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Skagit County Auditor
9/10/2001 Page 1 of 20 1:48:26PM

AFTER RECORDING MAIL TO:
KATHLEEN BROWN/PAUL HEILMAN
5314 Quiet Cove Road
Anacortes, Washington 98221

TITLE OF DOCUMENT:	DECLARATION OF COVENANTS (DR COV)
GRANTOR:	KATHLEEN & MATT BROWN and PAUL HEILMAN
GRANTEE:	DECEPTION SHORES P.U.D.
LEGAL DESCRIPTION:	PTN OF SEC 24, TWP 34 N, R 1 E, W.M. Additional legal description in Exhibit "A" (pg. 19 of document)
ASSESSOR'S TAX PARCEL NO.:	340124-0-003

**DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS, EASEMENTS AND RESERVATIONS
OF
DECEPTION SHORES PLANNED UNIT DEVELOPMENT**

THIS DECLARATION of Covenants, Conditions and Restrictions for DECEPTION SHORES PLANNED UNIT DEVELOPMENT is made this 30th day of August, 2001, by HEILMAN HERITAGE GROUP comprised of KATHLEEN BROWN and MATT E. BROWN, husband and wife, and PAUL HEILMAN, a single person, individually and as Trustee of the VERA M. HEILMAN TRUST UWD 2/2/91, each hereinafter individually and collectively referred to as "Developer".

RECITALS:

A. Developer is the owner of the real property and improvements thereon legally described in Exhibit "A" attached hereto and by this reference made a part hereof as if fully set forth herein.

B. Developer has identified the real property described in Exhibit "A" attached hereto which is the subject of this Declaration as the Deception Shores Planned Unit Development (PUD). The name "Deception Shores" throughout this Declaration is intended to mean the Deception Shores PUD.

C. Developer desires to declare the Deception Shores PUD subject to the covenants, conditions, restrictions, easements, and reservations set forth in this Declaration.

D. This Declaration is limited to the real property legally described in Exhibit "A" attached hereto, and the buildings and other improvements constructed and to be constructed thereon, and the common area, all of which shall be known as the Deception Shores PUD.

NOW, THEREFORE, to accomplish the foregoing purposes, the Developer hereby publishes and declares that the Deception Shores PUD shall be held, sold, conveyed, encumbered, leased, rented, used, occupied, and improved subject to the following covenants, conditions, restrictions, easements, and reservations, all of which are for the purpose of enhancing and protecting the character, attractiveness, and desirability of Deception Shores. These covenants, conditions, restrictions, easements, and reservations shall run with the land and shall be a burden upon and a benefit to the property therein owned by the Developer and any other person, firm, corporation, or entity of any kind whatsoever acquiring or owning an interest in Deception Shores or any part thereof, and their lessees, guests, heirs, executors, personal representatives, successors, and assigns. Acceptance of an interest in any portion of the property comprising Deception Shores shall be deemed acceptance of the terms and provisions of this Declaration.

ARTICLE I
TERMINATION OF DEVELOPMENT PERIOD
RESERVED RIGHTS DURING DEVELOPMENT PERIOD

Section 1.1: Development Period. The Deception Shores development period shall mean that period of time from the date of recording this Declaration until the date when one hundred percent (100%) of all of the proposed 27 lots within Deception Shores have been sold. Notwithstanding the foregoing, the Developer, at their option, may elect to terminate the development period at any time. Upon termination of the development period, the Developer shall record with the Skagit County Auditor a Notice of Termination of Development Period referencing the Declaration and stating that the development period is terminated.

Section 1.2: Notice of Termination of Development Period. Not less than ten (10) nor more than sixty (60) days prior to the recording of the Notice of Termination of Development Period, the Developer shall give written notice to each lot owner at their last known address of the termination of the development period and of the date, place, and time at which a meeting of the Association will be held to elect the officers and Board of Directors of the Association. The notice shall specify that the purpose of the Association meeting is to elect the officers and Board of Directors of the Association. Upon termination of the development period, the Developer reserves all rights to complete any work required of the Developer, and reserves the right to actively engage in the sale of any lots that remain unsold and continue to undertake and conduct any marketing and sales activities in the same or similar manner as the Developer conducted prior to termination of the development period, including placement of signs and advertising and the use of a sales office, if any.

Section 1.3: Developer's Reservation of Authority During Development Period. The Developer hereby reserves for themselves, their successors or assigns, during the development period, all of the rights, powers, and functions of the Association, or the Board itself, which shall be exercised and/or performed by the Developer, including but not limited to the adoption of architectural control standards and rules and regulations and the designation of an architect.



ARTICLE II
DECEPTION SHORES COMMUNITY ASSOCIATION

Section 2.1: Formation. The Developer has formed or will form the Deception Shores Community Association, a non-profit corporation under the laws of the State of Washington, hereinafter referred to as the "Association". There shall be one (1) membership in the Association for each lot located within Deception Shores and one (1) vote for each membership. Each membership shall be appurtenant to and run with each lot, and shall not be assigned, transferred, pledged, hypothecated or conveyed in any way except upon the transfer of each said lot, and then only to the new owner of the lot. The term "member" shall mean and refer to every record owner of a lot, whether one or more persons or entities, excluding those having an interest in any lot merely as security for the performance of an obligation, and who, as a result of such ownership, holds a membership in the Association.

Section 2.2: Transfer of Control. The Developer shall designate and appoint a Board of Directors of the Association during the development period until such time as one hundred percent (100%) of the lots in Deception Shores are sold or sooner upon the election of the Developer to terminate the development period, at which time control of the Association shall be turned over to its members. Once control is turned over, the Association's members may elect the Board of Directors from their numbers at large, as provided in the Articles of Incorporation and/or Bylaws; and the Developer will, on an ongoing basis, retain one (1) vote for each lot which they continue to own.

Section 2.3: Architectural Control Standards and Regulations. The Association shall adopt from time to time such architectural control standards and necessary rules and regulations that will impose building, landscaping and use controls and restrictions on the lots within Deception Shores, including view protection measures such as tree and shrub trimming and pruning and restrictions for height of plants and shrubbery. The architectural control standards and rules and regulations will be commonly referred to as the Architectural Control Standards and Regulations (hereinafter referred to as "ACSR") and each lot in Deception Shores will be subject to the ACSR and any changes or amendments thereto as adopted by the Association. In addition, the Association may designate, as provided in the ACSR, a consulting architect as its agent to be responsible for reviewing all plans submitted by lot owners to insure compliance with the ACSR.



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Section 2.4: Conveyances. The Developer shall transfer and convey by quit claim deed all Common Areas, roads, parking areas, parks, paths, walkways, improvements and equipment specified in Deception Shores PUD to the Association subject to the reservations imposed on these properties by this Declaration and on the face of the PUD map. This conveyance shall be made after the Association has been formed and all necessary improvements have been completed.

Section 2.5: Purpose. Among the objectives and purposes of the Association shall be the furtherance and promotion of the common welfare of the owners of lots located within Deception Shores; the adoption and enforcement of a set or sets of architectural control standards and rules and regulations the Association deems necessary for the governing of the development and use of each lot within Deception Shores and the ownership, regulation, care, construction, repair, maintenance, use, operation and preservation of all Common Areas, roads, parking areas, parks, paths, walkways, easements, improvements and equipment within Deception Shores. This care and maintenance requirement will extend to all landscaping and above grade landscape-related improvements which may be located within the road rights-of-way such as, but not limited to, medians, cul-de-sac islands, areas between the front lot lines and roadway curbs and the planned unit development entryway monumentation.

Section 2.6: Assessments - Authority. The Association shall be empowered to establish and collect dues, assessments and special assessments upon the lots located within Deception Shores for the common benefit of all such lots to cover all of the costs of its activities outlined in Section 2.5 herein. The method and manner of collection of said dues and assessments and remedies for non-payment shall be determined by the Bylaws of the Association.

Section 2.7: Manner of Assessment. Association dues shall be assessed and collected fairly and uniformly among lot owners on a basis established by the Association from time to time. The method of assessment will be that each lot located within Deception Shores will be equally assessed and only assessed for Association costs related solely to the property. No lot owner may exempt himself from liability for his contribution toward the common expenses by waiver of the use and enjoyment of the Common Areas or by abandonment of his lot.



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Section 2.8: Establishment and Assessment of Charges. For the purpose of providing funds for the uses specified herein, the Association shall for each calendar year, commencing on a date to be selected by the Association, fix and assess yearly dues against each recorded lot of record on the final Deception Shores PUD, except that during the development period there shall be no assessments on the Developer's inventory of lots within the planned unit development, and provided that assessments shall be assessed and prorated on an annual basis upon termination of the development period or sooner upon the sale by the Developer of any such lot.

Section 2.9: Annual Statement. As soon as shall be practical in each year, the Association shall send a written statement to each owner providing an accounting of the previous year's expenditures together with a budget and a per lot assessment amount for the ensuing year. The Association will have the power and authority to adopt rules and procedures with respect to the billing and collection of Association dues, which shall be binding on all of the owners.

Section 2.10: Special Assessments. The Association may levy such other special assessments for capital improvements upon the Common Areas, or for such other purposes and in such manner as shall be provided in this Declaration, the Bylaws or other rules and regulations of the Association.

Section 2.11: Default in Payment of Assessment -- Remedies. If any assessment, annual or special, is not paid within thirty (30) days after it is first due and payable, the assessment shall bear interest from the date on which it was due until paid at the highest rate permitted by law or, if no limitation is imposed by law, at the rate of eighteen percent (18%) per annum or such other legal rate of interest as may be determined by the Association from time to time. If any owner fails to pay any assessment within ninety (90) days of its due date, the Association shall have the right to bring an action at law or equity against the person or entity personally obligated to pay the same and obtain a personal judgment against such person or entity; and/or foreclose the lien of the assessment in the manner provided for materialmen's and mechanics' liens pursuant to Chapter 60.04, RCW, or at the election of the Association, foreclose in the manner provided for non-judicial foreclosure of deeds of trust as provided in Chapter 61.24, RCW. In this event, the designated legal representative of the Association will be deemed the trustee or successor trustee for purposes of foreclosure. The Association may elect at its option either alternative remedy or such other remedy legally available at law. In the event of any such action to collect delinquent assessments, the defaulting lot



owner shall be liable for the Association's costs, reasonable attorney's fees, title reports and delinquent interest and all such sums shall be included in any judgment or foreclosure.

In addition to the above remedies, the Association reserves the right to suspend members' voting rights and right to use the Common Areas during any period that the lot owner is in default in payment of dues and assessments; provided that any such suspension shall not waive any right the Association has to collect such dues and assessments.

The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage or deed of trust now or hereafter placed on any lot.

Section 2.12: Authority to Maintain Surplus. The Association shall not be obligated to spend in any particular time period all of the sums collected by it in such time period or remaining from any previous period. The Association may carry forward, as surplus, any balances remaining. The Association shall not be obligated to apply any such surplus to the reduction of the amount of the annual charge in any year.

ARTICLE III EASEMENTS

Section 3.1: Reservation of Easement. There is reserved to Developer and to the Association, their agents and employees, an easement over each and every lot within Deception Shores for entry and access in a reasonable manner and at reasonable times and places for performance generally of all their rights and duties as provided in this Declaration, ACSR, and rules and regulations as may be adopted by the Association.

Section 3.2: Reservation for Developer's Use and Enjoyment. The Developer, their heirs, successors and assigns, hereby reserve an easement over, across and under the Common Areas, including Area A, Area C and Area E as shown on the face of the Deception Shores PUD map, for utility extension purposes, drainfield sites, road access, ingress and egress purposes and including but not limited to water storage tank purposes in such locations as shown on the Deception Shores PUD map, which easements reserved by the Developer are incorporated herein and made part of this Declaration of Covenants. The easements reserved herein by the Developer are for the benefit of the Developer, the Developer's heirs, successors and assigns, and for the benefit of those certain property owners owning



property adjacent to or in the immediate vicinity of Deception Shores PUD to whom the Developer may, by assignment, extend the beneficial use of the easements herein reserved. In addition, the Developer and the Developer's heirs, successors and assigns hereby reserve access, ingress and egress over and across the Common Areas, including Area E and the tidelands within Area E or adjacent thereto. The right of access, ingress and egress over Area E to the tidelands is reserved for the benefit of the Developer and the Developer's heirs, successors and assigns and may be assigned by the Developer to the property owners owning property adjacent to or in the immediate vicinity of Deception Shores PUD.

Section 3.3: General Easements. Easements for drainage, curtain drains, sewers, water pipes and utilities, facilities and service (including but not limited to water supply, electricity, gas, telephone, television) are hereby reserved over, under, upon, in and through certain portions of lots, tracts or parcels as shown on the final planned unit development map of Deception Shores, in which to install, lay, construct, repair, renew, operate, maintain and inspect underground pipes, sewers, conduits, cables, wires and all necessary facilities and equipment for the purpose of serving said planned unit development, together with the right to enter upon said easement areas, lots, tracts, parcels, roads and walkways for or pertaining to the aforesaid. This reservation of easement is for the benefit of the Developer and their successors in interest, Skagit County, and electrical, natural gas, telephone and cablevision providers and others.

Lots 11 and 12 are subject to existing power line easements. In addition, the Developer and/or their successors and assigns hereby reserve the right to relocate said power line easements as shown on the face of the PUD map, provided that such power line easements are relocated over and across the Common Areas, open space or community recreations area(s).

Section 3.4: Critical Area Protection Easement. The Developer, their heirs, successors and assigns, hereby grant an easement over and across that portion of Area E shown on the face of the Deception Shores PUD map as a "Critical Area Protection Easement," a non-exclusive perpetual easement establishing a protected critical area over, along and across said portion of Area E. The Developer, their heirs, successors and assigns shall hereafter leave said protected critical area in a natural state without grading, filling, logging, building, construction or road construction of any kind or planting of non-native vegetation within said protected critical area; provided, clearing of blackberry bushes and other noxious weeds and bushes may be removed and replaced with native shrubs and vegetation. Further



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provided, the Developer, for themselves and their heirs, successors and assigns, reserve the right to install, construct and maintain storm drainage facilities, storm water outfall, and pedestrian trails across and through said protected critical area consistent with the approved Deception Shores PUD. The Developer, for themselves, their heirs, successors and assigns further reserve the right to trim trees and prune vegetation to preserve and protect view corridors. Existing native conifer and hemlock trees may be limbed for view protection and enhancement but may not be topped except where a professional arborist can demonstrate such topping will not result in injury or destruction of the conifer trees as shall be approved by Skagit County.

ARTICLE IV UTILITIES AND DRAINAGE SYSTEMS

Section 4.1: Utility Systems; Right to Connect. Except for existing power lines, all utility systems shall be underground exclusively. There is reserved to each utility district or utility company the right to connect improvements upon all lots with utility service lines, for which service the owner shall pay the then prevailing price for such connections, equipment and meters as charged by such utility. All utility systems existing within the Deception Shores PUD that are not maintained by the utility district or company shall be maintained and the cost thereof borne by the Association.

Section 4.2: Septic Systems. Septic tanks and their appurtenances must be permitted and approved by the Skagit County Health Department. Approval of the planned unit development by Skagit County does not guarantee the issuance of on-site sewage disposal system permits.

Section 4.3: Drainfield Sites. Areas designated as drainfields for lots that may not be able to have on-site sewage disposal systems, if any, shall be maintained and kept in good condition and appearance at the cost and expense of those lots utilizing said drainfield area(s).

Section 4.4: Drainage System. All costs of maintaining, repairing, improving or costs otherwise connected with any drainage courses, storm drainage biofiltration swales, detention facilities, storm water discharge or outfall pipes or any other portion of the storm water drainage system within the Deception Shores PUD or drainage easements shall be borne by the Association.



ARTICLE V
COMMON AREA AND PROPERTY RIGHTS IN THE COMMON AREA

Section 5.1: Access to Planned Unit Development. Access to the lots within Deception Shores PUD is by way of Deception Shores Drive. Quiet Cove Road is within the Deception Shores PUD as shown on the face of the map thereof and is a private drive providing access, ingress and egress to the properties southerly and adjacent to the Deception Shores PUD. Quiet Cove Road does not provide access, ingress or egress to the lots within Deception Shores PUD. Deception Shores PUD and the use of Common Area E therein is subject to the Quiet Cove Road easement. The Association shall not be responsible for maintenance and upkeep of Quiet Cove Road that is the responsibility of the southerly adjoining property owners.

Section 5.2: Common Area. The Common Areas within Deception Shores consist of open space tracts, roadway and a pedestrian beach access trail, and any other trails or recreational area or areas constructed by the Association. The Common Areas are subject to the reservation of easements referred to in Section 3.2 herein and as noted and shown on the Deception Shores PUD map.

Section 5.3: Developer's and Lot Owner's Easement of Enjoyment in and to the Common Areas. The Developer, their heirs and successors hereby retain, and each lot owner shall have a non-exclusive right and easement of enjoyment in and to the Common Areas owned by the Association, and such easement shall be appurtenant to and conveyed with the ownership of every lot, even though such easement is not expressly mentioned or described in the conveyance or other instrument, subject to the following restrictions:

(a) The right of the Association to make on behalf of its members any rules and regulations pertaining to the use of the Common Areas and restrictions on the use of the Common Areas.

(b) The right of the Association to the exclusive use and management of said Common Areas for utilities such as pumps, pipes, wire, conduits, and other utility equipment, supplies, and material; and for any recreational equipment including but not limited to floats, docks, decks, picnic area and other park-like furnishings and equipment.

(c) The rights reserved to the Developer in the Declaration.

(d) The right of the Association to suspend the voting rights and right to use of the Common Areas by an owner for any period during which any assessment against his lot remains unpaid.

(e) The right of the Association to dedicate or transfer all or any part of the Common Areas to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Association. After the termination of the development period, no such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer, signed by seventy-five percent (75%) of all members has been recorded.

(f) The other restrictions, limitations, and reservations contained or provided for in this Declaration, the ACSR, the Bylaws and other rules and regulations of the Association.

(g) The Board of Directors of the Association shall have the right to adopt more comprehensive standards from time to time, and to adopt reasonable regulations and restrictions for the maintenance of the Common Areas.

Section 5.4: Title to Common Area. After conveyance by Developer, title to the Common Areas shall be held by the Association.

ARTICLE VI USE OF PROPERTY

Section 6.1: Business and Commercial Use of Property Prohibited. All lots within Deception Shores shall be used exclusively for permanent, single-family residences; provided, however, that "mother-in-law apartments," or apartments for shared living, live-in care or service providers or such uses authorized by Skagit County are permitted. No manufactured homes or mobile homes are permitted. Guest houses, playhouses and studios may be permitted subject to approval of the Association and Skagit County. No temporary structures, trailers, tents or shack shall be placed on any lot, except upon written approval of the Association during the construction of a permanent residence. Residing in a completed garage or ancillary building while constructing a permanent residence is prohibited. No manufacturing enterprise or commercial activity of any kind shall be conducted or carried on upon any lot or within any unit. No goods, equipment, vehicles or materials or supplies used in connection with any trade, service, or business or used for private purposes, shall be kept, parked, stored, dismantled or repaired outside on any lot or any road within Deception Shores, nor shall anything be done on any lot



which may be or may become an annoyance or nuisance to any other lot owner. No short-term rental or subletting of any lot or residence thereon shall be permitted (short-term meaning any rental or subletting for a period of less than three month intervals), and no Bed & Breakfast facilities or transient rental of residential structures shall be permitted. The above-restrictions will not prohibit home offices for physicians, lawyers, writers, artists or other professionals and other occupations, crafts or trades the Association deems appropriate in that such occupations, crafts or trades maintain compatibility with the residential character of the community and where such activities do not involve visitation of clients or customers to the property or any outside or non-resident employees and do not result in a material increase in vehicular traffic beyond that of a single family residential use.

Section 6.2: Nuisance Prohibited. No noxious or offensive activity shall be carried on, in, or upon any lot, nor shall anything be done therein which may be or become an annoyance or nuisance to other owners. No rubbish, debris or unsightly materials of any kind shall be placed or be permitted to accumulate on any portion of a lot, nor shall any odors or loud noises be allowed to emanate from any lot which are offensive or detrimental to any persons occupying any other lots located within Deception Shores. No exterior speakers, horns, whistles, bells or other sound devices except security and fire alarm devices used exclusively for such purposes, and no animal, device or other thing whose normal activity or existence is in any way noxious, dangerous, unsightly or unpleasant or the nature of which might significantly diminish the enjoyment of neighboring residents shall be permitted or maintained on any lot.

Section 6.3: Hazardous Chemicals. Except as to the proper and conservative use and application of herbicides, pesticides and fungicides, no property owner shall dump, spill, dispose of or discharge any hazardous waste in any drains, drainage areas or septic systems, or otherwise dispose of said waste in any manner, including discharge in the ground water. "Hazardous waste" is defined in the State of Washington Model Toxic Control Act list of hazardous chemicals and includes but is not limited to chemicals, solvents, petroleum products, and photographic chemicals.

Section 6.4: Lot Owners' Responsibilities. Each lot owner covenants and agrees to maintain his respective lot(s) and improvements thereon in the same condition as a reasonably prudent homeowner would maintain his own home so that the entire real property will reflect a high pride of ownership and further, to



maintain and prune bushes, shrubs and other landscaping so as to prevent view obstruction. The standards and conditions as to the pruning and the height of the bushes, shrubs and other landscaping shall be provided in the ACSR. If any lot owner shall fail to provide the initial landscaping or to maintain his lot or the building(s) or landscaping located thereon to the standards set forth this Declaration and the ACSR, the Association shall have the right to notify said lot owners, in writing, of the maintenance required. If said notice is delivered to the non-performing lot owner and no action is taken for a period of sixty (60) days, the Association shall have the right, through its agents and employees to enter upon said lot and provide such maintenance, and to levy an assessment against the non-performing lot owner and his lot for the cost of providing said maintenance. Said assessment shall constitute a lien against the lot owned by the non-performing lot owner, and may be collected in the same manner as provided for delinquent assessments in Article 2 herein.

Section 6.5: Geotechnical Engineering Evaluation. As to Lots 7 through 12, the lot owner may be required to obtain a geological engineering evaluation in order to build within certain areas on said lots as shown on the face of the PUD map and as described in the setbacks of the Architectural Controls.

ARTICLE VII GENERAL PROTECTIVE COVENANTS

Section 7.1: Compliance with Covenants, Conditions and Restrictions. All construction and landscaping work carried out on any lot located within Deception Shores must be in complete conformity with this Declaration and with the ACSR related to such lot as established by the Association from time to time, and must be in strict compliance with the plans which have been approved in accordance with such standards.

Section 7.2: Association's Authority and Agents. The Association has the authority to make all decisions required pursuant to this Declaration and the ACSR, and has appointed a Consulting Architect as its agent with the authority to make decisions on its behalf concerning certain of these standards. The Association retains the right to change Consulting Architects or to appoint any other agent, nominee or person from time to time to act on its behalf with regard to decisions to be made pursuant to these covenants, conditions and restrictions, the ACSR or other regulations as may be adopted by the Association. Decisions made by such



approved agent(s) will be fully binding as if they had been made directly by the Association.

Section 7.3: Waiver. The failure of the Association or the Developer 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 this Declaration, the ACSR, or any of the Bylaws or rules or regulations of the Association, or to exercise any right or option contained therein, or to serve notice or to institute any action or summary proceedings, shall not be construed as a waiver or relinquishment of such right for the future, and such right to enforce any of the provisions of this Declaration, the ACSR, the Bylaws or rules or regulations of the Association shall continue and remain in full force and effect. No waiver of any provision of this Declaration, the ACSR or the Bylaws, rules or regulations of the Association shall be deemed to have been made, either expressly or implied, unless such waiver shall be in writing and signed pursuant to authority contained in a resolution of the Board. The Association and its agent(s) does, however, reserve the right to vary or waive any of the provisions contained in the ACSR as to a particular lot or lots, and shall in no way be liable to any owner or anyone else for damages or otherwise as a result of their decisions in this regard. Moreover, no owner has any right to override or overturn any waiver by the Association of a condition contained in the ACSR pertaining to any other owner or lot.

Section 7.4: Liability. Nothing contained in this Declaration or the ACSR shall be construed or implied as imposing on the Association or its agents any liability to any party for any action or failure to act in regard to any provisions of this Declaration, the ACSR or any other rules and regulations adopted by the Association, including damages resulting from structural defects in any structure erected on any lot, and any person submitting plans, specifications or details to the Association or its agent(s) expressly waives any claim for damages or compensation arising from breach of contract, negligence or otherwise, unless the Association or its agent(s) have proceeded in bad faith or with malice.

Each owner covenants and agrees for himself and his successors that the Developer, the Association and its agent(s) shall not be liable for damages and injuries caused by windfall from trees, geologic hazards, adjacent steep slopes or deficiencies in the design or construction of the planned unit development.

Any owner found to be in breach of any of the provisions of this Declaration or the ACSR will indemnify and save harmless any other owners of lots negatively affected from and against any and all reasonable losses, costs, claims and



damages including attorneys' fees actually paid, arising as a result of any such breach or the enforcement of any of such provisions.

Section 7.5: Enforcement. If any owner of a lot shall violate or allow the violation of any of the provisions of this Declaration or the ACSR or rules or regulations adopted by the Association, it shall be lawful for the Association, the Association's agent(s), as well as any owner of any other lot or Skagit County, where applicable, to prosecute and proceed at law or in equity against such violating owner to correct or enjoin the violation or to recover damages related thereto, notwithstanding the fact that such errant owner may have ceased to hold title to a lot located within Deception Shores.

In the event the Association or its agent(s) takes enforcement action provided above, all reasonable costs including attorneys' fees incurred as a result of such action shall be paid by the errant owner, and such costs shall bear interest as provided for delinquent assessments and shall constitute a lien against the lot.

Section 7.6: Grantee's Acceptance and Amendments. The grantee of any lot located within Deception Shores by acceptance of a deed conveying title thereof, or the execution of a contract for the purchase thereof, whether from the Developer or a subsequent owner of such lot, shall accept such deed or contract upon and subject to each and all of the provisions contained in this Declaration, the ACSR and other rules and regulations related to such lot, and the jurisdiction, rights and powers of the Association and its agent(s), and by such acceptance shall for himself/herself, his/her heirs, personal representatives, successors and assigns, consent and agree to and with the Association to keep, observe, comply with and perform all of the provisions of this Declaration, the ACSR and other rules and regulations related to his/her lot and any Amendments thereto. Any of the provisions contained in this Declaration may be amended at any time upon the vote of the owners of at least seventy-five percent (75%) of the lots located within Deception Shores and the filing of such amendment(s) as legally required.

Section 7.7: Protection of Holder of Mortgage or Deed of Trust. No violation or breach of any provision contained in this Declaration and the ACSR and no action to enforce the same shall defeat, render invalid or impair in any way the lien of any mortgage or deed of trust held on any lot located within Deception Shores, or the title or interest of the holder thereof, or the title acquired by any purchaser upon foreclosure of any such mortgage or deed of trust. Any such



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purchaser shall, however, acquire title to any such lot subject to the provisions of this Declaration and the ACSR related to such lot.

Section 7.8: Sales Office/Model Home. The Developer reserves the right to maintain a sales office/model home on a lot or lots to be designated within Deception Shores for the purpose of selling and re-selling lots within the planned unit development. The Developer reserves the right to place and maintain "for sale" signs on any lot within Deception Shores.

Section 7.9: Damages. Each owner agrees that being in violation of the restrictions herein set forth may constitute injury or damage to some or all of the other owners which shall be deemed to be impossible to quantitatively measure. As a result, any one or all of the other owners or the Association, in addition to all of the other remedies at law and at equity they may have, shall be entitled to a restraining order legally prohibiting any breach of any of the provisions of this Declaration and the governing ACSR, and any owner in breach of any such provisions hereby agrees that he/she will not plead in defense thereto that there would be an adequate remedy in damages.

Section 7.10: No Waiver of Other Laws. The provisions contained in this Declaration and the ACSR shall not relieve any owner of the requirement to observe the Bylaws, ordinances and other requirements of Skagit County, all development agreements between the Developer and the County, and the obligations and liabilities imposed by statute or common law on the owners and occupants of the lots, all of which must be duly observed and complied with.

Section 7.11: Failure to Enforce. Failure to enforce any provision of this Declaration or the ACSR shall not operate as a waiver of any such provision or of any other provisions contained herein.

Section 7.12: Severability. If any provision of this Declaration or the ACSR is determined to be void or unenforceable in whole or in part, it shall not be deemed to affect or impair the validity or enforceability of any other provision contained therein.

Section 7.13: Time of Essence. Time shall be of the essence of this Declaration and the ACSR.

Section 7.14: Liability and Hazard Insurance. The Association shall have authority to and shall obtain insurance as considered appropriate. All such insurance coverage shall be written in the name of the Association.

Section 7.15: Association Control. The Association expects members and their guests to conduct themselves in a good-neighborly manner with consideration for others. If voluntary compliance is inadequate, the Association is hereby authorized and empowered to adopt rules and regulations governing the use of the Deception Shores PUD and the personal conduct of the members and their guests, and to establish penalties for infraction thereof. All lot owners shall be given written notice of said rules and regulations.

Section 7.16: Remedies. The remedies provided herein and in the Bylaws of the Association for collection of any assessment or other charge or claim against any member, for and on behalf of the Association or Developer, are in addition to and not in limitation of any other remedies provided by law.

Section 7.17: Costs and Attorney's Fees. In the event the Association employs an attorney to enforce any provision of the Declaration, the ACSR, the Bylaws of the Association or other rules and regulations adopted by the Association, the prevailing party in such action shall be entitled to an award of reasonable attorney's fees and costs incurred in said action.

IN WITNESS WHEREOF, Developer being the Declarant herein, has hereunto set their hands and seals the day and year first above written.



Kathleen Brown

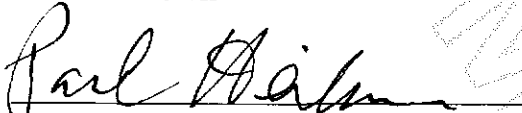
SKAGIT COUNTY WASHINGTON
Real Estate Excise Tax

SEP 10 2001

Amount Paid \$
Skagit Co. Treasurer
By *man* Deputy



Matt E. Brown

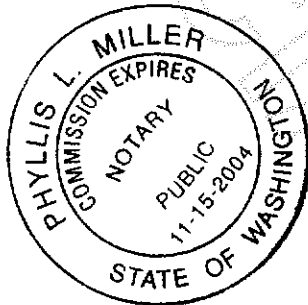


Paul Heilman, individually and as
Trustee of the Vera M. Heilman
Trust UWD 2/2/91

STATE OF WASHINGTON)
County of Skagit) ss.

On this day personally appeared before me KATHLEEN BROWN and MATT E. BROWN, to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 24th day of August, 2001.

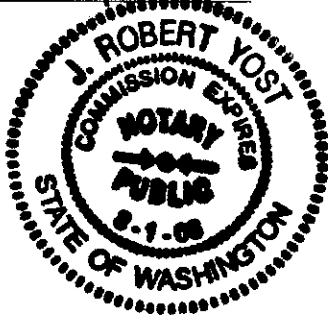


Phyllis L. Miller
NOTARY PUBLIC in and for the
State of Washington, residing
at Sedro Woolley.
My commission expires: 11-15-2004.

STATE OF WASHINGTON)
County of Whatcom) ss.

On this day personally appeared before me PAUL HEILMAN, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed individually and as Trustee of the VERA M. HEILMAN TRUST UWD 2/2/91, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 30th day of August, 2001.



J. Robert Yost
NOTARY PUBLIC in and for the
State of Washington, residing
at Bellingham, WA.
My commission expires: 3/01/03.



EXHIBIT "A"

Lot 2 of Skagit County SHORT PLAT NO. 93-049 as approved May 12, 1997, and recorded May 16, 1997, in Volume 12 of Short Plats, pages 199 and 200, under Auditor's File No. 9705160066, records of Skagit County, Washington; being a portion of Government Lots 3, 4 and 5 in Section 24, Township 34 North, Range 1 East of the Willamette Meridian;

TOGETHER WITH all that portion of the second class tidelands, as conveyed by the State of Washington under Auditor's File No. 149313, lying above the mean low tide, in front of and adjacent thereto;

EXCEPT the following described parcel:

Commencing 1,363.72 feet South and 1,213.64 feet West of the Northeast corner of government Lot 5, Section 24, Township 34 North, Range 1 East of the Willamette meridian, said point being the Northeast corner of that certain tract previously conveyed to Matt E. Brown and Kathleen H. Brown by deed recorded August 14, 1962, under Auditor's File No. 625085;
thence North 47°18'30" East for a distance of 22 feet to the true point of beginning;
thence continuing North 47°18'30" East for a distance of 84.46 feet to the Northwesterly corner of that certain tract previously conveyed to Ellsworth C. Alvord III and Eve H. Alvord, husband and wife, by deed recorded October 21, 1988 under Auditor's File No. 8810210059;
thence South 12°56'30" East a distance of 211.46 feet;
thence South 53°56' West for a distance of 90.5 feet;
thence Northwesterly in a straight line to the point of beginning;
TOGETHER WITH all that portion of the second class tidelands, as conveyed by the State of Washington under Auditor's File No. 149313, lying above the line of mean low tide, in front of and adjacent thereto;

ALSO EXCEPT the following described parcel:

Beginning at the Northeast corner of the certain tract previously conveyed to Matt E. Brown and Kathleen H. Brown by deed recorded August 14, 1962, under Skagit County Auditor's File No. 625085, and as shown on that certain Record of Survey filed under Skagit County Auditor's File No. 9610300097;
thence North 45°48'03" East for a distance of 22.00 feet;
thence South 11°36'10" East for a distance of 206.53 feet;
thence South 51°48'44" West for a distance of 9.89 feet to the Southeast corner of said previously conveyed tract;
thence North 14°23'17" West along the East line thereof for a distance of 199.34 feet to the point of beginning;

continued



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, Skagit County Auditor

UNRECORDED DOCUMENT

TOGETHER WITH all that portion of the second class tidelands, as conveyed by the State of Washington under Auditor's File No. 149313, lying above the line of mean low tide, in front of, adjacent to or upon the above described property;

ALSO EXCEPT the following described parcel:

Beginning at the Northeast corner of that certain tract previously conveyed to Matt E. Brown and Kathleen H. Brown by deed recorded August 14, 1962, under Skagit County Auditor's File No. 625085, and as shown on that certain Record of Survey filed under Skagit County Auditor's File No. 9610300097;

thence North 45°48'03" East for a distance of 22.00 feet;

thence North 44°11'57" West for a distance of 50.00 feet to the North line of an existing easement for road and travel purposes as described under said Skagit County Auditor's File No. 625085;

thence South 49°09'37" West for a distance of 167.78 feet to an iron pipe, as shown on said Record of Survey;

thence South 24°34'17" East for a distance of 230.99 feet;

thence North 48°37'55" East for a distance of 25.00 feet to the Southwest corner of said Brown tract;

thence along the West line thereof, North 16°37'02" West for a distance of 179.35 feet to the Northwest corner of said Brown tract;

thence along the North line thereof, North 45°48'03" East for a distance of 115.07 feet to the point of beginning;

TOGETHER WITH all that portion of the second class tidelands, as conveyed by the State of Washington under Auditor's File No. 149313, lying above the line of mean low tide, in front of, adjacent to or upon the above described property.

Situated in Skagit County, Washington.

- END OF EXHIBIT "A" -



200109100116

Skagit County Auditor

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