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RETURN TO:

LAW OFFICE
of

BRADFORD E. FURLONG, P.S.
825 CLEVELAND AVENUE
MOUNT VERNON, WASHINGTON 98273
(360) 336-6508

Document Title: Declaration of Covenants, Conditions & Restrictions

Reference number of documents assigned or released: N/A

Declarant: Donald M. Caldwell

Grantee: General Public

Partial Legal Description: (Full legals on Attachment 1 & 2)

Attachment 1:

The South 1/2 of the Southwest 1/4 of the Southwest 1/4 of Section 14,
Township 34 North, Range 1 East, W.M., and the Southeast 1/4 of the
Southwest 1/4 of Section 14, Township 34 North, Range 1 East, W.M

Attachment 2:

The South 1/2 of the Southwest 1/4 of the Southwest 1/4 of Section 14,
Township 34, Range 1 East, W.M.

Assessor's Parcel/Tax I.D. Numbers: Attachment 1: P115540, P19424, P118405,
P111926, P111924 and P19426. Attachment 2: P19424

**DECLARATION OF COVENANTS,
CONDITIONS & RESTRICTIONS**

Donald Caldwell, called Declarant, is the owner in fee simple of real property located in Skagit County, Washington, and described by the legal description in Attachment 1 to the CC&Rs. This legal description includes approximately 60 acres (the "Property"). A portion of Declarant's Property will be subdivided pursuant to a Skagit County CaRD Short Subdivision, legally described in Attachment 2 (the "Subdivision"). All provisions of these CC&Rs shall apply to and run with the land of the Subdivision.

All of the described Property and each part of the Property shall be held, sold, and conveyed subject to the following easements, covenants, conditions, and restrictions, as applicable, which constitute covenants running with the land and shall be binding on all parties having any right, title or interest in the described Property or any part of that Property, their heirs, successors, and assigns, and shall inure to the benefit of each owner of the Property.

**ARTICLE ONE
DEFINITIONS**

- Section 1: "Association" shall mean and refer to the Association of Owners of the Property, its successors and assigns.
- Section 2. "Class B Member" is any Owner not owning a Parcel within the Subdivision.
- Section 3: "Common Roads" shall mean all real property owned by the Owners for common use and enjoyment of the Owners.
- Section 4: "Declarant" shall mean Donald Caldwell and his heirs, successors, and assigns, provided such successors or assigns acquire at least one undeveloped Parcel from Declarant for the purpose of development.
- Section 5: "Parcel" shall mean any plot of land within the limits referred to in Attachment 1 above.
- Section 6: "Maintenance" shall mean the exercise of reasonable care to keep common areas, common roads and other related improvements and fixtures, including the water system, in condition adequate for safe, continuous and convenient ingress and egress and service.
- Section 7: "Member" shall mean every person or entity that holds membership in the Association. The same person or entity may be a Member and a



Class B Member if he/she/it owns a Parcel within and a Parcel not within the Subdivision.

Section 8: "Mortgage" shall mean a conventional mortgage or a deed of trust.

Section 9: "Mortgagee" shall mean a holder of a conventional mortgage or a beneficiary under or holder of a deed of trust.

Section 10: "Owner" shall mean the record Owner, whether one or more persons or entities, of a fee simple title to any lot that is part of the Property, and shall include contract sellers, but shall not include those holding title merely as security for performance of an obligation.

**ARTICLE TWO
MEMBERSHIP IN ASSOCIATION --VOTING RIGHTS**

Section 1: Every Owner of a Parcel shall be a Member of the Association; membership shall be appurtenant to and may not be separated from ownership of a Parcel.

Section 2: Members shall be all Owners, including the Declarant (as long as Declarant owns one or more Parcels), and shall be entitled to one vote for each Parcel owned. When more than one person holds an interest in a given Parcel, all such persons shall be Members and the vote for the Parcel shall be exercised as they may determine between or among themselves. In no event shall more than one vote be cast with respect to any Parcel owned by a Member. A Class B Member may only vote on matters which concern or affect the Caldwell Group B Public Water System ("Water System").

Section 3: The Association owns and operates the Water System it is served by. The Association has the obligation to maintain and repair the Water System and make assessments therefor. The Water System is defined to include the well, pump, electrical supply and equipment, pump house, supply lines up to water meters and any ancillary equipment necessary for the reliable functioning of the Water System. The Association shall own and maintain easement rights across and under any property reasonably necessary to install, maintain and operate the Water System.



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**ARTICLE THREE
ASSESSMENTS**

Section 1: Liens and personal obligation of assessments. Each Owner of a Parcel is deemed to covenant by acceptance of the Owner's deed for the Parcel, whether or not it shall be so expressed in the deed, to pay to the Association (1) annual assessments, and (2) special assessments for capital improvements. These assessments will be established and collected as provided below in this instrument. The annual and special assessments, together with interest, costs, and reasonable attorney fees, shall be a charge on the land and a continuing lien on each Parcel against which such an assessment is made. Each such assessment, together with interest, costs, and reasonable attorney fees, shall also be the personal obligation of the person or persons who owned the Parcel at the time the assessment fell due, but such personal obligation shall not pass to the successors in title of that person or persons unless expressly assumed; *provided*, that such assessment lien shall continue to encumber the Parcel until fully paid. Class B Members shall only be liable for assessments related to the Water System.

Section 2: Purpose of annual assessments. The annual assessments levied by the Association shall be used exclusively to promote the health, safety, welfare, and recreation of the residents in the Association, and for Maintenance and repair of the Water System, common areas, Common Roads and for capital improvements thereto, each as are necessary for the safe, continuous and convenient ingress and egress to all lots.

Liability insurance shall be purchased, insuring the Association against any and all liability to the public, to any Owner or Owners, or to the invitees or tenants of any Owner or Owners arising out of their occupation and/or use of the Common Roads. The policy limits shall be set by the Association, and shall be reviewed at least annually and increased or decreased in the discretion of the Association.

Any other materials, supplies, labor, services, Maintenance, repairs, structural alterations, insurance, taxes, or assessments that the Association is required to secure or pay pursuant to the terms of this declaration or by law, or which shall be necessary or proper in the opinion of the board of directors of the Association for the operation and Maintenance of common areas, of the Common Roads, for the benefit of the Parcel Owners, or for the enforcement of these restrictions.



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Section 3: Annual assessment. The board of directors of the Association shall fix the annual assessment.

Section 4: Special assessments for capital improvements. In addition to the annual assessments authorized above, the Association may levy in any assessment year, a special assessment applicable to that year only for the purpose of defraying in whole or in part, the cost of any construction, reconstruction, repair, or replacement of a capital improvement in the Water System, common area or on the common road. Any such assessments must be approved by the Members.

Section 5: Notice and quorum for action authorized under Section 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized by Section 3 or 4 shall be sent to all Members not less than 14 nor more than 30 days in advance of the meeting.

Section 6: Uniform rate of assessment. Both annual and special assessments must be fixed at a uniform rate for all Parcels by Member classification, *provided*, that all assessments for the Water System shall be segregated from other assessments so that Class B Members are only assessed for the costs and expenses related to the Water System.

Section 7: Commencement and collection of annual assessments. The annual assessments provided for in this declaration shall commence as to each Parcel upon sale thereof by Declarant or upon occupancy of a lot by Declarant. The first annual assessment shall be adjusted according to the number of months remaining in the applicable calendar year. The board of directors shall fix the amount of the annual assessment against each lot at least sixty (60) days in advance of the due date for the assessment and shall fix the dates such amounts become due. Assessments may be made payable monthly. Notice of the annual assessments shall be sent to every Owner subject to the assessment. The Association, on demand and for a reasonable charge, shall furnish a certificate signed by an officer of the Association, setting forth whether the assessment against a specific Parcel has been paid.

Section 8: Effect of nonpayment of assessments; remedies of the Association. Any assessment not paid within sixty (60) days after the due date shall be deemed in default and shall bear interest from the due date at the rate of twelve percent (12%) per annum. The Association may bring an action at law against the Owner or Owners personally obligated to pay such assessment, or may foreclose the lien against the Property. No

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Owner or Owners may waive or otherwise escape liability for the assessments provided for in this declaration by nonuse of the common road or abandonment of his or her or their lot.

Section 9: Subordination of assessment lien to mortgages. The assessment lien provided for in this declaration shall be subordinate to the lien of any first Mortgage. A sale or transfer of any Parcel shall not affect the assessment lien. However, the sale or transfer of any Parcel pursuant to a Mortgage foreclosure or any proceeding in lieu of such foreclosure, shall extinguish the assessment lien as to payments that become due prior to the sale or transfer. No sale or transfer shall relieve the successor Parcel Owner and the Parcel from liability for any over due assessments or assessments thereafter becoming due or from the lien of the assessments.

ARTICLE FOUR PROPERTY RIGHTS

Section 1: Application. This Article Four shall apply only to the Subdivision.

Section 2: Owner's easements of enjoyment. Every Owner of a Parcel shall have a right and easement of enjoyment in and to the common areas, if any, and to Common Roads that shall be appurtenant to and shall pass with the title to the Parcel, subject to the following rights of the Association: The right to dedicate or transfer all or any part of the common road to any municipality, public agency, authority, or utility for such purposes and subject to such conditions as may be agreed on by the Members. No such dedication or transfer shall be effective unless an instrument executed by not less than 3/4 (three-quarters) of the Members agreeing to the dedication or transfer has been recorded.

Section 3: Right of entry. The Association, through its authorized employees and contractors, shall have the right, after reasonable notice to the Owner or Owners, to enter any Parcel at any reasonable hour on any day to perform such Maintenance as may be authorized in this declaration.

ARTICLE FIVE Water Use Agreements

Section 1: Cost of Maintenance of Water System. Each Owner shall equally share the Maintenance and operational costs of the well and Water System herein described. The expense of water quality sampling as

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required by the State of Washington and Skagit County shall be shared equally by all Members of the Association. The Association shall establish and maintain a reserve account at a mutually agreed upon banking institution. Each party shall be entitled to receive an annual statement from said banking institution regarding the status of the reserve account. The monetary funds in the reserve account shall be utilized for the sole purpose of submitting water samples for quality analysis and maintaining, repairing or replacing the well and common waterworks equipment or appurtenance thereto.

Section 2: Easement of Well Site and Pumphouse. There shall be an easement for the purpose of maintaining or repairing the well and appurtenances thereto, within 30 feet of the well site in any direction. Said easement shall allow the installation of well house, pumps, water storage reservoirs, pressure tanks, and anything necessary to the operation of the Water System. All owners shall have an easement of ingress and egress over Common Roads for the purpose of repair or maintenance of the Water System.

Section 3: Maintenance and Repair of Pipelines. All pipelines in the Water System shall be maintained so that there will be no leakage or seepage, or other defects which may cause contamination of the water, or injury, or damage to persons or property. Pipe material used in repairs shall meet the approval of the Health Officer. Cost of repairing or maintaining common distribution pipelines shall be born equally by all Owners based on the number of Parcels owned.

Section 4: Prohibited Practices. The Owners, their heirs, successors and/or assigns, will not construct, maintain or suffer to be constructed or maintained upon the said land and within 100 feet of the well herein described, so long as the same is operated to furnish water for public consumption, any of the following: septic tanks and drainfields, sewer lines, underground storage tanks, county or state roads, railroad tracks, vehicles, structures, barns, feeding stations, grazing animals, enclosures for maintaining fowl or animal manure, liquid or dry chemical storage, herbicides, insecticides, hazardous waste or garbage of any kind. No Owner shall cross connect any portion or segment of the Water System with any other water source without prior written approval of the County Department of Public Health and/or other appropriate governmental agency.

Section 5: Water System Purveyor. Donald Caldwell is designated "Purveyor" of the Water System. The Purveyor shall be responsible for arranging submission of all necessary water samples as required in the

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Washington Administrative Code, and County Rules and Regulations and handling emergencies such as system shutdown and repair. The purveyor shall provide his/her name, address and telephone number to the Health Officer and shall serve as a contact person to the Health Officer. The purveyor shall organize and maintain the Water System records and notify the Health Officer and all parties, service connections and lots that are included in this agreement, of the water quality tests that are required by WAC 246-291 and Skagit County Rules and Regulations. Water system records shall be available for review and inspection by all parties in this agreement and the Health Officer.

Section 6: Provisions for Continuation of Water Service. The Owners shall maintain a continuous flow of water from the well and Water System, herein described in accordance with public water supply requirements of the State of Washington and Skagit County. In the event that the quality or quantity of water from the well becomes unsatisfactory as determined by the Health Officer, the parties shall develop a new source of water. Prior to development of, or connection to a new source of water, the Owners shall obtain written approval from the Health Officer. Each undivided interest and/or Owner shall share equally in the cost of developing the new source of water and installing the necessary equipment associated with the new source.

Section 7: Restriction on Furnishing Water to Additional Parties. No Owner nor the Association shall furnish water from the well and Water System herein above described to any other persons, properties or dwelling out side of the designated service area (Attachement1) without written approval from the Skagit County Department of Public Health.

Section 8: No partition. There shall be no judicial partition of the Water System or common road nor shall Declarant, or any Owner or any other person acquiring any interest in the Property or any part of the Property, seek judicial partition of it.

**ARTICLE SIX
USE RESTRICTIONS**

The Subdivision shall be occupied and used only as follows:

Section 1: All Parcels shall be used solely for single-family residential purposes except that a community area may at some future time be designated by a unanimous vote of the membership of the Association. No



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structure shall be erected, altered, placed, or permitted to remain on any Parcel or tract except as follows:

- c. One single-family residence together with a private garage. Homes shall be stick-built (not manufactured off-site) and shall contain no less than 2500 square feet of living space excluding the garage.
- c. A barn, shop, or garden house or other appurtenances that may be harmonious with residential purposes.
- c. The work of construction of all buildings shall be prosecuted diligently and continuously from commencement of construction until exteriors of such buildings are completed and painted or otherwise suitably finished. Exterior work on any building shall be completed within one year from the start of construction.

Section 2: No business of any kind shall be conducted at any residence with the exception of the business of Declarant and the transferees of Declarant.

Section 3: No noxious or offensive activity of any kind shall be carried out upon any Parcel, nor shall anything be done thereon which may be or may become a nuisance to the neighborhood. Uncontrolled barking of dogs or other offensive animal noise is specifically prohibited and shall be remedied by removal of the animal(s) to the County Humane Society for disposal after one warning from any neighbor. No unusable, wrecked or dismantled vehicles, equipment, or machinery may be left outside a garage for more than thirty (30) days.

Section 4: No sign of any kind shall be displayed to public view on a Parcel or the common road without the prior written consent of the Association, except customary name and address signs and lawn signs of not more than 5 (five) square feet in size advertising a property for sale or rent. No goods, equipment, trucks, vehicles, or paraphernalia, used or designated for use in connection with any business, service, or trade shall be kept or stored in the open so as to be exposed to the public view, on any part of the Association.

Section 5: Nothing shall be done or kept on a Parcel or on the common road that would increase the rate of insurance relating to a Parcel or the common road without the prior written consent of the Association, and no Owner or Owners shall permit anything to be done or kept on a Parcel or the common road that would result in the cancellation of

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insurance on any residence or on any part of the common road, or that would be in violation of any law.

Section 6: No dumping of trash, rubbish or refuse of any type shall be allowed on any Parcel. No Parcel shall be used or maintained as a dumping area for trash, rubbish, or refuse of any type. Trash, garbage, or other waste shall not be kept except in sanitary containers. All incinerators or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition, and shall be screened from the public view.

**ARTICLE SEVEN
OWNER'S OBLIGATION TO REPAIR**

Each Subdivision Parcel Owner, at the Owner's sole cost and expense, shall repair the Owner's residence, keeping the same in a condition comparable to the condition of the residence at the time of its initial construction, excepting only normal wear and tear.

**ARTICLE EIGHT
OWNER'S OBLIGATIONS TO REBUILD**

If all or any portion of a Subdivision residence is damaged or destroyed by fire or other casualty, it shall be the duty of the Owner or Owners, with all due diligence, to rebuild, repair, or reconstruct the residence in a manner that will substantially restore it to its appearance and condition immediately prior to the casualty. Reconstruction shall be undertaken within three (3) months after the damage occurs, and shall be completed within nine (9) months after the damage occurs, unless prevented by causes beyond the control of the Owner or Owners.

**ARTICLE NINE
GENERAL PROVISIONS**

Section 1: Enforcement. Declarant, the Association, or any Owner of a Parcel within the area specified in Attachment 1 shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, easements, reservations, liens, and charges now or hereafter imposed by the provisions of this declaration; *provided*, that Owners of Parcels outside the Subdivision may only enforce

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provisions related to or affecting the Water System. Failure by Declarant, the Association, or by any Owner to enforce any covenant or restriction contained in this declaration shall in no event be deemed a waiver of the right to do so at a later date. The prevailing party in any such proceeding shall receive its attorney fees and costs associated therewith.

Section 2: Severability. Invalidation of any one of the covenants or restrictions contained in this declaration by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 3: Amendments. Covenants and restrictions of this declaration may be amended by duly recording an instrument executed and acknowledged by not less than 3/4 (three quarters) of each class of Members.

Section 4: Subordination. No breach of any of the conditions contained in this declaration or reentry by reason of the breach shall defeat or render invalid the lien of any Mortgage made in good faith and for value of any lot in the Association; provided, however, that such conditions shall be binding on any Owner whose title is acquired by foreclosure, trustee's sale, or otherwise.

Section 5: Duration. The covenants and restrictions of this declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association or any Member for a period of thirty (30) years from the date of this declaration, and thereafter shall continue automatically in effect for additional periods of thirty (30) years, unless otherwise agreed to in writing by the then Owners of not less than 3/4 (three-quarters) of the subdivision lots.

Section 6: Correspondence with Association. All correspondence with the Association should, unless subsequently modified, be in care of Donald Caldwell, P.O. Box 901, Anacortes, Washington 98221. Thirty (30) days should be allowed for receipt unless prior arrangements have been made.

Section 7: Annual meeting. The Association's annual meeting shall be held at noon on the third Saturday of January each year. Other meetings to transact the Association's business may be held on ten (10) day's



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Attachment No. 1

The South 1/2 of the Southwest 1/4 of the Southwest 1/4 of Section 14, Township 34 North, Range 1 East, W.M., and the Southeast 1/4 of the Southwest 1/4 of Section 14, Township 34 North, Range 1 East, W.M.

EXCEPT the West 66.00 feet of the North 1/2 of said Southeast 1/4 of the Southwest 1/4;

AND ALSO EXCEPT that portion of the North 1/2 of the Southeast 1/4 of the Southwest 1/4 described as follows:

BEGINNING at the Southeast corner of Lot 9 as shown on Survey filed August 5, 1976, under Auditor's File No. 840303, at page 197 in Book 1 of Surveys, records of Skagit County, Washington.

thence North 89°26'34" West along the South line of said Lot 9 for 269.46 feet;

thence South 0°33'26" West for 161.66 feet;

thence South 89°26'34" East for 269.46 feet;

thence North 0°33'26" East for 161.66 feet to the POINT OF BEGINNING.

ALL BEING SUBJECT TO and TOGETHER WITH easements, reservations, restrictions, covenants, liens, leases, court causes and other instruments of record.

Situate in the County of Skagit, State of Washington.

Containing 60.3 acres



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Attachment 2

The South 1/2 of the Southwest 1/4 of the Southwest 1/4 of Section 14, Township 34 North, Range 1 East, W.M.,

EXCEPT that portion lying Easterly of the following described line:

Commencing at the Southwest corner of said Southwest 1/4 (Southwest section corner);
thence North 89°48'31" East 1281.02 feet along the South line of said subdivision to the TRUE POINT OF BEGINNING of said line;
thence North 6°02'18" East 136.35 feet;
thence North 12°47'31" West 260.07 feet;
thence North 77°12'29" East 88.69 feet to the easterly line of that certain parcel described on Boundary Line Adjustment Quit Claim Deed to Donald M. Caldwell recorded under Skagit County Auditor's File No. 9810230009;
thence North 6°02'18" East 265.09 feet, more or less, along said easterly line to the Northeast corner of said South 1/2 of the Southwest 1/4 of the Southwest 1/4 and the terminus of said line.

TOGETHER WITH a perpetual and non-exclusive easement for ingress, egress and utilities, over, across, upon and through the following described property:

The West 40.00 feet of the Northwest 1/4 of the Southwest 1/4 of Section 14, Township 34 North, Range 1 East, W.M., and the West 40.00 feet of the North 1/2 of the Southwest 1/4 of the Southwest 1/4 of Section 14, Township 34 North, Range 1 East, W.M.

ALL BEING SUBJECT TO and TOGETHER WITH easements, reservations, restrictions, covenants, liens, leases, court causes and other instruments of record.

Situate in the County of Skagit, State of Washington



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