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Skagit County Auditor

11/21/2000 Page 1 of 36 12:02:29PM

RETURN DOCUMENT TO:

Dan Peth
13397 D'Arcy Road
Bow, WA 98232

<p>DOCUMENT TITLE(S): Covenants, Conditions, Restrictions, and Reservations</p>
<p>REFERENCE NUMBER(S) OF DOCUMENTS ASSIGNED OR RELEASED:</p> <p>Additional reference numbers found on page _____ of document.</p>
<p>GRANTOR(S):</p> <p>John Peth & Sons, James Company LLC, James Darin and Amy Louise Jensen</p> <p>Additional grantors found on page _____ of document.</p>
<p>GRANTEE(S):</p> <p>Public</p> <p>Additional grantees found on page _____ of document.</p>
<p>ABBREVIATED LEGAL DESCRIPTION (Lot, block, plat or section, township, range).</p> <p>Portion of the NE$\frac{1}{4}$ NE$\frac{1}{4}$ of Sec. 24, a Portion of the E$\frac{1}{2}$ of Sec. 13, T36N R3E; and a Portion of the NW$\frac{1}{4}$ of Sec. 19, a Portion of the SW of Sec. 18, T36N R4E</p> <p>Additional legal can be found on pages <u>20-30</u> of document.</p>
<p>ASSESSOR'S PARCEL NUMBER:</p> <p>P48141, P115707, P115709, P115710, P49443, P115711, P49458, P115712, P115715, P49371, P49372, P115716, P49370, P47859, P47842</p>

**DECLARATION OF
COVENANTS, CONDITIONS, RESTRICTIONS AND RESERVATIONS
FOR
FOX HOLLOW LANE ASSOCIATION**

THIS DECLARATION (hereinafter "Declaration") is made this _____ day of November, 2000, by John Peth & Sons, Inc., James Company, LLC, a Washington limited liability company, and James Darin and Amy Louise Jensen, husband and wife (hereinafter all collectively referred to as "Declarant" or "Declarants").

WITNESSETH:

WHEREAS, Declarants are the owners in fee of certain real property situated in Skagit County, Washington, described as

See Exhibit A, attached hereto and fully incorporated herein.

The real property described in **Exhibit A**, together with all residences and other structures thereon constituting real property, now existing or to be constructed in the future, shall hereinafter be referred to as the "Property"; and

WHEREAS, the Declarants presently are developing the Property and intend to sell Lots (as hereinafter defined) therein for residential use; and

WHEREAS, the Declarants, or their successors and assigns, at their sole discretion, may in the future further subdivide and develop the Property for residential purposes, and in that event, the Declarants desire that all the Property including those Lots already created as well as any further Lots thereby created shall be subject to the terms and provisions of this Declaration as hereinafter provided; and

WHEREAS, the Declarants desire to provide a flexible and reasonable procedure for the overall development of the Property, and to establish a method for the administration, maintenance, preservation, use and enjoyment of the Property as is now or may hereafter be submitted to this Declaration. The Declarants intend by this Declaration to impose upon the Property mutually beneficial restrictions under a general plan of improvement for the benefit of all Owners (as hereinafter defined) of Lots within the Property; and

WHEREAS, the above recitals are a material part of this Declaration,



NOW THEREFORE, THE DECLARANTS hereby covenant, agree, and declare that all of the Property and any portion thereof will be held, sold and conveyed subject to the following covenants, conditions, restrictions, easements, and reservations, all of which are for the purpose of enhancing and protecting the value, accessibility, desirability and attractiveness of the Property. These covenants, conditions, restrictions, easements and reservations shall run with the Property, and each part of it, and shall be binding on all parties having or acquiring any right, title or interest in the Property or any part thereof, and shall inure to the benefit of each Owner thereof. Acceptance of an interest in a Lot or other portion of the Property shall be deemed acceptance of the terms and provisions of this Declaration, and any conveyance hereafter of any portion or interest in the Property shall be subject to these covenants, conditions and restrictions.

ARTICLE I.

DEFINITIONS

1.1 "Act" shall mean The Washington Homeowners Association Act as set forth in Chapter 64.38 Revised Code of Washington.

1.2 "Association" shall mean The Fox Hollow Lane Association, a Washington Nonprofit Miscellaneous and Mutual Corporation, its successors and assigns.

1.3 "Board" shall mean the Board of Directors of the Association.

1.4 "Common Areas" shall mean those portions of the Property owned, to be owned, or for which the Association has, or will have, an easement interest for the common use and enjoyment of Association Members.

1.5 "Common Expenses" shall mean and include the actual and estimated expenses of operating the Association, including any reasonable reserves, all as may be found to be necessary and appropriate by the Board pursuant to this Declaration, the Association's Bylaws and Articles of Incorporation.

1.6 "Declarant" or "Declarants" shall mean the parties to this Declaration and anyone to whom one or more parties assign their rights in writing as Declarant under this Document.

1.7 "Declaration" shall mean this Declaration of Covenants, Conditions, and Restrictions.

1.8 "Joint-Use Road" shall mean the common access road over the easement set forth in Article II hereof which is intended to serve the Lots as residential access for ingress, egress and utilities.

1.9 "Lot" or "Lots" shall initially mean one or more of those ten (10) parcels described in **Exhibit A**. Where particular Lots are referred to herein by a Lot number, said Lot number corresponds to the parcel of the same number in **Exhibit A**. At such time as additional Lots or parcels may be created, "Lot" shall include each such future portion of any Original Lot(s) as may be approved by Skagit County under its subdivision procedures and shall not violate any provisions of this Declaration.

1.10 "Lot Assessments" shall mean assessments against Lots for Road Expenses as provided for herein or by any supplementary declaration used for the purposes of promoting the health, safety, welfare, common benefit and enjoyment of the Owners of the Lots against which assessments are levied, and of maintaining the property within a given Lot or other parcel, all as may be specifically authorized from time to time by the Board of Directors of the Association and as more particularly authorized below.

1.11 "Member" shall mean every person or entity that holds a membership in the Association.

1.12 "Original Lot" shall mean one of the ten (10) parcels identified in **Exhibit A**.

1.13 "Owner" or "Owners" or "Lot Owner" shall mean the record Owner of a Lot, whether one or more persons or entities, but excluding those having such interest merely as security. A real estate contract purchaser of any Lot shall be deemed its Owner and not the real estate contract vendor of said Lot.

1.14 "Property" shall mean that land, together with all residences and other structures thereon constituting real property, now existing or to be constructed in the future, located in Skagit County, Washington, and more particularly described at **Exhibit A** hereto.

1.15 "Road Expenses" shall mean all costs incurred by the Association for maintenance, repairs, improvements, insurance premiums, or other reasonable expenses for the Joint-Use Road. "Road Expenses" shall not include the expenses incurred in the extension of the road undertaken as required pursuant to that certain Agreement of Purchase and Sale And Escrow Instructions dated June 28th, 2000 between John Peth & Sons, Inc., and Stephen A. Brandli and Bobbie Jo Brandli, husband and wife.

ARTICLE II.

EASEMENTS

2.1 In consideration of the terms hereof and other valuable consideration, Declarant hereby confirms the grant to the Association of a permanent nonexclusive easement over, across,



and under those portions of the Property identified in **Exhibit B**, attached hereto and fully incorporated herein. Declarant further hereby confirms the grant of a permanent non-exclusive easement to the Owners of the Lots, running with the land over, under and across, those portions of the Property identified in **Exhibit B**. These easements are intended for the benefit of the Property, and to provide ingress and egress to Lots located therein and provide utilities thereto, and are intended for uses limited to those consistent with residential use.

ARTICLE III.

MEMBERSHIP AND VOTING RIGHTS

3.1 Membership.

3.1.1 Qualification.

Each Owner (including Declarant), or real estate contract vendee of a Lot, shall be deemed a member in the Association. Ownership of a Lot shall be the sole qualification for membership in the Association, and the membership of the Association at all times shall consist exclusively of all the Lot Owners. The foregoing is not intended to include persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate or in any way affect the Owner's membership.

3.1.2 Transfer of Membership.

The Association membership of each Owner (including Declarant) shall be appurtenant to the Lot giving rise to such membership, and shall not be assigned, transferred, pledged, hypothecated, conveyed or alienated in any way except upon transfer of title to said Lot and then only to the transferee of title to such Lot. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Lot shall operate automatically and immediately to transfer membership in the Association appurtenant thereto to the new Owner thereof.

3.2 Voting.

3.2.1 Voting Rights.

Each Lot Owner has a right to vote at meetings of the Association, on such matters as may lawfully come before such meetings. The total number of votes available to each Owner shall be equal to the Allocated Interest for voting appertaining to his or her Lot, as described in Section 3.2.2 hereof.



3.2.2 Allocated Interests for Voting.

The Declarant has allocated to each Lot (including hereafter created Lots) in the Property voting power in the Association which is known as the Lot's "Allocated Interest" for voting. The Allocated Interests among the Original Lots have been determined generally on the basis of the size of each Original Lot relative to all other Original Lots, as follows. There shall be a total Allocated Interest of thirteen (13) voting shares of the Association. Owners of Lots 8 through 10, which are approximately forty (40) acres in size, shall each be entitled to an Allocated Interest of two (2) voting shares. Owners of Lots 1 through 7, which are approximately twenty (20) acres in size, shall each be entitled to an Allocated Interest of one (1) voting share. Lot divisions shall result in a like division and proportionate reduction of the Allocated Interest, even if said reduction results in the Owner(s) of new Lots having less than one (1) full voting share; provided that, a Lot Owner dividing a Lot may divide the Allocated Interest among the new Lots in an alternate manner so long as this alternate division of Allocated Interest is lawful and does not invalidate any part of the Association, and so long as the alternate division of Allocated Interest does not result in any change in Allocated Interest from pre-division status. Assuming no special provisions are made, the following is an example of the reduction in Allocated Interest resulting from a Lot division: if a forty (40) acre Lot is divided into two (2) twenty (20) acre Lots, then the Owners of each new twenty (20) acre lot would have one (1) voting share. Similarly, if a twenty (20) acre Lot is divided into one (1) ten (10) acre Lot and two (2) five (5) acre Lots, the Owner of the new ten (10) acre Lot would have a voting share of one-half (1/2) of one (1) share and the Owners of the new five (5) acre Lots would each have voting shares of one-quarter (1/4) of one (1) share.

3.2.3 Joint Owner Disputes.

The voting share for a Lot must be cast as a single vote, and split votes for Lots shall not be allowed. If only one of the multiple Owners of a Lot is present at a meeting of the Association, in person or by proxy or by written ballot, said Owner is entitled to cast all the Allocated Interest for that Lot. If more than one of the multiple Owners of a Lot are so present, (including by proxy or by written ballot), the Allocated Interest for that Lot may be cast only in accordance with the agreement of a majority in interest of the multiple Owners. There shall be deemed to be a majority agreement if any one of the multiple Owners casts the vote allocated to that Lot without protest being made promptly to the person presiding over the meeting by any of the other Owners of the lot. In the absence of majority agreement, the conflicting votes shall be deemed an abstention of the vote for such Lot.

3.2.4 Proxies and Voting by Written Ballot.

Votes allocated to the Lots may be cast pursuant to a written ballot or written proxy, duly executed by the Lot Owner and delivered to the Association's Secretary or the Officer presiding at the meeting, in person or by mail, at or before the commencement of the meeting. If a Lot is owned by more than one Owner, each Owner of the Lot may vote or register



protest to the casting of votes by the other Owners of the Lot through a duly executed proxy. An Owner of the Lot may not revoke a proxy given pursuant to this section except by written notice of revocation to the person presiding over a meeting of the Association. Any proxy is void if it is not dated or purports to be revocable without notice. Unless stated otherwise in the proxy, a proxy shall terminate eleven (11) months after its date of issuance.

3.2.5 Quorums.

A quorum is present throughout any meeting of the Association if the Owners of Lots to which at least 34% of the total Allocated Interests in the Association (ie. 13 voting shares, if all Lots are owned by parties other than Association) are present in person or by proxy or by written ballot at the beginning of the meeting.

3.2.6 Lots Owned by Association.

No Allocated Interests for a Lot owned by the Association may be voted for any reason. In determining the percentage of votes required for a quorum or to approve any matter, the Allocated Interest for Lots owned by the Association shall be disregarded.

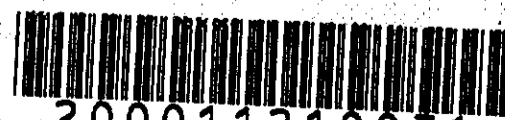
3.2.7 Amendment Restrictions.

No provision pertaining to the Association, including without limitation all or part of these Covenants, Conditions, Restrictions and Reservations, or the bylaws of the Association, shall be amended or modified except by the unanimous consent of all Lot Owners; provided that, when more than sixty-five percent (65%) of the Allocated Interests are held by Lot Owners other than John Peth & Sons, Inc., modifications and amendments to the Association, these Covenants, Conditions, Restrictions and Reservations, or the bylaws of the Association, may be made by an affirmative vote of sixty-seven percent (67%) or more of the total Allocated Interests in the Association that are not owned by the Association. Votes on said amendments or modifications shall be cast by written ballot either in person or by proxy at a meeting duly called for such purpose, written notice of which shall be sent to all Owners not less than thirty (30) days nor more than sixty (60) days in advance of said meeting.

3.3 Meetings, Notices of Meetings.

3.3.1 Annual Meetings.

There shall be an annual meeting of the Association for the principal purpose of electing the Board of Directors, which shall be held in the first quarter of each year, or such other time as the Board of Directors may by resolution prescribe, at such reasonable place and time as may be designated by written notice of the Board delivered to the Owners not less than thirty (30)



nor more than sixty (60) days prior to the date fixed for said meeting. The matters to be considered at such meeting are specified in the Bylaws of the Association.

3.4 Bylaws of Association.

3.4.1 Initial Bylaws.

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

3.4.2 Amendment of Bylaws. See Paragraph 3.2.7 herein.

ARTICLE IV.

ROAD MAINTENANCE AND IMPROVEMENT

4.1 Road Maintenance.

4.1.1 Proportionate Share of Expense.

The Owner of each Lot shall be responsible for a proportionate share of Road Expenses for the Joint-Use Road. The proportionate share of each Lot Owner shall be determined in accordance with the formula set forth in section 4.1.5 hereof.

4.1.2 Road Index for Each Original Lot.

The proportionate share of Road Expenses for each Lot Owner is based upon the number of feet between the beginning of the Joint-Use Road and the point at which the Joint-Use Road accesses each Original Lot. This number shall be the "Road Index" for each Original Lot. The Road Index for each Original Lot is set forth below:

Lot 1	2200
Lot 2	2200
Lot 3	1900
Lot 4	1200
Lot 5	700
Lot 6	2200
Lot 7	2200
Lot 8	2200
Lot 9	2200



4.1.3 Road Index for Lots Created from Divisions of Original Lots.

The Road Index for any Lot created from any division of an Original Lot shall be the same as the Road Index of the Original Lot from which it was created. For example, if Lot 1 is divided into two (2) new Lots, both new Lots would have a Road Index of 2200.

4.1.4 Total Road Index.

The "Total Road Index" is the sum of the Road Indexes for each Lot for which a building permit has been issued to construct a residence or other habitable structure on said Lot.

4.1.5 Formula for Road Maintenance Responsibility.

Each Lot Owner shall be responsible to pay a proportionate share of the Road Expenses for the Joint-Use Road to be determined by dividing the Road Index for the Lot, by the Total Road Index. In no event shall the Owner of any Lot be responsible for Road Expenses incurred prior to said Lot Owner obtaining a building permit to construct a residence or other habitable structure on said Lot.

4.1.6 Road Maintenance Standards.

The Joint-Use Road shall be maintained to the standards to which it is built, or to standards for a residential-use road with more than twenty (20) single family residences as mandated by Skagit County, whichever is higher.

4.2 Rights and Obligations of the Association.

The Association, subject to the rights and obligations of Owners set forth in the Declaration, shall be responsible for the maintenance, repair and improvement of the Joint-Use Road and any improvements thereon, and shall keep said Joint-Use Road in good condition, order and repair, pursuant to the terms and conditions hereof. All Road Expenses shall be paid by the Association. All such funds for Road Expenses shall be collected from assessments paid by Lot Owners, as provided herein. The Association may exercise any other right or privilege given to it expressly by this Declaration, its Articles of Incorporation or bylaws, and every other right or privilege reasonably to be implied by the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

4.3 Road Improvement.



Upon completion of twenty (20) or more single family residences that are accessed by the Joint-Use Road, the Joint-Use Road shall be paved and improved to a standard that is required by Skagit County for acceptance of dedication as a county road. Said paving and improvements shall be at the expense of the Lot Owners then responsible for payment of Road Expenses, in the proportions described in section 4.1 hereof. Upon completion of said paving and improvements, the Association and Lot Owners shall dedicate the Joint-Use Road to Skagit County and upon acceptance by Skagit County of said dedication, all responsibilities of the Association and Lot Owners for the Joint-Use Road under Article IV hereof shall terminate. It shall be the Association's responsibility to ensure that said dedication, and the acceptance thereof by Skagit County, includes access to the Joint-Use Road by all Lots, and also includes the termination of the Association's and the Owners' responsibilities regarding said Joint-Use Road.

4.4 Road Assessments, Lien for Road Assessments.

4.4.1 Levying of Lot Assessments for Road Expenses – Charge Against Lot.

There are hereby created "Lot Assessments" for Road Expenses as may be from time to time authorized by the Board of Directors of the Association. Road Expenses assessed shall be those expenses determined by the Board, pursuant to the definition of "Road Expenses" in section 1.15 herein, to be for the benefit of the Association as a whole, consistent with the terms herein. Lot Assessments shall be allocated among all Lots within the Association in accordance with the terms set forth in this Article. Failure to pay such Lot Assessments in a timely manner may result in imposition of late charges as prescribed by the Board.

4.4.2 Lien.

All Lot Assessments, together with interest at the highest rate allowable under the law, along with costs, reasonable attorney's fees, and late charges, shall immediately be a charge and shall immediately be a continuing lien upon the Lot against which each Lot Assessment is made. Such lien shall be superior to all other liens and encumbrances on such Lot, except for (a) liens for property taxes; or (b) liens for all sums unpaid on a first mortgage to an Owner duly recorded in the records of Skagit County and all amounts advanced pursuant to such mortgage and secured thereby in accordance with the terms of such instrument. All other entities acquiring liens or encumbrances on any Lot after the recording of this Declaration shall be deemed to consent that such liens or encumbrances shall be inferior to future liens for Lot Assessments, as provided herein, whether or not prior consent is specifically set forth in the instruments creating such liens or encumbrances.

4.4.3 Payment.

Lot Assessments shall be paid in such manner and on such dates as may be fixed in writing by the Board and notice of such given to the Owners.

4.4.4 Lot Assessments are also Personal Obligation of Owner.

Each such Lot Assessment, together with interest, costs, reasonable attorney's fees, and late charges, shall also be the personal obligation of the Owner of such Lot at the time the Assessment arose, and his or her grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance.

4.4.5 Collection of Lot Assessments.

Each Owner hereby expressly vests in the Association and its agents, the right and power to bring all actions against each Owner personally for the collection of such Lot Assessments as a debt, and to enforce lien rights of the Association by all methods available for the enforcement of such liens, including foreclosure by an action brought in the name of the Association in like manner as a mortgage of real property. The liens provided for in this Article shall be in favor of the Association, and shall be for the benefit of the Association. The Association shall have the power to bid at foreclosure sale and to acquire and hold, lease, mortgage and convey the same. In the event the Association employs an attorney to enforce any lien, or the collection of any amount due, or to enforce compliance or specific performance of the Articles or Bylaws of the Association, Rules or Regulations adopted by the Association, or the provisions of this Declaration, the Association shall be entitled to reasonable attorney's fees and costs incurred, including costs for title examination and insurance.

ARTICLE V.

USE RESTRICTIONS AND RULES

5.1 Maintenance of Buildings and Lots. Each Owner shall, at the Owner's sole expense, keep the interior and exterior of any and all structures on the Owner's Lot, as well as the Lot, in a clean and sanitary condition, free of rodents and pests, and in good order, condition and repair and shall do all redecorating, painting, landscaping, and maintenance at any time necessary to maintain the appearance and condition of any and all structures and the Lot, and in such a manner as to not endanger neighboring structures or lots or unreasonably reduce or interfere with the value or enjoyment thereof.

5.2 Completion of Construction. Any structure erected or placed on any Lot shall be completed as to external appearance within twelve (12) months from the date construction is started, however, with good cause shown, the Board may extend this term.



5.3 Parking. No vehicles shall be parked overnight on the Joint-Use Road adjoining any Lot.

5.4 Signs. No commercial signs or commercial billboards shall be placed upon any Lot or upon or within any structure on any Lot. At no time shall the total signage area on any Lot or upon or within any structure on said Lot total more than fifty (50) square feet.

5.5 Animals. Dogs, cats or other household-type pets may be kept provided they are not kept, bred, or maintained for commercial purposes, and provided they are restricted to the Owner's Lot. Livestock shall be permitted only with the conditions that they be limited in number to a maximum of one animal to every one acre of land owned, that they be kept in a sanitary fenced area and that such use be for the private pleasure of the Owner, incidental to a single-family residence and not for commercial purposes. "Livestock", for purposes of this Declaration shall include horses, cattle, sheep, goats, lamas, alpacas, and any other similar type animal. Neither swine nor poultry nor mink shall be kept on any Lot, except Lot 4 shall be allowed to keep up to ten (10) poultry at any time.

5.6 Temporary Structures. No structure of a temporary character, tent, shack, garage, barn, or other outbuildings shall be installed, placed or used on any Lot as a permanent dwelling; and no dwelling or residence shall be used for living purposes by more persons than it was designed to accommodate in a sanitary, safe and comfortable manner in compliance with any and all applicable governmental regulations.

5.7 Antennae. No commercial antennae of any kind, for any commercial usage, shall be allowed on any Lot. Radio, television and tele-communication antennae and satellite dishes may be installed for personal use only.

5.8 Trash Containers and Debris. All trash and/or waste shall be placed in sanitary containers screened so as not to be visible from adjoining Lots or roadways, and shall be regularly and lawfully disposed of. No Lot or any portion thereof shall be used as a dumping or burying ground for trash or rubbish of any kind.

5.9 Underground Utilities. No outdoor overhead wire or service drop for the distribution of electric energy or for tele-communications purposes nor any pole, tower or other structure supporting said outdoor overhead wires shall be erected, placed or maintained on any Lot. All Owners shall use underground service wires to connect any structure to electric or tele-communications utility facilities.

5.10 Wood Burning Appliances. No residence shall be permitted to use any wood burning fireplace or stove that is intended to in any way provide a primary source of heat for any space within any structure except during power outages. Gas fired or wood-pellet fired fireplaces

and stoves shall be permitted as long as the appliances have a UL or Warnok Hearsey listing indicating that the appliance is safe to operate as a primary space-heating source. This regulation is intended to limit as much as practical the occurrence of airborne wood smoke particulate pollution.

5.11 Storage of Inoperable Equipment. No inoperable or abandoned vehicles, automobiles, trucks, trailers, machinery or equipment, or parts thereof shall be stored outside on any Lot or on any roadway within the Property.

5.12 No hunting or Firearms. No hunting shall be permitted on the Property, and the use of firearms is prohibited within the boundary of the Property.

5.13. Commercial Use. No trade, business or other commercial or industrial enterprise shall be conducted or operated on any Lot, with the exception of home occupations as defined and permitted by Skagit County code.

5.14 Utility Work. All water, electrical and sewer lines within the boundaries of each Lot shall be maintained or caused to be maintained in good order and repair by the Owner thereof, and any work respecting the repair or maintenance of such lines shall be performed with diligence and without any undue disturbance to the occupants of other Lots or tracts in the subdivision except as may be reasonably necessary to accomplish such repair or maintenance work.

5.15 Surface Water Runoff. No Lot shall be improved in such a way as to cause surface water runoff that damages or inconveniences other Lot owners.

5.16 Reconstruction Requirement. No improvement or structure which has been partially or totally destroyed by fire, earthquake or otherwise shall be allowed to remain in an unimproved state for more than twelve (12) months from the time of such damage or destruction.

5.17 Single Family Residential Use. All Lots on the Property shall be limited to one single family residential use and uses accessory thereto as specified elsewhere herein. No other uses shall be permitted.

ARTICLE VI.

RESERVED



ARTICLE VII.

CONSTRUCTION

7.1 Size and Type of Construction and Lot Size Restrictions.

7.1.1 The Lots shall be used only for single-family residential purposes and there shall be no more than one single-family residence per Lot. All residences shall include an enclosed garage, either attached or detached, of sufficient area to park at least one (1) motor vehicle. Buildings or structures accessory to one single family residential dwelling such as private garages, guest houses, sheds, decorative structures, outbuildings, or barns and stables incidental to the use and care of livestock, are allowed.

7.1.2 No structure shall exceed forty (40) feet in height above the original ground level of the Lot.

7.1.3 No mobile or modular-type homes shall be constructed, installed or located on any Lot; except that, modular-type homes may be located on Lot 4 (described on Exhibit A-4 and A-5).

7.1.4 No Lot division shall result in any Lot less than two (2) acres in size; except that, a Lot division may result in new Lots of one (1) acre or greater, so long as the average size of all Lots created by that sub-division is not less than two (2) acres.

7.1.5 All buildings or structures shall be constructed in accordance with Skagit County and other applicable Codes. In the event of a conflict between any applicable codes and this Declaration, the codes shall govern.

7.2 Appearance of Structures

Unless otherwise approved by the Board, the following design requirements shall apply:

7.2.1 The roof shall be a composition, concrete tile, wooden shake, metal or other high quality roofing product with a minimum 25 year life expectancy that is appropriate for the climate and conditions.



7.2.2 All siding materials shall be of masonry, and or wood or wood type or other high quality siding material. All paints or natural finishes shall be those colors commonly known as earth tones and shades of white.

7.2.3 Covered decks, garages, or carports shall be of the same siding and roof material and style as the family residence.

ARTICLE VIII.

CONTRACTS

Each Owner hereby agrees that the Association may enter into such agreements for the performance of any or all of the functions of the Association with such persons or entities as the Association shall deem fit and proper in its judgment and discretion.

ARTICLE IX.

INSURANCE

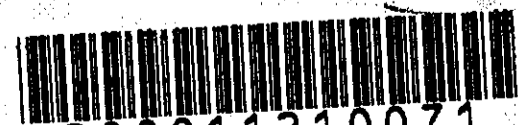
9.1 Until dedication of the Joint-Use Road to Skagit County, the Association shall have authority to and shall obtain insurance for the Joint-Use Road against damage in an amount sufficient to cover full repair or replacement in the event of damage or destruction. It may also obtain a broad form public liability policy covering the Joint-Use Road. All such insurance coverage shall be written in the name of the Association as trustee for each of the Owners in the Association. Costs of such insurance shall be a Road Expense.

9.2 In the event of the damage or destruction of the Joint-Use Road covered by insurance written in the name of the Association, the Association shall upon receipt of the insurance proceeds, contract to rebuild or repair such damaged or destroyed portions of the Joint-Use Road to as good a condition as they were when the loss occurred. The Association may contract with any licensed contractor for reconstruction or rebuilding of such destroyed portions of the Joint-Use Road.

ARTICLE X.

RULES AND REGULATIONS

The Association and its Board is hereby authorized and empowered to adopt rules and regulations governing the use of the Joint-Use Road and the personal conduct of the Lot Owners



and their guests thereon, and to establish penalties for the infraction thereof. Each Lot Owner shall be given written notice of said rules and regulations.

ARTICLE XI.

REMEDIES AND WAIVER

11.1 The remedies provided herein for collection of any assessment or other charge or claim against any Lot Owner, for and on behalf of the Association, are in addition to, and not in limitation of, any other remedies provided by law.

11.2 Enforcement. Each Owner, and said Owner's guests and occupants, shall comply strictly with the Association's Bylaws, rules and regulations, and use restrictions, as they may be lawfully amended or modified from time to time, and with the covenants, conditions, and restrictions set forth in this Declaration. After notice and an opportunity to be heard by the Board, and in accordance with rules and regulations adopted by the Board, the Board may levy reasonable fines for violations of the above (in addition to any late charges that may be assessed in connection with the late payment of assessments or other Association charges) in accordance with a previously established schedule adopted by the Board and furnished to the Owners, which violations shall cease immediately and which fines shall be paid within thirty (30) days. Failure to comply with this Declaration, the Bylaws or the rules and regulations shall be grounds for an action to recover sums due for damages or injunctive relief, or both, maintainable by the Board, on behalf of the Association, or by an aggrieved Owner. The Board shall have the right to record a notice of violation of this Declaration, the Bylaws, or rules and regulations, and to assess the cost of recording and removing such notice against the Owner who is responsible (or whose guests or occupants are responsible) for violating the foregoing.

11.3 The failure of the Association or the Declarant or of any of their duly authorized agents or any of the Owners to insist in any one or more instances upon the strict performance of or compliance with the Declaration or any of the Articles, Bylaws, or rules or regulations of the Association, or to exercise any right or option contained therein, or to serve any notice or to institute any action or summary proceedings, shall not be construed as a waiver or relinquishment of such right to enforce any of the provisions in the future, but such right to enforce any of the provisions of the Declaration or of the Articles, Bylaws, or rules or regulations of the Association shall continue and remain in full force and effect. No waiver of any provision of the Declaration or of the Articles, Bylaws, rules or regulations of the Association shall be deemed to have been made, either expressly or by implication, unless such waiver shall be in writing and signed by the Board of Directors of the Association pursuant to authority contained in a resolution of the Board.



ARTICLE XII.

BENEFITS AND BURDENS RUN WITH THE LAND

The covenants, restrictions, reservations and conditions contained herein shall run with the land and shall be binding upon the Property and each portion thereof and all persons or entities owning, purchasing, leasing, subleasing or occupying any Lot on the Property, and upon their respective heirs, successors, and assigns. After the date on which the Declaration has been recorded, these covenants, restrictions, reservations and conditions may be enforced by the Association or Declarant who shall have the right to enforce the same and expend Association monies in pursuance thereof, and also may be enforced by the Owner of any Lot.

ARTICLE XIII.

COMPLIANCE WITH CODES AND ORDINANCES

All of the provisions of this Declaration shall be subject to compliance with the applicable municipal codes and ordinances. Where the Declaration's provisions are more permissive than the codes or ordinances allow, the Declaration's provisions shall yield to said codes and ordinances. Likewise, where the Declaration's provisions are more restrictive than the municipal codes and ordinances, the Declaration shall control.

ARTICLE XIV.

GENERAL PROVISIONS

14.1 The singular wherever used herein shall be construed to mean the plural when applicable, and grammatical changes required to make the provisions hereof apply either to corporations or individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

14.2 The invalidity of any one or more phrases, sentences, clauses, paragraphs or sections hereof shall not affect the remaining portions of this Declaration or any part hereof, all of which are inserted conditionally on their being held valid in law and in the event that one or more of the phrases, sentences, clauses, paragraphs or sections contained herein should be invalid, this Declaration shall be construed as if such invalid phrase, sentence, clause, paragraph, or section had not been inserted.

14.3 These covenants, restrictions, reservations and conditions shall remain in full force and effect for a period of forty (40) years from the date hereof. Thereafter, they shall be deemed



to have been renewed for successive terms of ten (10) years, unless revoked or amended as herein provided.

14.4 The rights and duties of the members shall be governed by the provisions of the Washington Homeowners' Association Act, Chapter 64.38 RCW (the "Act"), and of this Declaration. The Association and the Board shall have all the powers, authorities and duties set forth in said Act and in this Declaration.

14.5 In the event the Association employs an attorney to enforce any provision of the Declaration, the Articles or Bylaws of the Association, or rules and regulations adopted by the Association, the prevailing party in said action shall be entitled to an award of reasonable attorney's fees and costs incurred in said action.

14.6 All Lot Owners hereby grant to the Association, upon the voting of an amendment, a full and complete power of attorney to take any and all actions necessary to effectuate and record said amendment to this Declaration and agree that said amendment when authorized and recorded as provided in this Article shall be binding upon their property and them and their respective heirs, personal representatives, successors and assigns to the same extent as if they had personally executed said amendment. All Lot Owners hereby acknowledge and agree that the power of attorney herein granted shall be deemed coupled with an interest and shall be irrevocable.

14.7 Any notice required by the Declaration or the Articles or Bylaws of the Association or the rules and regulations adopted by the Association shall be deemed properly given if mailed by ordinary mail to the last address furnished to the Declarant or the Association, and said notices shall be deemed given when deposited in a United States Post Office.

EXECUTED the day and year first written above

JOHN PETH & SONS, INC.

By: *Dan Peth*

Name/Title: DAN PETH, SECRETARY

JAMES COMPANY LLC

By: *Genevieve Elton*

Name/Title: Genevieve Elton, Member



[Handwritten Signature]

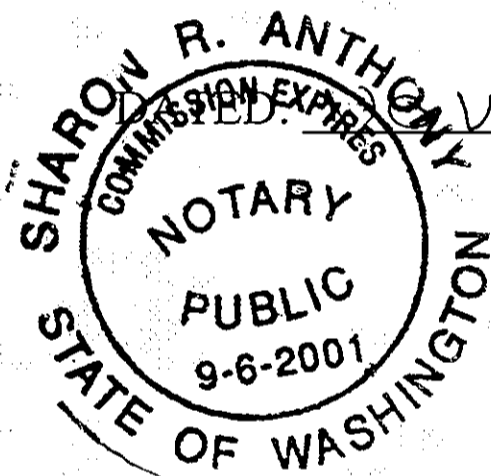
James Darin Jensen

[Handwritten Signature]

Amy Louise Jensen

STATE OF WASHINGTON)
)ss.
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that Declarants James Darin and Amy Louise Jensen signed this instrument and acknowledged it to be their free and voluntary act for the uses and purposes mentioned in this instrument.



November 20, 2000

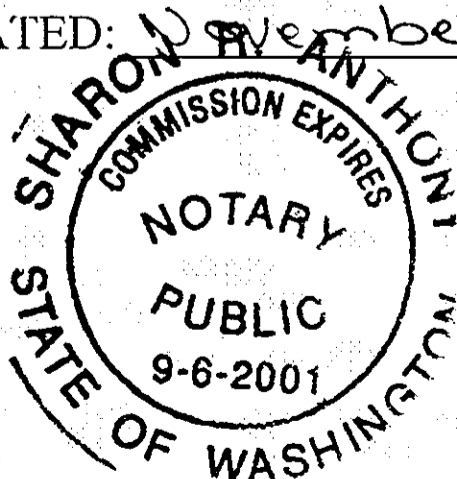
[Handwritten Signature]

NOTARY PUBLIC for the State of Washington.
My commission expires 9-6-2001

STATE OF WASHINGTON)
)ss.
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that Genevieve Elton signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the member of Declarant JAMES COMPANY LLC, to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

DATED: November 20, 2000



[Handwritten Signature]

NOTARY PUBLIC for the State of Washington.
My Commission expires 9-6-2001

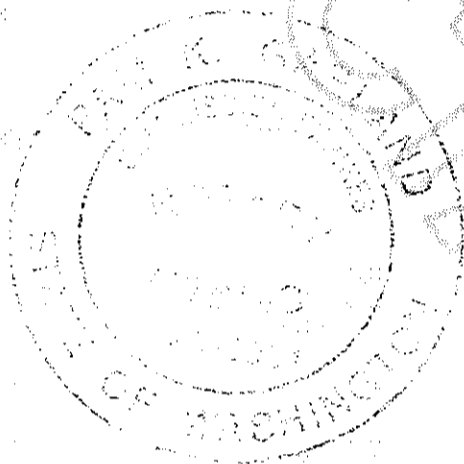


STATE OF WASHINGTON)
)ss.
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that Dan Peth
signed this instrument, on oath stated that he was authorized to execute the instrument and
acknowledged it as the Secretary of Declarant JOHN PETH & SONS,
INC., to be the free and voluntary act of such party for the uses and purposes mentioned in
this instrument.

DATED: November 17, 2000

Pam K. Garland
NOTARY PUBLIC for the State of Washington.
My Commission expires 7-20-01



Skagit
Surveyors & Engineers LLC

806 Metcalf St., Sedro-Woolley, WA 98284 Phone: (360) 855-2121 FAX: (360) 855-1658

LEGAL DESCRIPTION EXHIBIT A
FOR
JOHN PETH & SONS, INC.
OF
PARCEL 1 - AFTER BOUNDARY LINE ADJUSTMENT

May 10, 1999

That portion of the northeast quarter of the northeast quarter of Section 24, Township 36 North, Range 3 East, W.M. and that portion of Government Lot 1 of Section 19, Township 36 North, Range 4 East, W.M. described as follows:

Beginning at the southeast corner of the northeast quarter of the northeast quarter of said Section 24; thence N88°29'52"W along the south line thereof, a distance of 1248.14 feet; thence N24°28'14"E, a distance of 887.24 feet; thence S88°27'07"E parallel with the north line of said Section 24, a distance of 943.79 feet; thence S11°14'01"W, a distance of 484.14 feet; thence S05°13'21"E, a distance of 341.32 feet to the point of beginning of this description.

Containing 20.01 acres.

Situated in Skagit County, Washington.

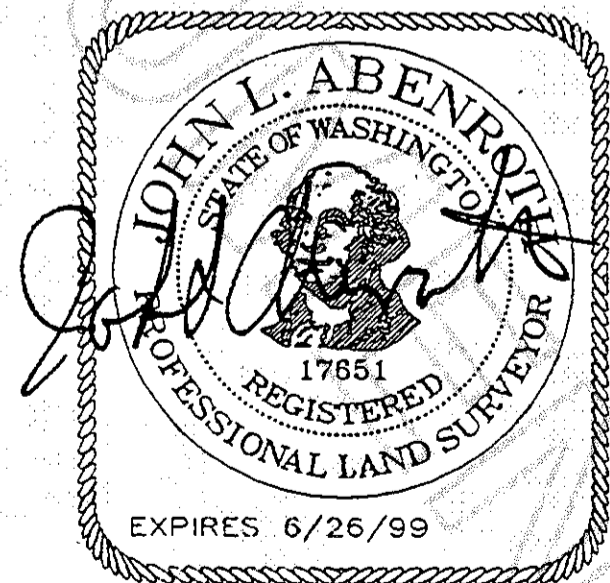


EXHIBIT A-1

5/19/99



200011210071
, Skagit County Auditor



806 Metcalf St., Sedro-Woolley, WA 98284 Phone: (360) 855-2121 FAX: (360) 855-1658

LEGAL DESCRIPTION FOR JOHN PETH & SONS, INC. OF PARCEL 2 - AFTER BOUNDARY LINE ADJUSTMENT EXHIBIT A

May 10, 1999

That portion of the northeast quarter of the northeast quarter of Section 24, Township 36 North, Range 3 East, W.M. and that portion of Government Lot 1 of Section 19, Township 36 North, Range 4 East, W.M. described as follows:

Beginning at a point on the south line of the northeast quarter of the northeast quarter of said Section 24 which lies N88°29'52"W, a distance of 1248.14 feet from the southeast corner thereof; thence N24°28'14"E, a distance of 887.24 feet; thence S88°27'07"E parallel with the north line of said northeast quarter of the northeast quarter, a distance of 943.79 feet; thence N13°16'20"W, a distance of 511.16 feet to the north line of said northeast quarter of the northeast quarter; thence N88°27'07"W along said north line, a distance of 1279.87 feet to the northwest corner thereof; thence S00°41'26"E along the west line of said northeast quarter of the northeast quarter, a distance of 1312.39 feet to the southwest corner thereof; thence S88°29'52"E along the south line of said northeast quarter of the northeast quarter, a distance of 70.00 feet to the point of beginning of this description.

Containing 20.01 acres.

Situated in Skagit County, Washington.

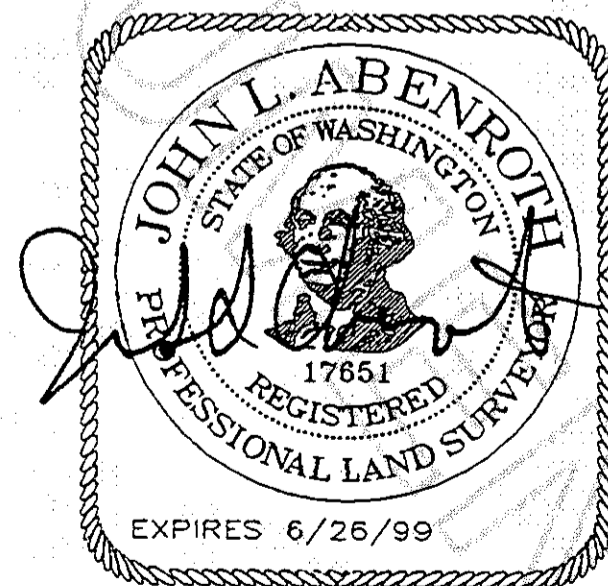


EXHIBIT A-2

5/19/99



200011210071, Skagit County Auditor

Skagit
Surveyors & Engineers LLC

806 Metcalf St., Sedro-Woolley, WA 98284 Phone: (360) 855-2121 FAX: (360) 855-1658

LEGAL DESCRIPTION
FOR **EXHIBIT A**
JOHN PETH & SONS, INC.
OF
PARCEL 3 - AFTER BOUNDARY LINE ADJUSTMENT

May 10, 1999

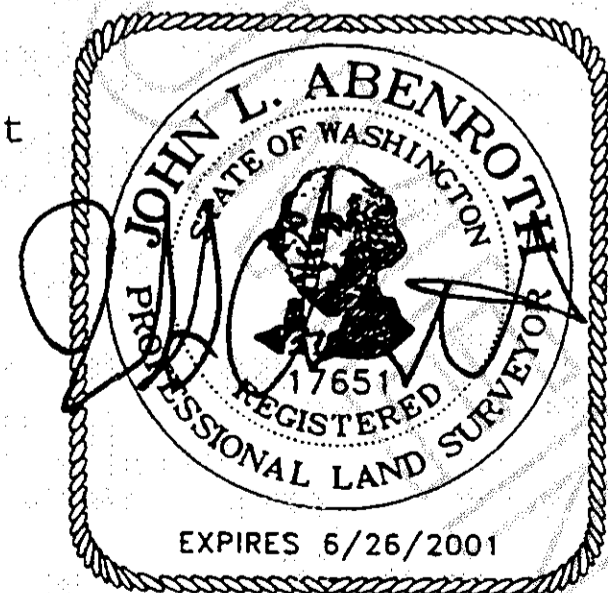
That portion of the northeast quarter of the northeast quarter of Section 24, Township 36 North, Range 3 East, W.M. and that portion of Government Lot 1 of Section 19, Township 36 North, Range 4 East, W.M. described as follows:

Commencing at the southwest corner of Government Lot 1 of said Section 19, (the west line of said Section 19 bears N00°10'49"W); thence N05°13'21"W, a distance of 341.32 feet to the point of beginning of this description; thence N67°34'15"E, a distance of 353.41 feet; thence S73°54'46"E, a distance of 30.00 feet to a non tangent curve to the left having a chord bearing of S43°10'28"E and a radius of 115.00 feet; thence southerly and easterly along said curve through a central angle of 118°31'25" and an arc length of 237.89 feet to the point of reverse curvature with a curve to the right having a radius of 186.85 feet; thence easterly along said curve through a central angle of 61°56'19" and an arc length of 201.99 feet; thence S40°29'52"E, a distance of 67.47 feet to the point of curvature of a curve to the left having a radius of 150.27 feet; thence easterly along said curve through a central angle of 56°40'17" and an arc length of 148.63 feet; thence N82°49'51"E, a distance of 98.22 feet; thence N07°10'09"W, a distance of 30.00 feet; thence N45°17'49"E, a distance of 340.99 feet; thence N04°46'41"E, a distance of 185.84 feet; thence N13°28'37"W, a distance of 338.38 feet; thence N88°59'07"W, a distance of 623.28 feet; thence N06°29'49"W, a distance of 323.51 feet to the north line of Government Lot 1 of said Section 19; thence N86°50'58"W along said north line, a distance of 436.54 feet; thence N88°27'07"W along the north line of said Section 24, a distance of 50.00 feet to a point which lies 1279.87 feet from the northwest corner of the northeast quarter of the northeast quarter of said Section 24; thence S13°16'20"E, a distance of 511.16 feet; thence S11°14'01"W, a distance of 484.14 feet; to the point of beginning of this description.

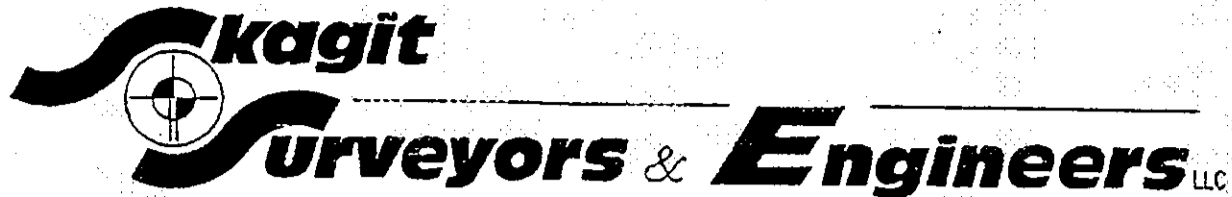
Containing 20.20 acres.

Situated in Skagit County, Washington.

EXHIBIT A-3



200011210073
Skagit County Auditor



806 Metcalf St., Sedro-Woolley, WA 98284 Phone: (360) 855-2121 FAX: (360) 855-1658

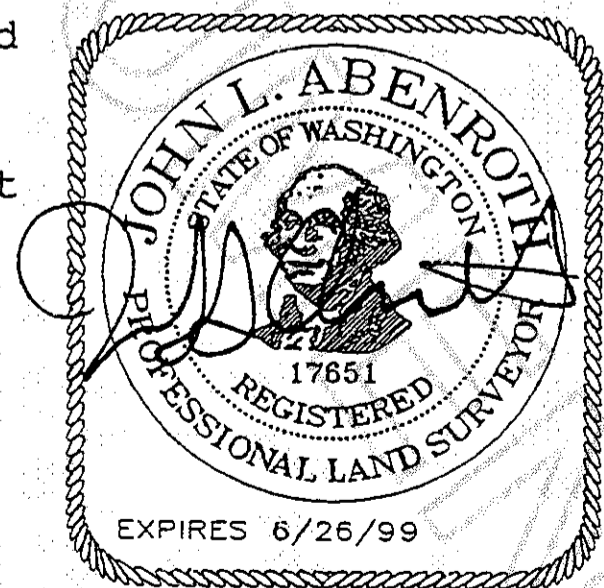
LEGAL DESCRIPTION
FOR
JOHN PETH & SONS, INC.
OF
PARCEL 4 - AFTER BOUNDARY LINE ADJUSTMENT

EXHIBIT A

May 10, 1999

That portion of the northeast quarter of the northeast quarter of Section 24, Township 36 North, Range 3 East, W.M. and that portion of Government Lot 1, Government Lot 2, and the southeast quarter of the northwest quarter of Section 19, Township 36 North, Range 4 East, W.M. described as follows:

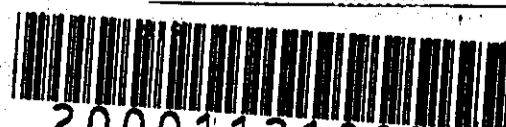
Beginning at the southwest corner of Government Lot 1 of said Section 19 (the west line of said Section 19 bears $N00^{\circ}10'49''W$); thence $N05^{\circ}13'21''W$, a distance of 341.32 feet; thence $N67^{\circ}34'15''E$, a distance of 353.41 feet; thence $S73^{\circ}54'46''E$, a distance of 30.00 feet to the point of curvature of a non tangent curve to the left having a chord bearing of $S43^{\circ}10'28''E$ and a radius of 115.00 feet; thence southerly and easterly along said curve through a central angle of $118^{\circ}31'25''$ and an arc length of 237.89 feet to the point of reverse curvature with a curve to the right having a radius of 186.85 feet; thence easterly along said curve through a central angle of $61^{\circ}56'19''$ and an arc length of 201.99 feet; thence $S40^{\circ}29'52''E$, a distance of 67.47 feet to the point of curvature of a curve to the left having a radius of 150.27 feet; thence easterly along said curve through a central angle of $33^{\circ}59'41''$ and an arc length of 89.16 feet; thence $S15^{\circ}30'27''W$, a distance of 211.18 feet to a point on the south line of said Government Lot 1 which lies $S86^{\circ}40'31''E$, a distance of 704.65 feet from the southwest corner thereof; thence continuing $S15^{\circ}30'27''W$, a distance of 37.65 feet; thence $S56^{\circ}22'22''E$, a distance of 904.18 feet to the northwesterly line of the Colony Road; thence $S33^{\circ}50'06''W$ along said line of Colony Road, a distance of 64.00 feet to the south line of the north 20 acres of that portion of the southeast quarter of the northwest quarter and Government Lot 2 of said Section 19 lying west of the county road as laid out and established on November 1, 1929; thence $N86^{\circ}40'31''W$ along the south line of said 20 acres, a distance of 1411.29 feet to the west line of said Government Lot 2; thence



Page 1 of 2 Pages

EXHIBIT A-4

5/19/99



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, Skagit County Auditor

11/21/2000 Page 24 of 36 12:02:29PM

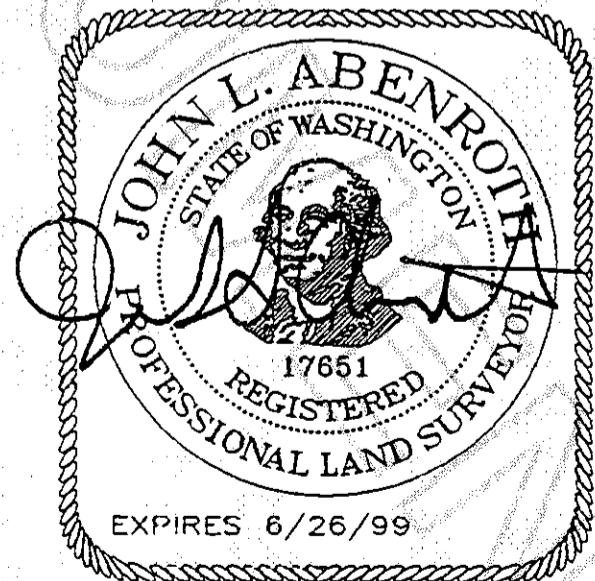
Skagit
Surveyors & Engineers LLC

806 Metcalf St., Sedro-Woolley, WA 98284 Phone: (360) 855-2121 FAX: (360) 855-1658

N00°10'49"W along said west line, a distance of 549.19 feet to the point of beginning of this description.

Containing 20.00 acres.

Situated in Skagit County, Washington.



Page 2 of 2 pages

EXHIBIT A-5

5/19/99



200011210071
, Skagit County Auditor



806 Metcalf St., Sedro-Woolley, WA 98284 Phone: (360) 855-2121 FAX: (360) 855-1658

LEGAL DESCRIPTION

EXHIBIT A

FOR

JOHN PETH & SONS, INC.

OF

PARCEL 5 - AFTER BOUNDARY LINE ADJUSTMENT

May 10, 1999

That portion of Government Lot 1, Government Lot 2, the northeast quarter of the northwest quarter and the southeast quarter of the northwest quarter of Section 19, Township 36 North, Range 4 East, W.M. described as follows:

Beginning at a point on the south line of said Government Lot 1 which lies $S86^{\circ}40'31''E$, a distance of 704.65 feet from the southwest corner thereof; thence $N15^{\circ}30'27''E$, a distance of 211.18 feet to a point on a non tangent curve to the left having a chord bearing of $S85^{\circ}49'51''E$ and a radius of 150.27 feet; thence easterly along said curve through a central angle of $22^{\circ}40'36''$ and an arc length of 59.47 feet; thence $N82^{\circ}49'51''E$, a distance of 98.22 feet; thence $N07^{\circ}10'09''W$, a distance of 30.00 feet; thence $N45^{\circ}17'49''E$, a distance of 340.99 feet; thence $N04^{\circ}46'41''E$, a distance of 185.84 feet; thence $S80^{\circ}28'24''E$, a distance of 771.16 feet to the westerly line of the Colony Road; thence $S11^{\circ}12'06''W$ along said line of Colony Road, a distance of 286.90 feet to the point of curvature of a curve to the right having a radius of 1115.92 feet; thence southerly along said curve through a central angle of $22^{\circ}38'00''$ and an arc length of 440.82 feet; thence $S33^{\circ}50'06''W$ along said line of Colony Road, a distance of 469.10 feet to a point which lies $N33^{\circ}50'06''E$, a distance of 64.00 feet from the south line of the north 20 acres of that portion of the southeast quarter of the northwest quarter and Government Lot 2 of said Section 19 lying west of the county road as laid out and established on November 1, 1929; thence $N56^{\circ}22'22''W$, a distance of 904.18 feet; thence $N15^{\circ}30'27''E$, a distance of 37.65 feet to the point of beginning of this description.

Containing 20.00 acres.

Situated in Skagit County; Washington.

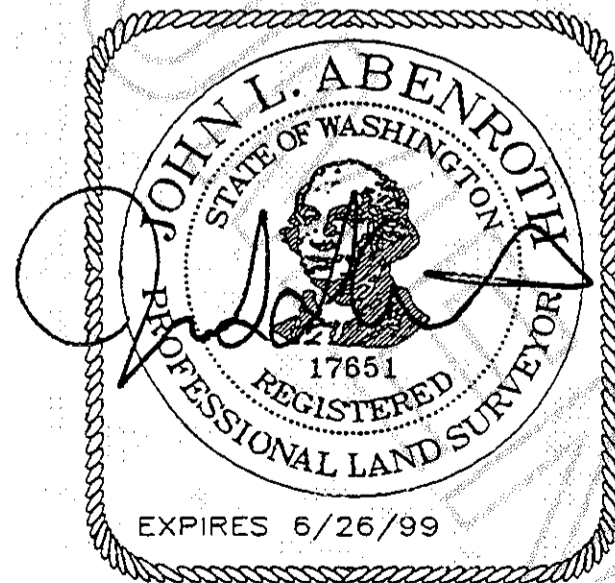


EXHIBIT A-6



200011210071
Skagit County Auditor



806 Metcalf St., Sedro-Woolley, WA 98284 Phone: (360) 855-2121 FAX: (360) 855-1658

LEGAL DESCRIPTION EXHIBIT A
FOR
JOHN PETH & SONS, INC.
OF
PARCEL 6 - AFTER BOUNDARY LINE ADJUSTMENT

May 10, 1999

That portion of Government Lot 4 of Section 18, Township 36 North, Range 4 East, W.M.; and that portion of the Government Lot 1 and the northeast quarter of the northwest quarter of Section 19, Township 36 North, Range 4 East, W.M.; described as follows:

Beginning at a point on the south line of Government Lot 4 of said Section 18 which lies $S86^{\circ}50'58''E$, a distance of 436.54 feet from the southwest corner thereof; thence $N06^{\circ}29'49''W$, a distance of 327.78 feet; thence $N81^{\circ}01'50''E$, a distance of 432.32 feet; thence $N60^{\circ}30'10''E$, a distance of 203.23 feet; thence $S56^{\circ}54'25''E$, a distance of 518.35 feet to a point on the east line of said Government Lot 4 which is 265 feet north of the southeast corner thereof; thence $S01^{\circ}05'51''W$ along said east line, a distance of 265.00 feet to the southeast corner of said Government Lot 4; thence $S34^{\circ}25'05''E$, a distance of 317.78 feet; thence $S09^{\circ}31'36''W$, a distance of 415.02; thence $N80^{\circ}28'24''W$, a distance of 371.16 feet; thence $N13^{\circ}28'27''W$, a distance of 338.38 feet; $N88^{\circ}59'07''W$, a distance of 623.28 feet; thence $N06^{\circ}29'49''W$, a distance of 323.51 feet to the point of beginning of this description.

Containing 20.28 acres.

Situated in Skagit County, Washington.

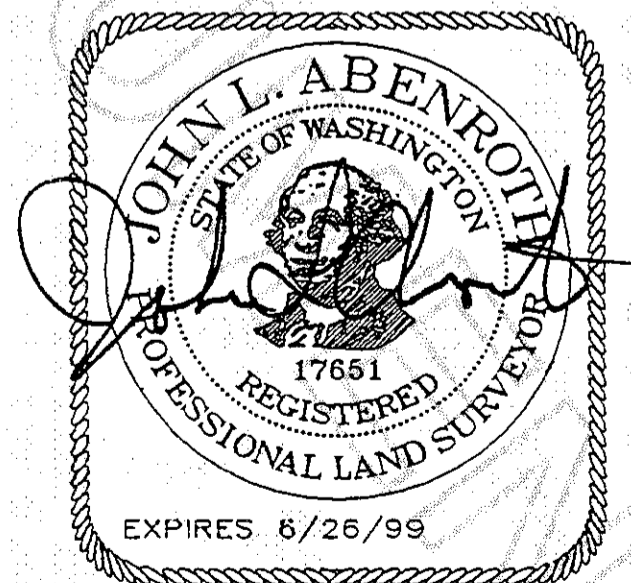


EXHIBIT A-7

5/19/99



200011210071
, Skagit County Auditor



806 Metcalf St., Sedro-Woolley, WA 98284 Phone: (360) 855-2121 FAX: (360) 855-1658

LEGAL DESCRIPTION EXHIBIT A
FOR
JOHN PETH & SONS, INC.
OF
PARCEL 7 - AFTER BOUNDARY LINE ADJUSTMENT

May 10, 1999

That portion of Government Lot 4 of Section 18, Township 36 North, Range 4 East, W.M., described as follows:

Beginning at the southwest corner of said Government Lot 4; thence S86°50'58"E along the south line thereof, a distance of 436.54 feet; thence N06°29'49"W, a distance of 327.78 feet; thence N81°01'50"E, a distance of 432.32 feet; thence N60°30'10"E, a distance of 203.23 feet; thence N11°34'42"E, a distance of 276.30 feet; thence N01°05'51"E, a distance of 504.01 feet to a point on the north line of said Government Lot 4 which is 143.55 feet west of the southwest corner of the east 245.84 feet of said Government Lot 4; thence N87°25'56"W along the north line of said Government Lot 4, a distance of 592.73 feet; thence S23°32'39"W, a distance of 608.04 feet; thence N89°07'08"W, a distance of 221.81 feet to a point on the west line of said Government Lot 4 which is 716.38 feet north of the southwest corner thereof; thence S00°52'52"W along said west line, a distance of 716.38 feet to the point of beginning of this description.

Containing 20.60 acres.

Situated in Skagit County, Washington.

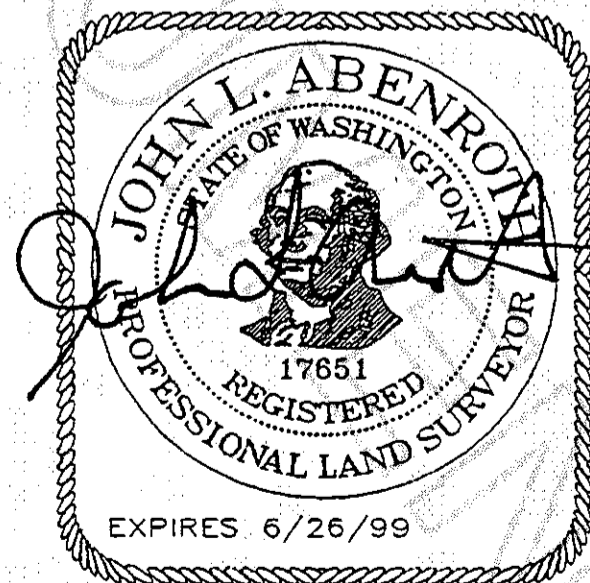


EXHIBIT A-8

5/19/99



200011210071
, Skagit County Auditor



806 Metcalf St., Sedro-Woolley, WA 98284 Phone: (360) 855-2121 FAX: (360) 855-1658

LEGAL DESCRIPTION EXHIBIT A
FOR
JOHN PETH & SONS, INC.
OF
PARCEL 8 - AFTER BOUNDARY LINE ADJUSTMENT

May 10, 1999

That portion of Government Lot 3 and Government Lot 4 of Section 18, Township 36 North, Range 4 East, W.M., described as follows:

Beginning at the southwest corner of said Government Lot 3; thence $N00^{\circ}52'52''E$ along the west line thereof, a distance of 1290.91 feet to the northwest corner of said Government Lot 3; thence $S88^{\circ}00'24''E$ along the north line thereof, a distance of 1197.21 feet to the northwest corner of the east 245.84 feet of said Government Lot 3; thence $S01^{\circ}05'51''W$ along the west line of said east 245.84 feet, a distance of 1302.78 feet to the south line of said Government Lot 3; thence $N87^{\circ}25'56''W$ along the south line of said Government Lot 3, a distance of 736.29 feet; thence $S23^{\circ}32'39''W$, a distance of 608.04; thence $N89^{\circ}07'08''W$, a distance of 221.81 feet to a point on the west line of said Government Lot 4 which is 716.38 feet north of the southwest corner thereof; thence $N00^{\circ}52'52''E$ along the west line of said Government Lot 4, a distance of 574.53 feet to the point of beginning of this description.

Containing 40.00 acres.

Situated in Skagit County, Washington.

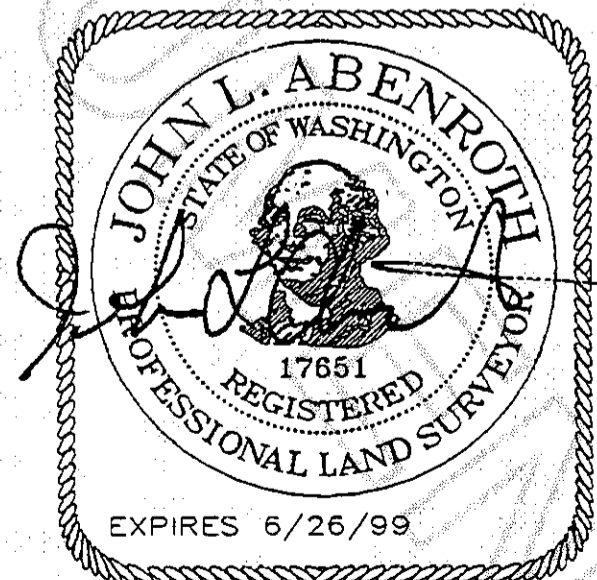


EXHIBIT A-9

5/19/99



200011210071

, Skagit County Auditor



806 Metcalf St., Sedro-Woolley, WA 98284 Phone: (360) 855-2121 FAX: (360) 855-1658

LEGAL DESCRIPTION EXHIBIT A
FOR
JOHN PETH & SONS, INC.
OF
PARCEL 9 - AFTER BOUNDARY LINE ADJUSTMENT

May 10, 1999

The northeast quarter of the southeast quarter and the south 13.5 feet of the southeast quarter of the northeast quarter of Section 13, Township 36 North, Range 3 East, W.M.

Containing 40.00 acres.

Situated in Skagit County, Washington.

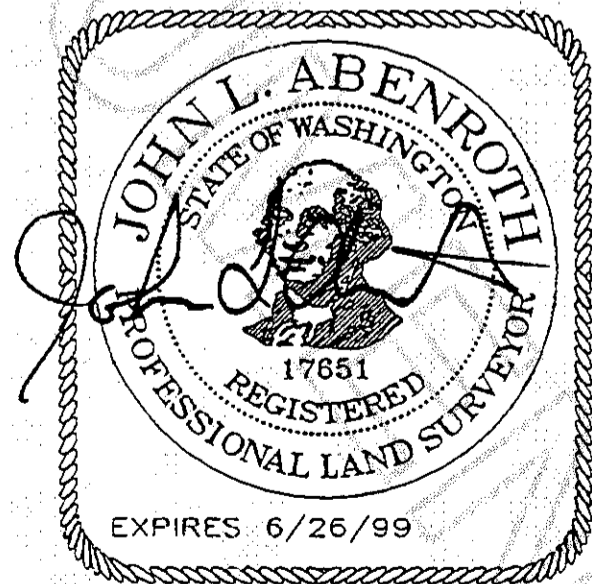
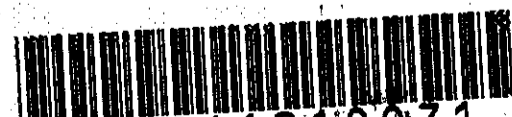


EXHIBIT A-10

5/19/99



200011210071
Skagit County Auditor



806 Metcalf St., Sedro-Woolley, WA 98284 Phone: (360) 855-2121 FAX: (360) 855-1658

LEGAL DESCRIPTION EXHIBIT A
FOR
JOHN PETH & SONS, INC.
OF
PARCEL 10 - AFTER BOUNDARY LINE ADJUSTMENT

May 10, 1999

The southeast quarter of the northeast quarter and the south 22.06 feet of the northeast quarter of the northeast quarter of Section 13, Township 36 North, Range 3 East, W.M.;
EXCEPT the south 13.5 feet of said southeast quarter of the northeast quarter.

Containing 40.00 acres.

Situated in Skagit County, Washington.

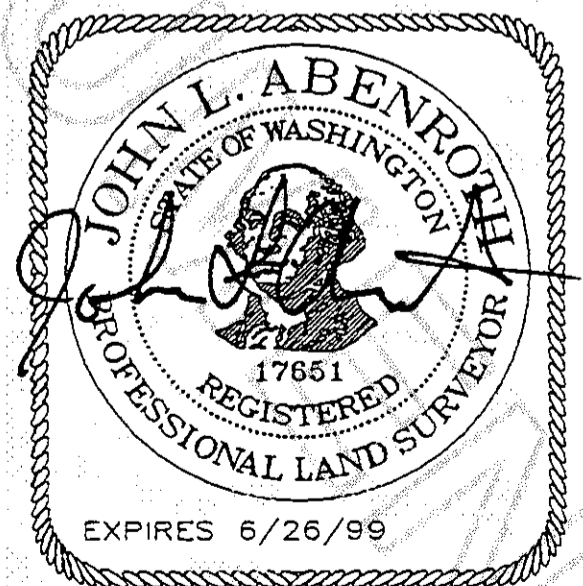


EXHIBIT A-11

5/19/99



200011210071
, Skagit County Auditor



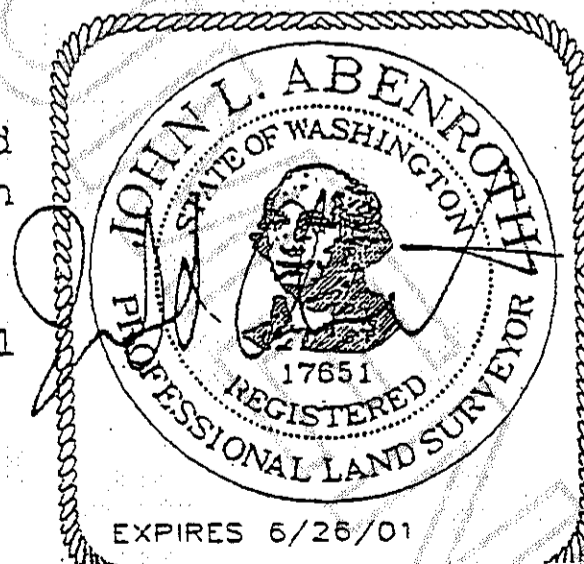
806 Metcalf St., Sedro-Woolley, WA 98284 Phone: (360) 855-2121 FAX: (360) 855-1656

LEGAL DESCRIPTION
FOR
DAN AND JAY PETH
OF
ACCESS AND UTILITY EASEMENT

August 17, 1999

A non-exclusive easement 60 feet wide and a 45 foot radius cul-de-sac, all for ingress, egress, and utilities, over, under, and through the northeast quarter of the northeast quarter of Section 24, Township 36 North, Range 3 East, W.M., and Government Lot 4 of Section 18, and Township 36 North, Range 4 East, W.M., the northwest quarter of Section 19, Township 36 North, Range 4 East, W.M., the centerline of which is described as follows:

Commencing at the northwest corner of said Section 19; thence S01°10'49"E along the west line thereof, a distance of 213.52 feet to Point A and the initial point of this centerline description; thence N38°44'16"E, a distance of 240.44 feet to the point of curvature of a curve to the right having a radius of 150.00 feet; thence along said curve through a central angle of 100°26'51" and an arc length of 262.97 feet; thence S41°00'54"E, a distance of 71.72 feet to the point of curvature of a curve to the right having a radius of 256.03 feet; thence along said curve through a central angle of 57°06'08" and an arc length of 255.17 feet; thence S16°05'14"W, a distance of 552.04 feet to the point of curvature of a curve to the left having a radius of 115.00 feet; thence along said curve through a central angle of 118°31'25" and an arc length of 237.89 feet to the point of reverse curvature with a curve to the right having a radius of 186.85 feet; thence along said curve through a central angle of 61°56'19" and an arc length of 201.99 feet; thence S40°29'52"E, a distance of 67.47 feet to the point of curvature of a curve to the left having a radius of 150.27 feet; thence along said curve through a central angle of 56°40'17" and an arc length of 148.63 feet; thence N82°49'51"E, a distance of 98.22 feet to the point of curvature of a curve to the right having a radius of 421.41 feet; thence along said curve through a central angle of 55°12'12" and an arc length of 406.02 feet; thence S41°57'57"E, a distance of 308.43 feet to the point of curvature of a curve to the



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left having a radius of 200.00 feet; thence along said curve through a central angle of $14^{\circ}11'58''$ and an arc length of 49.57 feet; thence $S56^{\circ}09'54''E$, a distance of 159.02 feet, more or less, to the centerline of Colony Road and terminus of this line description.

ALSO beginning at the above described Point A; thence $S38^{\circ}44'16''W$, a distance of 318.34 feet to the point of curvature of a curve to the left having a radius of 150.00 feet; thence along said curve through a central angle of $26^{\circ}30'16''$ and an arc length of 69.39 feet; thence $S12^{\circ}13'59''W$, a distance of 289.08 feet to the center of the above described 45 foot radius cul-de-sac and terminus of this line description.





806 Metcalf St., Sedro-Woolley, WA 98284 Phone: (360) 855-2121 FAX: (360) 855-1658

LEGAL DESCRIPTION
OF
AN EASEMENT FOR WELLS & WATERLINES OVER COUNTRYMAN PROPERTY
January 6, 2000

A non-exclusive easement for installation, maintenance and operation of wells, waterlines and appurtenances, over, under, and through a strip of land 20 feet wide lying 20 feet south of the hereinafter described LINE A and a strip of land 60 feet wide lying 20 feet north and 40 feet south of the hereinafter described LINE B.

LINE A

Commencing at the northwest corner of the southeast quarter of the northwest quarter of Section 19, Township 36 North, Range 4 East, W.M.; thence S86°40'31"E along the north line of said subdivision, a distance of 407.07 feet to the east right of way line of Colony Road; thence northerly along a curve to the left having a chord bearing of N21°03'34"E, a radius of 1175.92 feet, a central angle of 12°27'56", and an arc distance of 255.84 feet to the initial point of this line description; thence S74°41'14"E, a distance of 95.56 feet to the terminal point of this line description.

LINE B

Beginning at the terminal point of LINE A above; thence S74°41'14"E, a distance of 75.00 feet to the terminal point of this line description.

TOGETHER WITH well protection easements over, under, and through three - 200 foot diameter circles the centers of which are described as follows: Commencing at the terminal point of LINE B above; thence N76°11'03"W, a distance of 10.29 feet to an existing well and the center of the first circle; thence S63°25'00"W, a distance of 41.57 feet to an existing well and center of the second circle; thence N18°26'04"W, a distance of 42.81 feet to an existing well and center of the third circle.

Situate in Skagit County, Washington.

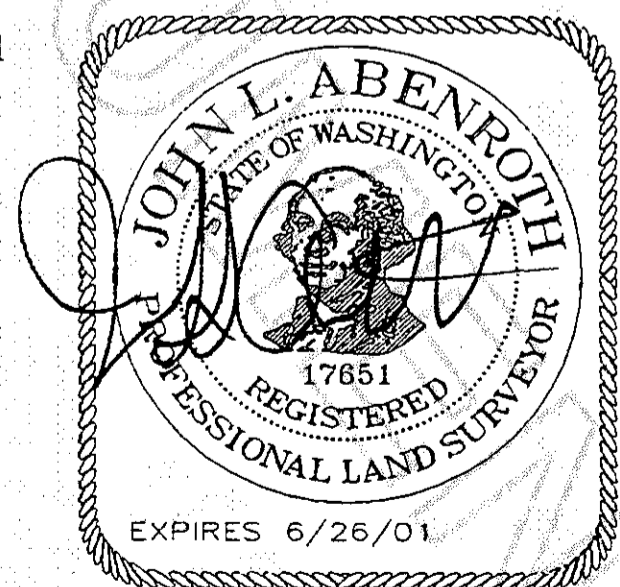


EXHIBIT B-3

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806 Metcalf St., Sedro-Woolley, WA 98284 Phone: (360) 855-2121 FAX: (360) 855-1658

LEGAL DESCRIPTION
OF
A WATER LINE EASEMENT
ALONG COLONY ROAD OVER JENSEN PROPERTY
January 6, 2000

A non-exclusive easement for installation, maintenance and operation of waterlines and appurtenances, over, under, and through a strip of land 20 feet wide lying westerly of, adjacent to, and contiguous with the westerly right of way line of Colony Road described as follows:

Commencing at the northwest corner of the southeast quarter of the northwest quarter of Section 19, Township 36 North, Range 4 East, W.M.; thence S86°40'31"E along the north line of said subdivision, a distance of 341.06 to its intersection with the westerly right of way line of the Colony Road, said point being the initial point of this line description and hereinafter referred to as Point A; thence southwesterly along said right of way line on a curve to the right having a chord bearing of S31°15'05"W, a radius of 1115.92 feet, a central angle of 05°10'01" and an arc length of 100.63; thence S33°50'06"W along said right of way line, a distance of 103.73 feet to the northerly line of the 60 foot wide easement described in Deed to James Darin Jensen and Amy Louise Jensen dated September 27, 1999 and recorded under Auditor's File Number 199910060076 and the terminal point of this line description.

TOGETHER WITH a like easement over a strip of land 20 feet wide lying westerly of, adjacent to, and contiguous with the westerly right of way line of Colony Road described as follows:

Beginning at Point A described above; thence northeasterly along a curve to the left having a chord bearing of N21°44'05"E, a radius of 1115.92 feet, a central angle of 13°52'07" and an arc length of 270.11 feet to the terminal point of this line description.

Situated in Skagit County, Washington.

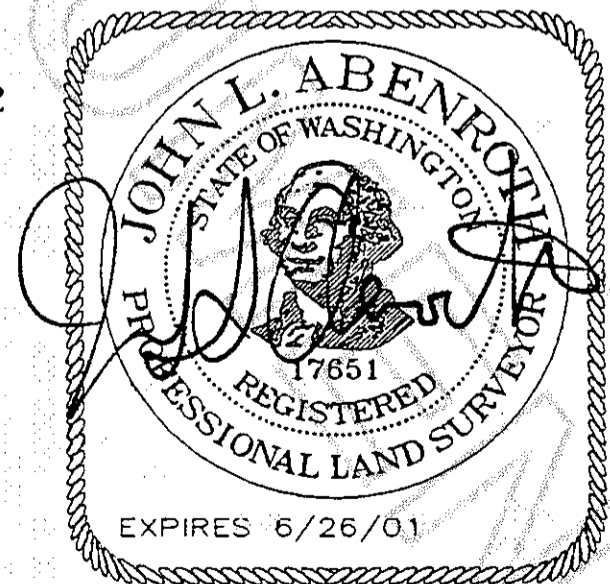


EXHIBIT B-4

1/6/2000



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Skagit County Auditor



806 Metcalf St., Sedro-Woolley, WA 98284 Phone: (360) 855-2121 FAX: (360) 855-1658

LEGAL DESCRIPTION
OF AN EASEMENT FOR WELLS AND WATERLINES
OVER JENSEN PROPERTY AND JAMES CO. PROPERTY
January 6, 2000

A non-exclusive easement for installation, maintenance and operation of wells, waterlines and appurtenances, over, under, and through a strip of land 20 feet wide lying westerly of, adjacent to, and contiguous with the following described LINE A and 60 feet wide lying 40 feet westerly and 20 feet easterly of the following described LINE B:

LINE A

Commencing at the northwest corner of the Government Lot 2, Section 19, Township 36 North, Range 4 East, W.M.; thence S86°40'31"E along the north line thereof, a distance of 1421.57 feet to the northeast corner thereof; thence S07°52'59"W, a distance of 70.36 feet to the intersection of the southerly line of the 60 foot wide easement described in Deed to James Darin Jensen and Amy Louise Jensen dated September 27, 1999 and recorded under Auditor's File Number 199910060076 with the westerly line of the Trans Mountain Oil Pipe Line Corporation right of way described in Grant of Easement document dated July 28, 1954 and recorded under Auditor's File Number 510690, said intersection being the initial point of this line description; thence S01°56'03"W along the westerly line of said pipeline right of way, a distance of 239.23 feet; thence S24°05'19"W, a distance of 191.45 feet to the terminal point of LINE A.

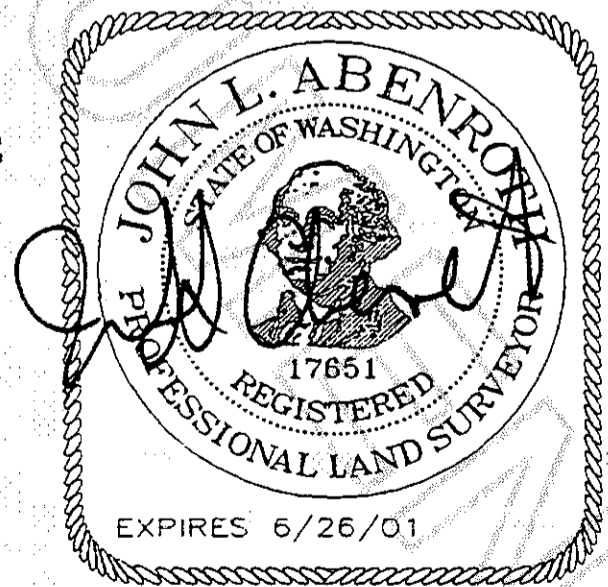
LINE B

Beginning at the terminal point of LINE A above; thence S24°05'19"W, a distance of 45.00 feet to the terminal point of LINE B.

TOGETHER WITH well protection easements over, under, and through three - 200 foot diameter circles the centers of which are described as follows: Commencing at the terminal point of LINE B above; thence N38°13'50"E, a distance of 34.22 feet to an existing well and the center of the first circle; thence N72°42'45"W, a distance of 37.93 feet to an existing well and center of the second circle; thence S37°10'13"E, a distance of 35.47 feet to an existing well and center of the third circle.

Situate in Skagit County, Washington.

EXHIBIT B-5



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