unauthorized drone operations; however, the Board will enforce operator behavior in the Community which is deemed a nuisance as defined by AMC 9.06.040.

8.1.14. Electric Vehicle Charging Stations. "Electric vehicle charging station" means a station that delivers electricity from a source outside an electric vehicle into one or more electric vehicles. An electric vehicle charging station may include several charge points simultaneously connecting several electric vehicles to the station and any related equipment needed to facilitate charging plug-in electric vehicles. Pursuant to RCW 64.38.062, no electric vehicle charging station shall be installed without review and written approval by the Board. Owners installing charging stations shall: (a) comply with the Association's reasonable architectural standards applicable to the installation of the electric vehicle charging station; (b) engage an electrical contractor familiar with the standards for the installation of electric vehicle infrastructure to assess the existing infrastructure necessary to support the proposed electric vehicle charging station, identify additional infrastructure needs, and install the electric vehicle charging station; (c) obtain any permit or approval for an electric vehicle charging station as required by all applicable

governmental codes, ordinances and regulations and comply with all relevant building codes and safety standards; and (d) meet all applicable health and safety standards and requirements imposed by national, state, or local authorities, and all other applicable zoning, land use or other ordinances, building codes, or land use permits.

8.1.15. Environmental Laws. Use of the Lots is subject to various federal, state, and local laws, regulations, and guidelines now in effect and/or hereafter enacted or adopted, relating to or affecting the Property concerning the impact on the environment of construction, the maintenance and operation of structures, and the conduct of business, including without limitation the *Comprehensive Environmental Response, Compensation and Liability Act* ("CERCLA"), the *Resource Conservation and Recovery Act* ("RCRA"), the *Federal Water Pollution Control Act* ("FWPCA"), the *State Environmental Protection Act*, ("SEPA"), and the *State Model Toxics Control Act* ("MTCA") (collectively, "Environmental Laws"). No Lot Owner shall cause, or permit to be caused, any act or practice by negligence, or omission, or otherwise, that would violate any adversely affect the environment, or do anything or permit anything to be done that would violate any Environmental Law without regard to when such Environmental Law was in effect and without regard to the scope of liability arising thereunder. Each Lot Owner shall be deemed to have agreed to indemnify and to hold harmless the Association and each other Lot Owner from any loss, claim, or liability of any kind whatsoever arising out of such Lot Owner's noncompliance with any Environmental Law.

8.1.16. Exterior Finishes. Repainting house or trim with no change to the existing color does not require review or approval from the Board. If the Owner intends to deviate from the existing color, the Owner shall submit exterior color samples with the Plans to the Board. The Board will consider the color schemes of surrounding homes in the immediate Property to determine the consistency of the selected colors. Body (siding) and trim (fascia boards, railings, and doors) shall be maintained on a regular basis to avoid degradation in the form of peeling, cracked, missing, see-thru or sun-faded paint. Permitted paint sheens can be flat, eggshell, or satin and shall harmoniously blend to the visual benefit of the existing Dwellings. Bright Primary (Ps), Secondary (S), and Six Tertiary (Ts) colors are not permitted. Color blocking (colors ending on an outside corner) is not permitted; all paint colors and materials shall end at inside corners of the structure. Shutters shall be painted to match the color scheme of the exterior of the Dwelling.

8.1.17. Exterior Lighting. Except as otherwise expressly provided for in Section 8.1.26 hereof, and pursuant AMC 19.69.040, exterior lighting shall not be installed within or upon any Lot without adequate and proper shielding or hooding of the fixture and must not emit from a Lot to be prejudicial to health or a nuisance as defined by AMC 9.06.040. The use of occupancy or motion sensors for outdoor lighting and energy efficient outdoor lighting and activating lights between sunset and sunrise only is encouraged to enhance safety while minimizing energy use. Lighting shall not be directed outside the Lot boundaries or towards adjacent Lots' windows except to light adjacent sidewalks or paths. Motion sensors and flood lights may shine on the parking area and entrance walkway for egress and ingress. Only white colored bulbs in outdoor wall lanterns, pathways, or sidewalks on the front face of a Dwelling is permitted. String lights are only permitted

to the rear face of a Dwelling. Path lighting within the ten (10) foot wide Utility Easement measured from and parallel to the front line of each Lot is prohibited. Lighting that unreasonably and substantially interferes with the use or enjoyment of other Lots or injures health or is likely to injure health is prohibited.

8.1.18. Fences. Fences within the Property are constructed inside the Owners' Lot lines and are the property of those Lot Owners. No fence shall interfere with rights-of-ways. Construction of new or replacement privacy fences that deviate from existing locations or the guidelines described in this Section, and accent fences such as picket, arbors, and the like visible from other Lots or the street require review and written approval by the Board and must comply with AMC 19.66. Fences shall be maintained by the Lot Owner and kept painted or stained and kept in good repair. All fencing material shall be maintained on a regular basis to avoid degradation due to rotting posts, ground settlement (leaning of panels or posts), and damage caused by natural elements. Fences shall be free of mold, moss, mildew, fungus, lichen, obvious wear and tear, rot, broken posts, or broken boards visible by other Lots or the street. Fences shall not be held upright by leaning support beams, shoring material, or other Structures. Guidelines for construction of privacy fences include:

- (a) Material shall be lumber. All other material not reviewed or approved in writing by the Board is prohibited.
- (b) Panels shall be of a side-by-side design. Finished side of the panels facing other Lots or the public are encouraged to the maximum extent possible as allowed for in construction. Alternating slatted "shadow box" panels are prohibited.
- (c) Rails shall be 2"x4" pressure treated lumber.
- (d) Posts shall be 4"x4" or 4"x6" pressure treated lumber anchored in concrete post holes. Posts should rise no more than 2" above panels and capped with a square post cap.
- (e) Picket boards shall be 1"x6"x6" lumber. Pickets shall be no taller than 6' in height and cut straight across the top. "Dog eared" pickets are prohibited.
- (f) Color shall be a Board-approved gray paint or stain. New construction fencing and posts shall be painted or stained after a reasonable amount of time of seasoning as determined by the vendor to allow for absorption of paint or stain. Fences shall be repainted or re-stained as necessary to maintain condition. Accent fence colors are subject to review and written approval by the Board.
- (g) Gates shall be constructed of compatible materials and shall not exceed the fence height.

8.1.19. Flags. Except as expressly provided for in Section 8.1.26 hereof, flags which may

be displayed on the Property are the Flag of the United States as defined and displayed in a manner consistent with federal flag display law, 4 U.S.C. Sec. 1 et seq. and RCW 64.38.033.

8.1.20. Flag Poles. Flags as described in Section 8.1.19 hereof may be displayed from a bracket affixed to the exterior of a Dwelling and do not require approval from the Board. Pursuant to RCW 64.38.033, one permanent flag pole is permitted per Lot with review and written approval from the Board and shall meet the following design and installation specifications:

- (a) Flag poles may not exceed fifteen (15) feet in height.
- (b) Flag poles shall be at least ten (10) feet from any adjoining Lot.
- (c) Flag poles within the front yard shall be within ten (10) feet of the front setback line and within the left to right orientation of the house itself.
- (d) Permanent flag poles shall be made of powder coated metal, aluminum or of fiberglass and shall be securely mounted in the ground.
- (e) Powder coated flag poles shall be either an unobtrusive neutral color or the color of the house.
- (f) Flag poles shall have an internal rope halyard system to minimize noise.
- (g) Only the Flag of the United States may fly from the approved flagpole displayed in a manner consistent with federal flag display law, 4 U.S.C. Sec. 1 et seq. and RCW 64.38.033.
- (h) Banner arms or horizontal mounted flag poles are prohibited.
- (i) Flag pole lighting is prohibited.

8.1.21. Garages and Garage Doors. Replacing a garage door with one of similar size, style and color does not require review or approval from the Board. Garage doors are encouraged to be kept closed except for the normal reasonable routine of use or for ventilation necessary for work done therein. Garages shall not be converted into living spaces including, but not limited to, rental units, offices, guest rooms, or pet quarters.

8.1.22. Gardens. Gardens for food production are permitted on all portions of a Lot not visible from the street. All such gardens visible by other Lots shall be properly cared for and maintained and prepared for winter to prevent an unsightly appearance.

8.1.23. Greenhouses. Greenhouses to assist with food production are permitted within the rear yard or side yard not visible from the street subject to review and written approval by the

Board. The following design and use specifications for consideration by the Board include but are not limited to: (a) dimensional requirements; (b) listing of appropriate materials; (c) mandatory code compliance and industry standards for strength and Heating, Ventilation, and Air Conditioning (“HVAC”); and (d) requirements to use only for growing food or living plant materials.

8.1.24. Hardscape. Any hardscape installation proposed within the front yard or side yard visible from other Lots or the street requires review and written approval by the Board. Hardscape consists of the inanimate elements of landscaping such as stone walls, concrete or brick patios, tile paths, wooden decks, and also refers to the paved areas. Examples of hardscape items are walkways, retaining walls, decorative walls, decorative curbing, and fountains. All materials shall be of natural or earth tones.

8.1.25. Hazardous Substances. No Person shall maintain or store on in any portion of the Property any property or materials which may not be legally possessed by such Person under applicable law. No Person shall improperly store or release any Hazardous Substance as that term is defined under CERCLA, 42 U.S.C. §9601 *et seq.*, or MTCA, RCW 70A.305, including without limitation petroleum products, liquid or aromatic hydrocarbons, oil, industrial chemicals, asbestos, PCBs, hazardous substances, pollutants, contaminants, or hazardous wastes of any kind. In the event of a spill or release of any Hazardous Substance within or from the Property, the Person causing or otherwise responsible for such spill or release shall promptly undertake thorough cleanup measures and provide notice to the Association and to any governmental agency with appropriate jurisdiction.

8.1.26. Holiday Lighting and Decorations. Exterior holiday lights and decorations may be neatly displayed and safely secured beginning November 15 and must be removed by January 31 or until weather permits safe removal. Halloween decorations may be displayed beginning October 1 and must be removed by November 5. Other legal holidays (i.e., Memorial Day, Independence Day, etc.) and religious holiday decorations are permitted ten (10) days before the holiday and must be removed no later than five (5) days after the holiday. Lights may be hung along the roof line, doors, windows or trees and shrubs. Low-wattage bulbs and light sources are encouraged. Roof-anchored decorations and displays are prohibited. Strobe lights, light projectors, upward spotlights, lasers, and synchronized music-controlled light shows that cause a nuisance as defined by AMC 9.06.040 are prohibited.

8.1.27. Home Security Systems/Security Cameras. External home security systems and cameras must be installed or positioned in such a way that they do not interfere with another Owner’s privacy including but not limited to pointing cameras at other Lot windows, backyards, or any other areas where privacy is expected, or cause a noise or light projection nuisance onto another Owner’s Lot. Security system and security camera equipment such as wires, frames, and power sources should be neatly installed under eaves or in discreet locations not visible from other Lots or the street.

8.1.28. Landscaping. Lot Owners are encouraged to: (a) design, build, and maintain landscaping in such a way as to cause the minimum possible disruption to the surrounding natural environment; (b) make efficient use of water and reduce the need for chemical inputs by landscaping with a combination of ornamental, native or drought-tolerant species adapted to the climatic conditions of Western Washington, including, but not limited to those plants listed by the Washington Native Plant Society; (c) install drought resistant and wildfire ignition resistant plants and low-watering techniques; and (d) use currently available best practices for non-chemical fertilization and weed and pest management. All major modifications to landscaping which changes the appearance of a Lot and installation of non-living materials, including but not limited to, irrigation systems, rock and rock structures are permitted as features of a water-efficient landscape subject to review and written approval by the Board. Replacing dead or overgrown shrubs, annual flowers, aggressive or obnoxious plantings, or other landscaping changes affecting less than fifty percent (50%) of the Lot that is visible from other Lots or the street does not require review or approval from the Board. Landscaping shall meet the standards established in the zoning codes for the City of Anacortes for residential zones. Pursuant to AMC 19.42, the minimum percentage of permeable landscaped area on a Lot is twenty percent (20%). Each Lot Owner shall keep all shrubs, trees, hedges, grass and other plantings or landscaping of any type or kind whatsoever as well as irrigation, sidewalks, and driveways located on (i) its Lot (including setback areas); (ii) planted public or private rights-of-way areas between sidewalks and the street curb in front of its Lot, if any; (iii) any other public or private rights-of-way or easement area which abuts the Lot Owner's Lot and which is located between the boundary line of its Lot and the paved area of any street, sidewalk, or similar area; and (iv) any rights-of-way on its Lot, neatly trimmed or in good condition and, in the case of irrigation and driveways, in good repair, and shall keep all such areas properly cultivated and free of trash, weeds and other unsightly material; provided, however that any of the areas described above which are subject to any rights-of-way granted to the Community shall be maintained by the Association. Trees overhanging sidewalks must be pruned to at least eight (8) feet above the sidewalk and twelve (12) feet above the street per City of Anacortes code. If decomposed granite or other landscape rock is used, it shall be of an earth tone color and not bright colors. Artificially colored rock visible by other Lots or the street is prohibited.

8.1.29. Leases.

8.1.29.1. General Provisions. "Leasing" or "renting" of a Lot means the granting of a right to use or occupy a Lot for a specific term or indefinite term (with rent stated on a periodic basis), in exchange for the payment of rent (money, property or other goods or services of value); but shall not mean and include joint ownership of a Lot by means of joint tenancy, tenancy-in-common or other forms of co-ownership where the Occupant of the Lot has an ownership interest of fifty percent (50%) or more. Any lease agreement affecting any Lot shall be required and shall be deemed to provide that the terms of the lease shall be subject in all respects to the provisions of this Declaration of Covenants and that any failure by the lessee to comply with such provisions shall be a default under the lease. Notwithstanding the execution of a lease, the Owner shall be fully responsible and liable to the Association for all noncompliance of this Declaration of Covenants by his or her tenants, and without limitation, shall be responsible for

payment of any Association assessments or fines incurred by his or her tenants. All lease agreements shall be in writing. Pursuant to RCW 64.38.045(2), the Association is entitled to receive contact information to include names and phone numbers of the tenants on the lease and the Association is entitled to receive the length of the lease term in the agreement from the Lot Owner. Subleasing or assignment of a lease or rental agreement is prohibited. **The Owner shall make available to the lessee a copy of this Declaration of Covenants.**

8.1.29.2. Lease Restrictions. Given the limited amount of Members in the Association, the Association's lease restrictions are rationally calculated to promote the Association's Community standards for neighborhood stability and sense of community including, but not limited to: (a) maintenance of property values; (b) promoting compliance with covenants; (c) sustainability of participation on the Board to govern the Association; (d) preventing higher liability insurance rates; and (e) providing availability of Owners to satisfy a quorum to vote on Association matters. Lot Owners are prohibited from leasing or renting less than the entire Lot. Except for an institutional lender in possession of a Lot following a default under first mortgage, a foreclosure proceeding, or any deed or other arrangement in lieu of foreclosure, rentals will be limited to occupancy by one family per single family Dwelling and for a period of not less than a lease term of twelve (12) months and not more than a lease term (including all lease extensions) of sixty (60) months. All Owners who own Lots within the Association, at the date this Declaration of Covenants is recorded, are "grandfathered" from the following rental restrictions in this Section until such time as they sell or otherwise transfer/convey their Lot or consent in writing to the rental restrictions herein. "Grandfathered" status does not extend to subsequent Owners. Any Person purchasing a Lot after the recordation date of this Declaration of Covenants is subject to all rental restrictions contained herein. If a Lot is purchased after the recordation of this Declaration of Covenants, then the Association and Owners shall adhere to the following rental restrictions: (i) New Lot Owners are required to occupy and reside in the Lot Dwelling for one (1) year before the Lot can be eligible for lease; (ii) The number of permissible rentals, after the recording of this Declaration of Covenants shall be based on the total number of Lots within the Association, notwithstanding those Lots that have been grandfathered; and (iii) At no time shall more than twenty percent (20%) of the Platted Residential Lots equaling five (5) total be leased or rented to any third party. Notwithstanding the foregoing, and as stated above for emphasis, no more than twenty percent (20%) of the Owners within the Association may lease or rent their Lot to any third party. Subject to the above, a Lot may be leased only after the Board determines that the Lot is eligible for lease as described in Section 8.1.29.3 hereof. Pursuant to City zoning restrictions, short-term rentals as defined in RCW 64.37.010 are not permitted on the Property and similar arrangements are strictly prohibited in the Community. Except as otherwise provided in this Declaration of Covenants, no Owner may further partition or subdivide his or her Lot including any division of such Owner's Lot into time-share estates or time-share uses. This restriction against time-share estates or time-share uses does not prohibit an Owner from leasing his or her Lot.

8.1.29.3. Lot Eligibility for Lease. Subject to the provisions of Section 8.1.29.2 hereof, a Lot is eligible for lease only if an Owner submits an ***Application for Approval to Use Lot for Lease***, attached hereto in **Attachment 2**, for review and written approval by the

Board. At the end of each lease term and prior to entering a new lease contract for a Lot, the Owner shall resubmit the ***Application for Approval to Use Lot for Lease*** attached hereto in **Attachment 2** to the Board, which, if granted, will be based on the eligibility requirements described in this Section and the restrictions referenced in Section 8.1.29.2 hereof. On receipt of said application, the Board will approve the ***Application for Approval to Use Lot for Lease*** on a first-come, first-served basis and a waiting list shall be established if the 20% cap is reached. The Board shall advise the applying Owner of approval decision within thirty (30) days. Nothing contained herein shall be construed as permitting any Owner or his or her representative to sell his or her Lot as a rental or investment property.

8.1.29.4. Lease Restriction Hardship Exemption. Notwithstanding anything in this Declaration of Covenants to the contrary, any Owner of a Lot may apply to the Board for an exemption from the lease eligibility set forth in Section 8.1.29.3 hereof, upon a showing of hardship. A hearing before the Board on this matter shall be consistent with the Board's standards for providing notice and a hearing, as set forth in the Bylaws and consistent with Washington State law, as may be amended.

8.1.30. Mailboxes. All mailboxes must be of a standard accepted by the U.S. Postal Service and must be in mailbox kiosks approved by the Board. Locking mail box inserts are permitted.

8.1.31. Moving, Estate, Yard, or Garage Sale. Within ninety (90) days of moving in or upon the relocation or death of an Occupant, a moving or estate sale not to exceed three (3) days duration will be permitted. Directional signs are permitted only on the day(s) of the sale and are to be removed promptly at the end of the day. All merchandise is to be contained within the house, garage, and driveway. Garage sales are only permitted as part of the annual Village Park neighborhood sale.

8.1.32. Noise. Pursuant to Skagit County Code 9.50, no Person shall cause any unreasonable loud noise anywhere on the Property, nor shall any person permit or engage in any activity, practice or behavior which causes annoyance, discomfort, or disturbance to any Person lawfully present on any portion of the Property or to neighbors. See also Section 8.1.33 hereof.

8.1.33. Nuisances. Pursuant to AMC 9.06.040, every act unlawfully done and every omission to perform a duty, which act or omission does any of the acts listed in AMC 9.06.040 shall constitute a public nuisance.

8.1.34. Parking.

8.1.34.1. General Restrictions. Driveway parking is only permitted for parking of operable, properly registered automobiles, light trucks, and family vans. Vehicles parked in driveways are not permitted to extend into, or in any way obstruct the sidewalks which are in the public rights-of-way. Except as hereinafter provided, junk vehicles (as defined in RCW 46.55.010), Recreational Vehicles (including without limitation camper-trailers, mobile homes,

motor homes, “fifth-wheels”, off-road vehicles, boats and other watercraft, trailers, airplanes, food trucks, personal company commercial trucks, and golf carts, etc.) large or oversized commercial-style vehicles (including without limitation trucks, tractors, large vans or other types of vehicles or equipment which either require a commercial vehicle operator’s license or which exceed six thousand (6,000) pounds in gross vehicle weight or any other type of vehicle of equipment which exceeds twenty-four (24) feet in length may not be stored, kept or maintained anywhere within the Property, unless such vehicles are in a garage that is constructed within a Lot, or behind a fence that is located behind the front face of the Dwelling within the Lot and reasonably screens such vehicles from view. Construction, service, delivery, and moving vehicles shall be exempt from this provision for such period of time as is reasonably necessary to provide service or to make a delivery to a Lot. Vehicles are encouraged to be parked in garages to the maximum extent practicable.

8.1.34.2. Recreational Vehicles. *Bona fide* Recreational Vehicles (RV) may be parked in driveway areas for up to a maximum of three (3) consecutive nights to facilitate loading, unloading and/or cleaning thereof. A RV may also be parked or maintained within a garage that is constructed within the Lot, or behind a fence that is located behind the front face of the Dwelling within the Lot and reasonably screens the RV from view.

8.1.34.3. Boats and Trailers. Any boat and/or accompanying trailer may be parked in the driveway areas for up to a maximum of two (2) consecutive nights to facilitate loading, unloading and/or cleaning thereof. No commercial or recreational boat, fishing gear, machinery, or rigging shall be stored within view on any Lot.

8.1.34.4. Emergency Service Vehicles. Emergency service vehicles (as defined in RCW 46.04.050) of six thousand (6,000) pounds in gross vehicle weight or less belonging to Owner or Occupant emergency service providers are permitted to be parked in a Lot driveway.

8.1.34.5. Parking Nuisance. Vehicles parked on Lots shall not leak fluids or materials that alter the aesthetics or condition of landscape, driveways, or rights-of-way. Under no circumstances may any Person(s) reside in a RV, camper, trailer, boat, or other vehicle while parked on a Lot. Failure of an Owner or other Occupant to abide by such standards or to remove an offending vehicle or equipment from a Lot shall constitute a nuisance. See also Section 8.1.33 hereof.

8.1.35. Pet houses, Runs, and Enclosures. Pet houses, runs, and enclosures are only permitted within the rear yard or side yard and shall be located where they will be visually unobtrusive and will have the least impact on other Lots for visibility, noise, and smell. Chain link fences for dog runs will only be considered if inside solid privacy fencing, softened by supplemental landscaping, and well screened. Enclosures to confine pets in an area less than the entire rear yard shall be placed in a location where minimum nuisance and inconvenience is caused to other Owners and away from shared property lines.

8.1.36. Play, Sport, and Exercise Equipment. No stationary play, sport, or exercise equipment shall be erected, constructed, installed, or placed on any Lot except in accordance with a Plan reviewed and approved by the Board. Portable play, sport, or exercise equipment intended for short-term use only is not subject to review and approval by the Board. These items should be stored away, out of view after such use and may not obstruct any rights-of-way. Play, sport or exercise equipment (swing sets, trampolines, wading pools, and the like) shall only be placed within the rear yard. Portable basketball hoops may be located within the front yard or side yard and must maintain a minimum five (5) feet setback from any property line. Backboards and hoops shall not be attached to the house, garage, accessory buildings, or any roof visible from other Lots or the street. Only nylon or similar cord nets are acceptable. Metal or chain nets are prohibited. Basketball hoops permanently installed on any Lot is prohibited.

8.1.37. Rainwater Collection Devices. Cisterns, rain barrels, and other water collection devices to store and hold rainwater are permitted provided that no such devices are visible from the street and meet all applicable governmental codes, ordinances and regulations pertaining to rainwater collection devices and subject to review and written approval by the Board. Roofs and other Structures may be designed to collect rainwater with drainage to cisterns, rain barrels, and other water collection devices.

8.1.38. Religious Symbols or Items. A “religious item or symbol” means an item or symbol displayed because of a sincerely held religious belief. A religious item or symbol may not contain graphics, language, or any display that is obscene or otherwise illegal. A religious item or symbol may be displayed on an entry door or entry door frame of a Dwelling, individually or in combination with other religious items or symbols, if they do not cover an area greater than one square foot.

8.1.39. Renewable Energy Devices. Except as otherwise expressly provided for hereof, energy collectors or generators are permitted provided that such devices are integrated into the overall design of the Structure and compliment or blend with the existing Lot and meet all environmental best practices and applicable laws, codes, and regulations. Lot Owners shall submit Plans for renewable energy generators for review and written approval by the Board, including a scaled plan that shows design, location, elevations, and accessory equipment prior to any installation. New products and technologies which support the concept of sustainability will be given consideration for approval by the Board.

8.1.40. Retaining Walls. Retaining walls used to create and maintain permanent changes in elevation, such as separating trees and plantings in the front yard or side yard visible from other Lots or the street require review and written approval by the Board and must comply with AMC 19.66. Retaining walls may not be constructed of railroad ties. Retaining wall Plans shall be reviewed based upon the topography of the Lot and the purpose of the proposed wall, which may include leveling the Lot or retaining soil above Lot level for trees. The height and construction of any retaining wall must be in keeping with the purpose of the wall. Retaining walls are to be aesthetically incorporated into the landscaping of the Lot.

8.1.41. Roofing and Roof Alterations. Replacing an existing roof with one of similar materials or color does not require review and approval from the Board. Energy-efficient, solar power generating shingles that mimic the look of a composite shingle are permitted and should match the color of the current roof shingles to the maximum extent practical and require review and written approval by the Board to promote uniformity of structural appearance on the Property. Sun reflection and its impact on adjacent Lots will be considered. Roof materials shall be maintained on a regular basis to avoid degradation due to missing shingles, gutter damage, repair from damage caused by natural elements and excessive moss build-up. Moss shall be removed and/or treated when it is visible of over twenty percent (20%). Gutters should be free of weeds and other vegetation. Gutter exteriors should be free of mold, moss, mildew, fungus, lichen, and vegetation. Roof materials that produce glare as a nuisance to other Lot Owners are prohibited.

8.1.42. Siding and Trim. Replacing siding and trim with similar materials, style and color does not require review and approval from the Board. Siding and trim surfaces shall be in good cosmetic condition free of mold, moss, mildew, fungus, lichen, obvious wear and tear, and rot.

8.1.43. Signage. No signs, displays, billboards, flyers, pennants, posters, banners, symbols, or other advertising device of any kind (including, but not limited to, commercial, social, or political signs to the extent such prohibition is permitted by law) shall be displayed on any Lot to public view unless otherwise expressly provided for by this Section and Sections 8.1.26 and 8.1.38 hereof. Signs containing profanity or foul messages or create obstructions or other safety hazards are prohibited. All signs and symbols must be maintained in good condition and must be replaced as necessary when damaged, worn, or faded. Signs or flyers may not be posted on mailboxes, mailbox kiosks, street signs, rights-of-way, trees, Lot Structures, fences visible from the street, or Property structures without review and written approval by the Board. Signs permitted include:

- (a) One sign of not more than one square-foot indicating the name of the Owner;
- (b) "Welcome" sign of not more than eight square feet;
- (c) Contractor signs of not more than eighteen inches by twenty-four inches during construction only and shall be removed within two weeks of completion of the project;
- (d) One professionally printed, discreet home security or commercial security sign of not more than one square-foot in size and no higher than one foot off the ground or placed inside the lower corner of an entry window or exterior door;
- (e) One moving or estate sale sign as described in Section 8.1.31 hereof. Moving or estate sale signs on any rights-of-way are prohibited;
- (f) One political sign shall be permitted on or within a Lot at a time; provided, the political sign shall not be more than five square-feet in size, be a maximum height of four feet if posted on the ground and be of professional quality and design. The term "political

sign” means a sign which advocates for one particular candidate for public office or ballot measure. The period in which primary and general election yard signs may be displayed shall be no more than two weeks in advance of a primary election or four weeks in advance of a general election. Such signs shall be removed within one week following each election. Political signs shall remain respectful. Political signs on any easement are prohibited; and

- (g) One professionally printed real estate “For Sale”, “For Sale by Owner”, or “For Rent” sign may be posted within the Lot for a residential sale following industry standards for sign size, with a realtor T-Bar, and appropriate attached flyer box. The sign shall be removed within two weeks of the closing date of the sale. Other types of “For Sale by Owner” or “For Lease/Rent” yard or window signs are prohibited.

8.1.44. Sky Lights and Attic Ventilators. No skylights or attic ventilators shall be placed on any Structure or Lot without the review and written approval by the Board. Skylights are only permitted on the rear face of a roof below the ridgeline of a house not visible from the street. Skylight placement should consider sun reflection and the potential impact the reflection may have on other Lots. The size, proportion and placement should follow the general size, proportion, and placement of other elements on the Structure. Attic ventilators are permitted provided they are installed on the interior of the Dwelling and any associated vents or louvers are painted to match roof shingles.

8.1.45. Solar Panels. No solar panel(s) shall be placed on any Structure or Lot without the review and written approval by the Board. “Solar energy panel” means a panel device or system or combination of panel devices or systems that relies on direct sunlight as an energy source, including a solar panel device or system or combination of solar panel devices or systems that collects sunlight for use in: (a) the heating or cooling of a structure or building; (b) the heating or pumping of water; (c) industrial, commercial, or agriculture processes; or (d) the generation of electricity. Pursuant to RCW 64.38.055, solar panels must: (i) meet applicable health and safety standards and requirements imposed by state and local permitting authorities; (ii) if used to heat water, is certified by the solar rating certification corporation or another nationally recognized certification agency. Certification must be for the solar energy panel and for installation; and (iii) if used to produce electricity, meets all applicable safety and performance standards established by the national electric code, the institute of electrical laboratories, and, where applicable, rules of the utilities and transportation commission regarding safety and reliability. Visibility of any part of a roof-mounted solar energy panel above the roofline is prohibited. The attachment of solar energy panels to the slope of the roof visible from the street is only permitted if the solar panel conforms to the slope of the roof and the top edge of any part of the system is parallel to the roof ridge. The solar energy panel frame, support bracket(s), or any visible piping or wiring must be painted to coordinate with the roofing material. An Owner or resident is required to shield a ground-mounted solar energy panel if shielding the panel does not prohibit economic installation of the solar energy panel or degrade the operational performance quality of the solar energy panel by more than ten percent (10%). Owners or residents who install solar energy panels are required

to indemnify or reimburse the Association or its Members for loss or damage caused by the installation, maintenance, or use of a solar energy panel.

8.1.46. Swimming Pools, Spas, Hot Tubs. Permanent above ground, below ground, or prefabricated swimming pools are prohibited. Spas, hot tubs, and other ancillary structures require review and written approval by the Board and are only permitted in the rear yard. The spa and hot tub mechanical equipment should be located away from adjacent Lots or enclosed to minimize the impact of noise. Specifications that will be considered are noise, size, location, views from other Lots, and softening by landscaping.

8.1.47. Tanks. Except as otherwise expressly provided for in Section 8.1.37 hereof, elevated or underground tanks of any kind erected or placed on any Lot is prohibited.

8.1.48. Trash Containers and Debris. No trash, garbage, rubbish, refuse, or other solid waste of any kind including particularly inoperable automobiles, appliances, and furniture or indoor furnishings of the like shall be thrown, dumped, stored, piled, disposed of, or otherwise placed on any part of the Property. All trash, rubbish, refuse, or other unsightly litter or debris shall be placed in sanitary trash containers. Trash containers shall be reasonably screened so as not to be visible from other Lots or the street. Trash containers may be placed at the street edge for collection no earlier than the night before scheduled pick up and must be removed from the street within the same day after collection. Yard rakings, dirt, and debris resulting from landscaping work or construction shall not be deposited onto other Lots or the street.

8.1.49. Tree Cutting. Except as otherwise expressly provided for in Section 7.1.4 hereof, Owners may replace dead or dying trees on their Lots with the same type of tree in the same location without review or written approval by the Board except for species described in Section 8.1.50 hereof. The cutting of trees greater than a diameter of four inches on any Lot is prohibited unless the Owner can show evidence of: (a) the tree must be removed due to footprint of new construction; (b) root damage associated with construction excavation; (c) proximity to Structure or other trees; (d) excessive mold on a Structure; (e) desire for more light; (f) desire for improved view; (g) excessive risk or hazard to residence; or (h) diseased or damaged trees.

8.1.50. Tree Planting. Lot sizes, shade, wind, and other factors place size and growth constraints on trees, which may not be suitable for addition to existing landscapes. Unsuitable plant and tree species that, due to invasive root structures, rapid, weak growth and/or extreme ultimate height, are prohibited from further being planted anywhere on the Property.

8.1.51. Turf and Beds. Turf shall be mowed evenly at reasonable intervals as necessary and kept at or less than a height of six (6) inches. Turf shall be irrigated at regular intervals as necessary to maintain a natural, green state of health during the growing season. Government issued water conservation advisories may be observed, but lawns shall not be permitted to develop into a wildfire ignition source or allow weeds to develop. Turf shall be trimmed around mailboxes, flower beds, utilities, and house foundations. Turf and beds shall be free of weeds, clover, and

moss. All paved areas shall be edged and clear of weeds. Grass clippings shall not be blown, raked, or swept to remain on other Lots or rights-of-way.

8.1.52. Walkways and Driveways. Replacement of walkways and driveways with similar materials, style and color does not require review and approval from the Board. All driveways shall be paved from the edge of the paved street to connect with the paved surface of the floor of the carport or the garage. All paths, stairs, walkways, porches, patios, and driveways shall be free of moss, weeds, and accumulated debris.

8.1.53. Water Features, Statuary, Fountains, Furniture, Etc. Water features, fountains, statuary, swings, benches, stools, yard art and the like within the rear yard or side yard not visible from the street do not require review or written approval by the Board. Said items and the like for installation within the front yard may require review and written approval by the Board and will consider size, quantity, finish, color and consistency with the overall Lot landscape theme and consistency with the surrounding Structure colors. Height of the statuary shall not exceed forty-eight (48) inches. Furniture associated with interior furnishings including, but not limited to, couches, dining tables, recliners, mattresses, and the like within the front yard or side yard visible from other Lots or the street are prohibited.

8.1.54. Water Wells. Water wells are prohibited.

8.1.55. Windows. Alteration or modification of existing windows on the face of a Dwelling visible from other Lots or the street requires review and written approval by the Board. Mirrored or reflective glass is prohibited.

8.1.56. Wires and Pipes. All utilities, wires, and pipes including, but not limited to, exterior light wires, satellite dish wires, sprinkler systems or any other electric or electronic device wires except for utility, control or monitoring housings must be underground or discreetly placed to not be visible from other Lots or the street.

8.1.57. Wood Storage. Wood storage must be located below the top of any fence line to not be visible from other Lots or the street and must not block any existing drainage pattern on the Lot.

8.1.58. Vehicle Repairs. No maintenance, servicing, repair, dismantling, or repainting of any type of vehicle, boat, machine, or device may be carried on within the Property, except within a completely enclosed structure that screens the sight and sound of the activity from other Lots and the street. The foregoing restriction shall not be deemed to prevent washing or polishing of vehicles or minor vehicle maintenance.

8.2. Deviations or Exceptions.

Notwithstanding any restrictions or conditions contained in Article XIII hereof, the Board

reserves the right to grant conditional deviations or exceptions to such restrictions or conditions at the request of an Owner for exceptional circumstances. Such deviations or exceptions will be granted or denied on a case-by-case basis and the action taken in a particular instance does not constitute approval of similar deviations or exceptions for subsequent requests. See also Section 5.5.7 hereof.

ARTICLE IX.
ASSESSMENTS AND LIENS FOR COMMON EXPENSES

9.1. Annual Budget – Development and Ratification.

9.1.1. Budget for Common Expenses. Prior to the expiration of each fiscal year and not less than sixty (60) days prior to the Annual Meeting of the Association, the Board shall prepare for the Owners an Annual Budget which shall estimate the Common Expenses to be paid during such year. The Annual Budget shall also contain provisions for creating, funding, and maintaining reserves for capital improvements, major repairs, and replacement of components of the Property for which the Association is responsible, and the amount of any deductible under any insurance policy obtained by the Association. The Budget shall further consider any expected income and any available surplus from the prior fiscal year's operating fund. After the Annual Budget has been ratified by the membership by the procedures set forth in Section 9.1.2.1 hereof, the Board may not authorize unbudgeted expenditures that exceeds ten percent (10%) of the ratified Annual Budget without approval by the membership.

9.1.2. Meeting of the Association to Ratify Budget.

9.1.2.1. General Provisions. Within thirty (30) days after the Board adopts any proposed regular or special budget for the Association, the Board shall provide a summary of the budget to all Lot Owners and shall set a date for a Meeting of the Association to consider ratification of the budget not less than fourteen (14) nor more than sixty (60) days after notice of the summary. Unless at that meeting the Owners of a majority of the votes in the Association are allocated reject the budget, in person or by proxy, the budget is ratified, whether or not a quorum is present pursuant to RCW 64.38.025 and subsequent statutes. In the event the proposed budget is rejected, or the required notice is not given, the periodic budget last ratified by the Owners shall be continued until such time as the Owners ratify a subsequent budget proposed by the Board. Pursuant to RCW 64.38.025(3), this procedure shall be deemed to govern both Annual Assessments and Special Assessments; this Section of this Declaration of Covenants may not be amended without the advice of counsel, since its terms are controlled by law.

9.1.2.2. Special Notice Requirements Related to Reserve Accounts. As part of the summary of the budget provided to all Lot Owners, the Board of Directors shall disclose to the Owners information concerning the Association's Reserve account. Such information, as currently required by the Governing Law, appears in the Bylaws. In the event that the Governing

Law is amended to modify such notice requirements, the requirements of the Governing Law shall supersede the provisions of this Section of these Covenants.

9.2. Capital Reserves for Major Repairs, Replacements, and Insurance Deductibles.

9.2.1. Establishment of Capital Reserves. The Board shall establish and maintain reasonable Capital Reserves as described in Section 7.6.1 hereof. This Reserve shall also include the deductible under insurance policies obtained by the Association. The Annual Budget shall always contain provisions for funding this Reserve and the Association shall allocate and deposit to the Reserve the budgeted portion of collected annual assessments in that month (if any) for the Reserve. The total amount budgeted in the Annual Budget for such Reserves shall not be the lesser of either (a) ten percent (10%) of the total projected Common Expenses or (b) a Contribution Rate to fund Reserves in an amount sufficient to meet the projected need with respect both to amount and timing by annual contributions over the budget period. All Reserves and Reserve activity shall be identified and segregated in the books of the Association. The portions of the Lots' assessments paid into such Reserves shall be conclusively deemed to be non-refundable contributions to the capital of the Association by the Lot Owners. Such Reserves may be expended only for the purposes for which they were established (i.e., repair and replacement reserves may not be used to construct capital additions or capital improvements), unless another use for same may be ratified in the manner described in Section 9.1.2.1 hereof, or if the process described in Section 9.2.2 hereof is utilized.

9.2.2. Limitations on Withdrawals from Capital Reserves. The Association may withdraw funds from its Capital Reserves to pay for unforeseen or unbudgeted costs that are unrelated to maintenance, repair, or replacement of the reserve components. The Board shall record any such withdrawal in the minute books of the Association, cause notice of any such withdrawal to be provided to the mailing address of each Owner or to any other mailing address designated in a Record by the Owner and adopt a repayment schedule not to exceed twenty-four (24) months unless it determines that repayment within twenty-four (24) months would impose an unreasonable burden on the Lot Owners. Payment for major maintenance, repair, or replacement of the Reserve components out of cycle with any reserve study projections or not included in any reserve study may be made from the reserve account without meeting the notification or repayment requirements under this Section.

9.3. Assessments for Common Expenses.

The purposes for which dues and assessments may be established and collected include, without limitation, making provisions for the payment of charges associated with administrative and operating costs including common utilities, insurance, maintenance, and improvements thereon, the holding of ownership or a leasehold interest therein, for any other common purposes, collecting fines and or recovering money expended pursuant to this Declaration of Covenants, and/or compensation of any manager or Officer of the Association, all as determined pursuant to the Articles of Incorporation and Bylaws of the Association. The Board shall assess each Lot

within the Property with its *pro rata* share, based upon the number of Lots within the Property, of such estimated costs. The Board, at its election, may require the Lot Owners to pay the amount assessed in equal monthly or quarterly installments or in a lump sum annual installment. The Board shall notify each Lot Owner in writing at least ten (10) days in advance of each assessment period of the amount of the assessment of said period, which notice shall be accompanied by a copy of the budget upon which the assessment is based.

9.4. Assessments to Pay Judgment against Association.

Assessments to pay judgment against the Association may be made against the Lots in the Community at the time the judgment was entered, in proportion to their Allocated Interests for Common Expense Liability at the time the judgement was entered.

9.5. Allocated Interests.

The Association has allocated to each Lot in the Community an equal obligation to pay the general Common Expenses of the Association, which obligations is known as the Lot's Allocated Interest for Common Expense Liability. Notwithstanding the foregoing, Lots may be subject to differential Assessments for Common Expenses under Section 9.7 hereof.

9.6. Special Assessments.

The Board may levy a Special Assessment for the purpose of defraying the cost of any unexpected repair or other nonrecurring contingency, or to meet any other deficiencies in operations or reserves occurring from time to time. The process for approving a Special Assessment is the same as ratifying a budget. The Board shall give notice to the Lot Owners of any such Special Assessment by a statement in writing giving the amount and reasons therefor, along with a date for a Special Meeting of the Association to be held not less than fourteen (14) days following such notice, for approval of the Special Assessment. Subject to the provisions of Section 9.1.2 hereof, such Special Assessments shall become due and payable, unless otherwise specified in the notice, thirty (30) days after the delivery or mailing of such notice. All Lot Owners shall be obligated to pay the full amount of such Special Assessment.

9.7. Specially Allocated Assessments.

9.7.1. Upkeep by Association to Lot or Dwelling. All costs and expenses associated with Upkeep performed by the Association to or within a Lot shall constitute a Specially Allocated Assessment charged to such Lot.

9.7.2. Damage Caused by Negligence or Misconduct, Etc. To the extent that any Common Expense is caused by the negligence or misconduct of any Lot Owner, their children, contractors, agents, visitors, friends, relatives or service personnel, the Association may levy a Specially Allocated Assessment for that expense charged to the Owner's Lot. In addition and

without limitation, the liability of a Lot Owner to pay any and all costs, fees, charges, insurance deductibles or fines imposed or incurred by the Association associated with the Lot, along with any costs and/or attorneys' fees recoverable under the Governing Documents, and interest on any delinquent account shall be deemed a Specially Allocated Assessment which, unless otherwise directed by the Board, shall be due and payable within thirty (30) days following its imposition.

9.8. Payment of Assessments.

Annual Assessments are permitted in advance of their due dates and Lot Owners may pay dues annually at their option. Invoices for Annual Assessments will be mailed on or around January 1. Annual Assessments are divided into four equal installments and are due quarterly on March 31, June 30, September 30, and December 31. Special Assessments are due after membership approval, on a date determined by the Board on the advice of the Association's Treasurer. Statements for any unpaid balances will be sent quarterly on or around April 1, July 1, and October 1. Amounts due for any assessment will not incur interest charges if paid within the grace period as described in Section 9.15 hereof.

9.9. Offsets.

All assessments and charges shall be payable in the amount specified in the assessment or by notice and no offsets against the specified amount shall be permitted for any reason, including, but not limited to, a claim that: (a) the Association or the Board is not properly exercising its duties and powers as provided in this Declaration of Covenants; (b) assessments for any period exceed expenses for the Association; or (c) an Owner has made, or elects to make, no use of the Common Amenities or rights-of-way of Association responsibility.

9.10. Application of Assessment.

The Association shall apply all funds received by it pursuant to this Declaration of Covenants in the following order:

- (1) Administrative costs and expenses incurred by the Association in the exercise of its powers, authority and duties described herein and in the Association's Articles of Incorporation and Bylaws.
- (2) The promotion of the health, safety, enjoyment, and welfare of Association Common Amenities by means of construction, repair, maintenance, operation, and administration of the Property, including, but not limited to, the payment of insurance premiums.
- (3) The service, repair, maintenance and/or replacement of all assets and improvements belonging to the Association.

- (4) As to monies received on Special Assessments, to fulfill the purpose of the Special Assessment.

9.11. Accounts; Commingled Prohibited.

Amounts collected by the Association as Assessments against the Lots for operating expenses or Reserves shall be kept in accounts in the name of the Association and shall not be commingled with the funds of any other Association, nor with the funds of any manager of the Association or any other Person responsible for the custody of such funds. Any Capital Reserve funds shall be kept in one or more insured, segregated accounts.

9.12. Surplus Funds.

Any surplus funds of the Association remaining after payment of or provision for Common Expenses and any budgeted funding of reserves may, in the discretion of the Board of Directors, be transferred to Capital or Operating Reserves, be paid to the Lot Owners in proportion to their Allocated Interest for Common Expense Liability or credited to them to reduce their future Common Expense Assessment liability.

9.13. Liability of Lot Owners for Association Obligations.

The liability of any Lot Owner arising out of any contract made by the Board, or tort of the Association not fully covered by insurance or arising out of the indemnification of the Board, shall be limited to that proportion of the total liability thereunder as the Allocated Interest of his or her Lot bears to the aggregate Allocated Interests of all Lots.

9.14. Owners Personally Liable for Common Expenses.

Each Owner, by accepting a deed or entering into a recorded contract of sale for any portion of the Property, is deemed to covenant and agree to pay all assessments authorized in the Governing Documents. Each Assessment shall be the joint and several obligations of the Owner or Owners of the Lot to which the same are assessed as of the time the Assessment is due. Suit to recover a personal judgment for any delinquent Assessment shall be maintainable in any court of competent jurisdiction without foreclosing or waiving the lien securing such sums. No Lot Owner may exempt himself or herself from liability with respect to the Common Expenses by waiver of the enjoyment of the right to use any of the Common Amenities or rights-of-way or by leasing, rental, or abandonment of his or her Lot or otherwise. The failure or delay of the Board to adopt the Annual Budget for any year shall not constitute a waiver or release in any manner of a Lot Owner's obligation to pay his or her allocable share of the Common Expenses as herein provided, and in the absence of an Annual Budget or adjusted Annual Budget, each Lot Owner shall continue to pay (with or without notice) their Assessment at the rate established for the preceding fiscal year until an Assessment is made under a current Annual Budget or adjusted Annual Budget and notice thereof has been sent to the Lot Owner.

9.15. Delinquent Assessments; Late Charges and Interest.

If an Owner shall fail to pay any installment of an Annual Assessment, Special Assessment, or Specially Allocated Assessments within thirty (30) days from the date the same is due, then the entire Assessment for such Lot shall be delinquent and shall become immediately due and payable. The Association may collect a late charge in an amount not to exceed the greater of \$25.00 or ten percent (10%) of the amount of said Assessment or installment. Delinquent Assessments shall bear interest from the date of delinquency at a rate of twelve percent (12%) per annum thereafter until paid, or the maximum rate permitted under RCW 19.52.020 on the date on which the Assessment became delinquent. If any Member of this corporation fails for a period of ninety (90) days after the delinquency to pay his or her dues, this corporation shall have the power to revoke the Member's in Good Standing status and suspend voting privileges as hereinabove provided, until such bill is paid.

9.16. Liability Following Conveyance of a Lot.

A Lot Owner that sells, transfers, or otherwise conveys their Lot shall not be liable for the payment of any part of common charges identified herein assessed against their Lot after such sale, transfer, or conveyance. The Person acquiring the Lot shall be jointly and severally liable with the selling Lot Owner for all unpaid assessments against the Lot up to the date of conveyance without prejudice to such Person's right to recover from the selling Lot Owner any amounts paid hereunder. The holder of a mortgage or other purchase of a Lot who obtains the right of possession of the Lot through foreclosure shall not be liable for assessments that become due prior to such acquisition, and such unpaid assessments shall be deemed to be Common Expenses collectible from all Lot Owners, including such mortgagee or other purchaser of the Lot. Foreclosure of a mortgage does not relieve the prior Lot Owner of personal liability for assessments accruing against the Lot prior to the date of transfer.

9.17. Statement of Unpaid Assessments.

The Association, upon written request, shall furnish to a Lot Owner or a Mortgagee a statement signed by an Officer or authorized agent of the Association setting forth the amount of unpaid Assessments against that Lot. The statement shall be furnished within fifteen (15) days after receipt of the request and is binding on the Association, the Board, and every Lot Owner, unless and to the extent known by the recipient to be false.

9.18. Lien for Assessments.

The Association shall have a lien on each Lot for unpaid Assessments levied against a Lot from the time the Assessment is due to secure payment of delinquent assessments, as well as interest, late charges (subject to the limitations of Washington law), and costs of collection (including attorneys' fees).

9.19. Perfection of Lien – Lien is Automatic.

Recording of this Declaration of Covenants constitutes Record notice and perfection of the lien for Assessments. While no further recording of any claim of lien for Assessments shall be required to perfect the Association's lien, the Association may record a notice of claim of lien for Assessments under this Section in the real property records of Skagit County.

9.20. Priority of Lien.

9.20.1. A lien under this Article IX shall be prior to all other liens and encumbrances on a Lot except; (a) liens and encumbrances recorded before the recording of the Declaration of Covenants; (b) a Mortgage on the Lot recorded before the date on which the Assessment sought to be enforced became delinquent; and (c) liens for real property taxes and other governmental assessments or charges against the Lot.

9.20.2. The Association's lien shall also be prior to the Mortgages described in subpart (b) of Section 9.20.1 hereof, to the extent of the "priority amount", that is, an amount equal to (1) the Common Expense Assessments against the Lot, excluding any amounts for capital improvements, based on the periodic Budget adopted by the Association pursuant to Section 9.1.2 hereof, which would have become due in the absence of acceleration during the six months immediately preceding the institution of proceedings to foreclose either the Association's lien or a lien described in subpart (b) of Section 9.20.1 hereof; and unless the Governing Law otherwise provides, (2) the Association's actual cost and reasonable attorneys' fees incurred in foreclosing its lien up to the time when any Person pays to the Association the full priority amount described above, including the Association's attorneys' fees and costs. The term "institution of proceedings," as used herein, shall mean either; (i) the date of recording of a notice of trustee's sale by a deed of trust beneficiary; (ii) the date of commencement, pursuant to applicable court rules, of an action for judicial Foreclosure either by the Association or by the holder of a recorded Mortgage; or (iii) the date of recording of a notice of intention to forfeit in a real estate contract forfeiture proceeding by the vendor under a real estate contract. The term "capital improvements," as used herein, does not include making, in the ordinary course of management, repairs to assets or Common Amenities within the rights-of-way or replacements thereof with substantially similar items, subject to: (a) availability of materials and products, (b) prevailing law, or (c) sound engineering and construction standards then prevailing.

9.21. Action to Foreclose Lien.

Pursuant to Legislature of the State of Washington House Bill 1482, the Association may commence action to foreclose the lien if: (a) the Lot Owner, at the time the action is commenced, owes at least a sum equal to the greater of: (i) three months or more of assessments, not including fines, late charges, interest, attorneys' fees, or costs incurred by the Association in connection with the collection of a delinquent Owner's account; or (ii) \$200 of assessments, not including fines, late charges, interest, attorneys' fees, or costs incurred by the Association in connection with the

collection of a delinquent Owner's account; and (b) at or after the date that assessments have become past due for at least one hundred eighty (180) days, the Association has mailed, by first-class mail, to the Owner, at the Lot address and to any other address which the Owner has provided to the Association, a notice of delinquency formatted in accordance with RCW 64.38.100. Effective January 1, 2024, the Association must wait ninety (90) days, rather than one hundred eighty (180) days, from the date the minimum required amount of past-due assessment has accrued before commencing an action to foreclose a lien.

9.22. Enforcement of Lien.

The lien arising under this Article IX shall be enforced judicially by the Association or its authorized representative in the manner set forth in RCW 61.12. The Association or its authorized representative shall have the power, subject to the provisions of Section 4.5 hereof, to purchase the Lot at the Foreclosure sale and to acquire, hold, lease, Mortgage, or convey the same. Upon an express waiver in the complaint of any right to a deficiency judgment in a judicial Foreclosure action, the period of redemption shall be eight months. The Association may elect to take a deed in lieu of Foreclosure in any such proceeding. While a Lot is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be levied on it; and (c) each other Lot shall be charged, in addition to its usual assessment, its *pro rata* share of the assessment that would have been charged such Lot had it not been acquired by the Association.

9.23. Limitation of Lien Enforcement.

A lien for unpaid Assessments and the personal liability for payment thereof is extinguished unless proceedings to enforce the lien are instituted within six (6) years after the amount of the Assessments sought to be recovered becomes due.

9.24. Lease Payments Subject to Lien for Assessments – Other Remedies for Nonpayment.

9.24.1. Lease Payments Payable to Association Upon Default of Owner. If a Lot is leased by its Owner, and if the Owner becomes delinquent in the payment of Assessments for more than ninety (90) days, the Association may collect the delinquent amount from the tenant, who shall pay over to the Association so much of the lease for such Lot as is required to pay such delinquency, plus interest, attorneys' fees, and other costs of collection. In order to avail itself of the remedy contained in this Section, the Association shall first send a notice jointly to the Owner and the Tenant by First Class U.S. Mail, advising both parties (a) of the Owner's delinquency in Assessments (b) of the tenant's obligations under this Section of the Declaration of Covenants, and (c) notifying both parties that if such delinquency is not cured within ten (10) days of mailing, the tenant must commence paying lease payments to the Association until the delinquency has been cured. The tenant shall not have the right to question payment to the Association, and such payment shall discharge both the tenant's duty to pay lease payments to the Lot Owner and the Lot Owner's obligation to pay Assessments, *pro tanto*. The Association shall not resort to this

remedy where a receiver has been appointed and is collecting such lease payments, as provided in Section 9.24.2 hereof.

9.24.2. Association Entitled to Appointment of Receiver. From the time of commencement of any action by the Association to foreclose a lien for nonpayment of delinquent Assessments against a Lot that is not occupied by the Owner thereof, the Association shall be entitled to the appointment of a receiver to collect from the lessee thereof the lease payment for the Lot as and when due. If the lease payment is not paid, the receiver may obtain possession of the Lot, refurbish it for leasing up to a reasonable standard for Lots in this type of Association, lease the Lot or permit its leasing to others, and apply the lease payments first to the cost of the receivership and attorneys' fees thereof, then to the cost of refurbishing the Lot, then to applicable charges, then to costs, fees, and charges of the Foreclosure action, and then to the payment of the delinquent Assessments. The exercise by the Association of the foregoing rights shall not affect the priority of preexisting liens on the Lot.

9.25. Remedies Cumulative.

The remedies provided are cumulative and the Board may pursue them concurrently, along with any other remedies which may be available under the law although not expressed herein.

ARTICLE X.
INSURANCE

10.1. Authority; Name of Insured.

The Board of Directors will obtain and maintain casualty and liability insurance under such terms and for such amounts as shall be deemed necessary by the Board of Directors, unless not reasonably available. The name of the insured under each required policy shall be stated as follows: "Village Park Owners' Association."

10.2. Basic Coverage.

Level(s) of coverage shall be determined annually by the Board of Directors with assistance of the agent of the insurance company affording such coverage in a residential community association policy. Such coverage shall afford protection against: (a) loss or damage by fire, vandalism, malicious mischief, windstorm, and other hazards covered by the standard "broad form" and/or "special" extended coverage endorsements of their equivalent, and such other perils customarily covered by insurance for similar projects. The policy shall also cover other Common property including fixtures and common personal property and supplies owned by the Association or included in the assets; (b) liability for death, personal injury and property damage arising from the use, ownership, or maintenance of any of the assets. Coverage should be afforded under a commercial general liability policy for the entire Community, including all areas under the

supervision of the Association. Limits of liability shall in no event be less than \$1,000,000 with respect to any single occurrence; and (c) medical payments coverage, in such amounts as are customarily provided in such policies.

10.3. Directors' and Officers' Insurance.

The Board will purchase and maintain Directors and Officers Liability insurance to satisfy the Association's indemnification responsibilities under the Bylaws of the Association.

10.4. Additional Insurance.

The Board shall also purchase and maintain additional insurance coverage as it may deem advisable and appropriate as a Common Expense a policy or policies which the Board deems necessary or desirable to provide casualty insurance; comprehensive liability insurance; with such deductible provisions as the Board deems advisable; insurance, if available, for the protection of the Association's Directors, and representatives from personal liability in the management of the Community's affairs; and such other insurance as the Board deems advisable.

10.5. General Insuring Scheme – Limited Coverage for Owners and Tenants.

The Association is not a "guarantor" of the health, safety or property of the Lot Owners, tenants, or other Occupants on the Property. See Section 12.2 hereof for further details. The Association's Policy does not and cannot provide coverage for real or personal property belonging to any Lot Owner, tenant, or other Occupant of a Lot, nor does the Association's Policy provide coverage for liability for harm arising within a Lot.

10.6. Owners and Tenants Responsible for Acquiring their Own Insurance.

Because of the limitations in coverage afforded under the Association's Policy, Lot Owners and tenants must acquire their own insurance coverage to be fully protected. In acquiring such insurance, Owners and tenants should pay particular attention to the provisions of Section 10.10 hereof.

10.7. Deductible.

Except as otherwise provided herein, the deductible under any policy of insurance purchased by the Board of Directors shall not exceed the lesser of \$10,000 or 1% of the face amount of the policy. Except as provided herein, the amount of the deductible shall be paid by the Association as a Common Expense. Funds to cover the amount of the deductible shall be included in the Association's Reserve accounts. The deductible should be established at a level that is sufficiently high to eliminate minor "nuisance" claims which could cause the cancellation of the Association's insurance policy.

10.8. Unavailability, Cancellation or Nonrenewal.

If the insurance described in this Article X hereof is not reasonably available, or is modified, canceled, or not renewed, the Association promptly shall cause notice of the fact to all Lot Owners, and to each Eligible Mortgagee, at their respective address or by electronic transmission (email) recorded with the Association's Secretary.

10.9. Adjustment and Payment of Loss Proceeds.

All policies obtained by the Association shall provide that adjustment of loss shall be made by the Board, and that proceeds payable pursuant to the policies shall be paid directly to the Board as insurance trustee, to be held in trust for Lot Owners and all lienholders as their interests may appear. Proceeds of insurance policies received by the insurance trustee shall be distributed to or for the benefit of the Lot Owners and Mortgagees entitled thereto, after first paying or making provisions for the payment of the expenses of the insurance trustee, in the following manner: (1) proceeds are to be paid first to repair or restore damage or destruction, and then, (2) after completely defraying the cost of the repair or restoration, any surplus proceeds shall be payable jointly to the Lot Owners and Mortgagees, if any, entitled thereto. If the proceeds of insurance, coupled with any available reserve funds, are not sufficient to defray such costs, the Board shall present to the Owners a budget containing a Special Assessment to be made against all the Lots hereof, in sufficient amounts to provide funds to cover the shortfall.

10.10. No Obligation to Monitor.

The Board is not obligated to monitor the existence or nonexistence of any Lot Owner's insurance; such responsibility, and the risks to the Owner and Occupants of a failure to have proper insurance, are to be borne solely by the Lot Owner or Occupants. A failure by the Owner to maintain insurance, which failure results in any economic loss or other harm or damage to the Association shall constitute misconduct on the Owner's part.

ARTICLE XI.
COMPLIANCE WITH LAW AND COVENANTS

11.1. Compliance by Owners and Occupants.

Each Owner and Occupant of a Lot shall comply with the provisions of the Governing Documents. All remedies provided the Association in this Article XI may be enforced against any tenant or other Occupant of a Lot.

11.2. Assignment or Leasing.

An Owner or tenant may not exempt himself or herself from any liability under the

Governing Documents by assignment or leasing the occupancy rights to his or her Lot.

11.3. Enforcement by Association.

The Board shall have full authority to enforce compliance with the covenants, conditions and restrictions contained in the Declaration of Covenants, the Articles of Incorporation, and the Bylaws. Prior to seeking legal action in a court of competent jurisdiction, the Board shall use all available lesser means to resolve an issue, including but not limited to mediation, arbitration, fines, Specially Allocated Assessments and placing a lien on the property.

11.4. Right to Notice and Opportunity to be Heard.

The Board shall create procedures to provide Owners with Notice and opportunity to be heard regarding noncompliance with the Governing Documents consistent with RCW 64.38, this Declaration of Covenants, and the Bylaws.

11.5. Legal Proceedings.

Failure to comply with any of the terms of the Governing Documents shall be grounds for legal relief, including without limitation, actions to recover any sums due for money damages, injunction relief, Foreclosure of the lien for payment of Assessments, or any combination thereof and any other relief afforded by a court of competent jurisdiction, all of which relief may be sought by the Association or, if appropriate, by any aggrieved Owner, and shall not constitute an election of remedies.

11.6. Costs and Attorneys' Fees.

The Association shall be entitled to recover any costs and reasonable attorneys' fees incurred in connection with the collection of delinquent Assessments, whether or not such collection activities result in suit being commenced or prosecuted to judgment. In addition, the Association shall be entitled to recover costs and reasonable attorneys' fees if it prevails on appeal and in the enforcement of a judgment. In any other proceeding arising out of an alleged default by an Owner, the prevailing party shall be entitled to recover the costs of the proceeding, and such reasonable attorneys' fees as may be determined by the court. If the prevailing party is the Association, the cost and attorneys' fees so awarded shall constitute a Specially Allocated Assessment against the Owner's Lot. An aggrieved Owner shall also be entitled to an award of costs and attorneys' fees in a proceeding initiated by such Owner.

11.7. No Waiver of Rights.

The failure of the Association, the Board or of an Owner to enforce any right, provision, covenant, or condition which may be granted by the Governing Documents or the Governing Law, shall not constitute a waiver of the right of the Association, the Board, or the Owner to enforce

such right, provision, covenant, or condition in the future.

11.8. Remedies Cumulative.

A suit to recover a money judgment for unpaid Assessments may be maintained without foreclosing or waiving the lien securing the same, and a Foreclosure may be maintained notwithstanding the pendency of any suit to recover a money judgment. All rights, remedies and privileges granted to the Association, the Board or any Owner pursuant to any term, provision, covenant or condition of the Governing Documents or the Governing Law shall be deemed to be cumulative and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising such other privileges as may be granted to such party by the Governing Documents or the Governing Law or at law or in equity.

11.9. Occupants Subject to Rights and Responsibilities of Owners.

Any tenant or other Occupant of a Lot shall be deemed to be bound by all portions of the Governing Documents that are binding upon the Owner. All rights, remedies, and procedures available to the Association when dealing with Owners under the Governing Documents shall be available to the Association when dealing with any tenant of an Owner. In addition, the Association shall have the right (but not the obligation) to terminate the lease of a tenant who, in a hearing held pursuant to the Bylaws, has been found to have violated the Governing Documents; the Association shall be deemed a "real party of interest" in any legal proceeding brought to enforce this right. The Association shall not resort to this remedy unless the Owner of the Lot occupied by such tenant has failed and refused to take steps designed to cure the tenant's noncompliance within sixty (60) days following notice from the Association to the Owner of the necessity for such curative action.

ARTICLE XII.
LIMITATION OF LIABILITY

12.1. Liability of Officers and Directors; Indemnification.

The Directors and Officers shall exercise ordinary and reasonable care in discharging their responsibilities and shall not be liable to the Association or to the Lot Owners for mistakes in judgement or negligence not amounting to gross negligence, willful misconduct, or bad faith. The Association shall indemnify and hold harmless each of its Directors and Officers from and against all contractual liability to others arising out of contracts made by the Board or its Officers on behalf of the Association or the Lot Owners unless such contract was made in bad faith or contrary to the provisions of this Declaration of Covenants or the Association's Governing Documents. This shall include all civil, administrative, criminal, or investigative actions whether brought by an individual or a governmental agency. The indemnification shall extend to the payment of reasonable

attorneys' fees incurred in the defense of such action, including fees for independent counsel, and the payment of any fine, settlement or judgment. The Directors and Officers shall not be personally liable for contracts made by them on behalf of the Association. The Association shall indemnify any Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by reason of the fact that they are or were a Director or Officer of the Association, against amounts paid in settlement incurred by them in connection with such action, suit, or proceeding if they acted in good faith and in a manner they reasonably believed to be in, or not opposed to, the best interests of the Community, to the fullest extent authorized by RCW 23B.08.510, 520, 530, and 570 and any amendments thereto, irrespective of the fact that the Association is not incorporated under RCW 23B.

12.2. No Liability for Utility Failure, Etc. – Association Not a Guarantor.

The Association is not a guarantor of the health or safety of any Occupant of the Community, or of the integrity and usefulness of any portions of the Property within the Community. Except to the extent covered by insurance obtained by the Board pursuant to Article X hereof, neither the Association nor the Board shall be liable for any failure of any equipment, utility or other services obtained by the Board, or for injury or damage to Person or property caused by the elements, or resulting from electricity, water, rain, dust or sand which may lead or flow into any parts of the improvements on any Lot, or from any pipes, drains, conduits, appliances, or equipment, or from any other place, or for inconvenience or discomfort resulting from any action taken to make repairs to the Property, or to comply with any law, ordinance or orders of a governmental authority. No diminution or abatement of liability for Common Expense assessments shall be claimed or allowed for any such utility or service failure, or for such injury or damage, or for such inconvenience or discomfort.

ARTICLE XIII.
MORTGAGEE PROTECTION

13.1. General.

This Article XIII establishes certain standards and covenants which are for the benefit of the holders, insurers, and guarantors of certain Mortgages. This Article XIII is supplemental to, and not in substitution for, any other provisions of the Governing Documents, but in the case of conflict, this Article XIII shall control.

13.2. Percentage of Eligible Mortgagees.

Wherever in this Declaration of Covenants the approval or consent of a specified percentage of Mortgagees is required, it shall mean the approval or consent in writing of Eligible Mortgagees holding first lien Mortgages on Lots, and the percentage shall be based upon the votes

attributable to Lots with respect to which Eligible Mortgagees have an interest.

13.3. Notice of Actions.

The Association shall give prompt written notice to each Eligible Mortgagee and Eligible Insurer of, and each Lot Owner hereby consents to, and authorizes the giving of: (a) any condemnation loss or any casualty loss which affects a material portion of the Property or any Lot in which there is a first Mortgage held, insured, or guaranteed by such Eligible Mortgagee or Eligible Insurer, as applicable; (b) any delinquency in the payment of Common Expense Assessments owed by a Lot Owner whose Lot is subject to a first Mortgage held, insured, or guaranteed, by such Eligible Mortgagee or Eligible Insurer, as applicable, which remains uncured for a period of sixty (60) days; or (c) any lapse, cancellation, or material modification of any insurance policy maintained by the Association.

13.4. Financial Statements.

The Association shall provide any Eligible Mortgagee or Eligible Insurer who submits a written request, a copy of its annual financial statement within one hundred twenty (120) days following the end of each fiscal year of the Association. Such financial statement shall be audited by an independent certified public accountant if the Association's budget for Annual Assessments is less than fifty thousand dollars or the said audit has been waived under the provisions of RCW 64.38.045(3) and any Eligible Mortgagee or Eligible Insurer requests it, in which case the Eligible Mortgagee or Eligible Insurer shall bear the cost of the audit.

13.5. Enforcement.

The provisions of this Article XIII are for the benefit of Eligible Mortgagees and Eligible Insurers and their successors and may be enforced by any of them by any available means, at law, or in equity.

13.6. Attendance at Meetings.

Any representative of an Eligible Mortgagee or Eligible Insurer may attend and address any meeting which a Lot Owner may attend and is subject to the same standards as any Lot Owner.

13.7. Limitations on Mortgagees' Rights.

No requirement for approval contained in this Article XIII may operate to (i) deny or delegate control over the general administration affairs of the Association by the Lot Owners or the Board of Directors, or (ii) prevent the Association or the Board of Directors from commencing, intervening in, or settling any litigation or proceeding, or receiving and distributing any insurance proceeds except as provided in this Declaration of Covenants.

13.8. Implied Approval by Mortgagee.

The failure of an Eligible Mortgagee or Insurer to respond within sixty (60) days to any written request of the Association delivered by certified or registered mail, "return receipt requested" for approval of an amendment to the Governing Documents, or wherever Eligible Mortgagee or Insurer approval for an action of the Association is required, shall constitute an implied approval of the action or amendment.

13.9. Resale Information/Certificate.

Upon request of a new Lot Owner and/or their agent, the Association will provide information and/or complete a Resale Certificate with information or copies of the Governing Documents and agreements and any other information as required by law. Reasonable fees may be charged for the preparation and reproduction of these documents.

ARTICLE XIV.
AMENDMENT OF DECLARATION OF COVENANTS

14.1. Procedure for Amendment of Declaration of Covenants.

This Declaration of Covenants may be amended to alter, add, or repeal restrictive covenants and provisions by an instrument in writing entitled "Amendment to the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Village Park Owners' Association" which sets forth the entire amendment. Amendments may be adopted at a duly constituted Meeting of the Association at which a quorum is present if at least two-thirds of the votes of Owners present, in person or by proxy, are cast for such amendment, or without any meeting if all Owners have been duly notified and Owners holding at least two-thirds (16 Lots) of the votes in the Association consent in a Record to such amendment. Amendments may be proposed by a majority of the Board of Directors or by petition signed by Owners representing at least one-third (8 Lots) of the votes in the Association for consideration at the next Regular or Special Meetings for which timely notice may be given. Notice of a meeting at which an amendment is to be considered shall include the text of the proposed amendment. Amendments may be adopted at a Meeting of the Association or by written consent of the requisite number of Persons entitled to vote after notice has been given to all Persons entitled to receive notice of a Meeting of the Association.

14.2. Recordation Required.

After an amendment to the Declaration of Covenants has been properly adopted by the Association, the amendment will become effective when a certificate of the amendment has been recorded with the Skagit County Auditor, Washington. The President or in his/her absence, the Vice President, and the Secretary of the Board of Directors shall prepare, execute, certify, and record amendments on behalf of the Association. In all cases, the amendment when adopted shall

bear the acknowledged signature of the Association's President. An amendment shall be indexed in the name of the Association and shall contain a cross-reference by recording number to the Declaration of Covenants and each previously recorded amendment thereto.

14.3. Certain Amendments Require Approval of City of Anacortes.

As provided in Section 6.8.3 hereof, no Amendment to this Declaration of Covenants, the effect of which would alter or modify the provisions of Article VI relating to the City of Anacortes, may be adopted in the absence of advance written approval of the City of Anacortes.

14.4. Annexation and Subdivision.

Residential property other than the rights-of-way may be annexed or added to the Property only with the consent of at least two-thirds (16 Lots) of the Association. No Lot shall be subdivided or combined without the unanimous approval of all Lot Owners.

ARTICLE XV.
MISCELLANEOUS

15.1. Notices for All Purposes; Delivery.

15.1.1. Any notice permitted or required to be delivered under the provisions of the Declaration of Covenants or the Bylaws may be delivered either personally or by mail, addressed to the Person entitled to such notice at the most recent address given by such Person to the Board in a Record, or to the most recent address known to the Board. Notice to the Owner of any Lot shall be sufficient if mailed to his/her Lot if no other mailing address has been given to the Board. With the advance written consent of any Owner, required notice may be provided electronically. Mailing addresses may be changed from time to time by notice provided by the Owner in a Record to the Board. Notice to be given to the Association may be given to the Association's President or Secretary, or to its Registered Agent. Notice also may be provided to any Person in any manner permitted by statute.

15.1.2. New Lot Owners must supply their names, mailing addresses, and telephone numbers and, if so desired pursuant to the provisions of RCW 64.38.110 in order to receive electronic transmission notices from the Association, e-mail addresses to the Association's Secretary promptly after Conveyance.

15.2. Protection of Mortgage or Deed of Trust Holder.

No violation or breach of any covenant contained in this Declaration of Covenants, or in any supplement hereto, and no action to enforce the same, shall defeat, render invalid, or impair the line of any mortgage or deed of trust taken in good faith and for value against any title or

interest in any Lot which is the subject of an action arising from such violation or breach. A Purchaser of any such Lot at a trustee's sale, sheriff's sale, or tax foreclosure sale shall take title to such Lot free and clear of any violations or breaches which have occurred on such Lot, or by the previous Owner thereof, prior to such foreclosure, by such Purchaser shall nevertheless take subject to this Declaration of Covenants and to any supplements or amendments hereto.

15.3. Grantees' Acceptance.

The grantee of any Lot subject to this Declaration of Covenants shall, by acceptance of a deed conveying title thereto or by the execution of any contract for the purchase thereof, where from any Owner of such Lot, accept such deed or contract upon, and subject to, each and every provision of this Declaration of Covenants and to any supplements hereto and the provisions contained herein and therein, including the jurisdiction, rights, and powers of the Association, or any of them, and by such acceptance shall, for themselves, their heirs, personal representatives, successors, and assigns, covenant, consent, and agree to and with the Association and to and with the grantees and subsequent Owners of each of the Lots within the Community, to keep, observe, and comply with and perform all obligations set forth herein. Each such grantee also agrees, by such acceptance, to assume, as against the Association, its successors, or assigns, all the risks and hazards of ownership and occupancy attendant to such Lot, including but not limited to, its proximity to any rights-of-way.

15.4. Duration.

The covenants, conditions, and restrictions of this Declaration of Covenants shall run with and bind the Property, and shall inure to the benefit of and be enforceable by the Association or the Owner of any land subject to this Declaration of Covenants, their respective legal representatives, heirs, successors and assigns, for a period of thirty (30) years from the date this Declaration of Covenants is recorded, after which time the covenants, conditions and restrictions shall be automatically extended for successive periods of ten (10) years each unless an instrument signed by all of the then Lot Owners has been recorded agreeing to terminate the covenants, conditions and restrictions.

15.5. Interpretation.

In the case of any conflict among this Declaration of Covenants, Articles of Incorporation and the Bylaws, this Declaration of Covenants shall control over both the Articles of Incorporation and the Bylaws, and the Articles of Incorporation shall control over the Bylaws.

15.6. Severability.

The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion thereof shall not affect the

validity or enforceability of any other provision hereof if the remainder complies with the Governing Law and furthers the Association. If Federal, state, and local laws, ordinances, and codes change to the extent that any provision in this Declaration of Covenants would become unlawful, the applicable Section shall then be deemed to be automatically amended to conform to such changes.

15.7. No Right of First Refusal.

There is no right of first refusal in the Association limiting or restricting the right of any Lot Owner to sell, transfer or convey his or her Lot.

15.8. No Discrimination.

The Association shall not discriminate based on race, color, religion, national origin, familial status, handicap, or other protected class. The Association shall make reasonable accommodations in its policies and procedures and permit reasonable modifications of premises where necessary or appropriate to comply with the law.

15.9. Paragraph Headings.

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

15.10. Effective Date.

This Declaration of Covenants shall be effective upon recording with the Skagit County Auditor in the State of Washington.

EXHIBIT A.

9710170015



Amended and Restated Declaration of Covenants Village Park Owners' Association

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V.16 Plots Pg 193

ATTACHMENT 1.
CONSTRUCTION AND IMPROVEMENT CHECKLIST

For a complete list of construction and improvement specifications requiring review and written approval by the Board, refer to Article VIII of the Declaration of Covenants (CC&Rs). If review and written approval by the Board is required, use this checklist.

- ☐ **Plans:** Provide two copies of the Plans by hand, mail, or email to the Board of Directors. See Sections 5.5.1 and 5.5.2 of the CC&Rs for the Plans submission process. Proposed changes and additions should be indicated, including dimensions and distances from adjacent Lots and Structures.
- ☐ **Materials and Colors:** Samples of the materials and each color of actual paint to be used and their placement must be provided. If the proposed color(s) are different from the existing colors, color chips must be provided for clarity. Plans involving paint must have color number(s) and paint chips attached or the Plans may not be reviewed until the information is received.
- ☐ **Drawings and Photographs:** A drawing of the proposed change or addition must be provided. Where applicable, provide manufacturer's literature or photographs or freehand or mechanical drawings. The amount of detail should be consistent with the complexity of the proposal. Relationships of architectural features such as existing and proposed rooflines, window sizes and locations, building heights, roof slopes, etc. should be shown.
- ☐ **Landscape Submittals:** In addition to the site plan and drawings and photographs, the species of plants and trees and any drainage issues should also be addressed.
- ☐ **Neighbor Notification:** A courtesy notice should be provided to every Lot Owner that surrounds the Lot prior to submitting the Plans to the Board.
- ☐ **Third Party Comments:** If a neighbor has concerns with the proposed work, they will have ten (10) days from the date of their notification to register their concerns with the Board in writing. The Board will then consider their concerns along with the Plans. Ultimately, however, the Board decision will be based on the provisions set forth in the CC&Rs.
- ☐ **Dates:** The estimated start date and completion date of the proposed work should be included in the application. The work should be completed as described in Sections 5.6.2 or 5.6.3 as applicable in the CC&Rs.
- ☐ **Do not start work** until the Plans are reviewed and approved in writing by the Board.
- ☐ **No changes** may be made to the Plans once approved without review and written approval by the Board. If a change is needed, submit a written request by hand, mail, or email.

ATTACHMENT 2.
APPLICATION FOR APPROVAL TO USE LOT FOR LEASE

Village Park Owners' Association
 PO Box 512
 Anacortes, WA 98221

RE: Application to Use Lot for Lease

Application Date: _____

To: Village Park Owners' Association Board of Directors,

I/We _____ and _____

Owner(s) of [Lot Address] _____

are applying to use this Lot as a rental.

I/We have read Section 8.1.29 of the Declaration of Covenants (CC&Rs) and agree to abide by all provisions in said Section. I/We understand that upon receipt of this application, the Board of Directors has thirty (30) days to either approve or deny it. If application is approved, I/We agree to provide the property manager and Association's Secretary with my/our official mailing address and provide the tenant(s) a copy of the CC&Rs.

 Owner Signature Date _____

 Owner Signature Date _____

For Board of Directors Use Only

☐ **Application Approved**

☐ **Application Denied**

Reasons/Conditions:

Board Director:

Board Director's Signature:

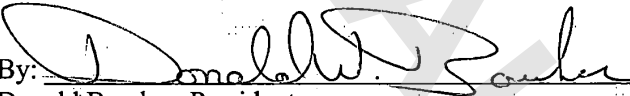
Date:

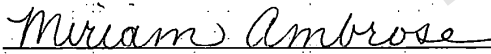
CERTIFICATION


The undersigned hereby certify the within Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Village Park Owner's Association was put to a vote of the Village Park Owners' Association at a properly recorded vote of the membership effective February 16, 2023 in which a quorum was present. 88% of the eligible membership participated in the vote with the amendments passing by a vote of 94.74% cast in favor of Article 8 and 100% cast in favor of the remaining Articles contained herein. The within Declaration of Covenants correctly sets forth the provisions of this Declaration of Covenants as amended in compliance with the Articles of Incorporation, Bylaws, the Declaration, and Governing Law. The within Declaration of Covenants supersedes the Covenants recorded on November 13, 1998.

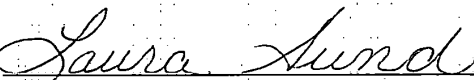
IN WITNESS WHEREOF, the undersigned have signed this Amended and Restated Declaration of Covenants dated this 16th day of February 2023.


VILLAGE PARK OWNERS' ASSOCIATION

By: 
Donald Bowker, President

By: 
Miriam Ambrose, Secretary

By: 
Marsha Flowers, Treasurer

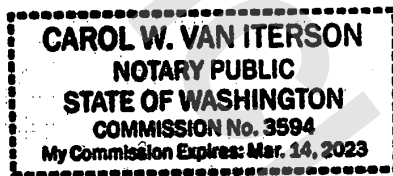
By: 
Laura Sund, Director

By: 
By: Dona Reed (Feb 16, 2023 18:25 PST)
Dona Reed, Director

STATE OF WASHINGTON)
) ss.
 COUNTY OF SKAGIT)

I hereby certify that I know or have satisfactory evidence that Donald Bowker, Miriam Ambrose, Marsha Flowers, and Laura Sund of Village Park Owners' Association are the persons who appeared before me, and said persons acknowledged that they signed this instrument, on oath stated that they were authorized to execute the instrument and acknowledged it as the Board of Directors of Village Park Owners' Association, a Washington nonprofit corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this 16th day of February, 2023.

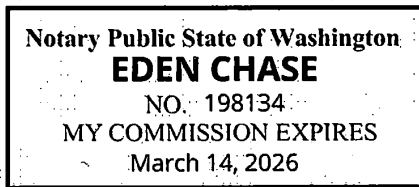


Carol W Van Iterson
 Notary Public in and for the State of Washington
 Print Name Carol W Van Iterson
 Residing in Anacortes
 My Commission Expires 3-14-23

STATE OF WASHINGTON)
) ss.
 COUNTY OF **King**)

I hereby certify that I know or have satisfactory evidence that Dona Reed of Village Park Owners' Association is the person who appeared before me, and said persons acknowledged that they signed this instrument, on oath stated that they were authorized to execute the instrument and acknowledged it as a Director of Village Park Owners' Association, a Washington nonprofit corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this 16th day of February, 2023.



Eden Chase Notary Public
Eden Chase (Feb 16, 2023 18:28 PST)
 Notary Public in and for the State of Washington
 Print Name Eden Chase
 Residing in Federal Way, WA
 My Commission Expires 03.14.2026